



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

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TAIWAN BUSINESS BANK  
HONG KONG BRANCH

Key Financial Information Disclosure Statement  
For the year ended 2014 / 12 / 31



TAIWAN BUSINESS BANK HONG KONG BRANCH  
Key Financial Information Disclosure Statement  
For the year ended 2014 / 12 / 31

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

I. Income statement information

	<u>For the year end</u> <u>2014/12/31</u> <u>HK\$'000</u>	<u>For the year end</u> <u>2013/12/31</u> <u>HK\$'000</u>
Interest Income	236,229	99,210
Interest Expense	<u>(149,838)</u>	<u>(35,400)</u>
	<u>86,391</u>	<u>63,810</u>
Other operating income		
Gains less losses arising from trading in foreign currencies	3,074	3,181
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	10,122	9,878
Others	<u>4,598</u>	<u>(15)</u>
	<u>17,794</u>	<u>13,044</u>
Operating Expense		
Staff and rental expenses	(18,612)	(19,004)
Net charge for other provisions	(65,447)	2
Other expenses	(8,355)	(7,603)
Impairment losses and provisions for impaired loans and receivables	(153)	(45,383)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>0</u>	<u>0</u>
	<u>(92,567)</u>	<u>(71,988)</u>
Profit before taxation	11,618	4,866
Taxation expense or tax income	<u>(5,881)</u>	0
Profit after taxation	<u><u>5,737</u></u>	<u><u>4,866</u></u>

II. Balance sheet information

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
<b>Assets</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	5,360,666	4,348,119
Placement with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	578,330	744,029
Amount due from overseas offices	1,010,760	24,977
Trade bills	18,936	1,090
Available-for-sale securities and impairment provisions	0	0
Available-for-sale securities	219,658	503,468
Impairment provisions (specific)	0	0
Held-to-maturity securities	65,284	51,208
Loans and advances and impairment provisions		
Loans and advances to customers	3,128,194	2,957,413
Loans and advanced to banks	0	0
Impairment provisions (collective and specific)	<b>(96,518)</b>	<b>(84,215)</b>
Property, plant and equipment and investment properties	3,886	4,541
Other assets		
Accrued interest	68,465	41,992
Others	1,839	4,221
Total assets	<b><u>10,359,500</u></b>	<b><u>8,596,843</u></b>
<b>Liabilities</b>		
Deposits and balances of banks (except those included in amount due to overseas offices)	3,113,223	2,604,782
Deposits from customers		
Demand deposits and current accounts	158,944	138,185
Savings deposits	1,730,339	1,710,727
Time, call and notice deposits	1,065,980	1,360,578
Amount due to overseas offices	4,196,977	2,672,830
Other liabilities	80,747	57,725
Total liabilities	<b><u>10,346,210</u></b>	<b><u>8,544,827</u></b>
Reserves	7,553	7,553
Current profit/(loss)	5,737	44,463
Total equities	<b><u>13,290</u></b>	<b><u>52,016</u></b>
Total Equities and Liabilities	<b><u>10,359,500</u></b>	<b><u>8,596,843</u></b>

### III. Additional Balance sheet information

#### 1. Loans and advances and impairment provisions

##### A. Loans and advances and impairment provisions

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
Loans and advances to customers	3,128,194	2,957,413
Loans and advances to banks	0	0
Total	<u>3,128,194</u>	<u>2,957,413</u>
Collective impairment provisions	(30,012)	(28,815)
Specific impairment provisions	(66,506)	(55,400)
Total	<u>(96,518)</u>	<u>(84,215)</u>
Gross loans and advances less impairment provisions	<u>3,031,676</u>	<u>2,873,198</u>
Provisions as % of gross loans and advances		
Collective impairment provisions	0.96%	0.97%
Specific impairment provisions	2.13%	1.87%
Total	<u>3.09%</u>	<u>2.85%</u>

##### B. Impairment provisions

	Specific impairment provisions	Collective impairment provisions	Total
<b>2014/12/31</b>			
Loans and advances to customers	66,506	30,012	96,518
Loans and advances to banks	0	0	0
Total	<u>66,506</u>	<u>30,012</u>	<u>96,518</u>
<b>2014/06/30</b>			
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>	<u>84,215</u>

##### C. Impaired loans and advances to customers

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
Impaired loans and advances to customers	126,970	75,903
Specific impairment provisions	(66,506)	(55,400)
Total	<u>60,464</u>	<u>20,503</u>
Market value of collateral of loans and advances to customers	0	0
covered portion of impaired loans and advances to customers	0	0
uncovered portion of impaired loans and advances to customers	126,970	75,903
Impaired advances as % of gross loans and advances to customers	4.06%	2.57%
Specific impairment provisions as % of impaired loans and advances to customers	52.38%	72.99%

##### D. Impaired loans and advances to bank

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
Impaired loans and advances to banks	0	0
Specific impairment provisions	0	0
Total	<u>0</u>	<u>0</u>
Market value of collateral of loans and advances to banks	0	0
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

	<b>2014/12/31</b>	<b>2014/06/30</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
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	0
more than 1 year	4,224	4,222
Total	<u>4,224</u>	<u>4,222</u>
Specific impairment provisions made in respect of the above	(4,224)	(4,222)
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	4,224	4,222
B. Rescheduled loans and advances to customers	<u>122,746</u>	<u>71,681</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
	<b>2014/12/31</b>	<b>2014/06/30</b>
a. Advance to customers overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 months but not more than 1 year	0.00%	0.00%
more than 1 year	0.14%	0.14%
Total	<u>0.14%</u>	<u>0.14%</u>
b. Rescheduled loans and advances to customers	<u>3.92%</u>	<u>2.42%</u>

C. Repossessed assets

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

Part II. Loans and advances to banks

	<b>2014/12/31</b>	<b>2014/06/30</b>
	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 months 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 banks	<u>0</u>	<u>0</u>
(Net of those overdue loans and advances which have been disclosed above)		
	As % of gross advances	As % of gross advances
	to banks	to banks
	<b>2014/12/31</b>	<b>2014/06/30</b>
a. Advance to bank overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 months but not more than 1 year	0.00%	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 / 12 / 31 and 2014 / 06 / 30, there were no repossessed assets held by our branch.

Part III. Other assets

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

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
A. Other assets 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	0
more than 1 year	0	0
	<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
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
	<b>2014/12/31</b>	<b>2014/06/30</b>
a. Other assets overdue for		
more than 3 months but not more than 6 months	0.00%	0.00%
more than 6 months but not more than 1 year	0.00%	0.00%
more than 1 year	0.00%	0.00%
Total	<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 / 12 / 31 and 2014 / 06 / 30, 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)

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
Direct credit substitutes	0	0
Transaction-related contingencies	0	0
Trade-related contingencies	75,780	75,249
Other commitments	0	0
Others	0	0
Total	<u>75,780</u>	<u>75,249</u>

B. Derivative transactions

	<b>2014/12/31</b>	<b>2014/06/30</b>
	HK\$'000	HK\$'000
Exchange rate contract	8,232	11,176
Interest rate contract		54,252
Total	<u>8,232</u>	<u>65,428</u>
Replacement cost of derivatives		
Exchange rate contract		
Positive Fair Value	36	234
Negative Fair Value	(36)	0
Interest rate contract		
Positive Fair Value	0	0
Negative Fair Value	0	0
Total	<u>0</u>	<u>234</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".

	<b>2014/12/31</b>		<b>2014/06/30</b>	
	HK\$'000		HK\$'000	
	Balance covered		Balance covered	
	Amount	by collateral	Amount	by collateral
Loan and advances for use in HK				
Industrial, commercial and financial:				
-Property development	145,999	85,999	159,946	99,946
-Property investment	0	0	134,890	119,068
-Financial concerns	7,755	0	13,176	0
-Stockbrokers	0	0	0	0
-Wholesale and retail trade	147,991	0	166,309	0
-Manufacturing	440,395	0	413,530	0
-Transport and transport equipment	0	0	0	0
-Recreational activities	0	0	0	0
-Information Technology	0	0	0	0
-Others	241,516	0	423,333	225,146
Individuals:				
-Loan for the purchase of other residential properties	0	4,886	0	0
-Others	42,646	38,777	77,857	77,503
Total	1,026,302	129,662	1,389,041	521,663
Trade finance	119,976	0	114,345	0
Loan and advances for use outside HK	1,981,916	69,023	1,454,027	73,953
Total	3,128,194	198,685	2,957,413	595,616

B. By countries or geographical segments

<b>2014/12/31</b>	<u>Gross</u>	<u>Overdue</u>	<u>Specific</u>
HK\$'000	Amount	& Impaired	impairment provisions
Hong Kong	1,434,570	100,087	59,785
Cayman Islands	672,707	0	0
Virgin Islands	220,555	0	0
China	346,939	26,883	6,721
Taiwan	84,705	0	0
Others	368,718	0	0
Total	3,128,194	126,970	66,506

<b>2014/06/30</b>	<u>Gross</u>	<u>Overdue</u>	<u>Specific</u>
HK\$'000	Amount	& Impaired	impairment provisions
Hong Kong	1,412,673	4,222	4,222
Cayman Islands	548,710	0	0
Virgin Islands	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

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 Positions" completion instruction. Countries or geographical segments constituting not less than 10% of the total cross-border claims are disclosed.

<b>2014/12/31</b>		<u>Public Sector</u>			<b>Total</b>
		<b>Bank</b>	<b>Entities</b>	<b>Others</b>	
<b>HK\$ millions</b>					
Asia Pacific (excluding HK)		5,977	0	603	6,580
Of which:	China	2,891	0	350	3,241
	Taiwan	1,949	0	39	1,988
North and Latin America		228	0	20	248
Of which:	United States	213	0	10	223
Caribbean		0	0	1,026	1,026
Of which:	Cayman Islands	0	0	715	715
Middle East		0	0	0	0
Western Europe		190	0	47	237

<b>2014/06/30</b>		<u>Public Sector</u>			<b>Total</b>
		<b>Bank</b>	<b>Entities</b>	<b>Others</b>	
<b>HK\$ millions</b>					
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

## 6. Non-bank Mainland exposures

<b>2014/12/31</b>		<u>On-balance</u>	<u>Off-balance</u>	<u>Total</u>	<u>Specific provision</u>
<b>HK\$'000</b>		<u>sheet exposures</u>	<u>sheet exposures</u>		
1.	Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0	0
2.	Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0	0
3.	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	346,939	155	347,094	6,721
4.	Other entities of central government not reported in item 1 above	0	0	0	0
5.	Other entities of local governments not reported in item 2 above	0	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	1,530,369	122,510	1,652,879	55,727
7.	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0	0
Total		1,877,308	122,665	1,999,973	62,448
Total assets after provision		10,359,500			
On-balance sheet exposures as percentage of total assets		18.12%			

<b>2014/06/30</b>		<u>On-balance</u>	<u>Off-balance</u>	<u>Total</u>	<u>Specific provision</u>
<b>HK\$'000</b>		<u>sheet exposures</u>	<u>sheet exposures</u>		
1.	Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	0	0	0	0
2.	Local governments, local government-owned entities and their subsidiaries and JVs	0	0	0	0
3.	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	70,900	2,422	73,322	1,291
4.	Other entities of central government not reported in item 1 above	0	0	0	0
5.	Other entities of local governments not reported in item 2 above	0	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	1,259,003	383,969	1,642,972	609
7.	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0	0
Total		1,329,903	386,391	1,716,294	1,900
Total assets after provision		8,596,843			
On-balance sheet exposures as percentage of total assets		15.47%			

## 7. Currency risk

<b>2014/12/31</b>								
<b>HK\$ millions</b>	<b>USD</b>	<b>GBP</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>CAD</b>	<b>AUD</b>	<b>Total</b>
Spot assets	4,721	4	35	61	4,526	15	53	9,415
Spot liabilities	4,699	4	36	61	4,524	15	52	9,391
Forward purchases	0	0	1	0	0	0	0	1
Forward sales	1	0	0	0	0	0	0	1
Net option position	0	0	0	0	0	0	0	0
Net long (short) position	21	0	0	0	2	0	1	24

<b>2014/06/30</b>								
<b>HK\$ millions</b>	<b>USD</b>	<b>GBP</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>CAD</b>	<b>AUD</b>	<b>Total</b>
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

There were no foreign currency structural positions as at 2014 / 12 / 31 and 2014 / 06 / 30

## 8. Liquidity ratio

	<b>For the year end</b> <b>2014/12/31</b>	<b>For half year end</b> <b>2014/6/30</b>
Average liquidity ratio for the period	51.75%	48.02%

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 version).

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

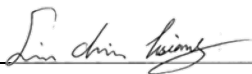
I. Capital and capital adequacy ratio	<u>as at</u> <u>2014/12/31</u> <u>TW\$ million</u>	<u>as at</u> <u>2014/06/30</u> <u>TW\$ million</u>
A. Capital Adequacy Ratio	10.54%	11.39%
B. Aggregate amount of shareholder's funds	62,738	59,768

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 Nov 2012).

II. Other financial information	<u>as at</u> <u>2014/12/31</u> <u>TW\$ million</u>	<u>as at</u> <u>2014/06/30</u> <u>TW\$ million</u>
Total assets	1,392,527	1,327,612
Total liabilities	1,329,789	1,267,844
Total loans and advances	1,012,435	954,462
Total customer deposits	1,151,934	1,088,389
	<u>Year to</u> <u>2014/12/31</u> <u>TW\$ million</u>	<u>Year to</u> <u>2013/12/31</u> <u>TW\$ million</u>
Profit /(Loss) before taxation	5,478	3,850

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 31 Dec 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.



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LIN Chin Hsiang

Chief Executive

Taiwan Business Bank Hong Kong Branch

Date