

Taishin International Bank Co., Ltd.
Hong Kong Branch
(Incorporated in Taiwan with limited liability)

Financial Disclosure

For the Year Ended 31 December 2021

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

6/F, Tower 5, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon Tel : (852) 2234 9009 Fax : (852) 2234 9293

<u>Contents</u>	<u>Page(s)</u>
Profit and loss Account	1
Balance sheet	2
Additional balance sheet information	3-5
Off-balance sheet exposures	6
Segmental information	7-8
Currency risk	9
Liquidity information	10-13
Disclosure on remuneration system	14
Other financial information	15
Statement of compliance	16
Prescribed summary	17

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

	For the Year ended	
	31 December 2021 HK\$'000	31 December 2020 HK\$'000
Interest income	314,097	366,031
Interest expense	(75,158)	(164,271)
Net Interest Income	<u>238,939</u>	<u>201,760</u>
Gains less losses arising from trading in foreign currencies	45,648	62,567
Gains less losses on securities held for trading purposes	41,047	40,833
Gains less losses from other trading activities	3,007	2,268
Net gains from disposal of financial assets measured at fair value through other comprehensive income	6,177	41,560
Fees and commission income	63,310	65,817
Fees and commission expenses	(6,760)	(8,499)
Others	289	4,153
Other Operating Income	<u>152,718</u>	<u>208,699</u>
Operating Income	<u>391,657</u>	<u>410,459</u>
Staff and rental expenses	(141,848)	(142,905)
Other expenses	(32,581)	(32,089)
Operating Expenses	<u>(174,429)</u>	<u>(174,994)</u>
Operating Income Before Debt Charges	<u>217,228</u>	<u>235,465</u>
Net (Charges)/ Releases for bad & doubtful debts	(614)	(54,371)
Net (Charges)/ Releases for other provisions	(519)	437
Profit Before Taxation	<u>216,095</u>	<u>181,531</u>
Taxation	(34,771)	(32,188)
Profit After Taxation	<u>181,324</u>	<u>149,343</u>

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

	31 December 2021 HK\$'000	30 June 2021 HK\$'000
<u>Assets</u>		
Cash and bank balances	764,428	440,845
Placements with banks	999,646	869,038
Amount due from overseas offices	1,233,515	1,012,845
Amount receivable under reverse repos	930,296	629,002
Trade bills	857,637	717,316
Certificates of deposit held	-	65,715
Advances and other accounts	11,067,755	10,394,164
Debt securities	6,957,441	7,223,135
measured at fair value through profit or loss	-	614,409
measured at fair value through other comprehensive income	3,675,516	3,996,691
measured at amortised cost	3,281,925	2,612,035
Other investments	3,657	13,884
Tangible fixed assets	46,595	60,949
	<u>22,860,970</u>	<u>21,426,893</u>
<u>Liabilities</u>		
Deposits and balances from banks	8,634	50,540
Borrowings with banks	1,075,972	1,165,264
Customer deposits	18,023,326	17,071,732
Demand deposits	113,490	137,944
Savings deposits	7,054,295	6,707,302
Time, call and notice deposits	10,855,541	10,226,486
Amount due to overseas offices	1,517,705	1,412,296
Certificate of deposits issued	38,000	50,000
Amount payable under repos	1,750,113	994,043
Other accounts and provisions	314,845	640,500
	<u>22,728,595</u>	<u>21,384,375</u>
<u>Capital & Reserve</u>		
Reserves	(48,949)	(31,540)
Current profit & loss	181,324	74,058
	<u>132,375</u>	<u>42,518</u>
	<u>22,860,970</u>	<u>21,426,893</u>

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

	31 December 2021	30 June 2021
	HKD'000	HKD'000
(a) Trade Bills		
Trade Bills	859,621	719,335
General provisions	(1,984)	(2,019)
Specific provisions	-	-
	<u>857,637</u>	<u>717,316</u>
(b) Advances and other accounts		
Advances to customers	10,852,138	9,958,632
General provisions	(22,914)	(21,270)
Specific provisions	(49,819)	(49,820)
	<u>10,779,405</u>	<u>9,887,542</u>
Advances to banks	-	-
General provisions	-	-
	<u>-</u>	<u>-</u>
Accrued interest and other accounts	290,955	508,867
General provisions	(2,464)	(2,104)
Specific provisions	(141)	(141)
	<u>288,350</u>	<u>506,622</u>
Total	<u>11,067,755</u>	<u>10,394,164</u>
(c) Percentage of total provisions against gross advances to customers		
General provisions	0.21%	0.21%
Specific provisions	0.46%	0.50%
	<u>0.67%</u>	<u>0.71%</u>
(d) Non-performing advances to customers and provisions		
Non-performing loans	47,518	47,518
% of total advances to customers	0.44%	0.48%
Specific provisions made in respect of such advances	47,518	47,518
Collateral held against the non-performing loans	-	-
(e) Percentage of total provisions against gross advances to banks		
General provisions	0.00%	0.00%
	<u>0.00%</u>	<u>0.00%</u>

Taishin International Bank Co., Ltd.
Hong Kong Branch
(Incorporated in Taiwan with limited liability)
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 2021 HKD'000	30 June 2021 HKD'000
Gross amount of advances which have been overdue for:		
more than 1 months but not more than 3 months	-	-
more than 3 months but not more than 6 months	-	-
more than 6 months but not more than 1 year	-	47,518
more than 1 year	47,518	-
	<u>47,518</u>	<u>47,518</u>
% of total advances to customers which have been overdue for:		
more than 1 months but not more than 3 months	0.00%	0.00%
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%	0.48%
more than 1 year	0.44%	0.00%
	<u>0.44%</u>	<u>0.48%</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	47,518	47,518

(i) Rescheduled advances to customers

	31 December 2021 HKD'000	30 June 2021 HKD'000
Amount of total assets which have been rescheduled	<u>2,301</u>	<u>2,302</u>

(j) Other overdue assets (Accrued Interest)

	31 December 2021 HKD'000	30 June 2021 HKD'000
Other assets which have been overdue for:		
more than 1 months but not more than 3 months	-	-
more than 3 months but not more than 6 months	-	-
more than 6 months but not more than 1 year	-	141
more than 1 year	141	-
	<u>141</u>	<u>141</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 2021 HKD'000	30 June 2021 HKD'000
Amount of overdue advances to customers	47,518	47,518
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	-	-
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.	-	-
Add: rescheduled advances to customers	-	-
Non-performing loans	<u>47,518</u>	<u>47,518</u>

Taishin International Bank Co., Ltd.
Hong Kong Branch
(Incorporated in Taiwan with limited liability)
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> <u>exposure</u>	<u>Off-balance sheet</u> <u>exposure</u>	<u>Total</u>
As at 31 December 2021			
Central government, central government-owned entities and their subsidiaries and JVs	530	200	730
Local governments, local government-owned entities and their subsidiaries and JVs	81	75	156
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,189	255	1,444
Other entities of central government not reported in item 1 above	351	67	418
Other entities of local government not reported in item 2 above	304	24	328
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	394	138	532
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	839	355	1,194
Total	3,688	1,114	4,802
Total assets after provision	22,861		
On-balance sheet exposures as percentage of total assets	16.14%		
As at 30 June 2021			
Central government, central government-owned entities and their subsidiaries and JVs	655	47	702
Local governments, local government-owned entities and their subsidiaries and JVs	85	75	160
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	667	189	856
Other entities of central government not reported in item 1 above	381	-	381
Other entities of local government not reported in item 2 above	70	8	78
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	945	203	1,148
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	917	360	1,277
Total	3,720	882	4,602
Total assets after provision	21,427		
On-balance sheet exposures as percentage of total assets	17.36%		

Taishin International Bank Co., Ltd.
Hong Kong Branch
(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 2021 HKD'000	30 June 2021 HKD'000
Direct credit substitutes	157,687	109,342
Trade-related contingencies	191,198	275,878
Forward forward deposits placed	-	-
Other commitments	7,550,050	5,761,809
	<u>7,898,935</u>	<u>6,147,029</u>

(b) Derivatives

As at 31 December 2021	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	48,868,741	226,281	234,459
Interest rate contracts	12,663,049	101,752	96,496
Equity contracts	4,679	62	62
	<u>61,536,469</u>	<u>328,095</u>	<u>331,017</u>
As at 30 June 2021	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	27,022,205	183,960	172,711
Interest rate contracts	9,856,431	62,914	59,402
Equity contracts	30,594	117	117
	<u>36,909,230</u>	<u>246,991</u>	<u>232,230</u>

The fair values of the derivatives do not take into account the effects of bilateral netting arrangements.

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

(a) Loans & advances to customers by industry sector

	31 December 2021		30 June 2021	
	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	168,973	-	168,891	-
- property investment	46,791	-	46,589	-
- financial concerns	2,744,286	825,764	2,491,476	448,850
- stockbrokers	563,827	-	728,530	-
- wholesale and retail trade	1,500,076	265,981	1,303,529	316,753
- manufacturing	1,110,806	-	297,363	-
- transport and transport equipment	50,000	-	250,000	-
- recreational activities	-	-	-	-
- information technology	-	-	-	-
- electricity and gas	-	-	54,354	-
- others	180,966	96,156	224,016	149,629
	<u>6,365,725</u>	<u>1,187,901</u>	<u>5,564,748</u>	<u>915,232</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	417,994	399,466	341,354	328,695
	<u>417,994</u>	<u>399,466</u>	<u>341,354</u>	<u>328,695</u>
Loans & advances for use inside Hong Kong	6,783,719	1,587,367	5,906,102	1,243,927
Trade finance	591,850	9,883	279,193	-
Loans & advances for use outside Hong Kong	3,476,569	460,935	3,773,337	450,835
Loans & advances to customers	<u>10,852,138</u>	<u>2,058,185</u>	<u>9,958,632</u>	<u>1,694,762</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 2021	30 June 2021
	HKD'000	HKD'000
Gross advances to customers:		
Hong Kong	3,238,984	3,182,418
Virgin Islands	1,693,922	1,614,932
Cayman Islands	1,607,969	1,839,597
Bermuda	1,411,376	672,578
Taiwan	1,172,586	1,163,375
Others	1,727,301	1,485,732
	<u>10,852,138</u>	<u>9,958,632</u>
Overdue advances to customers:		
Hong Kong	22,556	22,556
Bermuda	20,279	20,279
Virgin Islands	4,683	4,683
Others	-	-
	<u>47,518</u>	<u>47,518</u>
Non-performing advances to customers:		
Hong Kong	22,556	22,556
Bermuda	20,279	20,279
Virgin Islands	4,683	4,683
Others	-	-
	<u>47,518</u>	<u>47,518</u>

Taishin International Bank Co., Ltd.
Hong Kong Branch
(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 Financial Institutions	Non-financial Private Sector	Total
<i>As at 31 December 2021</i>					
Developed countries	1,998	980	936	52	3,966
of which:					
United States	812	232	449	-	1,493
Australia	562	386	63	-	1,011
United Kingdom	327	-	250	-	577
Offshore centres	324	-	1,618	2,889	4,831
of which:					
Cayman Islands	-	-	997	904	1,901
Bermuda	-	-	175	1,238	1,413
West Indies UK	-	-	382	521	903
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	18	18
of which:					
Brazil	-	-	-	14	14
Belize	-	-	-	4	4
Developing Africa and Middle East	155	-	118	180	453
of which:					
United Arab Emirates	155	-	79	130	364
Developing Asia and Pacific	3,973	86	1,151	2,448	7,658
of which:					
Taiwan	1,615	-	981	914	3,510
China	1,931	86	170	1,073	3,260
International Organisations	-	-	-	-	-
	6,450	1,066	3,823	5,587	16,926
<i>As at 30 June 2021</i>					
Developed countries	956	742	529	610	2,837
of which:					
United States	218	342	270	410	1,240
Australia	175	400	34	-	609
United Kingdom	233	-	91	147	471
Offshore centres	4	-	2,149	2,147	4,300
of which:					
Cayman Islands	-	-	1,521	478	1,999
West Indies UK	-	-	359	879	1,238
Bermuda	-	-	200	474	674
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	22	22
of which:					
Brazil	-	-	-	17	17
Belize	-	-	-	4	4
Developing Africa and Middle East	103	-	170	94	367
of which:					
United Arab Emirates	102	-	77	-	179
Qatar	-	-	93	-	93
Saudi Arabia	-	-	-	63	63
Developing Asia and Pacific	4,958	85	785	2,274	8,102
of which:					
China	2,223	85	109	1,391	3,808
Taiwan	1,766	-	676	601	3,043
South Korea	899	-	-	50	949
International Organisations	-	-	-	-	-
	6,021	827	3,633	5,147	15,628

Taishin International Bank Co., Ltd.
Hong Kong Branch
(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

As at 31 December 2021

	EUR	USD	CNY	CAD	AUD	JPY	NZD	Total
Spot assets	301	16,315	1,454	546	830	95	1	19,542
Spot liabilities	(161)	(17,491)	(1,665)	(188)	(368)	(94)	(42)	(20,009)
Forward purchases	1,324	24,793	13,055	3,664	0	4	41	42,881
Forward sales	(1,448)	(23,641)	(12,838)	(4,018)	(462)	(4)	0	(42,411)
Net option position	(40)	38	0	0	2	0	0	0
Net long/ (short) position	(24)	14	6	4	2	1	0	3

As at 30 June 2021

Spot assets	121	15,002	1,549	5	1,240	105	3	18,025
Spot liabilities	(130)	(15,963)	(1,779)	(5)	(864)	(105)	(3)	(18,849)
Forward purchases	117	13,804	8,034	0	339	5	0	22,299
Forward sales	(108)	(12,798)	(7,781)	0	(718)	(5)	0	(21,410)
Net option position	(27)	23	2	0	2	0	0	0
Net long/ (short) position	(27)	68	25	0	(1)	0	0	65

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

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

The average liquidity maintenance ratio ("LMR") for quarters in 2021 & 2020 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 2021	40.61%
Average liquidity maintenance ratio for the period of October to December 2020	42.76%

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.

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	30%
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 2021

	Next Day	2 - 7 days	8 days - 1 month	3 month 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
On-balance sheet assets												
Currency notes and coins	3,489	-	179,297	751,323	-	-	-	-	-	-	-	3,489
Amount receivable arising from securities financing transactions	190	24,520	67,280	68,967	35,315	56,452	21,828	15,917	19,077	21,247	-	930,620
Amount receivable arising from derivative contracts	24,991	-	-	-	-	-	-	-	-	-	-	328,496
Due from NIA for account of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	24,991
Due from overseas central banks	1,422,399	635,320	880,192	31,202	-	-	-	-	-	-	-	2,969,113
Debt securities, prescribed instruments and structured financial instruments held	5,149,548	-	-	-	-	-	-	-	-	-	-	5,149,548
(a) Readily monetizable	-	-	-	-	-	-	-	-	-	-	-	-
(b) Not readily monetizable	-	-	158,105	1,624,260	-	-	-	-	-	-	-	1,782,365
(i) Pledged to customers	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Others	-	-	47,589	263,049	397,346	130,489	-	-	-	-	3,957	859,620
Acceptances and bills of exchange held	813,452	844,466	1,461,437	1,942,132	543,278	702,918	1,531,470	1,663,035	1,154,788	-	206,670	10,865,646
Loans and advances to non-bank customers	5,069	2,767	8,548	18,489	24,652	18,307	11,659	13	-	-	75,261	164,765
Other assets	7,419,138	1,524,263	2,802,448	4,699,422	1,000,591	908,166	1,566,957	1,678,965	1,173,865	21,247	285,888	23,078,653
Total												
Off-balance sheet claims												
(a) With dates and amounts of receipt of payment ascertained	-	7,211	887	32,168	-	-	-	-	-	-	-	40,266
(b) Others	-	-	-	-	-	-	-	-	-	-	308,619	308,619
Total	-	7,211	887	32,168	-	-	-	-	-	-	308,619	348,885

On-balance sheet liabilities

Deposits from non-bank customers												
(a) Pledged deposits	30,999	6,647	99,034	1,111,014	69,647	3,302	-	-	-	-	-	320,643
(b) Demand, savings and current account deposits	7,138,418	-	-	-	-	-	-	-	-	-	-	7,138,418
(c) Term, call and notice deposits	1,314,111	2,168,348	1,537,899	4,261,768	1,242,770	1,236,588	-	-	-	-	-	10,578,784
Amount payable arising from securities financing transactions	160	30,318	153,159	1,598,171	-	-	-	-	-	-	-	1,751,330
Amount payable arising from derivative contracts	-	-	71,595	69,681	32,647	55,581	21,447	15,597	17,666	19,403	-	331,282
Due to NIA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	-
Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
Due to banks	529,095	-	80,026	1,806,767	85,711	-	-	-	-	101,381	-	2,602,980
Debt securities, prescribed instruments and structured financial instruments issued and	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	24,554	4,561	35,265	11,666	12,602	35,245	14,023	5,961	6,568	327	59,650	210,422
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	132,375
Total	7,854,637	2,209,874	1,976,978	7,897,067	1,443,377	1,330,716	35,470	21,558	24,234	121,111	192,025	23,104,234

Off-balance sheet obligations

Irrevocable loan commitments or facilities granted												
(a) With dates and amounts of payment ascertained	-	-	99,291	165,599	1,569,633	1,438,188	717,566	279,298	205,319	-	-	4,474,894
(b) Others (not included in sub-item (a))	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet obligations												
(a) With dates and amounts of payment ascertained	1,261	15,933	25,026	148,078	-	-	-	-	-	-	-	191,198
(b) Others	-	157,687	-	-	-	-	-	-	-	-	-	157,687
Total	1,261	173,620	125,217	313,677	1,569,633	1,438,188	717,566	279,298	205,319	-	-	4,823,779
Net Gap	(436,760)	(852,020)	701,140	(3,479,154)	(2,012,419)	(1,860,738)	813,921	1,378,109	944,312	(99,864)		

Liquidity Risk Management (Continued)

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

As at 31 December 2020

	Next Day	2 - 7 days	8 days - 1 month	3 month or less but over 1 month	3 month 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
On-balance sheet assets													
Currency notes and coins	3,226	-	-	-	-	-	-	-	-	-	-	-	3,226
Amount receivable arising from securities financing transactions	69,549	165,779	47,044	39,658	38,054	-	-	-	-	-	-	-	360,084
Amount receivable arising from derivative contracts	130,797	14,459	79,624	69,721	22,223	37,412	15,146	11,796	15,423	17,962	-	-	392,223
Due from MA for account of Exchange Fund	22,536	-	-	-	-	-	-	-	-	-	-	-	22,536
Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from banks	86,109	910,315	699,625	1,001,236	-	-	-	-	-	-	-	-	2,697,285
Debt securities, prescribed instruments and structured financial instruments held													
(a) Readily monetizable	5,598,248	-	-	-	-	-	-	-	-	-	-	-	5,598,248
(b) Not readily monetizable	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Pledged to customers	-	-	-	38,822	-	-	-	-	-	-	-	-	38,822
(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-
Acceptances and bills of exchange held	24,694	31,094	79,327	397,591	248,339	106,812	-	-	-	-	-	-	887,857
Loans and advances to non-bank customers	584,477	958,247	1,211,870	1,150,340	401,924	171,853	774,821	1,023,179	1,369,972	154,970	-	-	7,801,653
Other assets	2,420	5,569	6,020	7,834	5,845	11,184	22,046	11,591	-	62,390	-	-	134,800
Total	6,527,056	2,085,463	2,123,510	2,705,202	678,331	404,048	812,013	1,046,566	1,385,396	17,962	217,460	17,975,467	
On-balance sheet liabilities													
Deposits from non-bank customers	140,083	-	8,815	8,277	-	99,985	-	-	-	-	-	-	262,751
(a) Pledged deposits	4,636,026	-	-	-	-	-	-	-	-	-	-	-	4,636,026
(b) Demand, savings and current account deposits	863,423	733,687	1,731,649	3,399,772	1,192,060	1,441,286	775	318	-	-	-	-	9,362,970
(c) Term, call and notice deposits	69,546	27,532	74,633	74,633	68,282	-	-	-	-	-	-	-	239,993
Amount payable arising from securities financing transactions	121,890	17,292	88,005	66,228	18,960	35,414	15,813	12,198	14,780	15,516	-	-	383,673
Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to banks	901,786	83,579	449,061	665,866	83,951	59,976	-	-	-	-	-	-	2,344,996
Debt securities, prescribed instruments and structured financial instruments issued and other liabilities	16,470	5,692	12,078	33,060	13,800	22,781	29,480	10,683	6,150	23	67,954	218,171	350,000
Capital and reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	6,749,224	867,782	2,289,608	4,597,836	1,408,756	1,633,330	46,068	23,199	20,930	116,316	245,310	17,975,936	
Off-balance sheet obligations													
Irrevocable loan commitments or facilities granted	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) With dates and amounts of drawdown ascertained	-	-	286,270	310,354	1,567,517	1,143,593	-	-	71,176	159,127	-	77,521	3,615,558
(b) Others (not included in sub-item (a))	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet obligations	496	9,513	70,298	88,610	65,777	44,119	-	-	-	-	-	8,815	278,813
(a) With dates and amounts of payment ascertained	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Others	496	9,513	356,568	398,964	1,633,294	1,187,712	-	-	71,176	159,127	-	86,336	3,903,186
Total	(227,664)	1,208,168	(522,666)	(2,291,598)	(2,303,719)	(2,416,994)	765,945	952,191	1,205,339	(98,354)	(98,354)	(98,354)	

Taishin International Bank Co., Ltd.
Hong Kong Branch
(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 Dec 2021

(i) Senior Management

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	8,748,933	-	7
Shares and share-linked instruments	-	-	7
Other	-	-	7
Variable remuneration			
Cash-based	3,393,501	-	7
Shares and share-linked instruments	-	-	7
- Vested (no. of share)	-	-	7
- Unvested (no. of share)	-	-	7
Other	-	-	7

(ii) Key Personnel

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	12,967,073	-	18
Shares and shared-linked instruments	-	-	18
Other	-	-	18
Variable remuneration			
Cash-based	3,706,790	-	18
Shares and share-linked instruments	-	-	18
- Vested (no. of share)	-	-	18
- Unvested (no. of share)	-	-	18
Other	-	-	18

As at 31 Dec 2020

(i) Senior Management

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	8,244,451	-	8
Shares and share-linked instruments	-	-	8
Other	-	-	8
Variable remuneration			
Cash-based	3,178,233	-	8
Shares and share-linked instruments	-	-	8
- Vested (no. of share)	-	-	8
- Unvested (no. of share)	-	-	8
Other	-	-	8

(ii) Key Personnel

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	12,294,743	-	17
Shares and shared-linked instruments	-	-	17
Other	-	-	17
Variable remuneration			
Cash-based	3,252,435	-	17
Shares and share-linked instruments	-	-	17
- Vested (no. of share)	-	-	17
- Unvested (no. of share)	-	-	17
Other	-	-	17

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

Consolidated financial information of Taishin International Bank as follows:


	31 December 2021 TWD'000	30 June 2021 TWD'000
Total assets	2,157,136,650	2,134,586,448
Total liabilities	1,990,282,660	1,972,787,583
Shareholders' Fund	166,853,990	161,798,865
Total advances	1,337,928,274	1,331,759,767
Total customer deposits	1,691,014,674	1,649,539,970
Capital	88,857,118	88,857,118
Capital Adequacy Ratio	15.05%	15.11%

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

	For the year ended	
	31 December 2021 TWD'000	31 December 2020 TWD'000
Pre-tax profit	15,368,008	14,115,340

Statement of Compliance

This is a statement to declare that all information for the year ended 31 December 2021 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".



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

13 April 2022

Prescribed Summary

This is to inform the general public that the complete disclosures can be found at 6/F, Tower 5, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon.

Taishin International Bank Co., Ltd.
Hong Kong Branch
(Incorporated in Taiwan with limited liability)