



臺灣中小企業銀行 香港分行
TAIWAN BUSINESS BANK Hong Kong Branch

Suite 2705-9, 27/F, Tower 6, The Gateway, Harbour City, Kowloon, H.K.

Tel : (852) 2971 0111 Fax : (852) 2511 6791

TAIWAN BUSINESS BANK
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the half year ended 2014 / 06 / 30



TAIWAN BUSINESS BANK HONG KONG BRANCH
Key Financial Information Disclosure Statement
For the half year ended 2014 / 06 / 30

Contents	Page
Section A-Information of the Branch (Hong Kong Branch Only)	
I. Income statement information	1
II. Balance sheet information	2
III. Additional Balance sheet information	3
1. Loans and advances and impairment provisions	3
2. Overdue and rescheduled assets	4
3. Off-balance sheet information	7
4. Gross advances to customers segmental analysis	8
5. Cross-border claims	9
6. Non-bank Mainland exposures	9
7. Currency risk	10
8. Liquidity ratio	10
9. Remuneration Disclosure	10
Section B-Information of the Bank (Consolidated Basis)	
I. Capital and capital adequacy ratio	11
II. Other financial information	11
Declaration	12

TAIWAN BUSINESS BANK HONG KONG BRANCH
Section A-Information of the Branch (Hong Kong Branch Only)

I. Income statement information

	For the half year end 2014/6/30 HK\$'000	For the half year end 2013/6/30 HK\$'000
Interest Income	91,291	45,247
Interest Expense	<u>(52,124)</u>	<u>(15,475)</u>
	<u>39,167</u>	<u>29,772</u>
Other operating income		
Gains less losses arising from trading in foreign currencies	1,271	1,785
Gains less losses on securities held for trading purpose	0	0
Gains less losses from other trading activities	0	0
Income from fees and commissions	4,540	5,168
Others	<u>5</u>	<u>0</u>
	<u>5,816</u>	<u>6,953</u>
Operating Expense		
Staff and rental expenses	(9,104)	(9,697)
Net charge for other provisions	(193)	127
Other expenses	(3,303)	(4,027)
Impairment losses and provisions for impaired loans and advances	12,080	(7,336)
Gains less losses from the disposal of property, plant and equipment and investment property	<u>0</u>	<u>0</u>
	<u>(520)</u>	<u>(20,933)</u>
Profit before taxation	44,463	15,792
Taxation expense or tax income	0	0
Profit after taxation	<u><u>44,463</u></u>	<u><u>15,792</u></u>

II. Balance sheet information

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
Assets		
Cash and balances with banks (except those included in amount due from overseas offices)	4,348,119	1,713,539
Placement with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	744,029	362,700
Amount due from overseas offices	24,977	263,118
Trade bills	1,090	963
Available-for-sale securities and impairment provisions	0	0
Available-for-sale securities	503,468	0
Impairment provisions (specific)	0	0
Held-to-maturity securities	51,208	119,860
Loans and advances and impairment provisions		
Loans and advances to customers	2,957,413	3,516,992
Loans and advanced to banks	0	0
Impairment provisions (collective and specific)	(84,215)	(96,729)
Property, plant and equipment and investment properties	4,541	393
Other assets		
Accrued interest	41,992	9,342
Others	4,221	1,952
Total assets	<u><u>8,596,843</u></u>	<u><u>5,892,130</u></u>
Liabilities		
Deposits and balances of banks (except those included in amount due to overseas offices)	2,604,782	1,569,513
Deposits from customers		
Demand deposits and current accounts	138,185	145,786
Savings deposits	1,710,727	1,659,090
Time, call and notice deposits	1,360,578	947,415
Amount due to overseas offices	2,672,830	1,533,489
Other liabilities	57,725	29,285
Total liabilities	<u><u>8,544,827</u></u>	<u><u>5,884,578</u></u>
Reserves	7,553	2,686
Current profit/(loss)	44,463	4,866
Total equities	<u><u>52,016</u></u>	<u><u>7,552</u></u>
Total Equities and Liabilities	<u><u>8,596,843</u></u>	<u><u>5,892,130</u></u>

III. Additional Balance sheet information

1. Loans and advances and impairment provisions

A. Loans and advances and impairment provisions

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
Loans and advances to customers	2,957,413	3,516,992
Loans and advances to banks	0	0
Total	<u>2,957,413</u>	<u>3,516,992</u>
Collective impairment provisions	(28,815)	(34,341)
Specific impairment provisions	<u>(55,400)</u>	<u>(62,388)</u>
Total	<u>(84,215)</u>	<u>(96,729)</u>
Gross loans and advances less impairment provisions	<u><u>2,873,198</u></u>	<u><u>3,420,263</u></u>
Provisions as % of gross loans and advances		
Collective impairment provisions	0.97%	0.98%
Specific impairment provisions	<u>1.87%</u>	<u>1.77%</u>
Total	<u>2.85%</u>	<u>2.75%</u>

B. Impairment provisions

	Specific impairment provisions	Collective impairment provisions	Total
2014/6/30			
Loans and advances to customers	55,400	28,815	84,215
Loans and advances to banks	0	0	0
Total	<u>55,400</u>	<u>28,815</u>	84,215
2013/12/31			
Loans and advances to customers	62,388	34,341	96,729
Loans and advances to banks	0	0	0
Total	<u>62,388</u>	<u>34,341</u>	96,729

C. Impaired loans and advances to customers

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
Impaired loans and advances to customers	75,903	82,900
Specific impairment provisions	<u>(55,400)</u>	<u>(62,388)</u>
Total	20,503	20,512
Market value of collateral of loans and advances to customers covered portion of impaired loans and advances to customers	0	0
uncovered portion of impaired loans and advances to customers	75,903	82,900
Impaired advances as % of gross loans and advances to customers	2.57%	2.36%
Specific impairment provisions as % of impaired loans and advances to customers	72.99%	75.26%

D. Impaired loans and advances to bank

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
Impaired loans and advances to banks	0	0
Specific impairment provisions	<u>0</u>	<u>0</u>
Total	0	0
Market value of collateral of loans and advances to banks covered portion of impaired loans and advances to banks	0	0
uncovered portion of impaired loans and advances to banks	0	0
Impaired advances as % of gross loans and advances to banks	0.00%	0.00%
Specific impairment provisions as % of impaired loans and advances to banks	0.00%	0.00%

2. Overdue and rescheduled assets

Part I. Loans and advances to customers

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
A. Loans and advances to customers overdue for		
more than 3 months but not more than 6 months	0	0
more than 6 months but not more than 1 year	0	4,106
more than 1 year	4,222	7,080
Total	<u>4,222</u>	<u>11,186</u>
Specific impairment provisions made in respect of the above	(4,222)	(11,186)
Market value of collateral of overdue loans and advances to customers	0	0
covered portion of overdue loans and advances to customers	0	0
uncovered portion of overdue loans and advances to customers	4,222	11,186
B. Rescheduled loans and advances to customers	<u>71,681</u>	<u>66,546</u>
(Net of those overdue loans and advances which have been disclosed above)		
	As % of gross advances to customers	As % of gross advances to customers
	2014/6/30	2013/12/31
a. Advance to customers overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 month but not more than 1 year	0.00%	0.12%
more than 1 year	0.14%	0.20%
Total	<u>0.14%</u>	<u>0.32%</u>
b. Rescheduled loans and advances to customers	<u>2.42%</u>	<u>1.89%</u>

C. Repossessed assets

As at 2014 / 06 / 30 and 2013 / 12 / 31, there were no repossessed assets held by our branch.

Part II. Loans and advances to banks

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
A. Loans and advances to banks overdue for		
more than 3 months but not more than 6 months	0	0
more than 6 month but not more than 1 year	0	0
more than 1 year	0	0
Total	<u>0</u>	<u>0</u>
Specific impairment provisions made in respect of the above	0	0
Market value of collateral of overdue loans and advances to banks	0	0
covered portion of overdue loans and advances to banks	0	0
uncovered portion of overdue loans and advances to banks	0	0
B. Rescheduled loans and advances to bank	<u>0</u>	<u>0</u>
(Net of those overdue loans and advances which have been disclosed above)		
	As % of gross advances to banks	As % of gross advances to banks
	2014/6/30	2013/12/31
a. Advance to bank overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 month but not more than 1 year	0.00%	0.00%
more than 1 year	0.00%	0.00%
Total	<u>0.00%</u>	<u>0.00%</u>
b. Rescheduled loans and advances to banks	<u>0.00%</u>	<u>0.00%</u>

C. Repossessed assets

As at 2014 / 06 / 30 and 2013 / 12 / 31, there were no repossessed assets held by our branch.

Part III. Other assets

(Available-for-sale securities and Held-to-maturity securities)

	2014/6/30	2013/12/31
	HK\$'000	HK\$'000
A. Other assets overdue for		
more than 3 months but not more than 6 months	0	0
more than 6 month but not more than 1 year	0	0
more than 1 year	0	0
	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Specific impairment provisions made in respect of the above	0	0
Market value of collateral of overdue other assets	0	0
covered portion of overdue other assets	0	0
uncovered portion of overdue other assets	0	0
	<u>0</u>	<u>0</u>
B. Rescheduled Other assets	<u>0</u>	<u>0</u>
(Net of those overdue other assets which have been disclosed above)		
	As % of gross	As % of gross
	Other assets	Other assets
	2014/6/30	2013/12/31
a. Other assets overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 month but not more than 1 year	0.00%	0.00%
more than 1 year	0.00%	0.00%
Total	<u>0.00%</u>	<u>0.00%</u>
	<u>0.00%</u>	<u>0.00%</u>
b. Rescheduled Other assets	<u>0.00%</u>	<u>0.00%</u>
C. Repossessed assets		
As at 2014 / 06 / 30 and 2013 / 12 / 31, there were no repossessed assets held by our branch.		

3. Off-balance sheet information

For contingent liabilities, commitments and derivatives, they refer to the contractual amounts at risks should the contracts be fully drawn upon and the clients do not repay accordingly.

A. The contractual or notional amounts of each material class of its off-balance sheet exposures (other than Derivative transactions)

	2014/6/30	2013/12/31
	<u>HK\$'000</u>	<u>HK\$'000</u>
Direct credit substitutes	0	0
Transaction-related contingencies	0	0
Trade-related contingencies	75,249	61,548
Other commitments	0	0
Others	0	0
Total	<u>75,249</u>	<u>61,548</u>

B. Derivative transactions

	2014/6/30	2013/12/31
	<u>HK\$'000</u>	<u>HK\$'000</u>
Exchange rate contract	11,176	16,438
Interest rate contract	54,252	54,277
Total	<u>65,428</u>	<u>70,715</u>
Replacement cost of derivatives		
Exchange rate contract		
Positive Fair Value	234	375
Negative Fair Value	0	0
Interest rate contract		
Positive Fair Value	0	0
Negative Fair Value	0	0
Total	<u>234</u>	<u>375</u>

The fair value of derivatives represent the costs of replacing all contracts which have a positive value in the market. They do not take into account the effects of bilateral netting arrangements.

4. Gross advances to customers segmental analysis

A. By loan usage

The following analysis of gross loans and advances to customers by major sectors are prepared in accordance with the definitions and the detailed descriptions in the completion instructions for the "Return of Quarterly Analysis of Loans and Advances and Provisions".

	2014/6/30		2013/12/31	
	HK\$'000		HK\$'000	
	Amount	Balance covered	Amount	Balance covered
by collateral		by collateral		
Loan and advances for use in HK				
Industrial, commercial and financial:				
-Property development	159,946	99,946	171,267	111,267
-Property investment	134,890	119,068	175,979	106,068
-Financial concerns	13,176	0	117,458	0
-Stockbrokers	0	0	0	0
-Wholesale and retail trade	166,309	0	473,988	0
-Manufacturing	413,530	0	507,595	0
-Transport and transport equipment	0	0	0	0
-Recreational activities	0	0	0	0
-Information Technology	0	0	0	0
-Others	423,333	225,146	182,746	4,885
Individuals:				
-Loan for the purchase of other residential properties	0	0	0	0
-Others	77,857	77,503	77,538	77,538
Total	1,389,041	521,663	1,706,571	299,758
Trade finance	114,345	0	130,107	0
Loan and advances for use outside HK	1,454,027	73,953	1,680,314	52,429
Total	2,957,413	595,616	3,516,992	352,187

B. By countries or geographical segments

2014/6/30	Gross	Overdue	Specific
	Amount	& Impaired	impairment provisions
Hong Kong	1,412,673	4,222	4,222
Cayman Islands	548,710	0	0
Virgin Islands, British	391,450	0	0
China	70,900	5,165	1,291
Taiwan	160,804	0	0
Others	372,876	66,516	49,887
Total	2,957,413	75,903	55,400

2013/12/31	Gross	Overdue	Specific impairment
	Amount	& Impaired	provisions
Hong Kong	1,322,519	9,036	9,036
Cayman Islands	622,350	0	0
Virgin Islands, British	529,307	0	0
China	321,654	5,167	1,292
Taiwan	223,405	615	615
Others	497,757	68,082	51,445
Total	3,516,992	82,900	62,388

Only exposures to a country or geographical segment in accordance with the location of the counterparty not less than 10% of the aggregate gross amount of loans and advances to customers as at the above respective reporting dates are disclosed.

5. Cross-border claims

The following tables analyze cross-border 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 according with the HKMA Return of "External Position" completion instruction. Countries or geographical segments constituting not less than 10% of the total cross-border claims are disclosed.

2014/6/30 HK\$ millions	Public Sector			Total
	Bank	Entities	Others	
Asia Pacific (excluding HK)	4,691	0	605	5,296
Of which: China	2,957	0	226	3,183
Taiwan	1,125	0	162	1,287
North and Latin America	174	0	10	184
Of which: United States	172	0	10	182
Caribbean	0	0	1,017	1,017
Of which: Cayman Islands	0	0	550	550
Middle East	0	0	67	67
Western Europe	92	0	56	148

2013/12/31 HK\$ millions	Public Sector			Total
	Bank	Entities	Others	
Asia Pacific (excluding HK)	1,910	0	517	2,427
Of which: Singapore	194	0	155	349
Taiwan	1,207	0	180	1,387
North and Latin America	203	0	11	214
Of which: United States	201	0	11	212
Caribbean	0	0	1,289	1,289
Of which: Cayman Islands	0	0	793	793
Middle East	0	0	67	67
Western Europe	80	0	53	133

6. Non-bank Mainland exposures

2014/6/30 HK\$'000	On-balance sheet exposures	Off-balance sheet exposures	Total	Specific provision
Mainland entities	70,900	2,422	73,322	1,291.00

2013/12/31 HK\$'000	On-balance sheet exposures	Off-balance sheet exposures	Total	Specific provision
Mainland entities	72,318	0	72,318	1,292.00

7. Currency risk

2014/6/30								
HK\$ millions	USD	GBP	JPY	EUR	CNY	CAD	AUD	Total
Spot assets	4,267	4	14	63	3,109	2	61	7,520
Spot liabilities	4,238	4	14	63	3,115	2	61	7,497
Forward purchases	3	0	0	0	10	0	0	13
Forward sales	25	0	0	0	3	0	0	28
Net option position	0	0	0	0	0	0	0	0
Net long (short) position	7	0	0	0	1	0	0	8

2013/12/31								
HK\$ millions	USD	GBP	JPY	EUR	CNY	AUD	NZD	Total
Spot assets	4,163	3	34	64	444	2	60	4,770
Spot liabilities	4,148	3	35	63	431	2	60	4,742
Forward purchases	0	0	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0	0	0
Net option position	0	0	0	0	0	0	0	0
Net long (short) position	15	0	(1)	1	13	0	0	28

There were no foreign currency structural positions as at 2014 / 6 / 30 and 2013 / 12 / 31

8. Liquidity ratio

	For the half year ended 2014/6/30	For the half year ended 2013/6/30
Average liquidity ratio for the period	48.02%	44.89%

The average liquidity ratio for the period is the simple average of each calendar month's average liquidity ratio, which is computed in accordance with the Forth Schedule to the Hong Kong Banking Ordinance.

9. Remuneration Disclosure

In accordance with section 3 of the HKMA's Supervisory policy Manual Guideline CG-5 "Sound Remuneration System", Taiwan Business Bank Co., Ltd. has disclosed the relevant information in the part of Corporate Governance of the Bank's 2013 Annual Report (Chinese edition).

TAIWAN BUSINESS BANK HONG KONG BRANCH
Section B-Information of the Bank (Consolidated Basis)

I. Capital and capital adequacy ratio	<u>as at</u> <u>2014/6/30</u> <u>TW\$ million</u>	<u>as at</u> <u>2013/12/31</u> <u>TW\$ million</u>
A. Capital Adequacy Ratio	11.39%	11.26%
B. Aggregate amount of shareholder's funds	59,768	57,254

The capital adequacy ratio is calculated in accordance with the document entitled "International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (published by the Basel Committee on Banking Supervision in June 2006).

II. Other financial information	<u>as at</u> <u>2014/6/30</u> <u>TW\$ million</u>	<u>as at</u> <u>2013/12/31</u> <u>TW\$ million</u>
Total assets	1,327,612	1,326,468
Total liabilities	1,267,844	1,269,214
Total loans and advances	954,462	968,747
Total customer deposits	1,088,389	1,095,157
	<u>For the half year ended</u> <u>2014/6/30</u> <u>TW\$ million</u>	<u>For the half year ended</u> <u>2013/6/30</u> <u>TW\$ million</u>
Profit /(Loss) before taxation	2,556	1,685

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 Statement of Taiwan Business Bank, Hong Kong Branch for the year ended 30 Jun 2014. 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" issued in May 2007, and to the best of my knowledge and belief, it is not false or misleading.



Chen Mei chen
Chief Executive

Taiwan Business Bank Hong Kong Branch

Date