



**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

(於臺灣註冊成立之有限責任公司)  
Incorporated in Taiwan with limited liability)

**TAIWAN BUSINESS BANK, LTD.**

**HONG KONG BRANCH**

**Key Financial Information Disclosure Statement**

**For The Half Year Ended 2020 / 06 / 30**



臺灣中小企業銀行 香港分行  
Taiwan Business Bank Hong Kong Branch

(於臺灣註冊成立之有限責任公司  
Incorporated in Taiwan with limited liability)

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, LTD. HONG KONG BRANCH  
Key Financial Information Disclosure Statement  
For The Half Year Ended 2020 / 06 / 30

---

<u>Contents</u>	<u>Page</u>
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. International claims	9
6. Non-bank Mainland exposures	10
7. Currency risk	11
8. Liquidity information disclosures	12
9. Remuneration Disclosure	12
Section B-Information of the Bank (Consolidated Basis)	
I. Capital and capital adequacy ratio	13
II. Other financial information	13
Declaration	14

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## Section A-Information of the Branch (Hong Kong Branch Only)

### I. Income statement information

	<u>For the half year end</u> <u>2020/6/30</u> <u>HK\$'000</u>	<u>For the half year end</u> <u>2019/06/30</u> <u>HK\$'000</u>
Interest Income	77,408	110,977
Interest Expense	<u>(22,376)</u>	<u>(35,405)</u>
	55,032	75,572
Other operating income		
Gains less losses arising from trading in foreign currencies	838	1,231
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	3,808	3,584
Others	<u>382</u>	<u>0</u>
	5,028	4,815
Operating Expense		
Staff and rental expenses	<u>(9,258)</u>	<u>(8,218)</u>
Net charge for other provisions	456	950
Other expenses	<u>(9,434)</u>	<u>(9,324)</u>
Impairment losses and provisions for impaired loans and receivables	3,100	<u>(5,169)</u>
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>38</u>	<u>(115)</u>
	<u>(15,098)</u>	<u>(21,876)</u>
Profit before taxation	44,962	58,511
Taxation expense or tax income	<u>(10,980)</u>	<u>(12,070)</u>
Profit after taxation	<u><u>33,982</u></u>	<u><u>46,441</u></u>

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## II. Balance sheet information

	<u>2020/6/30</u>	<u>2019/12/31</u>
	HK\$'000	HK\$'000
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices)	757,458	1,124,417
Placement with banks maturing between 1 and 12 months (except those included in amount due from overseas offices)	110,393	77,873
Amount due from overseas offices	0	0
Trade bills	0	0
Available-for-sale securities and impairment provisions		
Available-for-sale securities	663,678	668,998
Impairment provisions (specific)	0	0
Held-to-maturity securities	325,783	405,211
Loans and advances and impairment provisions		
Loans and advances to customers	3,247,236	3,551,997
Loans and advanced to banks	0	0
Impairment provisions (collective and specific)	(35,525)	(38,625)
Property, plant and equipment and investment properties	7,631	12,620
Other assets		
Accrued interest	9,135	20,117
Others	59,111	2,589
Total assets	<u><u>5,144,900</u></u>	<u><u>5,825,197</u></u>
<u>Liabilities</u>		
Deposits and balances of banks (except those included in amount due to overseas offices)	785,772	1,536,508
Deposits from customers		
Demand deposits and current accounts	120,518	117,353
Savings deposits	1,887,404	1,969,007
Time, call and notice deposits	1,561,250	1,656,697
Amount due to overseas offices	201,046	18,918
Other liabilities	97,319	67,190
Total liabilities	<u><u>4,653,309</u></u>	<u><u>5,365,673</u></u>
Paid up capital	78,000	78,000
Reserves	379,609	285,683
Current profit/(loss)	33,982	95,841
Total equities	<u><u>491,591</u></u>	<u><u>459,524</u></u>
Total Equities and Liabilities	<u><u>5,144,900</u></u>	<u><u>5,825,197</u></u>

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## III. Additional Balance sheet information

<b>1. Loans and advances and impairment provisions</b>	<b><u>2020/6/30</u></b>	<b><u>2019/12/31</u></b>	
A. Loans and advances and impairment provisions	<u>HK\$'000</u>	<u>HK\$'000</u>	
Loans and advances to customers	3,247,236	3,551,997	
Loans and advances to banks	0	0	
Total	<u>3,247,236</u>	<u>3,551,997</u>	
Collective impairment provisions	(32,345)	(35,391)	
Specific impairment provisions	<u>(3,180)</u>	<u>(3,234)</u>	
Total	<u>(35,525)</u>	<u>(38,625)</u>	
Gross loans and advances less impairment provisions	<u><u>3,211,711</u></u>	<u><u>3,513,372</u></u>	
Provisions as % of gross loans and advances			
Collective impairment provisions	1.00%	1.00%	
Specific impairment provisions	<u>0.10%</u>	<u>0.09%</u>	
Total	1.10%	1.09%	
B. Impairment provisions	<u>Specific</u>	<u>Collective</u>	<u>Total</u>
<b><u>2020/6/30</u></b>	<u>impairment provisions</u>	<u>impairment provisions</u>	
Loans and advances to customers	3,180	32,345	35,525
Loans and advances to banks	0	0	0
Total	<u>3,180</u>	<u>32,345</u>	<u>35,525</u>
<b><u>2019/12/31</u></b>	<u>Specific</u>	<u>Collective</u>	<u>Total</u>
Loans and advances to customers	3,234	35,391	38,625
Loans and advances to banks	0	0	0
Total	<u>3,234</u>	<u>35,391</u>	<u>38,625</u>
C. Impaired loans and advances to customers	<u>2020/6/30</u>	<u>2019/12/31</u>	
	<u>HK\$'000</u>	<u>HK\$'000</u>	
Impaired loans and advances to customers	12,719	12,936	
Specific impairment provisions	(3,180)	(3,234)	
Total	<u>9,539</u>	<u>9,702</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	12,719	12,936	
Impaired advances as % of gross loans and advances to customers	0.39%	0.36%	
Specific impairment provisions as % of impaired loans and advances to customers	25.00%	25.00%	
D. Impaired loans and advances to bank	<u>2020/6/30</u>	<u>2019/12/31</u>	
	<u>HK\$'000</u>	<u>HK\$'000</u>	
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%	

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 2. Overdue and rescheduled assets

### Part I. Loans and advances to customers

	<u>2020/6/30</u>	<u>2019/12/31</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
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	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 customers	0	0
covered portion of overdue loans and advances to customers	0	0
uncovered portion of overdue loans and advances to customers	0	0
B. Rescheduled loans and advances to customers	<u>12,744</u>	<u>12,973</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
	<u>2020/6/30</u>	<u>2019/12/31</u>
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	0.00%	0.00%
Total	<u>0.00%</u>	<u>0.00%</u>
b. Rescheduled loans and advances to customers	<u>0.39%</u>	<u>0.37%</u>
C. Repossessed assets		
As at 2020 / 06 / 30 and 2019 / 12 / 31, there were no repossessed assets held by our branch.		

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## Part II. Loans and advances to banks

	<u>2020/6/30</u>	<u>2019/12/31</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
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
	<u>2020/6/30</u>	<u>2019/12/31</u>
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 2020 / 06 / 30 and 2019 / 12 / 31, there were no repossessed assets held by our branch.

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## Part III. Other assets

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

	<u>2020/6/30</u>	<u>2019/12/31</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
<b>A. Other assets overdue for</b>		
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>B. Rescheduled Other assets</b>	<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
	<u>2020/6/30</u>	<u>2019/12/31</u>
<b>a. Other assets overdue for</b>		
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>b. Rescheduled Other assets</b>	<u>0.00%</u>	<u>0.00%</u>
<b>C. Repossessed assets</b>		
As at 2020 / 06 / 30 and 2019 / 12 / 31, there were no repossessed assets held by our branch.		



# TAIWAN BUSINESS BANK, LTD. HONG KONG 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)

	<u>2020/6/30</u>	<u>2019/12/31</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Direct credit substitutes	0	0
Transaction-related contingencies	0	0
Trade-related contingencies	61,158	125,520
Other commitments	543,267	580,778
Others	0	0
Total	<u>604,425</u>	<u>706,298</u>

### B. Derivative transactions

	<u>2020/6/30</u>	<u>2019/12/31</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Exchange rate contract	0	0
Interest rate contract	0	0
Total	<u>0</u>	<u>0</u>
Replacement cost of derivatives		
Exchange rate contract		
Positive Fair Value	0	0
Negative Fair Value	0	0
Interest rate contract		
Positive Fair Value	0	0
Negative Fair Value	0	0
Total	<u>0</u>	<u>0</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.

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 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".

	<u>2020/6/30</u>		<u>2019/12/31</u>	
	<u>HK\$'000</u>		<u>HK\$'000</u>	
	<u>Amount</u>	<u>Balance covered by collateral</u>	<u>Amount</u>	<u>Balance covered by collateral</u>
Loan and advances for use in HK				
Industrial, commercial and financial:				
-Property development	0	0	0	0
-Property investment	0	0	0	0
-Financial concerns	420,575	0	210,257	0
-Stockbrokers	100,754	0	101,235	0
-Wholesale and retail trade	335,475	199,391	234,577	0
-Manufacturing	8,715	0	10,520	0
-Transport and transport equipment	0	0	0	0
-Recreational activities	0	0	0	0
-Information Technology	0	0	0	0
-Others	136,522	0	122,122	0
Individuals:				
-Loans for the purchase of flats in the Home Ownership Scheme, Private Sector	0	0	0	0
-Loan for the purchase of other residential properties	0	0	0	0
Credit card advances	0	0	0	0
-Others	0	0	0	0
Total	1,002,041	199,391	678,711	0
Trade finance	24,643	0	30,426	0
Loan and advances for use outside HK	2,220,552	0	2,842,860	0
Total	3,247,236	199,391	3,551,997	0

### B. By countries or geographical segments

<u>2020/6/30</u>	<u>Gross</u>	<u>Overdue</u>	<u>Specific</u>
	<u>Amount</u>	<u>&amp; Impaired</u>	
<u>HK\$'000</u>			
Hong Kong	1,795,309	12,719	3,180
Bermuda	75,938	0	0
Cayman Islands	488,799	0	0
Singapore	389,937	0	0
China	21,181	0	0
Others	476,072	0	0
Total	3,247,236	12,719	3,180
<u>2019/12/31</u>	<u>Gross</u>	<u>Overdue</u>	<u>Specific impairment</u>
<u>HK\$'000</u>	<u>Amount</u>	<u>&amp; Impaired</u>	<u>provisions</u>
Hong Kong	2,032,610	12,936	3,234
Bermuda	114,375	0	0
Cayman Islands	612,858	0	0
Singapore	253,087	0	0
China	105,384	0	0
Others	433,683	0	0
Total	3,551,997	12,936	3,234

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 data are disclosed.

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 5. International claims

International claims include the following types of financial claims, receivables and loans and advances, cash and balances and placements with banks (including loans and advances to banks), holdings of certificates of deposit, bills, promissory notes, commercial paper, other debt instruments and investments and accrued interest and overdue interest on all above assets.

The analysis of international claims by geographical segments in accordance with the location and the types of counterparties which constitutes not less than 10% of total international claims after taking into account any recognized risk transfer is as follow :

<b>2020/6/30</b>	<b>HK\$ millions</b>	<u>Non-bank private sector</u>				<b>Others</b>	<b>Total</b>
		<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank Financial institutions</u>	<u>Non-financial private sector</u>		
1. Developed countries	605	2	110	156	0	873	
2. Offshore centers	407	0	472	1,402	0	2,281	
of which-Hong Kong	256	0	396	519	0	1,171	
of which-Cayman Islands	93	0	0	397	0	490	
3. Developing Europe	0	0	0	0	0	0	
4. Developing Latin America and Caribbean	0	0	0	3	0	3	
5. Developing Africa and Middle East	112	0	0	0	0	112	
6. Developing Asia-Pacific	677	1	78	21	0	777	
7. International organizations	0	0	0	0	0	0	
8. Unallocated by country	0	0	0	0	0	0	

<b>2019/12/31</b>	<b>HK\$ millions</b>	<u>Non-bank private sector</u>				<b>Others</b>	<b>Total</b>
		<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank Financial institutions</u>	<u>Non-financial private sector</u>		
1. Developed countries	923	1	112	156	0	1,192	
2. Offshore centers	409	0	585	1,720	0	2,714	
of which-Hong Kong	365	0	470	790	0	1,625	
of which-Cayman Islands	23	0	0	592	0	615	
3. Developing Europe	0	0	0	0	0	0	
4. Developing Latin America and Caribbean	0	0	0	4	0	4	
5. Developing Africa and Middle East	115	0	0	0	0	115	
6. Developing Asia-Pacific	743	1	78	105	0	927	
7. International organizations	0	0	0	0	0	0	
8. Unallocated by country	0	0	0	0	0	0	

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 6. Non-bank Mainland exposures

**2020/6/30**

**HK\$'000**

	<u>On-balance</u> <u>sheet exposures</u>	<u>Off-balance</u> <u>sheet exposures</u>	<u>Total</u>	<u>Specific</u> <u>provision</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	235,907	77,503	313,410	0
2. Local governments, local government-owned entities and their subsidiaries and JVs	80,004	0	80,004	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	330,646	74,063	404,709	0
4. Other entities of central government not reported in item 1 above	155,075	3,188	158,263	0
5. Other entities of local governments not reported in item 2 above	141,427	0	141,427	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	876,500	94,462	970,962	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0	0
Total	1,819,559	249,216	2,068,775	0
Total assets after provision	5,144,900			
On-balance sheet exposures as percentage of total assets	35.37%			

**2019/12/31**

**HK\$'000**

	<u>On-balance</u> <u>sheet exposures</u>	<u>Off-balance</u> <u>sheet exposures</u>	<u>Total</u>	<u>Specific</u> <u>provision</u>
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	510,576	89,123	599,699	0
2. Local governments, local government-owned entities and their subsidiaries and JVs	80,009	0	80,009	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	658,479	35,625	694,104	0
4. Other entities of central government not reported in item 1 above	155,878	0	155,878	0
5. Other entities of local governments not reported in item 2 above	165,219	0	165,219	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,005,486	86,261	1,091,747	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	0	0	0	0
Total	2,575,647	211,009	2,786,656	0
Total assets after provision	5,825,197			
On-balance sheet exposures as percentage of total assets	44.22%			

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 7. Currency risk

### 2020/6/30

<u>HK\$ millions</u>	<b>USD</b>	<b>GBP</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>CAD</b>	<b>AUD</b>	<b>NZD</b>	Total
Spot assets	3,506	12	57	241	341	3	47	0	4,207
Spot liabilities	3,490	11	51	237	337	6	49	0	4,181
Forward purchase	0	0	0	0	0	0	0	0	0
Forward sales	0	0	0	0	0	0	0	0	0
Net option position	0	0	0	0	0	0	0	0	0
Net long/short position	16	1	6	4	4	(3)	(2)	(0)	26

### 2019/12/31

<u>HK\$ millions</u>	<b>USD</b>	<b>GBP</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>CAD</b>	<b>AUD</b>	<b>NZD</b>	Total
Spot assets	4,198	8	64	161	371	5	38	0	4,845
Spot liabilities	4,215	12	56	157	341	6	39	0	4,826
Forward purchase	40	0	0	0	0	0	0	0	40
Forward sales	16	0	8	0	32	0	0	0	56
Net option position	0	0	0	0	0	0	0	0	0
Net long/short position	7	(4)	0	4	(2)	(1)	(1)	(0)	3

There were no foreign currency structural positions as at 2020 / 06 / 30 and 2019 / 12 / 31

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 8. Liquidity information disclosures

### 8.1 Average liquidity maintenance ratio/ Average liquidity ratio

	<u>31/3/2020</u>	<u>30/6/2020</u>	<u>30/6/2020</u>
Average value of its LMR for the year/period	40.52%	40.84%	40.68%
Calculation period	Jan~Mar 2020	Apr~Jun 2020	Jan~Jun 2020
	<u>31/3/2019</u>	<u>30/6/2019</u>	<u>30/6/2019</u>
Average value of its LMR for the year/period	39.07%	41.86%	40.46%
Calculation period	Jan~Mar 2019	Apr~Jun 2019	Jan~Jun 2019

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average liquidity maintenance ratio for the period as calculated in accordance with the Banking (Liquidity) Rules with effect from 1 January 2015.

### 8.2 Qualitative disclosures

#### a. Approach to liquidity risk man

The branch manages our liquidity risk in accordance with the Liquidity Risk Management Policy, which is set by Asset and Liability Committee and Risk Management Committee in Hong Kong branch and approved by our 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. In additions, our policy set a higher internal limit of liquidity maintenance ratio than the statutory minimum to reduce the liquidity risk.

Asset and Liability Committee is mainly responsible for the liquidity risk management in our branch. General Manager is the chairman of the Committee. The members include the department head of Treasury, Risk Management, Accounting, and all members of Treasury. General Manager could also invite other department heads to attend to Committee meeting in need.

The branch also follows the guidance set forth by the Hong Kong Monetary Authority in Supervisory Policy Manual (LM-2) - Sound Systems and Controls for Liquidity Risk Management.

#### b. Funding strategies

The branch's main funding strategies include diverse funding source, relationship-building in financial market, and intra-group transactions.

#### c. Liquidity risk mitigation techniques

##### (i) Warning index setting

The branch maintains two kinds of the warning indexes which are internal warning index and market warning index. Internal warning index includes profitability, quality of assets, source of assets and funding, financial cost, maturity date mismatch, and regulation of branch and authority. Market warning index includes the bank credit rating, stock price, interbank transaction, and average deposit balance from customers.

##### (ii) Maintenance of liquidity cushion

Tier 1 assets: HKD 1,446,550,758.77 Tier 2 assets: HKD 0 (both as of 30/06/2020)

The liquidity cushion assets are easily able to be sold for liquidity demand.

#### d. Stress test

The branch perform stress testing quarterly for items as below

##### (i) Cash flow

##### (ii) Liquidity maintenance ratio

##### (iii) Liquidity gapping

The scenarios of 3 cases for our stress testing are "institution-specific stress scenario", "general market stress scenario", and "combination of both". We perform all three scenarios for item (i), and the extreme scenario, "combination of both", for both item (ii) and (iii). The different loss rate of deposit are assumed based on each 3 scenarios.

#### e. Contingency funding plan

The General Manager of branch should convene the meeting with all departments head to control and assess in case of excess of warning index.

Furthermore, the branch should report to risk management department of head office which is going to assess the possibility whether the operating risk occur and the branch start Contingency funding plan.

### 8.3 Quantitative disclosures

#### f. Metrics of liquidity management

The branch maintains the due date gap ratio and sets up the formula as follows: (due date assets – due date liabilities) / total liabilities. The limit matrix is as below

Tenor \ CCY		Total	USD	HKD	CNH	Others
O/N	Limit	-75%	-75%	-75%	-75%	-75%
	Warning	-70%	-70%	-70%	-70%	-70%
A week	Limit	-75%	-75%	-75%	-75%	-75%
	Warning	-70%	-70%	-70%	-70%	-70%
A month	Limit	-40%	-50%	-70%	-70%	-70%
	Warning	-35%	-45%	-65%	-65%	-65%

#### g. Concentration limit

The branch sets limit for funding concentration.

(i) The ratio of funding amount from a branch (or a consolidated group) to total lending to banks should not be over 30% (or 50%).

(ii) The ratio of time deposit of single customer to total time deposit should not be over 30%.

(iii) The amount of funding from a single country (Taiwan excluded) should not be over 300 million USD.

## 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 version). the relevant information in the part of Corporate Governance of the Bank's 2019 Annual Report (Chinese version).

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

<b>Section B-Information of the Bank (Consolidated Basis)</b>	<b><u>as at</u></b> <b><u>2020/6/30</u></b> <b><u>TW\$ million</u></b>	<b><u>as at</u></b> <b><u>2019/12/31</u></b> <b><u>TW\$ million</u></b>
---	--	---

**I. Capital and capital adequacy ratio**

A. Capital Adequacy Ratio	13.68%	12.66%
B. Aggregate amount of shareholder's funds	96,424	95,517

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).

<b>II. Other financial information</b>	<b><u>as at</u></b> <b><u>2020/6/30</u></b> <b><u>TW\$ million</u></b>	<b><u>as at</u></b> <b><u>2019/12/31</u></b> <b><u>TW\$ million</u></b>
--	--	---

Total assets	1,664,290	1,746,153
Total liabilities	1,567,865	1,650,636
Total loans and advances	1,179,321	1,146,091
Total customer deposits	1,327,225	1,434,743

	<b><u>Year to</u></b> <b><u>2020/6/30</u></b> <b><u>TW\$ million</u></b>	<b><u>Year to</u></b> <b><u>2019/6/30</u></b> <b><u>TW\$ million</u></b>
Profit /(Loss) before taxation	2,501	8,066

# TAIWAN BUSINESS BANK, LTD. HONG KONG BRANCH

## 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 June 2020. 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 Aug 2019, and to the best of my knowledge and belief, it is not false or misleading.



---

FAN Jen Jung  
SVP & General Manager  
Taiwan Business Bank, Ltd. Hong Kong Branch

Date :