

TAIWAN COOPERATIVE BANK, HONG KONG BRANCH

Financial Information Disclosure Statement

For the Year Ended December 31, 2024

TAIWAN COOPERATIVE BANK, HONG KONG BRANCH
FINANCIAL INFORMATION DISCLOSURE STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024

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

**I. PROFIT AND LOSS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2024**

Figures in HKD thousands

	2024-12-31	2023-12-31
INTEREST INCOME	361,605	346,924
INTEREST EXPENSE	(202,098)	(199,355)
	<u>159,507</u>	<u>147,569</u>
OTHER OPERATING INCOME		
Gains less losses arising from dealing in foreign currencies	730	665
Gains less losses on securities held for trading purposes	0	0
Gains less losses from other trading activities	0	0
Net fees and commission income		
Gross fees and commission income	2,830	3,229
Fees and commission expense	(995)	(989)
Others	4	56
	<u>2,569</u>	<u>2,961</u>
Total income	162,076	150,530
OPERATING EXPENSES		
Staff and rental expenses	(20,786)	(21,319)
Other expenses (less fees and commission expenses)	(17,214)	(17,322)
	<u>(38,000)</u>	<u>(38,641)</u>
IMPAIRMENT PROVISION FOR LOANS	(2,557)	59,835
Total expenses	40,557	(21,194)
PROFIT BEFORE TAXATION	121,519	171,724
TAXATION CHARGE	(20,623)	(11,379)
PROFIT AFTER TAXATION	<u>100,896</u>	<u>160,345</u>

II. BALANCE SHEET INFORMATION
AS AT 31 DECEMBER 2024

	Figures in HKD thousands	
	As at	
	2024-12-31	2024-06-30
ASSETS		
Cash and short term fund (except those included in amount due from overseas offices)	190,234	276,744
Placement with Bank maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)	1,421,037	1,684,012
Amount due from overseas offices	0	124
Loans and advances less impairment allowances	3,357,804	2,944,952
Certificates of deposit held	565,306	566,174
Amortised cost securities	0	0
Fair value through other comprehensive income securities	1,344,856	1,650,569
Other accounts	31,234	(25,239)
Property, plant and equipment	24,994	22,380
Accumulated depreciation	(15,918)	(12,911)
Intangible assets	6,018	4,833
Total Assets	6,925,565	7,111,638
LIABILITIES		
Deposit and balances from banks (except those included in amount due to overseas offices)	504,569	668,220
Deposit from customers		
-Demand deposits and current accounts	1,454	854
-Savings deposits	1,991,161	2,069,006
-Time, call and notice deposits	3,236,648	3,243,951
Amount due to overseas offices	83,037	87,787
Other accounts	104,243	100,830
Total Liabilities	5,921,112	6,170,648
Reserves and current profit	1,004,453	940,990
Total equity and Liabilities	6,925,565	7,111,638

III. SUPPLEMENT FINANCIAL INFORMATION

AS AT 31 DECEMBER 2024

Figures in HKD thousands

	2024-12-31	As at 2024-06-30
A. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES		
Advances to customers	1,924,180	1,710,175
Advances to Banks	1,467,638	1,265,006
Total	3,391,818	2,975,181
Collective impairment allowances	(34,014)	(30,229)
Individual impairment allowances	0	0
Total	(34,014)	(30,229)
Gross advances less impairment allowances	3,357,804	2,944,952
Allowances as a percentage of gross advances		
-Collective impairment allowances	1.00%	1.02%
-Individual impairment allowances	0.00%	0.00%
Total allowances	1.00%	1.02%

A1. IMPAIRMENT ALLOWANCES

	2024-12-31			As at 2024-06-30		
	Collective impairment allowances	Individual impairment allowances	Total	Collective impairment allowances	Individual impairment allowances	Total
Advances to customers	19,338	0	19,338	17,579	0	17,579
Advances to banks	14,676	0	14,676	12,650	0	12,650
Total			34,014			30,229

a) Impaired advances to customers

	2024-12-31	As at 2024-06-30
Amount of individual impaired loans and advances	0	0
Amount of individual impairment allowances made	0	0
Value of collateral	0	0
As a percentage of total advances to customers	0.00%	0.00%

b) Impaired advances to banks

	2024-12-31	As at 2024-06-30
Amount of individual impaired loans and advances	0	0
Amount of individual impairment allowances made	0	0
Value of collateral	0	0
As a percentage of total advances to banks	0.00%	0.00%

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD thousands

B. OVERDUE AND RESCHEDULED ASSETS

	As at			
	2024-12-31		2024-06-30	
a) Loans and Advances to customers overdue for	Amount	%	Amount	%
More than 3 months and up to 6 months	0	0	0	0
More than 6 months and up to 1 year	0	0	0	0
More than 1 year	0	0	0	0
b) Rescheduled loans and advances to customers			0	0.00%
c) Value of collateral held against such overdue loans and advances to customers				
- Current market value of collateral held against the covered portion of overdue loans and advances	0	0	0	0
- Covered portion of overdue loans and advances	0	0	0	0
- Uncovered portion of overdue loans and advances	0	0	0	0
d) Individual impairment allowances on such overdue loans and advances	0		0	

B1. Loans and advances to banks and other financial institutions

There were no loans and advances to banks and other financial institutions which were overdue as at 31 December 2024 and 30 June 2024.

B2. OTHER ASSETS (including debt securities)

There were no other assets (including debt securities) which were overdue as at 31 December 2024 and 30 June 2024.

B3. REPOSSESSED ASSETS

There were no repossessed assets held by Hong Kong branch as at 31 December 2024 and 30 June 2024.

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD thousands

C. OFF-BALANCE SHEET INFORMATION

C1. CONTINGENT LIABILITIES AND COMMITMENTS

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments :

	As at	
	2024-12-31	2023-06-30
Off-balance sheet exposures (in contractual amounts)		
Direct credit substitutes	0	0
Transaction-related contingencies	0	0
Trade-related contingencies	126,574	158,516
Other commitments	527,438	800,869
Forward forward deposits placed	0	0
	<u>654,012</u>	<u>959,385</u>

C2. DERIVATIVES

Interest rate contracts	0	0
Exchange rate contracts	4,310	0
	<u>4,310</u>	<u>0</u>

C3. REPLACEMENT COSTS OF DERIVATIVES

Interest rate contracts	0	0
Exchange rate contracts	0	0
	<u>0</u>	<u>0</u>

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 requirements. 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. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD thousands

D. SEGMENTAL INFORMATION

D1. 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 contained in the banking return of "Quarterly Analysis of Loans and Advances and Provisions" which was submitted to Hong Kong Monetary Authority ("HKMA").

	<u>2024-12-31</u>		<u>2024-06-30</u>	
	Gross Amount	Balance covered by collateral	Gross Amount	Balance covered by collateral
D2. LOANS AND ADVANCES FOR USE IN HONG KONG				
a). Industrial, commercial and financial:				
-Property development	0	0	0	0
-Property investment	0	0	0	0
-Financial concerns	0	0	0	0
-Stockbrokers	0	0	0	0
-Wholesale and retail trade	271,785	0	0	0
-Manufacturing	112,926	0	113,024	0
-Transport and transport equipment	0	0	0	0
-Electricity and gas	0	0	0	0
-Recreational activities	0	0	0	0
-Information technology	0	0	0	0
-Other	0	0	0	0
b). Individuals				
-Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0	0	0	0
-Loans for the purchase of other residential properties	0	0	0	0
-Credit card advances	0	0	0	0
-Others	0	0	0	0
D3. TRADE FINANCE	13,201	4,659	0	0
D4. LOANS AND ADVANCES FOR USE OUTSIDE HONG KONG	1,526,268	64,944	1,597,151	74,016
Total loans & advances to customers	1,924,180	69,603	1,710,175	74,016

D5. 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>2024-12-31</u>	<u>2024-06-30</u>
-Hong Kong	854,711	609,247
-China	0	171,512
-British Virgin Islands	0	95,455
-Singapore	151,046	393,850
-Others	918,423	440,111
Total	1,924,180	1,710,175

D6. OVERDUE AND IMPAIRED LOANS BY COUNTRIES OR GEOGRAPHICAL AREAS ANALYSIS

	<u>2024-12-31</u>	<u>2024-06-30</u>
-Hong Kong	0	0
-China	0	0
-British Virgin Islands	0	0
-Singapore	0	0
-Others	0	0
Total	0	0

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD millions

E. INTERNATIONAL CLAIMS

The following tables analyses international claims by location 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 instructions of HKMA Return of "International Banking Statistics". Countries or geographical segments constituting not less than 10% of the total cross-border claims are disclosed.

	<u>Banks</u>	<u>Official Sectors</u>	<u>Non-bank private sector</u>		<u>Total</u>
			<u>Non-bank Financial Institution</u>	<u>Non-financial private sector</u>	
<u>As at December 31, 2024</u>					
1. Developed countries	1,361	0	140	81	1,582
2. Offshore centres	376	0	122	1,019	1,517
of which: Hong Kong	327	0	0	867	1,194
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	37	34	0	0	71
5. Developing Africa and Middle East	178	290	0	308	776
6. Developing Asia-Pacific	2,414	54	0	532	3,000
of which: China	40	0	0	0	40
Taiwan	395	0	0	5	400
7. International Organisations	0	0	0	0	0
Total	4,366	378	262	1,940	6,946

	<u>Banks</u>	<u>Official Sectors</u>	<u>Non-bank private sector</u>		<u>Total</u>
			<u>Non-bank Financial Institution</u>	<u>Non-financial private sector</u>	
<u>As at June 30, 2024</u>					
1. Developed countries	1,273	0	138	564	1,975
2. Offshore centres	1,273	0	181	103	1,557
of which: Hong Kong	987	0	61	103	1,151
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	36	35	0	0	71
5. Developing Africa and Middle East	235	288	0	0	523
6. Developing Asia-Pacific	1,862	54	253	741	2,910
of which: China	0	0	136	408	544
Taiwan	274	0	0	5	279
7. International Organisations	0	0	79	0	79
Total	4,679	377	651	1,408	7,115

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD millions

F. NON-BANK MAINLAND EXPOSURES

Non-bank counterparties are identified in accordance with the definitions set out in the "Return of Mainland Activities" issued by the HKMA.

Exposures in Mainland China arising from non-bank counterparties are summarised as follows:

<u>As at December 31, 2024</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
1. Central government, central government-owned entities and their subsidiaries and JVs	0	0	0
2. Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	0	0	0
4. Other entities of central government not reported in item 1 above	0	0	0
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
Total	0	0	0
Total assets after provision	6,926		
On-balance sheet exposures as percentage of total assets	0.00%		

<u>As at June 30, 2024</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
1. Central government, central government-owned entities and their subsidiaries and JVs	0	0	0
2. Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	173	0	173
4. Other entities of central government not reported in item 1 above	67	0	67
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	45	0	45
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
Total	285	0	285
Total assets after provision	7,111		
On-balance sheet exposures as percentage of total assets	4.01%		

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD millions

G. FOREIGN CURRENCY POSITION

The foreign currency exposures 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:

As at December 31, 2024

	USD	EUR	JPY	CNY	AUD	NZD	Total
Spot assets	5,294	92	74	244	91	10	5,805
Spot liabilities	(5,294)	(92)	(74)	(243)	(91)	(10)	(5,804)
Forward purchases	0	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0	0
Net long (short) position	0	0	0	1	0	0	1

As at June 30, 2024

	USD	EUR	JPY	CNY	AUD	NZD	Total
Spot assets	5,015	98	117	251	150	10	5,641
Spot liabilities	(5,014)	(98)	(117)	(251)	(150)	(10)	(5,640)
Forward purchases	0	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0	0
Net long (short) position	1	0	0	0	0	0	1

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

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 31 DECEMBER 2024

Figures in HKD thousands

H. LIQUIDITY INFORMATION

	For the quarter ended 31-Dec-24	For the quarter ended 31-Dec-23
Average liquidity maintenance ratio for the period	63.33%	52.58%

The average liquidity maintenance ratio for the period is the simple average of each calendar month's average liquidity maintenance ratio. The liquidity maintenance ratio ("LMR") is computed in accordance with the Banking (Liquidity) Rules with effect from 1 January 2015.

Liquidity Risk Management

(1) Governance of liquidity risk management

The liquidity risk of our branch was managed in accordance with the "Head Office's Liquidity and Interest Rate Risk Management Policy", "Hong Kong Branch's Liquidity Management Guidelines", "Hong Kong Branch's Stress Testing Standards", "Hong Kong Branch's Contingency Funding Standards" and other related regulations received from our Head Office to ensure maintaining stable and adequate liquidity in order to meet the payment and settlement obligation under the normal and pressure situations. Therefore, the payment and settlement system can be operated smoothly.

(2) Structure and responsibilities for liquidity risk management

The Risk Management Committee is mainly responsible for the liquidity risk management in our Branch. The Chief Executive is the chairman of the Committee. The members include the Heads of Treasury Department, Deposits Department, Loans Department, Accounting Department, Risk Management Department and Compliance Department. Chief Executive could also invite other staff to attend the Committee meeting if necessary.

(3) Liquidity risk reports

The branch prepares daily LMR report and delivers it to the management, and prepares monthly maturity gap ratio and repricing gap reports to The Investment Management Committee and Head Office. Based on liquidity gap analysis and the changes of the structure, the branch allocates adequate funding to reduce liquidity risk.

(4) Funding strategy

The branch manages the liquidity risk to maintain adequate liquidity level and ensure payment ability under the daily and specific stress scenarios. The liquidity risk management principles includes :

1. The funding sources should be diversified, stable and reliable.
2. The use of funds should be broad.
3. Regularly assess the structure of the asset and liability portfolio.

(5) Liquidity risk mitigation techniques

The minimum liquidity maintenance ratio included in our branch internal policy is higher than the statutory minimum requirement and liquidity position is monitored by the management on a daily basis to ensure that our branch maintains adequate liquidity.

(6) Stress testing

Liquidity stress test should be performed periodically for institution-specific, market-wide and combined stress scenarios and the results will be reported and delivered to the management. The result will be the reference for the improvement of liquidity risk management and contingency funding plan.

(7) Contingency funding plan

The Contingency Funding Plan (CFP) specifies a contingency plan when the market faces abnormal volatility and our branch fails to get funding at reasonable cost or lacks liquidity. The CFP should test periodically.

(8) Sources of funding

Our branch's source of funding is mainly from customer deposits and borrowing from banks.

As % of total liabilities

Customer deposits	76%
Borrowing from banks	8%

(9) Analysis the on and off balance sheet items by remaining maturity

	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	Balancing amount
31-Dec-24							
On-balance sheet assets	6,960,642	2,485,176	982,369	398,504	218,587	2,858,332	17,674
On-balance sheet liabilities	6,925,565	2,991,059	2,123,381	351,203	360,386	6,252	1,093,284
Off-balance sheet claims	126,574	62,122	62,122	2,330	0	0	0
Off-balance sheet obligations	654,012	62,122	62,122	33,392	313,245	183,131	0
Contractual Maturity Mismatch		(505,883)	(1,141,012)	16,239	(455,044)	2,668,949	
Cumulative Contractual Maturity Mismatch		(505,883)	(1,646,895)	(1,630,656)	(2,085,700)	583,249	
31-Dec-23							
On-balance sheet assets	7,119,200	2,674,561	1,067,052	686,318	782,236	1,889,997	19,036
On-balance sheet liabilities	7,088,410	3,000,736	2,382,967	416,706	312,092	0	975,909
Off-balance sheet claims	80,025	77,681	0	2,344	0	0	0
Off-balance sheet obligations	498,981	77,681	0	2,813	400,903	17,584	0
Contractual Maturity Mismatch		(326,175)	(1,315,915)	269,143	69,241	1,872,413	
Cumulative Contractual Maturity Mismatch		(326,175)	(1,642,090)	(1,372,947)	(1,303,706)	568,707	

SECTION B-INFORMATION OF THE BANK (CONSOLIDATED BASIS)

AS AT 31 DECEMBER 2024

A. CAPITAL AND CAPITAL ADEQUACY RATIO

	31-Dec-2024	30-Jun-2024
	(%)	(%)
a) Capital Adequacy Ratio	14.92	14.54
	NTD in thousands	NTD in thousands
b) Aggregate amount of shareholder's funds	277,394,954	268,481,385

The capital adequacy ratio is computed in accordance with the "Basel III Capital Accord" and the basis of computation incorporates allowances for credit risk, market risk and operational risk.

B. OTHER FINANCIAL INFORMATION

	As at	As at
	31-Dec-2024	30-Jun-2024
	NTD in thousands	NTD in thousands
Total assets	4,929,071,870	4,671,879,579
Total liabilities	4,651,676,916	4,403,398,194
Total advances	3,060,238,590	2,893,842,478
Total customers deposits	4,086,076,750	3,936,833,271

	For the year ended	
	31-Dec-2024	31-Dec-2023
	NTD in thousands	NTD in thousands
Profit / (Loss) before taxation	23,172,659	20,156,250

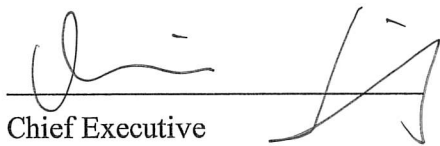
SECTION C - REMUNERATION DISCLOSURE

In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5) Guideline on Sound Remuneration System, please refer to the Annual Report 2024(Chinese Version Only) Taiwan Cooperative Bank, in the part of Report of Corporate Governance.

Note: A copy of the Disclosure Statement is available on the website below for public inspection.
<https://www.tcb-bank.com.tw/about-tcb/info/locations/oversea/hk/disclosure>

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 Financial Information Disclosure Statements of Taiwan Cooperative Bank, Hong Kong Branch for the year ended 31 Dec 2024. We confirmed that the information contained therein complies, in all material respects, with 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.



Chief Executive

Taiwan Cooperative Bank

Hong Kong Branch

23 Apr, 2025