

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

Financial Disclosure

For the Year Ended 31 December 2023

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
(Incorporated in Taiwan with limited liability)
Profit & Loss Account

	For the Year ended	
	31 December 2023	31 December 2022
	HK\$'000	HK\$'000
Interest income	1,272,746	581,746
Interest expense	(1,114,163)	(316,069)
Net Interest Income	<u>158,583</u>	<u>265,677</u>
Gains less losses arising from trading in foreign currencies	59,191	68,051
Gains less losses from other trading activities	7,233	60,848
Gains less losses on securities held for trading purposes	29,740	24,229
Gains less losses from non-trading investments	2,723	(90,455)
Net fee and commission income	35,937	54,972
- Fees and commission income	45,037	64,244
- Fees and commission expenses	(9,100)	(9,272)
Others	270	2,508
Other Operating Income	<u>135,094</u>	<u>120,153</u>
Operating Income	<u>293,677</u>	<u>385,830</u>
Staff and rental expenses	(139,865)	(135,887)
Other expenses	(30,602)	(32,433)
Operating Expenses	<u>(170,467)</u>	<u>(168,320)</u>
Operating Income Before Debt Charges	<u>123,210</u>	<u>217,510</u>
Net Release/(Charges) for bad & doubtful debts	13,072	(102,054)
Net Charges for other provisions	(1,737)	(224)
Profit Before Taxation	<u>134,545</u>	<u>115,232</u>
Taxation	(31,217)	(21,059)
Profit After Taxation	<u>103,328</u>	<u>94,173</u>

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

	31 December 2023 HK\$'000	30 June 2023 HK\$'000
Assets		
Cash and balances with banks	1,279,121	1,078,128
Placements with banks (maturing between one and twelve months)	158,128	80,000
Amount due from overseas offices	4,992,469	437,766
Trade bills	593,851	488,523
Certificates of Deposit held	781,276	-
Advances and other accounts	7,455,902	10,219,225
Debt securities	14,245,937	21,069,844
measured at fair value through profit or loss	81,486	164,443
measured at fair value through other comprehensive income	2,434,222	2,470,738
measured at amortised cost	11,730,229	18,434,663
Tangible fixed assets	49,696	60,681
	<u>29,556,380</u>	<u>33,434,167</u>
Liabilities		
Deposits and balances from banks	356,376	324,641
Customer deposits	27,885,744	25,838,937
Demand deposits	72,889	103,469
Savings deposits	5,566,561	5,717,787
Time, call and notice deposits	22,246,294	20,017,681
Amount due to overseas offices	525,664	5,415,346
Other accounts and provisions	903,565	2,046,093
	<u>29,671,349</u>	<u>33,625,017</u>
Capital & Reserve		
Reserves	(218,297)	(271,819)
Current profit & loss	103,328	80,969
	<u>(114,969)</u>	<u>(190,850)</u>
	<u>29,556,380</u>	<u>33,434,167</u>

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

(a) Trade Bills

	31 December 2023	30 June 2023
	HKD'000	HKD'000
Trade Bills	594,863	489,672
General provisions	(1,012)	(1,149)
Specific provisions	-	-
	<u>593,851</u>	<u>488,523</u>

(b) Advances and other accounts

	31 December 2023	30 June 2023
	HKD'000	HKD'000
Advances to customers	6,857,128	8,697,058
General provisions	(15,704)	(20,046)
Specific provisions	(3,423)	(103,452)
	<u>6,838,001</u>	<u>8,573,560</u>

Advances to banks	-	-
General provisions	-	-
	<u>-</u>	<u>-</u>

Accrued interest and other accounts	622,766	1,649,615
General provisions	(4,865)	(3,574)
Specific provisions	-	(376)
	<u>617,901</u>	<u>1,645,665</u>

Total	<u>7,455,902</u>	<u>10,219,225</u>
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(c) Percentage of total provisions against gross advances to customers

	31 December 2023	30 June 2023
General provisions	0.23%	0.23%
Specific provisions	0.05%	1.19%
	<u>0.28%</u>	<u>1.42%</u>

(d) Non-performing advances to customers and provisions

	31 December 2023	30 June 2023
	HKD'000	HKD'000
Non-performing loans	<u>2,294</u>	<u>102,169</u>

% of total advances to customers	<u>0.03%</u>	<u>1.17%</u>
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Specific provisions made in respect of such advances	<u>2,294</u>	<u>102,169</u>
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Collateral held against the non-performing loans	<u>-</u>	<u>-</u>
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(e) Percentage of total provisions against gross advances to banks

	31 December 2023	30 June 2023
General provisions	0.00%	0.00%
	<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 2023 HKD'000	30 June 2023 HKD'000
Gross amount of advances which have been overdue for:		
more than 1 months but not more than 3 months	56,490	2,294
more than 3 months but not more than 6 months	-	-
more than 6 months but not more than 1 year	2,294	-
more than 1 year	-	99,875
	<u>58,784</u>	<u>102,169</u>
% of total advances to customers which have been overdue for:		
more than 1 months but not more than 3 months	0.82%	0.03%
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 months but not more than 1 year	0.03%	0.00%
more than 1 year	0.00%	1.15%
	<u>0.85%</u>	<u>1.18%</u>
Current market value of collateral held against the covered portion of overdue loans and advances	146,621	-
Covered portion of overdue loans and advances	56,490	-
Uncovered portion of overdue loans and advances	2,294	102,169

(i) Rescheduled advances to customers

	31 December 2023 HKD'000	30 June 2023 HKD'000
Amount of total assets which have been rescheduled	<u>2,294</u>	<u>2,294</u>

(j) Other overdue assets (Accrued Interest)

	31 December 2023 HKD'000	30 June 2023 HKD'000
Other assets which have been overdue for:		
more than 1 months but not more than 3 months	467	-
more than 3 months but not more than 6 months	-	-
more than 6 months but not more than 1 year	-	376
more than 1 year	-	-
	<u>467</u>	<u>376</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 2023 HKD'000	30 June 2023 HKD'000
Amount of overdue advances to customers	58,784	102,169
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	56,490	-
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>2,294</u>	<u>102,169</u>

Taishin International Bank Co., Ltd.
Hong Kong Branch
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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	On-balance sheet	Off-balance sheet	Total
	exposure	exposure	
As at 31 December 2023			
Central government, central government-owned entities and their subsidiaries and JVs	292	198	490
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	500	683	1,183
Other entities of central government not reported in item 1 above	211	150	361
Other entities of local government not reported in item 2 above	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	740	263	1,003
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	362	362
Total	1,743	1,656	3,399
Total assets after provision	29,556		
On-balance sheet exposures as percentage of total assets	5.90%		
As at 30 June 2023			
Central government, central government-owned entities and their subsidiaries and JVs	334	103	437
Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	856	408	1,264
Other entities of central government not reported in item 1 above	270	150	420
Other entities of local government not reported in item 2 above	235	-	235
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	955	193	1,148
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	243	350	593
Total	2,893	1,204	4,097
Total assets after provision	33,434		
On-balance sheet exposures as percentage of total assets	8.65%		

Taishin International Bank Co., Ltd.
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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 2023 HKD'000	30 June 2023 HKD'000
Direct credit substitutes	646,369	382,436
Trade-related contingencies	282,485	162,858
Other commitments	9,029,224	8,027,797
	<u>9,958,078</u>	<u>8,573,091</u>

(b) Derivatives

As at 31 December 2023	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	77,526,510	576,366	604,386
Interest rate contracts	9,952,733	313,723	300,349
	<u>87,479,243</u>	<u>890,089</u>	<u>904,735</u>
As at 30 June 2023	Contract amount HKD'000	Positive fair value HKD'000	Negative fair value HKD'000
Exchange rate contracts	54,137,798	764,336	781,715
Interest rate contracts	23,637,889	508,820	502,983
	<u>77,775,687</u>	<u>1,273,156</u>	<u>1,284,698</u>

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

Taishin International Bank Co., Ltd.
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Segmental Information

(a) Loans & advances to customers by industry sector

	31 December 2023		30 June 2023	
	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	150,000	-	169,061	-
- property investment	300,000	300,000	300,000	300,000
- financial concerns	2,052,607	1,156,931	2,574,001	1,220,755
- stockbrokers	87,022	4,000	295,038	4,000
- wholesale and retail trade	349,746	149,301	877,735	164,784
- manufacturing	663,795	2,694	854,717	7,851
- transport and transport equipment	75,316	75,316	77,425	77,425
- recreational activities	-	-	-	-
- information technology	-	-	-	-
- others	174,000	139,820	265,073	114,183
	<u>3,852,486</u>	<u>1,828,062</u>	<u>5,413,050</u>	<u>1,888,998</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	240,147	240,147	362,202	355,528
	<u>240,147</u>	<u>240,147</u>	<u>362,202</u>	<u>355,528</u>
Loans & advances for use inside Hong Kong	4,092,633	2,068,209	5,775,252	2,244,526
Trade finance	405,646	54,793	318,002	61,319
Loans & advances for use outside Hong Kong	<u>2,358,849</u>	<u>487,375</u>	<u>2,603,804</u>	<u>878,629</u>
Loans & advances to customers	<u>6,857,128</u>	<u>2,610,377</u>	<u>8,697,058</u>	<u>3,184,474</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 2023	30 June 2023
	HKD'000	HKD'000
Gross advances to customers:		
Hong Kong	1,951,228	2,639,921
Virgin Islands	1,081,668	1,283,685
Cayman Islands	1,030,971	1,397,111
Bermuda	821,581	841,884
Taiwan	753,670	1,210,734
Others	<u>1,218,010</u>	<u>1,323,723</u>
	<u>6,857,128</u>	<u>8,697,058</u>
Overdue advances to customers:		
Hong Kong	45,192	39,950
Virgin Islands	11,298	39,950
China	-	19,975
Others	<u>2,294</u>	<u>2,294</u>
	<u>58,784</u>	<u>102,169</u>
Non-performing advances to customers:		
Taiwan	2,294	2,294
Hong Kong	-	39,950
Virgin Islands	-	39,950
China	-	19,975
	<u>2,294</u>	<u>102,169</u>

Taishin International Bank Co., Ltd.
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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
As at 31 December 2023					
Developed countries	2,749	6,045	2,576	209	11,579
of which:					
United States	316	5,368	1,903	-	7,587
Australia	783	412	63	-	1,258
Offshore centres	45	-	800	1,294	2,139
of which:					
Cayman Islands	-	-	492	784	1,276
West Indies UK	-	-	308	260	568
Bermuda	-	-	-	97	97
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	5	5
of which:					
Belize	-	-	-	5	5
Brazil	-	-	-	-	-
Developing Africa and Middle East	285	-	85	7	377
of which:					
United Arab Emirates	282	-	39	-	321
Qatar	-	-	39	-	39
Seychelles	-	-	7	7	14
Developing Asia and Pacific	9,074	77	1,034	1,765	11,950
of which:					
Taiwan	5,422	-	167	1,121	6,710
China	2,357	77	456	423	3,313
South Korea	1,295	-	311	198	1,804
International Organisations	-	-	-	-	-
	12,153	6,122	4,495	3,280	26,050
As at 30 June 2023					
Developed countries	2,418	13,492	2,711	106	18,727
of which:					
United States	301	12,838	1,890	45	15,074
Australia	804	395	63	-	1,262
Offshore centres	35	-	1,143	2,214	3,392
of which:					
Cayman Islands	-	-	718	1,006	1,724
Bermuda	-	-	100	744	844
West Indies UK	-	-	325	282	607
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	7	7
of which:					
Belize	-	-	-	5	5
Brazil	-	-	-	2	2
Developing Africa and Middle East	286	-	144	20	450
of which:					
United Arab Emirates	286	-	39	-	325
Seychelles	-	-	66	20	86
Qatar	-	-	39	-	39
Developing Asia and Pacific	3,223	76	313	1,820	5,432
of which:					
China	1,464	76	132	809	2,481
Taiwan	1,159	-	180	755	2,094
South Korea	601	-	-	193	794
International Organisations	-	-	-	-	-
	5,962	13,568	4,311	4,167	28,008

Taishin International Bank Co., Ltd.
 Hong Kong Branch
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 Currency Risk

The foreign currency exposures are prepared in accordance with the Completion Instruction "Return of Foreign Currency Position - (MA)(US)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	IDR	USD	CAD	AUD	TWD	CNY	SGD	EUR	BRL	CHF	Total
As at 31 December 2023											
Spot assets	-	24,297	271	563	-	1,284	6	226	-	43	26,690
Spot liabilities	-	(23,359)	(41)	(317)	-	(2,292)	(66)	(419)	-	-	(26,494)
Forward purchases	1,797	37,805	11,502	1	814	18,330	56	5,467	-	-	75,772
Forward sales	(1,750)	(38,731)	(11,725)	(245)	(836)	(17,334)	-	(5,275)	-	(43)	(75,939)
Net option position	-	-	-	-	-	-	-	-	-	-	-
Net long/ (short) position	47	12	7	2	(22)	(12)	(4)	(1)	-	-	29
As at 30 June 2023											
Spot assets	-	27,472	260	571	-	1,441	-	467	-	16	30,227
Spot liabilities	-	(26,909)	(8)	(412)	-	(1,809)	(37)	(456)	-	-	(29,631)
Forward purchases	262	26,897	-	10	280	16,837	42	2,551	-	-	52,500
Forward sales	(262)	(27,486)	(254)	(172)	(318)	(16,398)	(6)	(2,562)	-	(16)	(53,092)
Net option position	-	64	-	-	-	(62)	-	(1)	-	-	1
Net long/ (short) position	-	38	(2)	(3)	(38)	9	(1)	(1)	3	-	5

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 each quarter in 2023 and 2022 is 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 2023	72.66%
Average liquidity maintenance ratio for the period of October to December 2022	48.11%

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") unit 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 unit 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 unit is responsible to further report such incident to the senior management.

The Risk Management ("RM") unit 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 unit 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 unit and RM unit 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 unit 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 unit and RM unit of Head Office if the issue persists. The Head Office Risk Management unit 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 unit. 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 unit 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 1000M	> - HKD 1000M	> - 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 unit 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
Concentration risk	Top 10 largest depositors' ratio	Top 10 largest depositors' funds (excluding Taishin Holdings deposit) / Total deposits	All currencies	25%
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 2023

	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	1,621	-	-	-	-	-	-	-	-	-	-	1,621
Amount receivable arising from securities financing transactions	62,782	153,652	140,786	160,845	119,820	179,925	145,800	79,546	98,527	69,080	-	898,022
Amount receivable arising from derivative contracts	66,501	-	-	-	-	-	-	-	-	-	-	66,501
Due from IMA for account of Exchange Fund	1,125,439	1,206,373	3,807,628	78,991	-	-	-	-	-	-	-	6,218,431
Due from banks	14,698,047	-	-	-	-	-	-	-	-	-	-	14,698,047
Debt securities, prescribed instruments and structured financial instruments held	2,124	29,212	97,519	170,238	155,057	140,714	-	-	-	-	-	594,864
Acceptances and bills of exchange held	28,636	683,998	1,481,838	864,242	247,869	1,557,089	501,449	1,361,046	87,035	-	228,894	7,042,096
Loans and advances to non-bank customers	3,675	8,501	30,573	51,100	22,054	16,033	17,807	40,314	-	-	42,621	202,678
Other assets	15,988,825	2,081,736	5,558,344	1,325,416	544,800	1,893,761	665,056	1,450,906	185,562	69,080	271,515	29,722,260
Total	17,119	8,035	-	9,059	-	-	-	-	-	-	910,042	928,855
Total off-balance sheet claims												
On-balance sheet liabilities												
Deposits from non-bank customers	6,996,852	3,626,386	6,486,917	5,665,042	2,121,274	2,183,128	30,265	1,665	-	-	-	28,111,579
Amount payable arising from securities financing transactions	-	-	-	-	-	-	-	-	-	-	-	-
Amount payable arising from derivative contracts	4,591	200,283	144,008	150,990	151,928	184,346	138,742	78,704	96,920	67,449	-	905,999
Due to banks	505,133	-	276,005	-	-	-	-	-	-	101,566	-	882,704
Debt securities, prescribed instruments and structured financial instruments issued and	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	17,514	7,482	13,677	41,379	11,292	29,640	21,855	7,973	646	456	111,961	263,875
Capital and reserves	-	-	-	-	-	-	-	-	-	-	(114,969)	(114,969)
Total	7,524,090	3,834,151	6,920,607	6,857,411	2,284,494	2,397,114	190,862	88,342	97,566	169,471	3,008	30,049,138
Total off-balance sheet obligations	11,412	654,746	65,763	1,164,359	2,156,956	2,490,522	504,057	19,275	11,719	-	26,042	7,104,851
Net Liquidity Gap	8,455,042	(2,399,126)	(1,428,026)	(6,687,295)	(3,896,650)	(2,993,875)	(29,863)	1,343,289	76,277	(100,391)	-	-

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												
Currency notes and coins	3,185	-	-	-	-	-	-	-	-	-	-	3,185
Amount receivable arising from derivative contracts	5,630	83,512	104,047	195,880	128,011	155,664	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	245,033	1,171,893	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	801,407	2,183,725	933,600	408,898	1,640,872	2,041,866	891,218	408,493	-	284,821	9,634,528
Other assets	4,804	15,993	23,583	29,996	18,109	5,778	84	119	-	-	79,590	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	7,366,033	1,722,957	2,772,782	5,307,702	2,172,527	2,277,798	363,322	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	69,711	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	(610,919)	(1,029,699)	(5,282,957)	(4,551,267)	(2,498,589)	1,054,776	753,377	388,019	(100,122)	-	

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 2023

(i) Senior Management

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	7,467,085	-	6
Shares and share-linked instruments	-	-	6
Other	-	-	6
Variable remuneration			
Cash-based	3,198,639	-	6
Shares and share-linked instruments			
- Vested (no. of share)	-	-	6
- Unvested (no. of share)	-	-	6
Other	-	-	6

(ii) Key Personnel

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	15,097,884	-	21
Shares and share-linked instruments	-	-	21
Other	-	-	21
Variable remuneration			
Cash-based	3,294,573	-	21
Shares and share-linked instruments			
- Vested (no. of share)	-	-	21
- Unvested (no. of share)	-	-	21
Other	-	-	21

As at 31 Dec 2022

(i) Senior Management

	Non-deferred	Deferred	No. of beneficiaries
Fixed remuneration			
Cash-based	8,085,113	-	7
Shares and share-linked instruments	-	-	7
Other	-	-	7
Variable remuneration			
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

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

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 2023 TWD'000	30 June 2023 TWD'000
Total assets	2,661,665,304	2,601,056,741
Total liabilities	2,471,464,591	2,424,123,147
Shareholders' Fund	190,200,713	176,933,594
Total advances	1,538,407,590	1,495,376,084
Total customer deposits	2,126,677,702	2,084,337,426
Capital	95,535,273	93,262,546
Capital Adequacy Ratio	14.92%	14.47%

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

	For the year ended	
	31 December 2023 TWD'000	31 December 2022 TWD'000
Pre-tax profit	17,954,883	14,786,245

Statement of Compliance

This is a statement to declare that all information for the year ended 31 December 2023 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.
Hong Kong Branch
(Incorporated in Taiwan with limited liability)

10 April 2024

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)