



**CHANG HWA COMMERCIAL BANK, LTD.
HONG KONG BRANCH**

Financial Information Disclosure Statement

For the year ended 31 December 2023

CHANG HWA COMMERCIAL BANK, LTD. HONG KONG BRANCH.

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Incorporated in Taiwan with limited liability



CHANG HWA COMMERCIAL BANK, LTD.
HONG KONG BRANCH

彰化銀行
香港分行

Financial Information Disclosure Statement For the year ended 31 December 2023

The statement is available at Chang Hwa Commercial Bank, Ltd. Hong Kong Branch at the following address:

1401, Tower II, The Gateway, 25 Canton Road, Kowloon, Hong Kong

A copy of the Disclosure Statement has been lodged with the public registry of the Hong Kong Monetary Authority's Public Registry and is available on the website <https://www.chbebank.com> for public inspection.



Financial Information Disclosure Statement
For the year ended 31 December 2023

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Section A. Hong Kong Branch Information

1 Income statement information

| | Note | For the year ended | |
|--|------|------------------------------|------------------------------|
| | | 31 December 2023 HK\$,000 | 31 December 2022 HK\$,000 |
| Interest income | | 653,519 | 312,898 |
| Interest expenses | | (358,090) | (121,447) |
| Net interest income | | <u>295,429</u> | <u>191,451</u> |
| Other operating income | 3a | 20,732 | 23,913 |
| Operating expenses | 3b | (41,765) | (41,138) |
| Impairment losses and provisions for impaired loans and receivables | | <u>3,422</u> | <u>2,099</u> |
| Profit before taxation | | 277,818 | 176,325 |
| Tax expense | | <u>(43,768)</u> | <u>(27,726)</u> |
| Profit after taxation | | <u><u>234,050</u></u> | <u><u>148,599</u></u> |



2 Balance sheet information

| | Note | As at | |
|--|------|-------------------|-------------------|
| | | 31 December 2023 | 30 June 2023 |
| | | HK\$,000 | HK\$,000 |
| Assets | | | |
| Cash and balances with banks (except those included in amount due from head office and overseas office) | | 2,303,688 | 2,038,041 |
| Placement with Bank and other financial institutions maturing between one and twelve months (except those included in amount due from head office and overseas office) | | 1,774,414 | 1,410,714 |
| Amount due from head office and overseas office | | 571,741 | 1,327,526 |
| Trade bills | | 0 | 0 |
| Certificate of Deposit Held | | 62,534 | 62,698 |
| Investment securities | | | |
| - Fair value through other comprehensive income securities | | 2,967,152 | 2,614,909 |
| - Amortised cost securities | | 54,954 | 54,079 |
| Loans and receivables | 3d | 4,557,313 | 4,776,528 |
| Other assets | | 179,061 | 139,265 |
| Property, plant and equipment | | 6,897 | 8,123 |
| Total assets | | 12,477,754 | 12,431,883 |
| Liabilities | | | |
| Deposit and balances of banks and other financial institutions (except those included in amount due to head office and overseas office) | | 805,602 | 2,191 |
| Deposit from customers | 3c | 10,335,532 | 10,114,537 |
| Amount due to head office and overseas offices | | 297,124 | 1,467,960 |
| Other liabilities and provision | | 328,189 | 274,271 |
| Total liabilities | | 11,766,447 | 11,858,959 |
| Equities | | | |
| Current profit | | 234,050 | 111,886 |
| Reserves | | 477,257 | 461,038 |
| | | 711,307 | 572,924 |
| Total equities and liabilities | | 12,477,754 | 12,431,883 |



3 Notes to the income statement and balance sheet information

a. Other operating income

| | For the year ended | |
|--|--------------------|------------------|
| | 31 December 2023 | 31 December 2022 |
| | HK\$,000 | HK\$,000 |
| Service fee and commission income | 20,391 | 23,378 |
| Service fee and commission expenses | (1,762) | (1,932) |
| Net fees and commission income | 18,629 | 21,446 |
| Gains less losses arising from trading in foreign currencies | 2,103 | 2,044 |
| Income from non-trading investments | 0 | 423 |
| | 20,732 | 23,913 |

b. Operating expense

| | For the year ended | |
|---------------------------|--------------------|------------------|
| | 31 December 2023 | 31 December 2022 |
| | HK\$,000 | HK\$,000 |
| Staff and rental expenses | 24,124 | 24,524 |
| Other expenses | 17,641 | 16,614 |
| | 41,765 | 41,138 |

c. Deposits from customers

| | As at | |
|--------------------------------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | HK\$,000 | HK\$,000 |
| Demand deposits and current accounts | 120,063 | 125,981 |
| Savings accounts | 2,689,003 | 2,855,724 |
| Time, call and notice deposits | 7,526,466 | 7,132,832 |
| | 10,335,532 | 10,114,537 |

d. Loans and receivables

| | As at | |
|---|------------------|------------------|
| | 31 December 2023 | 30 June 2023 |
| | HK\$,000 | HK\$,000 |
| Loans and advances to customers | 3,722,982 | 4,747,057 |
| Loans and advances to banks | 805,823 | 0 |
| Accrued interest and other accounts | 79,513 | 84,338 |
| | <u>4,608,318</u> | <u>4,831,395</u> |
| Less: Impairment allowances | | |
| Loans and advances to customers | | |
| - Collective provisions | 41,030 | 49,763 |
| - Specific provisions | 508 | 4,285 |
| Loans and advances to banks | | |
| - Collective provisions | 8,058 | 0 |
| Trade bills | | |
| - Collective provisions | 0 | 0 |
| Others | | |
| - Collective provisions | 1,409 | 819 |
| | <u>51,005</u> | <u>54,867</u> |
| Impairment allowances for loans and receivables | <u>51,005</u> | <u>54,867</u> |
| | <u>4,557,313</u> | <u>4,776,528</u> |

e. Detail of impaired loans and advances to customers

Detail of impaired loans and advances to customers which are individually impaired:

| | As at | |
|--|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | HK\$,000 | HK\$,000 |
| Gross amounts | 25,380 | 207,691 |
| Individual impairment allowances | 508 | 4,285 |
| Value of collateral | 156,500 | 163,500 |
| Percentage of such loans and advances to its total amount of loans and advances to customers | 0.68% | 4.38% |

f. Overdue and rescheduled loans:

(i) Overdue loans

| | As at | | | |
|--|------------------|---|--------------|---|
| | 31 December 2023 | | 30 June 2023 | |
| Gross amount of loans and advances to customers which have been overdue for: | HK\$,000 | Percentage of total loans & advances to customers | HK\$,000 | Percentage of total loans & advances to customers |
| More than 1 month and up to 3 months | 0 | 0% | 0 | 0% |
| More than 3 months but not more than 6 months | 0 | 0% | 134 | 0% |
| More than 6 months but not more than one year | 0 | 0% | 0 | 0% |
| More than one year | 0 | 0% | 0 | 0% |
| | <u>0</u> | <u>0%</u> | <u>134</u> | <u>0%</u> |

Value of collateral held against the overdue loans and advances

| | As at | |
|---|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | HK\$,000 | HK\$,000 |
| Current market value of collateral held against the covered portion of overdue loans and advances | 0 | 0 |
| Covered portion of overdue loans and advances | 0 | 0 |
| Uncovered portion of overdue loans and advances | 0 | 0 |

(i) Rescheduled loans

| | As at | | | |
|--|------------------|---|--------------|---|
| | 31 December 2023 | | 30 June 2023 | |
| | HK\$,000 | Percentage of total loans & advances to customers | HK\$,000 | Percentage of total loans & advances to customers |
| Rescheduled loans and advances to customers, excluding those which have been overdue for more than 3 months and net of those disclosed in subsection (i) | 0 | 0% | 0 | 0% |

g. Repossessed assets

There was no repossessed asset as at 31 December 2023 and 30 June 2023.

4 Off-balance sheet exposures information

The following is a summary of the contractual amounts of each significant class of off-balance sheet exposure information:

| | As at | |
|---|------------------|----------------|
| | 31 December 2023 | 30 June 2023 |
| | HK\$,000 | HK\$,000 |
| Contingent Liabilities and Commitments | | |
| Direct credit substitutes | 0 | 0 |
| Transaction-related contingencies | 0 | 0 |
| Trade-related contingencies | 47,521 | 12,350 |
| Other commitments | 975,115 | 354,556 |
| | <u>1,022,636</u> | <u>366,906</u> |
| Derivatives | | |
| Exchange rate contracts | <u>0</u> | <u>0</u> |
| Replacement cost of derivatives | | |
| Exchange rate contracts | <u>0</u> | <u>0</u> |

For contingent liabilities and commitments, the contract amounts represents the amount at risk should the contract be drawn upon and the client defaults. The notional amounts of derivatives indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk.

The replacement cost of derivatives does not take into account the effects of bilateral netting arrangements.

5 Segmental information

a. Loans and advances to customers by industry classification

| | As at | | | |
|---|------------------------------------|---|------------------------------------|---|
| | 31 December 2023 | | 30 June 2023 | |
| | Outstanding balance HK\$,000 | Balance covered by collateral HK\$,000 | Outstanding balance HK\$,000 | Balance covered by collateral HK\$,000 |
| Loans and advances for use in Hong Kong | | | | |
| Industrial, commercial and financial | | | | |
| - Property development | 70,000 | 0 | 80,000 | 0 |
| - Property investment | 2,000 | 2,000 | 2,000 | 2,000 |
| - Financial concerns | 100,000 | 0 | 100,000 | 0 |
| - Stockbrokers | 35,176 | 0 | 78,373 | 0 |
| - Wholesale and retail trade | 194,794 | 13,000 | 195,153 | 13,000 |
| - Manufacturing | 27,550 | 3,550 | 27,700 | 3,700 |
| - Transport and transport equipment | 185,613 | 185,613 | 194,019 | 194,019 |
| - Recreational activities | 0 | 0 | 0 | 0 |
| - Information technology | 487,639 | 0 | 487,639 | 0 |
| - Others | 55,500 | 0 | 69,000 | 0 |
| Individuals | | | | |
| - Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes | 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 |
| Trade finance | 38,213 | 0 | 161,515 | 0 |
| Loans and advances for use outside Hong Kong | <u>2,526,497</u> | <u>112,264</u> | <u>3,351,658</u> | <u>119,272</u> |
| Total loans and advances | <u>3,722,982</u> | <u>316,427</u> | <u>4,747,057</u> | <u>331,991</u> |

b. Geographical segments analysis

The breakdown of the gross amount of advances to customers by countries, which according to the location of the counterparties and the amounts was reported after taking into account any recognized risk transfers, where it constitutes 10% or more of the relevant disclosure item.



| | As at | |
|--|------------------|------------------|
| | 31 December 2023 | 30 June 2023 |
| Loans and advances by geographical segment | HK\$,000 | HK\$,000 |
| - Hong Kong | 1,064,352 | 1,083,212 |
| - China | 771,784 | 843,946 |
| - Taiwan | 2,895 | 1,484 |
| - Others | 1,858,571 | 2,610,724 |
| Impaired loans and advances by geographical segment | | |
| - Hong Kong | 12,380 | 194,557 |
| - Taiwan | 13,000 | 13,134 |
| | <u>3,722,982</u> | <u>4,747,057</u> |

c. Mainland activities

| Types of counterparties | On-balance sheet exposure HK\$ million | Off-balance sheet exposure HK\$ million | Total HK\$ million |
|--|--|---|-----------------------|
| As at 31 December 2023 | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 101 | 0 | 101 |
| 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 | 40 | 0 | 40 |
| 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 | 229 | 16 | 245 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 406 | 0 | 406 |
| Total | <u>776</u> | <u>16</u> | <u>792</u> |
| Total assets after provision | 12,478 | | |
| On-balance sheet exposures as percentage of total assets | 6.23% | | |



| Types of counterparties | On-balance sheet exposure HK\$ million | Off-balance sheet exposure HK\$ million | Total HK\$ million |
|--|--|---|-----------------------|
| As at 30 June 2023 | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 101 | 0 | 101 |
| 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 | 40 | 0 | 40 |
| 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 | 281 | 24 | 305 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 427 | 0 | 427 |
| | 849 | 24 | 873 |
| Total assets after provision | 12,432 | | |
| On-balance sheet exposures as percentage of total assets | 6.83% | | |

d. 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:



| | <u>Non-bank private sector</u> | | | | | |
|---|--------------------------------|---------------|---------------------|-----------------------|---------------|--------------|
| | Non-Bank | | | | | |
| <u>Equivalent in millions of HK\$</u> | | Official | Financial | Non-financial | | |
| | <u>Banks</u> | <u>Sector</u> | <u>Institutions</u> | <u>private sector</u> | <u>Others</u> | <u>Total</u> |
| As at 31 December 2023 | | | | | | |
| 1. Developed countries | 1,592 | 0 | 306 | 39 | 0 | 1,937 |
| of which - United States | 23 | 0 | 126 | 0 | 0 | 149 |
| of which - United Kingdom | 32 | 0 | 63 | 0 | 0 | 95 |
| of which - Japan | 391 | 0 | 0 | 0 | 0 | 391 |
| 2. Offshore centres | 392 | 0 | 152 | 1,065 | 0 | 1,609 |
| of which - Hong Kong | 392 | 0 | 35 | 598 | 0 | 1,025 |
| 3. Developing Europe | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Developing Latin America and Caribbean | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Developing Africa and Middle East | 256 | 0 | 209 | 39 | 0 | 504 |
| 6. Developing Asia-Pacific | 5,109 | 0 | 129 | 1,414 | 0 | 6,652 |
| of which - China | 240 | 0 | 0 | 382 | 0 | 622 |
| of which - Taiwan | 2,139 | 0 | 0 | 49 | 0 | 2,188 |

| | | <u>Non-bank private sector</u> | | | | |
|---|--------------|--------------------------------|---------------------|-----------------------|---------------|--------------|
| | | Non-Bank | | | | |
| <u>Equivalent in millions of HK\$</u> | | Official | Financial | Non-financial | | |
| | <u>Banks</u> | <u>Sector</u> | <u>Institutions</u> | <u>private sector</u> | <u>Others</u> | <u>Total</u> |
| As at 30 June 2023 | | | | | | |
| 1. Developed countries | 1,208 | 0 | 244 | 39 | 0 | 1,491 |
| of which - United States | 15 | 0 | 126 | 0 | 0 | 141 |
| of which - United Kingdom | 20 | 0 | 0 | 0 | 0 | 20 |
| of which - Japan | 357 | 0 | 0 | 0 | 0 | 357 |
| 2. Offshore centres | 0 | 0 | 78 | 913 | 0 | 991 |
| of which - Hong Kong | 0 | 0 | 78 | 615 | 0 | 693 |
| 3. Developing Europe | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Developing Latin America and Caribbean | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Developing Africa and Middle East | 253 | 0 | 205 | 0 | 0 | 458 |
| 6. Developing Asia-Pacific | 6,145 | 39 | 180 | 1,447 | 0 | 7,811 |
| of which - China | 236 | 0 | 0 | 408 | 0 | 644 |
| of which - Taiwan | 3,146 | 0 | 0 | 47 | 0 | 3,193 |

6 Currency risk

The currency risk which arise from operations for the net position (in absolute terms) in a particular currency which constitutes not less than 10% of the total net position in all foreign currencies is as follow:

| <u>Equivalent in millions of HK\$</u> | USD | AUD | CNY | Others | Total |
|---------------------------------------|-----------|----------|------------|------------|----------|
| As at 31 December 2023 | | | | | |
| Spot assets | 10,029 | 17 | 651 | 233 | 10,930 |
| Spot liabilities | 10,018 | 17 | 653 | 234 | 10,922 |
| Forward purchase | 0 | 0 | 0 | 0 | 0 |
| Forward sales | 0 | 0 | 0 | 0 | 0 |
| Net option position | 0 | 0 | 0 | 0 | 0 |
| Net long/(short) position | <u>11</u> | <u>0</u> | <u>(2)</u> | <u>(1)</u> | <u>8</u> |

| <u>Equivalent in millions of HK\$</u> | USD | AUD | CNY | Others | Total |
|---------------------------------------|------------|----------|-----------|----------|-----------|
| As at 30 June 2023 | | | | | |
| Spot assets | 10,144 | 93 | 590 | 248 | 11,075 |
| Spot liabilities | 10,145 | 92 | 579 | 248 | 11,064 |
| Forward purchase | 0 | 0 | 0 | 0 | 0 |
| Forward sales | 0 | 0 | 0 | 0 | 0 |
| Net option position | 0 | 0 | 0 | 0 | 0 |
| Net long/(short) position | <u>(1)</u> | <u>1</u> | <u>11</u> | <u>0</u> | <u>11</u> |

There was no structural position as at 31 December 2023 and 30 June 2023.

7 Liquidity risk management

Average liquidity maintenance ratio

| | For the quarter ended 31/12/2023 | For the quarter ended 31/12/2022 |
|--|-------------------------------------|-------------------------------------|
| Average liquidity maintenance ratio for the period | 92.17% | 81.67% |

The average liquidity maintenance ratio is the arithmetic mean of each calendar month's average liquidity maintenance ratio for the relevant period as calculated in accordance with Section 103B of Banking (Disclosure) Rules.

(a) Governance of liquidity risk management

The branch manages our liquidity risk in accordance with the Liquidity Risk Management Policy, which is set by Liquidity Risk Management Committee in Hong Kong branch and approved by our Head Office's Assets and Liabilities Committee. 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.

Liquidity Risk Management Committee is responsible for the liquidity risk management in our branch. Chief Executive is the chairman of the Committee. The members include the head and staff of treasury department, risk management department and accounting department. Chief Executive could also invite other department heads or staff to attend the Committee meeting in need. The regular Committee meeting will be convened monthly or on a need basis. The branch regularly prepares various liquidity risk measurement indicators and limits, and reports to the Liquidity Risk Management Committee. Then, the Committee will report to the senior management of the Head Office to let the high-level management understands the branch's funding liquidity.

(b) Funding strategy

The liquidity risk management of the branch adopts the principle of conservative and stable, forecasts the cash flow at different time points to diversify the source and duration of funds, and adjusts the liquidity gap for daily cash flow and market changes.

1. Source of funds: Based on the principle of diversification, stability and reliability.
2. Use of funds: The principle of decentralization and avoiding excessive concentration.
3. Management strategy: Based on the principle of conservative estimation, and strengthen the interactive management of foreign currency funds.

(c) Liquidity risk mitigation techniques

In order to maintain a stable liquidity ratio, the branch establishes several measures to reduce the liquidity risk when branch's capital is needed in emergency.

The measures are included by following:

1. Intra Day Repo
2. Sale of debt securities
3. Funding from Head Office
4. Funding from other banks
5. Reduction of inter-bank lending activities

(d) Liquidity stress tests

Stress tests should be performed quarterly for all currencies in aggregate and separately for positions in HKD, USD, CNY that we have significant positions in order to maintain appropriate individual currency funding in needs. The liquidity stress test is carried out by the Risk Management Department. There are 3 scenarios for stress testing. They are institution-specific stress scenario, general market stress scenario, and combination of both situations. Each scenario would perform cash-flow analysis for within 7 days or within 30 days. The stress result is used to analyzing exposure level and risk tolerance in such scenarios. The Risk Management Department also should review the assumptions and results of the stress testing periodically, as well as to adjust the different assumptions to ensure those assumptions for stress testing which are the most suitable for our branch.

(e) Liquidity buffers and contingency funding plan

Our policy set a higher internal limit of liquidity maintenance ratio than the statutory minimum to maintain adequate liquidity in response possible situation. In addition, the branch establishes a contingency funding plan that details the emergency measures which should be taken actions while a liquidity crisis occurs. The Liquidity Risk Management Committee shall formulate measures to address the emergency situation and report to the Head Office regarding the follow-up actions and results.

(f) Measure indicators of liquidity risk

The branch sets up a series of limits indicators, including liquidity maintenance ratio, maturity mismatch limits, loan to deposit ratio, loss of deposit and group liquidity limits, in order to monitoring impact on liquidity risk.

| Limits indicators | | Limit |
|-----------------------------|----------------|-------|
| Liquidity maintenance ratio | | ≥35% |
| Maturity mismatch limits | Within 1 month | -20% |
| Loan to deposit ratio | Overall | 200% |

(g) Concentration limits on collateral pools and sources of funding

The branch holds HKD 155 million qualified bonds as collateral for Intra Day Repo Facility. The major sources of funding for the branch are the funding raised from Head Office and inter-banks. The group has established concentration limit of funding sources taking into account the respective risk profiles of the bank. Intra-group funding and funding from the largest funding provider are restricted to be not more than 35% of the total funding sources to reduce reliance on a single source of funding. The composition of the major funding sources as at 31 December 2023 is shown below:

(HK\$'000)

| Significant funding instruments | Total amount | As % of total liabilities | Breakdown of total amount by remaining term to maturity | | | | |
|---------------------------------|--------------|---------------------------|---|------------|------------|-------------|------------------|
| | | | Up to 1 month | 2-3 months | 4-6 months | 7-12 months | Exceed 12 months |
| Deposits from retail customers | 3,652,294 | 29.27% | 1,471,991 | 840,178 | 474,178 | 865,947 | 0 |
| Deposits from other non-bank | 6,683,239 | 53.56% | 3,073,702 | 2,455,267 | 683,697 | 470,573 | 0 |
| Funding raised from banks | 1,102,726 | 8.84% | 773,977 | 250,581 | 0 | 78,168 | 0 |

(h) Liquidity exposures and funding

Liquidity maintenance ratio (LMR) is the regulatory indicator for liquidity exposure of the branch. The LMR is computed by its own liquefiable assets and qualifying liabilities. The information on LMR as at 31 December 2023 and 31 December 2022 is shown below:

(HK\$'000)

| | 31 Dec 2023 | 31 Dec 2022 |
|---|-----------------|-----------------|
| | Weighted amount | Weighted amount |
| Liquefiable assets | 4,587,339 | 4,428,748 |
| Qualifying liabilities (after deductions) | 4,566,819 | 4,855,725 |
| Liquidity Maintenance Ratio (month-end) (%) | 100.45% | 91.21% |

(i) On- and off-balance sheet items as of 31 December 2023 for the Branch are listed as below:

On-balance sheet liabilities

(HK\$'000)

| | Total amount | Contractual maturity of cash flows and securities flows arising from the relevant items | | | | | |
|----------------------------------|--------------|---|--------------------------------|---------------------------------|----------------------------------|------------------|------------------|
| | | Up tp 1 month | Exceed 1 month, up to 3 months | Exceed 3 months, up to 6 months | Exceed 6 months, up to 12 months | Exceed 12 months | No maturity date |
| Deposits from non-bank customers | 10,420,667 | 4,580,525 | 3,320,311 | 1,169,078 | 1,350,753 | 0 | 0 |
| Due to bank | 1,104,766 | 775,219 | 251,119 | 0 | 78,428 | 0 | 0 |
| Other liabilities | 475,063 | 43,894 | 47,405 | 49,768 | 7,541 | 1,032 | 325,423 |
| Capital and reserves | 477,258 | 0 | 0 | 0 | 0 | 0 | 477,258 |
| Total | 12,477,754 | 5,399,638 | 3,618,835 | 1,218,846 | 1,436,722 | 1,032 | 802,681 |

Off-balance sheet obligations

| | | | | | | | |
|--|---------|--------|--------|-------|---|---|---|
| Irrevocable loan commitments or facilities granted | 60,580 | 60,580 | 0 | 0 | 0 | 0 | 0 |
| Others | 46,622 | 7,278 | 37,022 | 2,322 | 0 | 0 | 0 |
| Total | 107,202 | 67,858 | 37,022 | 2,322 | 0 | 0 | 0 |

On-balance sheet assets

(HK\$'000)

| | Total amount | Contractual maturity of cash flows and securities flows arising from the relevant items | | | | | |
|--|--------------|---|--------------------------------|---------------------------------|----------------------------------|------------------|------------------|
| | | Up tp 1 month | Exceed 1 month, up to 3 months | Exceed 3 months, up to 6 months | Exceed 6 months, up to 12 months | Exceed 12 months | No maturity date |
| Currency notes and coins | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from MA for a/c of Exchange Fund | 362,810 | 362,810 | 0 | 0 | 0 | 0 | 0 |
| Due from banks | 5,117,788 | 2,479,576 | 683,336 | 434,795 | 843,383 | 676,698 | 0 |
| Debt securities, prescribed instruments and structured financial instruments held (net of short positions) | 3,084,640 | 1,505,910 | 101,624 | 279,507 | 62,620 | 1,134,979 | 0 |
| Acceptances and bills of exchange held | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans and advances to non-bank customers | 3,747,198 | 75,255 | 107,460 | 140,614 | 1,099,317 | 2,324,552 | 0 |
| Other assets | 216,323 | 44,774 | 48,038 | 55,290 | 8,682 | 29,949 | 29,590 |
| Total | 12,528,759 | 4,468,325 | 940,458 | 910,206 | 2,014,002 | 4,166,178 | 29,590 |

Off-balance sheet claims

| | | | | | | | |
|--|--|-----------|-------------|-------------|-------------|-----------|--|
| Contractual Maturity Mismatch | | (999,171) | (2,715,399) | (310,962) | 577,280 | 4,165,146 | |
| Cumulative Contractual Maturity Mismatch | | (999,171) | (3,714,570) | (4,025,532) | (3,448,252) | 716,894 | |



8 Remuneration disclosure

In respect to the disclosure requirement under the Hong Kong Monetary Authority's Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System, Chang Hwa Commercial Bank, Ltd. has disclosed the relevant information under the part of Corporate Governance Report of annual report 2023.



Section B. Bank Information (Consolidated Basis)

1 Financial information

| | As at | |
|--------------------------|------------------|---------------|
| | 31 December 2023 | 30 June 2023 |
| | NTD,000 | NTD,000 |
| Total Assets | 2,900,874,139 | 2,709,534,037 |
| Total Liabilities | 2,712,876,083 | 2,533,804,466 |
| Total Advances | 1,802,524,696 | 1,679,635,220 |
| Total Customers Deposits | 2,475,788,955 | 2,355,457,500 |

| | For the year ended | |
|-----------------------|--------------------|------------------|
| | 31 December 2023 | 31 December 2022 |
| | NTD,000 | NTD,000 |
| Pre-tax profit/(loss) | 16,236,588 | 13,050,728 |

2 Capital and capital adequacy ratio

| | As at | |
|------------------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| Capital adequacy ratio | 14.31% | 14.26% |

The capital adequacy ratio is calculated in accordance with “Guideline of managing Capital adequacy ratio” issued by Financial Supervisory Commission Republic of China (Taiwan). The guideline closely follows the prevailing banking supervisory standards relating to capital adequacy issued by the Basel Committee.

3 Total amount of shareholders' funds

| | As at | |
|---------------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 |
| | NTD,000 | NTD,000 |
| Shareholders' funds | 187,998,056 | 175,729,571 |



CHANG HWA COMMERCIAL BANK, LTD.
HONG KONG BRANCH

彰化銀行
香港分行

Declaration of Compliance

We enclose herewith the Financial Information Disclosure Statement for the year ended 31 December 2023. We confirm that the information contained in the disclosure statement complies fully with the Banking (Disclosure) Rules and the supervisory policy manual CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" for authorized institutions incorporated outside Hong Kong which issued by Hong Kong Monetary Authority and to the best of our knowledge and belief, is not false or misleading in any material respect.

For and on behalf of
Chang Hwa Commercial Bank, Ltd.
Hong Kong Branch

Lin Huei Jin
Chief Executive

16 April 2024