



Land Bank of Taiwan Co., Ltd.
(Incorporated in Taiwan with Limited Liability)
Unit 3101-06 & 12, Tower 1, The Gateway,
No. 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

臺灣土地銀行香港分行

LAND BANK OF TAIWAN CO., LTD.

HONG KONG BRANCH

Financial Information Disclosure Statement

For the half year ended 30 June 2024

The statement is available at Land Bank of Taiwan Co., Ltd. Hong Kong Branch at the following address:

Unit 3101-06 & 12, Tower 1, The Gateway, No. 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

A copy of this statement has been lodged with the Public Registry of Hong Kong Monetary Authority.

**FINANCIAL INFORMATION DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024**

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SECTION A - INFORMATION OF THE BRANCH (HONG KONG BRANCH ONLY)

I. PROFIT AND LOSS INFORMATION

FOR THE HALF YEAR ENDED 30 JUNE 2024

(HK\$'000)

	30-Jun-2024	30-Jun-2023
Interest income	234,691	202,023
Interest expenses	(182,267)	(153,464)
Net interest income	52,424	48,559
Other operating income		
Gains less losses from foreign exchange operations	(162)	(587)
Income from fees and commissions	6,988	2,215
fees and commissions expenses	(602)	(577)
Net fees and commission income	6,386	1,638
Other income	-	-
Total Income	58,648	49,610
Operating expenses		
Staff and rental expenses	(10,464)	(10,361)
Other expenses	(2,847)	(2,016)
Net charge for other provisions	(146)	7,075
	(13,457)	(5,302)
Net charge/(credit) for debt provision	(692)	(754)
Profit/(loss) before tax	44,499	43,554
Net charge for tax provision	(7,432)	(12,731)
Profit /(loss) after tax	37,067	30,823

II. BALANCE SHEET INFORMATION

AS AT 30 JUNE 2024

(HK\$'000)

	30-Jun-2024	31-Dec-2023
ASSETS		
Cash and short-term fund (except those included in amount due from overseas office)	325,369	802,141
Placement with Bank maturing between one and twelve months (except those included in amount due from overseas office)	1,920,817	1,179,910
Amount due from overseas office	-	15,628
Negotiable certificates of deposit (NCDs) held	-	-
Negotiable debt instruments	2,607,257	2,717,215
Loans and advances less provisions	2,770,374	2,995,801
Other assets	62,217	46,295
Property, plant and equipment	6,175	8,378
Total assets	7,692,209	7,765,368
LIABILITIES		
Deposit and balances from banks (except those included in amount due to overseas office)	5,176,564	4,623,421
Deposit from customers	1,965,062	2,475,871
- Demand deposits and current accounts	1,298	1,262
- Savings deposits	175,119	173,078
- Time, call and notice deposits	1,788,645	2,301,531
Amount due to overseas offices	81,569	241,174
Other liabilities and provision	66,708	59,663
Total liabilities	7,289,903	7,400,129
EQUITIES		
Current profit / (loss)	37,067	28,367
Reserves	365,239	336,872
Total equities	402,306	365,239
Total equities and liabilities	7,692,209	7,765,368

III. SUPPLEMENTARY FINANCIAL INFORMATION

AS AT 30 JUNE 2024

(HK\$'000)

A. ADVANCES AND IMPAIRMENT LOSSES

a. Advances to customers and impairment losses	30-Jun-2024	31-Dec-2023
Advances to customers	2,814,131	3,036,386
Advances to banks	1,561,640	1,022,097
Total	<u>4,375,771</u>	<u>4,058,483</u>
Collective impairment provisions	(43,758)	(40,585)
Specific impairment provisions	-	-
Total	<u>(43,758)</u>	<u>(40,585)</u>
Gross advances less impairment provisions	<u>4,332,013</u>	<u>4,017,898</u>

b. Impairment provisions

Collective impairment provisions

Advances to customers	28,131	37,436
Advances to banks	15,627	3,149
Total	<u>43,758</u>	<u>40,585</u>

Specific impairment provisions

Advances to customers	-	-
Advances to banks	-	-
Total	<u>-</u>	<u>-</u>

c. Impaired advances to customers

Amount of impaired loans and advances	-	-
Amount of special provisions made	-	-
Value of collateral	-	-
% of advances to customer	-	-

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$'000)

B. OVERDUE AND RESCHEDULES ASSETS

	30-Jun-2024	31-Dec-2023
a. Loans and advances to customers overdue for		
More than 3 months and up to 6 months	-	-
More than 6 months and up to 1 year	-	-
More than 1 year	-	-
b. Rescheduled loans and advances to customers	-	-
c. Value of collateral held against such loans and advances to customers		
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	-	-
d. Loans and advances to banks and other financial overdue		
There were no overdue and rescheduled advances to banks and other financial institutions as at 30 June 2024 and 31 December 2023.		
e. Repossessed assets		
There were no repossessed assets held as at 30 June 2024 and 31 December 2023.		

**III. SUPPLEMENTARY FINANCIAL INFORMATION -
CONTINUED**

AS AT 30 JUNE 2024

(HK\$'000)

C. OFF-BALANCE SHEET INFORMATION

	30-Jun-2024	31-Dec-2023
a. Off-balance sheet exposures (in contractual amounts)		
The following is a summary of the contract amounts of each significant class of contingent liabilities and commitments:		
Direct credit substitutes	14,289	18,754
Transaction-related contingent items	-	-
Trade-related contingent items	34,700	31,523
Other commitments	801,469	745,828
Others	-	-
	850,458	796,105
b. Derivatives		
Exchange rate contacts	-	-
Interest rate contacts	-	-
	-	-
c. Replacement cost of derivatives		
Exchange rate contacts	-	-
Interest rate contacts	-	-
	-	-

For contingent liabilities and commitments, the contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default. The total of the contract amount is not representative of future liquidity requirement. The replacement costs represent the cost of replacing all contracts which have a positive value when marked to market. They do not take into account the effects of bilateral netting arrangements.

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$'000)

D. SEGMENTAL INFORMATION

a. Gross loans and advances to customers by major sectors analysis

The following information concerning advances to customers by industry sectors has been classified in accordance with industry categories in the banking return of "Quarterly Analysis of Loans and Advances and Provisions" which was submitted to Hong Kong Monetary Authority.

	30-Jun-2024		31-Dec-2023	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Loans and advances for use in Hong Kong				
Industrial, commercial, and financial				
- Property development	-	-	-	-
- Property investment	-	-	-	-
- Financial concerns	99,945	-	114,844	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	68,888	68,888	71,225	71,225
- Manufacturing	183,493	-	-	-
- Transport and transport equipment	154,602	154,602	201,415	201,415
- Information technology	143,181	-	143,182	-
- Others	-	-	-	-
Individuals	-	-	-	-
Trade finance	14,722	-	1,223	-
Loans and advances for use outside Hong Kong	2,149,300	-	2,504,497	-
Total	<u>2,814,131</u>	<u>223,490</u>	<u>3,036,386</u>	<u>272,640</u>

**III. SUPPLEMENTARY FINANCIAL INFORMATION -
CONTINUED**

AS AT 30 JUNE 2024

(HK\$'000)

D. SEGMENTAL INFORMATION - continued

b. Gross loans and advances to customers by countries or geographical areas analysis

After taking into account the transfer of risk, exposures to a single country or geographical area exceeding 10% of the aggregate gross advances to customers which are disclosed as follows:

	<u>30-Jun-2024</u>	<u>31-Dec-2023</u>
- SaudiArabia	733,971	798,549
- Indonesia	619,020	683,373
- Korea	577,807	428,218
- HongKong	381,393	415,822
- China	374,237	356,471
- Others	127,703	710,424
	<u>2,814,131</u>	<u>3,036,386</u>

c. Overdue and impaired loans by countries or geographical areas analysis

	<u>30-Jun-2024</u>	<u>31-Dec-2023</u>
- SaudiArabia	-	-
- Indonesia	-	-
- Korea	-	-
- HongKong	-	-
- China	-	-
- Others	-	-
	<u>-</u>	<u>-</u>

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$ mil.)

E. INTERNATIONAL CLAIMS

The following tables analyze international claims by locations and types of counterparties. Country or geographical segment classification is based upon the locations of counterparties after taking into account any recognized risk transfer. They are prepared in accordance with the completion instruction of HKMA Return of "International Banking Statistics". Countries or geographical segments constituting not less than 10% of the total cross-border claims are disclosed.

	Banks	Official Sector	Non-bank private sector		Total
			Non-Bank Financial institutions	Non-Financial private sector	
As at 30 Jun 2024					
Developed countries	1,085	-	509	240	1,834
Offshore centres	228	-	280	1,210	1,718
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	1,436	-	-	234	1,670
Developing Asia and Pacific	1,128	-	39	786	1,953
- of which - China	-	-	-	172	172
- of which - Taiwan	229	-	-	-	229
International organizations	-	-	397	-	397
Unallocated by country	-	-	-	-	-
As at 31 Dec 2023					
Developed countries	1,617	-	503	248	2,368
Offshore centres	342	-	180	1,668	2,190
Developing Europe	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-
Developing Africa and Middle East	876	-	-	-	876
Developing Asia and Pacific	986	-	20	905	1,911
- of which - China	-	-	-	292	292
- of which - Taiwan	211	-	-	-	211
International organizations	-	-	287	-	287
Unallocated by country	-	-	-	-	-

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$ mil.)

F. NON-BANK MAINLAND CHINA EXPOSURE

Non-Bank counterparties are identified in accordance with the definitions set out in the “Return of Mainland Activities” issued by HKMA. Exposure in Mainland China arising from non-bank counterparties are summarized as follows:

	On-balance sheet exposure	Off-balance sheet exposure	Total exposure
As at 30 Jun 2024			
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	13	-	13
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	263	-	263
Other entities of central government not reported in item 1 above	102	-	102
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	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	378	-	378
Total assets after provisions	7,692		
On-balance sheet exposures as percentage of total assets	4.91%		
As at 31 Dec 2023			
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	90	-	90
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	471	-	471
Other entities of central government not reported in item 1 above	101	-	101
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	25	-	25
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	687	-	687
Total assets after provisions	7,765		
On-balance sheet exposures as percentage of total assets	8.85%		

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$ mil.)

G. FOREIGN CURRENCY POSITION

The Foreign currency exposure are prepared in accordance with the completion instructions of HKMA banking return of “Foreign Currency Position of an Authorized Institution”. The net position in foreign currencies are disclosed as follows:

	USD	EUR	CNY	Others	Total
As at 30 Jun 2024					
Spot assets	6,940	154	67	116	7,277
Spot liabilities	(6,929)	(156)	(50)	(114)	(7,249)
Forward purchase	-	-	-	-	-
Forward sales	-	-	-	-	-
Net option position	-	-	-	-	-
Net long / (short) position	11	(2)	17	2	28
As at 31 Dec 2023					
Spot assets	7,037	158	72	120	7,387
Spot liabilities	(7,029)	(159)	(61)	(120)	(7,369)
Forward purchase	-	-	-	-	-
Forward sales	-	-	-	-	-
Net option position	-	-	-	-	-
Net long / (short) position	8	(1)	11	-	18

There were no foreign currency structural positions as at 30 June 2024 and 31 December 2023.

III. SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

(HK\$ mil.)

H. LIQUIDITY INFORMATION

	For the quarter ended	
	30-Jun-2024	30-Jun-2023
Average liquidity maintenance ratio for the period	78.26%	77.59%

The average liquidity maintenance ratio (“LMR”) is the arithmetic mean of each calendar month’s average liquidity maintenance ratio for the relevant period as calculated in accordance with Section 103B of Banking (Disclosure) Rules.

a. Governance of liquidity risk management

The Branch manages our liquidity risk in accordance with the Liquidity Risk Management Policy, which is set by Assets and Liabilities Committee of the Branch (“ALCO”) and approved by the Head Office. The Policy provides a set of principles for the prudent management of liquidity in the normal course of business. The primary measures used to manage liquidity within the tolerance are the stress-testing and scenario analysis, liquidity maintenance ratio, loan-to-deposit, and cash flow maturity mismatch analysis.

ALCO is responsible for the liquidity risk management in the Branch. Chief Executive is the chairman of the Committee. The members include Alternate Chief Executive and the head of all department. Chief Executive could also invite other staffs to attend the Committee meeting in need. The regular Committee meeting will be convened monthly or on a need basis. The Branch regularly prepares various liquidity risk measurement indicators and limits, and reports to ALCO. Then, the Committee will report to the senior management of the Head Office to let the high-level management understands the Branch’s funding liquidity.

b. Funding strategy

The liquidity risk management of the Branch adopts the principle of conservative and stable, forecasts the cash flow at different time points to diversify the source and duration of funds, and adjusts the liquidity gap for daily cash flow and market changes.

- Source of funds: Based on the principle of diversification, stability, and reliability.
- Use of funds: The principle of decentralization and avoiding excessive concentration.
- Management strategy: Based on the principle of conservative estimation, and strengthen the interactive management of foreign currency funds.

c. Liquidity risk mitigation techniques

In order to maintain a stable liquidity ratio, the Branch establishes several measures to reduce the liquidity risk when Branch’s capital is needed in emergency.

The measures are included by following:

- Sale of debt securities
- Funding from Head Office
- Funding from other banks
- Reduction of inter-bank lending activities

d. Liquidity stress test

Stress tests should be performed quarterly for all currencies in aggregate that we have significant positions in order to maintain appropriate individual currency funding in needs. There are 3 scenarios for stress testing. They are institution-specific stress scenario, general market stress scenario, and combination of both situations. Each scenario would perform cash-flow analysis for within 7 days or within 30 days. The test result is used to analyzing exposure level and risk tolerance in such scenarios. The Risk Management Department also should review the assumptions and results of the stress testing periodically, as well as to adjust the different assumptions to ensure those assumptions for stress testing which are the most suitable for the Branch.

e. Liquidity buffers and contingency funding plan

The Branch sets a higher internal limit of liquidity maintenance ratio than the statutory minimum to maintain adequate liquidity in response possible situation. In addition, the Branch establishes a contingency funding plan that details the emergency measures which should be taken actions while a liquidity crisis occurs. The ALCO shall formulate measures to address the emergency situation and report to the Head Office regarding the follow-up actions and results.

f. Measure indicators of liquidity risk

The Branch sets up a series of limits indicators, including liquidity maintenance ratio and maturity mismatch limits, in order to monitoring impact on liquidity risk.

Limits indicators		Limit
Liquidity maintenance ratio (LMR)		≥ 40%
Maturity mismatch Ratio (MMR)	Within 7 days	-20%
	Within 1 month	-30%

g. Concentration limits on collateral pools and sources of funding

The major sources of funding for the Branch are the funding raised from Head Office and inter-banks. The Branch has established concentration limit of funding sources taking into account the respective risk profiles of banks. Funding from each counterparty is restricted to be not more than 10% of the total assets to reduce reliance on a single source of funding.

h. Analysis the on- and off-balance sheet items by remaining maturity

(HK\$'000)

	Total	Up to 1 month	1 month up to 3 months	3 months up to 6 months	6 months up to 1 year	Over 1 year
30-Jun-2024						
On-balance sheet assets	7,740,712	3,094,031	463,927	132,245	542,975	3,501,359
On-balance sheet liabilities	7,692,209	2,364,104	4,080,105	532,490	230,209	4,822
off-balance sheet claims	48,989	10,261	12,727	11,712	14,289	-
off-balance sheet obligations	850,458	811,730	12,727	11,712	14,289	-
Contractual Maturity Mismatch		(71,542)	(3,616,178)	(400,245)	312,766	3,496,537
Cumulative Contractual Maturity Mismatch		(71,542)	(3,687,720)	(4,087,965)	(3,775,199)	(278,662)
30-Jun-2023						
On-balance sheet assets	6,780,381	3,529,004	40,620	82,014	239,806	2,874,897
On-balance sheet liabilities	6,433,377	1,317,996	3,270,868	1,390,201	37,772	4,426
off-balance sheet claims	43,666	-	7,797	35,869	-	-
off-balance sheet obligations	924,635	880,969	7,797	35,869	-	-
Contractual Maturity Mismatch		1,330,039	(3,230,248)	(1,308,187)	202,034	2,870,471
Cumulative Contractual Maturity Mismatch		1,330,039	(1,900,209)	(3,208,396)	(3,006,362)	(135,891)

SECTION B - INFORMATION OF THE BANK (CONSOLIDATED BASIS)

I. CAPITAL AND CAPITAL ADEQUACY RATIO (NT\$'000)

	30-Jun-2024	31-Dec-2023
A. Capital adequacy ratio	14.46%	14.31%
B. Aggregate amount of shareholders' funds	219,633,324	210,055,609

The capital adequacy ratio is computed in accordance with the "Basel III Capital Accord" and after taken into account for credit risk, market risk and operational risk.

II. OTHER FINANCIAL INFORMATION (NT\$'000)

	30-Jun-2024	31-Dec-2023
Total Assets	3,374,234,216	3,391,162,512
Total Liabilities	3,154,600,892	3,181,106,903
Total Advances	2,278,045,887	2,254,354,740
Total Customers Deposits	2,618,707,535	2,618,369,369

	For the year ended	
	30-Jun-2024	30-Jun-2023
Profit/(loss) before taxation	9,540,158	8,710,646

SECTION C - REMUNERATION DISCLOSURE

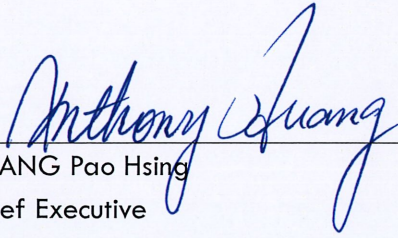
In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual CG-5 "Guideline on Sound Remuneration System", Land Bank of Taiwan Co., Ltd. has disclosed the relevant information in the part of Corporate Governance of the Bank's Annual Report (Chinese version only).



Land Bank of Taiwan Co., Ltd.
(Incorporated in Taiwan with Limited Liability)
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Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statement of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Land Bank of Taiwan Co., Ltd. Hong Kong Branch for the half year ended 30 June 2024. We confirmed that the information contained therein complies, in all material aspects, with the relevant requirements for financial disclosure by overseas incorporated authorized institutions as set out in the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules", and to the best of my knowledge and belief, it is not false or misleading.



HUANG Pao Hsing
Chief Executive
Land Bank of Taiwan Co., Ltd.
Hong Kong Branch

02 September 2024

Date