

TAIWAN COOPERATIVE BANK, HONG KONG BRANCH

Financial Information Disclosure Statement

For the Half Year Ended June 30, 2024

TAIWAN COOPERATIVE BANK, HONG KONG BRANCH
FINANCIAL INFORMATION DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2024

<u>CONTENTS</u>	<u>PAGES</u>
SECTION A - INFORMATION OF THE BRANCH (HONG KONG BRANCH ONLY)	
I. PROFIT AND LOSS INFORMATION	1
II. BALANCE SHEET INFORMATION	2
III. SUPPLEMENT FINANCIAL INFORMATION	3
A. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES	3
B. OVERDUE AND RESCHEDULED ASSETS	4
C. OFF-BALANCE SHEET INFORMATION	5
D. SEGMENTAL INFORMATION	6
E. INTERNATIONAL CLAIMS	7
F. NON-BANK MAINLAND EXPOSURES	8
G. FOREIGN CURRENCY POSITION	9
H. LIQUIDITY INFORMATION	10
SECTION B - INFORMATION OF THE BANK (CONSOLIDATED BASIS)	
A. CAPITAL AND CAPITAL ADEQUACY RATIO	11
B. OTHER FINANCIAL INFORMATION	11
SECTION C - REMUNERATION DISCLOSURE	11
DECLARATION	12

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

I. PROFIT AND LOSS INFORMATION

FOR THE HALF YEAR ENDED JUNE 30, 2024

Figures in HKD thousands

	2024-06-30	2023-06-30
INTEREST INCOME	187,482	158,755
INTEREST EXPENSE	<u>(108,559)</u>	<u>(86,496)</u>
	78,923	72,259
OTHER OPERATING INCOME		
Gains less losses arising from dealing in foreign currencies	549	325
Gains less losses on securities held for trading purposes	0	0
Gains less losses from other trading activities	0	39
Net fees and commission income		
Gross fees and commission income	1,309	1,582
Fees and commission expense	(513)	(563)
Others	<u>0</u>	<u>0</u>
	1,345	1,383
Total income	80,268	73,642
OPERATING EXPENSES		
Staff and rental expenses	(9,169)	(9,440)
Other expenses (less fees and commission expenses)	<u>(7,209)</u>	<u>(5,437)</u>
	(16,378)	(14,877)
IMPAIRMENT PROVISION FOR LOANS	1,100	62,353
Total expenses	(15,278)	47,476
PROFIT BEFORE TAXATION	64,990	121,118
TAXATION CHARGE	<u>(12,034)</u>	<u>0</u>
PROFIT AFTER TAXATION	<u>52,956</u>	<u>121,118</u>

II. BALANCE SHEET INFORMATION
AS AT 30 JUNE 2024

Figures in HKD thousands

As at

2024-06-30 2023-12-31

ASSETS

Cash and short term fund (except those included in amount due from overseas offices)	276,744	215,793
Placement with Bank maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)	1,684,012	2,235,744
Amount due from overseas offices	124	128
Loans and advances less impairment allowances	2,944,952	2,882,824
Certificates of deposit held	566,174	0
Amortised cost securities	0	0
Fair value through other comprehensive income securities	1,650,569	1,733,002
Other accounts	(25,239)	4,755
Property, plant and equipment	22,380	24,439
Accumulated depreciation	(12,911)	(13,040)
Intangible assets	4,833	4,765
Total Assets	7,111,638	7,088,410

LIABILITIES

Deposit and balances from banks (except those included in amount due to overseas offices)	668,220	701,788
Deposit from customers		
-Demand deposits and current accounts	854	1,867
-Savings deposits	2,069,006	1,594,647
-Time, call and notice deposits	3,243,951	3,715,838
Amount due to overseas offices	87,787	80,976
Other accounts	100,830	100,887
Total Liabilities	6,170,648	6,196,003
Reserves and current profit	940,990	892,407
Total equity and Liabilities	7,111,638	7,088,410

III. SUPPLEMENT FINANCIAL INFORMATION

AS AT 30 JUNE 2024

Figures in HKD thousands

	2024-06-30	As at 2023-12-31
A. ADVANCES AND IMPAIRMENT ALLOWANCES ON ADVANCES		
Advances to customers	1,710,175	1,622,577
Advances to Banks	1,265,006	1,289,470
Total	<u>2,975,181</u>	<u>2,912,047</u>
Collective impairment allowances	(30,229)	(29,222)
Individual impairment allowances	0	0
Total	<u>(30,229)</u>	<u>(29,222)</u>
Gross advances less impairment allowances	<u>2,944,952</u>	<u>2,882,825</u>
Allowances as a percentage of gross advances		
-Collective impairment allowances	1.02%	1.00%
-Individual impairment allowances	0.00%	0.00%
Total allowances	<u>1.02%</u>	<u>1.00%</u>

A1. IMPAIRMENT ALLOWANCES

	2024-06-30			As at 2023-12-31		
	Collective impairment allowances	Individual impairment allowances	Total	Collective impairment allowances	Individual impairment allowances	Total
Advances to customers	17,579	0	17,579	16,327	0	16,327
Advances to banks	12,650	0	12,650	12,895	0	12,895
Total			<u>30,229</u>			<u>29,222</u>

a) Impaired advances to customers

	2024-06-30	As at 2023-12-31
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

	2024-06-30	As at 2023-12-31
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 30 JUNE 2024

Figures in HKD thousands

B. OVERDUE AND RESCHEDULED ASSETS

	As at			
	2024-06-30		2023-12-31	
	Amount	%	Amount	%
a) Loans and Advances to customers overdue for				
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%	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 30 June 2024 and 31 December 2023.

B2. OTHER ASSETS (including debt securities)

There were no other assets (including debt securities) which were overdue as at 30 June 2024 and 31 December 2023.

B3. REPOSSESSED ASSETS

There were no repossessed assets held by Hong Kong branch as at 30 June 2024 and 31 December 2023.

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 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	
	2024-06-30	2023-12-31
Off-balance sheet exposures (in contractual amounts)		
Direct credit substitutes	0	0
Transaction-related contingencies	0	0
Trade-related contingencies	158,516	80,025
Other commitments	800,869	418,956
Forward forward deposits placed	0	0
	<u>959,385</u>	<u>498,981</u>
C2. DERIVATIVES		
Interest rate contracts	0	0
Exchange rate contracts	0	0
	<u>0</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 30 JUNE 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>2024-06-30</u>		<u>2023-12-31</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	0	0	0	0
-Manufacturing	113,024	0	113,039	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	0	0	13,285	4,689
D4. LOANS AND ADVANCES FOR USE OUTSIDE HONG KONG	<u>1,597,151</u>	<u>74,016</u>	<u>1,496,253</u>	<u>77,206</u>
Total loans & advances to customers	<u>1,710,175</u>	<u>74,016</u>	<u>1,622,577</u>	<u>81,895</u>

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>2024-06-30</u>	<u>2023-12-31</u>
-Hong Kong	609,247	363,269
-China	171,512	292,085
-British Virgin Islands	95,455	117,206
-Singapore	393,850	447,895
-Others	440,111	402,122
Total	<u>1,710,175</u>	<u>1,622,577</u>

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

	<u>2024-06-30</u>	<u>2023-12-31</u>
-Hong Kong	0	0
-China	0	0
-British Virgin Islands	0	0
-Cayman Islands	0	0
-Others	0	0
Total	<u>0</u>	<u>0</u>

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 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.

	Banks	Non-bank private sector			Total
		Official Sectors	Non-bank Financial Insitution	Non-financial private sector	
<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

	Banks	Non-bank private sector			Total
		Official Sectors	Non-bank Financial Insitution	Non-financial private sector	
<u>As at December 31, 2023</u>					
1. Developed countries	1,021	0	138	263	1,422
2. Offshore centres	1,575	0	197	114	1,886
of which: Hong Kong	1,273	0	61	114	1,448
3. Developing Europe	0	0	0	0	0
4. Developing Latin America and Caribbean	36	36	0	0	72
5. Developing Africa and Middle East	471	295	0	0	766
6. Developing Asia-Pacific	1,608	55	400	810	2,873
of which: China	0	0	282	347	629
Taiwan	255	0	0	19	274
7. International Organisations	0	0	79	0	79
Total	4,711	386	814	1,187	7,098

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 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 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%		

<u>As at December 31,2023</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	294	0	294
4. Other entities of central government not reported in item 1 above	100	0	100
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	101	13	114
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0
Total	495	13	508
Total assets after provision	7,088		
On-balance sheet exposures as percentage of total assets	6.99%		

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 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 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

As at December 31, 2023

	USD	EUR	JPY	CNY	AUD	NZD	Total
Spot assets	5,439	109	63	284	158	11	6,064
Spot liabilities	(5,441)	(109)	(63)	(283)	(158)	(11)	(6,065)
Forward purchases	0	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0	0
Net long (short) position	(2)	0	0	1	0	0	(1)

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

III. SUPPLEMENT FINANCIAL INFORMATION - CONTINUED

AS AT 30 JUNE 2024

Figures in HKD thousands

H. LIQUIDITY INFORMATION

	<u>For the quarter</u> <u>ended</u> 30-Jun-24	<u>For the quarter</u> <u>ended</u> 30-Jun-23
Average liquidity maintenance ratio for the period	71.64%	67.06%

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 Policy", "Hong Kong Branch's Stress Testing Policy", "Hong Kong Branch's Contingency Funding Plan" 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 Risk 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.

SECTION B-INFORMATION OF THE BANK (CONSOLIDATED BASIS)

AS AT 30 JUNE 2024

A. CAPITAL AND CAPITAL ADEQUACY RATIO

	30-Jun-2024	31-Dec-2023
	(%)	(%)
a) Capital Adequacy Ratio	14.54	14.9
	NTD in thousands	NTD in thousands
b) Aggregate amount of shareholder's funds	268,481,385	261,499,269

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 30-Jun-2024	As at 31-Dec-2023
	NTD in thousands	NTD in thousands
Total assets	4,671,879,579	4,559,923,371
Total liabilities	4,403,398,194	4,298,424,102
Total advances	2,893,842,478	2,799,844,667
Total customers deposits	3,936,833,271	3,863,606,778

	For the half year ended	
	30-Jun-2024	30-Jun-2023
	NTD in thousands	NTD in thousands
Profit / (Loss) before taxation	12,713,411	11,053,610

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 2023(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.
<http://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 half year ended 30 June 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
05 Sep, 2024