

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

**Financial Disclosure**

**For the Year Ended 31 December 2022**

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

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**Taishin International Bank Co., Ltd.**  
**Hong Kong Branch**  
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**Profit & Loss Account**

	For the Year ended	
	31 December 2022	31 December 2021
	HK\$'000	HK\$'000
Interest income	581,746	314,097
Interest expense	(316,069)	(75,158)
<b>Net Interest Income</b>	<u>265,677</u>	<u>238,939</u>
Gains less losses arising from trading in foreign currencies	68,051	45,648
Gains less losses from other trading activities	60,848	3,007
Gains less losses on securities held for trading purposes	24,229	41,047
Gains less losses from non-trading investments	(90,455)	6,177
Net fee and commission income		
- Fees and commission income	64,244	63,310
- Fees and commission expenses	(9,272)	(6,760)
Others	2,508	289
<b>Other Operating Income</b>	<u>120,153</u>	<u>152,718</u>
<b>Operating Income</b>	<u>385,830</u>	<u>391,657</u>
Staff and rental expenses	(135,887)	(141,848)
Other expenses	(32,433)	(32,581)
<b>Operating Expenses</b>	<u>(168,320)</u>	<u>(174,429)</u>
<b>Operating Income Before Debt Charges</b>	<u>217,510</u>	<u>217,228</u>
Net Charges for bad & doubtful debts	(102,054)	(614)
Net Charges Releases for other provisions	(224)	(519)
<b>Profit Before Taxation</b>	<u>115,232</u>	<u>216,095</u>
Taxation	(21,059)	(34,771)
<b>Profit After Taxation</b>	<u>94,173</u>	<u>181,324</u>

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**Balance Sheet**

	31 December 2022 HK\$'000	30 June 2022 HK\$'000
<b>Assets</b>		
Cash and bank balances	456,403	480,191
Placements with banks	1,959,344	-
Amount due from overseas offices	1,520,586	1,726,187
Trade bills	860,883	616,965
Advances and other accounts	10,185,118	11,970,578
Debt securities	10,812,804	7,591,686
measured at fair value through profit or loss	-	-
measured at fair value through other comprehensive income	2,443,678	2,786,946
measured at amortised cost	8,369,126	4,804,740
Tangible fixed assets	19,419	33,256
	<u>25,814,557</u>	<u>22,418,863</u>
<b>Liabilities</b>		
Deposits and balances from banks	12,381	40,923
Borrowings with banks	-	889,956
Customer deposits	21,580,806	18,052,677
Demand deposits	243,659	157,776
Savings deposits	5,628,519	6,327,115
Time, call and notice deposits	15,708,628	11,567,786
Amount due to overseas offices	3,042,995	2,491,854
Amount payable under repos	376,705	-
Other accounts and provisions	1,004,536	1,171,502
	<u>26,017,423</u>	<u>22,646,912</u>
<b>Capital &amp; Reserve</b>		
Reserves	(297,039)	(275,951)
Current profit & loss	94,173	47,902
	<u>(202,866)</u>	<u>(228,049)</u>
	<u>25,814,557</u>	<u>22,418,863</u>

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**Additional Balance Sheet Information**

<b>(a) Trade Bills</b>	31 December 2022	30 June 2022
	HKD'000	HKD'000
Trade Bills	863,032	618,273
General provisions	(2,149)	(1,308)
Specific provisions	-	-
	<u>860,883</u>	<u>616,965</u>
<b>(b) Advances and other accounts</b>	31 December 2022	30 June 2022
	HKD'000	HKD'000
Advances to customers	9,523,195	10,873,431
General provisions	(21,334)	(23,977)
Specific provisions	(107,178)	(105,902)
	<u>9,394,683</u>	<u>10,743,552</u>
Advances to banks	-	-
General provisions	-	-
	<u>-</u>	<u>-</u>
Accrued interest and other accounts	793,843	1,229,597
General provisions	(3,033)	(2,343)
Specific provisions	(375)	(228)
	<u>790,435</u>	<u>1,227,026</u>
Total	<u>10,185,118</u>	<u>11,970,578</u>
<b>(c) Percentage of total provisions against gross advances to customers</b>	31 December 2022	30 June 2022
General provisions	0.22%	0.22%
Specific provisions	1.13%	0.97%
	<u>1.35%</u>	<u>1.19%</u>
<b>(d) Non-performing advances to customers and provisions</b>	31 December 2022	30 June 2022
	HKD'000	HKD'000
Non-performing loans	<u>102,456</u>	<u>-</u>
% of total advances to customers	<u>1.08%</u>	<u>0.00%</u>
Specific provisions made in respect of such advances	<u>102,456</u>	<u>-</u>
Collateral held against the non-performing loans	<u>-</u>	<u>-</u>
<b>(e) Percentage of total provisions against gross advances to banks</b>	31 December 2022	30 June 2022
General provisions	0.00%	0.00%
	<u>0.00%</u>	<u>0.00%</u>

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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 2022 HKD'000	30 June 2022 HKD'000
Gross amount of advances which have been overdue for:		
more than 1 months but not more than 3 months	-	105,902
more than 3 months but not more than 6 months	-	-
more than 6 months but not more than 1 year	100,161	-
more than 1 year	-	-
	<u>100,161</u>	<u>105,902</u>
% of total advances to customers which have been overdue for:		
more than 1 months but not more than 3 months	0.00%	0.97%
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 months but not more than 1 year	1.05%	0.00%
more than 1 year	0.00%	0.00%
	<u>1.05%</u>	<u>0.97%</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	100,161	105,902

**(i) Rescheduled advances to customers**

	31 December 2022 HKD'000	30 June 2022 HKD'000
Amount of total assets which have been rescheduled	<u>2,295</u>	<u>2,307</u>

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

	31 December 2022 HKD'000	30 June 2022 HKD'000
Other assets which have been overdue for:		
more than 1 months but not more than 3 months	-	39
more than 3 months but not more than 6 months	376	-
more than 6 months but not more than 1 year	-	-
more than 1 year	-	-
	<u>376</u>	<u>39</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 2022 HKD'000	30 June 2022 HKD'000
Amount of overdue advances to customers	100,161	105,902
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	-	(105,902)
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	2,295	-
Non-performing loans	<u>102,456</u>	<u>-</u>

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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</u> <u>sheet exposure</u>	<u>Off-balance</u> <u>sheet exposure</u>	<u>Total</u>
<b>As at 31 December 2022</b>			
Central government, central government-owned entities and their subsidiaries and JVs	457	183	640
Local governments, local government-owned entities and their subsidiaries and JVs	-	125	125
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	926	824	1,750
Other entities of central government not reported in item 1 above	295	100	395
Other entities of local government not reported in item 2 above	-	250	250
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	946	170	1,116
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	462	138	600
Total	3,086	1,790	4,876
Total assets after provision	25,815		
On-balance sheet exposures as percentage of total assets	11.95%		
<b>As at 30 June 2022</b>			
Central government, central government-owned entities and their subsidiaries and JVs	347	300	647
Local governments, local government-owned entities and their subsidiaries and JVs	50	75	125
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,370	367	1,737
Other entities of central government not reported in item 1 above	216	-	216
Other entities of local government not reported in item 2 above	70	258	328
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	615	149	764
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	720	628	1,348
Total	3,388	1,777	5,165
Total assets after provision	22,419		
On-balance sheet exposures as percentage of total assets	15.11%		

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**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 2022 HKD'000	30 June 2022 HKD'000
Direct credit substitutes	169,261	195,987
Trade-related contingencies	127,775	179,924
Forward forward deposits placed	77,973	-
Other commitments	9,818,880	7,857,365
	<u>10,193,889</u>	<u>8,233,276</u>

***(b) Derivatives***

As at 31 December 2022	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	45,981,936	491,865	489,876
Interest rate contracts	13,327,198	486,528	480,529
	<u>59,309,134</u>	<u>978,393</u>	<u>970,405</u>
As at 30 June 2022	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	75,587,247	570,135	547,536
Interest rate contracts	15,158,600	408,309	387,410
	<u>90,745,847</u>	<u>978,444</u>	<u>934,946</u>

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



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**Segmental Information**

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

	31 December 2022		30 June 2022	
	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	168,970	-	169,088	-
- property investment	150,000	150,000	150,000	150,000
- financial concerns	2,769,206	1,216,350	2,849,746	1,394,238
- stockbrokers	245,000	9,000	197,061	4,000
- wholesale and retail trade	1,052,499	159,741	1,733,878	427,666
- manufacturing	1,049,936	-	1,136,619	-
- transport and transport equipment	-	-	50,000	-
- recreational activities	-	-	-	-
- information technology	-	-	-	-
- others	416,560	131,766	432,060	146,738
	<u>5,852,171</u>	<u>1,666,857</u>	<u>6,718,452</u>	<u>2,122,642</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	388,486	378,721	427,183	408,592
	<u>388,486</u>	<u>378,721</u>	<u>427,183</u>	<u>408,592</u>
Loans & advances for use inside Hong Kong	6,240,657	2,045,578	7,145,635	2,531,234
Trade finance	401,280	72,825	339,159	68,171
Loans & advances for use outside Hong Kong	<u>2,881,258</u>	<u>828,859</u>	<u>3,388,637</u>	<u>698,314</u>
Loans & advances to customers	<u>9,523,195</u>	<u>2,947,262</u>	<u>10,873,431</u>	<u>3,297,719</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 2022	30 June 2022
	HKD'000	HKD'000
Gross advances to customers:		
Hong Kong	2,876,736	2,761,161
Cayman Islands	1,471,874	1,498,162
Virgin Islands	1,237,730	1,697,607
Taiwan	1,229,904	1,683,227
Bermuda	1,152,693	1,420,744
Others	<u>1,554,258</u>	<u>1,812,530</u>
	<u>9,523,195</u>	<u>10,873,431</u>
Overdue advances to customers:		
Hong Kong	40,064	41,438
Virgin Islands	40,064	41,438
China	20,033	20,719
Others	-	2,307
	<u>100,161</u>	<u>105,902</u>
Non-performing advances to customers:		
Hong Kong	40,064	-
Virgin Islands	40,064	-
China	20,032	-
Others	<u>2,296</u>	-
	<u>102,456</u>	-

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**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
<b>As at 31 December 2022</b>					
Developed countries	2,330	4,731	1,629	115	8,805
of which:					
United States	191	4,075	828	53	5,147
Australia	821	402	63	-	1,286
United Kingdom	454	-	528	9	991
Offshore centres	178	-	1,405	2,405	3,988
of which:					
Cayman Islands	-	-	840	914	1,754
Bermuda	-	-	221	937	1,158
West Indies UK	-	-	338	371	709
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	12	12
of which:					
Brazil	-	-	-	6	6
Belize	-	-	-	6	6
Developing Africa and Middle East	295	-	168	16	479
of which:					
United Arab Emirates	281	-	39	2	322
Seychelles	-	-	89	14	103
Developing Asia and Pacific	5,128	78	242	1,852	7,300
of which:					
Taiwan	2,662	-	108	816	3,586
China	1,712	78	134	733	2,657
South Korea	754	-	-	188	942
International Organisations	-	-	-	-	-
	<b>7,931</b>	<b>4,809</b>	<b>3,444</b>	<b>4,400</b>	<b>20,584</b>
<b>As at 30 June 2022</b>					
Developed countries	1,785	1,709	1,068	129	4,691
of which:					
United States	65	998	660	53	1,776
United Kingdom	731	-	193	9	933
Australia	445	409	63	-	917
Offshore centres	29	-	1,594	2,806	4,429
of which:					
Cayman Islands	-	-	840	931	1,771
Bermuda	-	-	259	1,163	1,422
West Indies UK	-	-	404	515	919
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	16	16
of which:					
Brazil	-	-	-	10	10
Belize	-	-	-	6	6
Developing Africa and Middle East	148	-	178	130	456
of which:					
United Arab Emirates	145	-	40	110	295
Seychelles	-	-	99	20	119
Developing Asia and Pacific	3,855	82	223	2,436	6,596
of which:					
Taiwan	1,764	-	85	1,169	3,018
China	1,483	82	138	880	2,583
South Korea	608	-	-	218	826
International Organisations	-	-	-	-	-
	<b>5,817</b>	<b>1,791</b>	<b>3,063</b>	<b>5,517</b>	<b>16,188</b>

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**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	AUD	Total
<b>As at 31 December 2022</b>				
Spot assets	18,926	2,050	544	21,520
Spot liabilities	(20,690)	(2,231)	(283)	(23,204)
Forward purchases	23,951	12,537	-	36,488
Forward sales	(22,134)	(12,396)	(263)	(34,793)
Net option position	-	-	-	-
Net long/ (short) position	53	(40)	(2)	11
<b>As at 30 June 2022</b>				
Spot assets	16,852	1,102	553	18,507
Spot liabilities	(17,620)	(1,570)	(185)	(19,375)
Forward purchases	38,341	19,246	-	57,587
Forward sales	(37,540)	(18,783)	(370)	(56,693)
Net option position	-	-	-	-
Net long/ (short) position	33	(5)	(2)	26

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

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**Liquidity Information**

The average liquidity maintenance ratio ("LMR") for quarters in 2022 & 2021 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 2022	48.11%
Average liquidity maintenance ratio for the period of October to December 2021	40.61%

**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.

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**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 1200M	> - HKD 1200M	> - HKD 2,000M	> - HKD 2,500M	> - HKD3,000M
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 2022

	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												(HK\$'000)
Currency notes and coins	3,185	-	-	-	-	-	-	-	-	-	-	3,185
Amount receivable arising from derivative contracts	5,630	83,512	104,047	185,880	128,011	158,864	116,237	69,892	70,097	47,240	-	978,329
Due from MA for account of Exchange Fund	72,410	-	-	-	-	-	-	-	-	-	-	72,410
Due from banks	1,782,111	246,033	1,177,893	274,248	313,744	-	-	-	-	-	-	3,788,029
Debt securities, prescribed instruments and structured financial instruments held	9,949,505	-	187,210	189,262	-	-	-	-	-	-	-	10,325,977
Acceptances and bills of exchange held	61,049	14,285	196,495	303,449	287,754	-	-	-	-	-	-	863,032
Loans and advances to non-bank customers	39,638	807,407	2,183,725	933,600	408,898	1,640,822	2,041,866	891,218	408,433	-	284,821	9,634,428
Other assets	4,804	15,993	23,583	29,996	18,109	5,778	84	119	-	-	79,530	177,996
Total	11,918,332	1,161,230	3,866,953	1,926,435	1,156,516	1,805,264	2,158,187	961,229	478,530	47,240	364,351	25,843,386
Total off-balance sheet claims	2,034	1,517	11,008	17,568	26,493	-	-	-	-	-	238,417	297,037
On-balance sheet liabilities												
Deposits from non-bank customers	7,356,033	1,722,957	2,772,782	5,307,702	2,172,527	2,277,798	36,322	30,569	-	-	-	21,686,690
Amount payable arising from securities financing transactions	-	-	187,440	189,840	-	-	-	-	-	-	-	377,280
Amount payable arising from derivative contracts	4,685	71,783	107,592	200,454	130,411	159,558	116,755	69,622	69,211	45,614	-	970,153
Due to banks	302,988	-	1,328,620	552,234	787,027	-	-	-	-	101,364	-	3,072,233
Other liabilities	35,112	6,164	66,804	20,673	7,855	9,958	8,083	3,698	2,550	384	265,459	426,740
Capital and reserves	-	-	-	-	-	-	-	-	-	-	(202,866)	(202,866)
Total	7,708,818	1,800,904	4,463,238	6,270,903	3,097,820	2,447,314	161,160	103,889	71,761	147,362	62,593	26,330,230
Total off-balance sheet obligations	2,034	172,762	444,422	956,057	2,636,456	1,856,539	942,251	103,963	18,750	-	387,196	7,520,430
Net Liquidity Gap	4,209,514	(810,919)	(1,029,699)	(5,282,957)	(4,551,267)	(2,498,589)	1,054,776	753,377	388,019	(100,122)	-	

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

**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												(HK\$'000)
Currency notes and coins	3,489	-	-	-	-	-	-	-	-	-	-	3,489
Amount receivable arising from securities financing transactions	190	24,520	179,297	751,323	-	-	-	-	-	-	-	930,620
Amount receivable arising from derivative contracts	24,991	-	67,280	68,967	35,315	56,452	21,828	15,917	19,077	21,247	-	328,496
Due from MA for account of Exchange Fund	1,422,399	635,320	880,192	-	-	-	-	-	-	-	-	24,991
Due from banks	5,449,548	-	158,105	31,202	-	-	-	-	-	-	-	2,969,113
Debt securities, prescribed instruments and structured financial instruments held	-	17,190	47,589	1,624,260	-	-	-	-	-	-	-	6,931,913
Acceptances and bills of exchange held	813,432	844,466	1,461,437	263,049	397,346	130,489	1,533,470	1,663,035	1,154,788	-	3,957	859,620
Loans and advances to non-bank customers	5,069	2,767	8,548	1,942,132	543,278	702,918	11,659	13	-	-	206,670	10,865,646
Other assets	7,419,138	1,524,263	2,802,448	4,699,422	10,000,591	908,166	1,566,957	1,678,965	1,173,865	21,247	75,251	164,765
Total	-	-	887	32,168	-	-	-	-	-	-	308,619	348,865
Total off-balance sheet claims	-	-	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities												
Deposits from non-bank customers	7,300,828	2,174,995	1,636,933	4,372,782	1,312,417	1,239,890	-	-	-	-	-	18,037,845
Amount payable arising from securities financing transactions	-	-	153,159	1,598,171	-	-	-	-	-	-	-	1,751,330
Amount payable arising from derivative contracts	160	30,318	71,595	69,681	32,647	55,581	21,447	15,597	17,666	19,403	-	331,282
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	-	-	-	38,000	-	-	-	-	-	-	-	38,000
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	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
Total	-	-	-	-	-	-	-	-	-	-	-	-
Total off-balance sheet obligations	1,261	173,820	125,217	313,677	1,569,633	1,438,188	717,566	279,298	205,319	-	-	4,823,779
Net Liquidity Gap	(436,760)	(852,020)	701,140	(3,479,154)	(2,012,419)	(1,860,738)	813,921	1,378,109	944,372	(99,854)	-	-

**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 2022**

**(i) Senior Management**

	<b>Non-deferred</b>	<b>Deferred</b>	<b>No. of beneficiaries</b>
<b>Fixed remuneration</b>			
Cash-based	8,085,113	-	7
Shares and share-linked instruments	-	-	7
Other	-	-	7
<b>Variable remuneration</b>			
Cash-based	3,476,562	-	7
Shares and share-linked instruments			
- Vested (no. of share)	-	-	7
- Unvested (no. of share)	-	-	7
Other	-	-	7

**(ii) Key Personnel**

	<b>Non-deferred</b>	<b>Deferred</b>	<b>No. of beneficiaries</b>
<b>Fixed remuneration</b>			
Cash-based	14,084,526	-	22
Shares and shared-linked instruments	-	-	22
Other	-	-	22
<b>Variable remuneration</b>			
Cash-based	3,784,263	-	22
Shares and share-linked instruments			
- Vested (no. of share)	-	-	22
- Unvested (no. of share)	-	-	22
Other	-	-	22

**As at 31 Dec 2021**

**(i) Senior Management**

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

**(ii) Key Personnel**

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



**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 2022 TWD'000	30 June 2022 TWD'000
Total assets	2,410,620,721	2,275,525,220
Total liabilities	2,243,267,618	2,113,734,648
Shareholders' Fund	167,353,103	161,790,572
Total advances	1,428,361,807	1,404,118,844
Total customer deposits	1,938,669,256	1,774,366,387
Capital	90,989,818	90,989,818
Capital Adequacy Ratio	14.83%	14.55%

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

	For the year ended	
	31 December 2022 TWD'000	31 December 2021 TWD'000
Pre-tax profit	14,786,245	15,368,008

## Statement of Compliance

This is a statement to declare that all information for the year ended 31 December 2022 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".



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

06 April 2023

## **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)