

TAI SANG BANK LIMITED

INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024
(UNAUDITED)

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024 (UNAUDITED)

I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Half Year Ended 30 Jun 2024 (Unaudited)	Half Year Ended 30 Jun 2023 (Unaudited)
	HK\$	HK\$
Interest Income	10,425,500	9,751,046
Interest Expenses	(2,432,867)	(1,478,899)
Net Interest Income	<u>7,992,633</u>	<u>8,272,147</u>
Other Operating Income	14,592,187	11,598,805
Operating Income	<u>22,584,820</u>	<u>19,870,952</u>
Operating Expenses	(19,345,302)	(17,180,032)
Operating Profit Before Impairment	<u>3,239,518</u>	<u>2,690,920</u>
Expected Credit Loss Allowances for Impaired Assets	-	-
Operating Profit	<u>3,239,518</u>	<u>2,690,920</u>
Revaluation Loss of Investment Properties	(5,100,000)	(1,900,000)
Loss on Disposal of Property, Plant & Equipment	(493)	(5,563)
(Loss) / Profit Before Income Tax	<u>(1,860,975)</u>	<u>785,357</u>
Income Tax Expense	(99,676)	(259,975)
(Loss) / Profit Attributable to Equity Holders	<u>(1,960,651)</u>	<u>525,382</u>
Other Comprehensive Income :		
Items that will not be reclassified to Profit or Loss		
Equity Investments at Fair Value through		
Other Comprehensive Income (FVOCI):		
Increase in Fair Value during the Half Year	824,261	1,823,503
Deferred Tax	-	-
Items that will be reclassified to Profit or Loss		
Debt Securities at Fair Value through		
Other Comprehensive Income (FVOCI):		
Decrease in Fair Value during the Half Year	(135,298)	(184,897)
Deferred Tax	-	-
Total Comprehensive (Loss) / Income Attributable to Equity Holders for the Half Year Ended 30th June	<u><u>(1,271,688)</u></u>	<u><u>2,163,988</u></u>

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I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)

Explanatory Statement

Operating result as compared to the same period last year. Compared to an operating profit of HK\$ 2.7 million for the first half of 2023, the Group recorded an operating profit of HK\$ 3.2 million in the first half of 2024. The increase in operating profit for the first half of 2024 was mostly contributed by the much higher level of safe deposit box rental income. With the stable increase in the take up rate of the safe deposits boxes at the flagship safe deposit box centre opened by the Group in 2022, safe deposit box rental income has increased significantly from the same period in 2023.

Operating expenses have also increased when compared to the first half of 2023, mostly due to the higher level of payroll expenses. Such increase was due to wage increase effected from July 2023, the higher number of staff employed for the current period in 2024 and the higher replacement costs and recruitment costs for new staff employed during the past year. In addition, as a result of the property management licensing regulation coming into full effect in the second half of 2023, the Group incurred additional consultancy costs in the handling of property management matters during 2024.

On the other hand, net interest income for the current half year was lower than the first half of year 2023 by 3.4%, mostly due to the higher increase in interest expense. The shifting of customers' deposits from savings deposits to higher interest rate fixed deposits together with the higher level of interest rates in 2024 contributed to this increase.

The Group's loan portfolio as at the end of June 2024 has decreased by 57.5% from the end of June 2023. Funds released were either invested in exchange fund bills or placed at interbank market. Interest income rose as compared to the equivalent period in 2023, as a result of increased interest rates. The loan book will be forecasted to be increased during the second half of 2024.

During the first half of 2024, the Group has maintained its level of investment in blue-chip listed equity shares. The lower level of dividend income received for the current period when compared to the first half of 2023 was due to the difference in the timing of dividend payment by some investee companies.

Fair Value of Investment properties recorded a 1.67% decrease from December 2023. The Group held investment properties in the Bank building in Central and certain office units in a Mongkok commercial building. As a whole, the Group's investment properties decreased in value by 1.67% from those as at the end of 2023. Such values were confirmed and reported by the Group's professional external property valuer as at 30 June 2024. For comparison, the value of the Group's investment properties decreased by 0.62% as at 30 June 2023 when compared to the end of 2022.

Marked-to-market gain of listed equity investments. The Group's equity investments measured at fair value through other comprehensive income, comprising mainly listed equity investments in Hong Kong, recorded about HK\$ 0.82 million cumulative unrealized gain during the half year ended 30 June 2024 as compared to the unrealized gain of around HK\$ 1.8 million for the same period in 2023.

Outlook in the near future. The Group remains healthy and the quality of the loan portfolio is stable. The Group's capital ratios continued to remain at high levels. Liquidity is maintained at an appropriate and desirable level. The Group would continue to expand its safe deposit box business and to also look for other safe investment opportunities to diversify its income sources and generate stable operating income for the shareholders.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
ASSETS		
Cash and Balances with Banks	128,966,856	112,229,011
Placements with Banks Maturing within One and Twelve Months	148,109,370	45,300,048
Loans and Advances to Customers & Other Accounts	162,968,233	227,579,897
Investment securities at Fair Value through Other Comprehensive Income (FVOCI)	131,055,453	199,003,354
Property, Plant & Equipment	118,906,209	120,292,351
Investment Properties	300,500,000	305,600,000
Right-of-use Assets	40,109,562	22,812,490
Tax Recoverable	65,679	85,206
TOTAL ASSETS	<u>1,030,681,362</u>	<u>1,032,902,357</u>
LIABILITIES		
Deposits from Customers	223,999,723	241,134,446
Other Liabilities & Provisions	39,971,068	25,477,421
Lease Liabilities	42,961,492	41,349,873
Deferred Tax Liabilities	9,469,504	9,389,354
TOTAL LIABILITIES	<u>316,401,787</u>	<u>317,351,094</u>
EQUITY		
Share Capital	310,000,000	310,000,000
Reserves	404,279,575	405,551,263
TOTAL EQUITY	<u>714,279,575</u>	<u>715,551,263</u>
TOTAL LIABILITIES AND EQUITY	<u>1,030,681,362</u>	<u>1,032,902,357</u>

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III. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Bank			
	Share capital HK\$	Other reserves HK\$	Retained earnings HK\$	Total HK\$
Balance at 1 January 2024 (Audited)	310,000,000	4,566,963	400,984,300	715,551,263
Comprehensive income/ (loss)				
Loss for the half year	-	-	(1,960,651)	(1,960,651)
Other comprehensive income				
Change in fair value of investment securities measured at FVOCI	-	688,963	-	688,963
Total comprehensive income / (loss)	-	688,963	(1,960,651)	(1,271,688)
Total transfer and appropriation	-	-	-	-
Balance at 30 June 2024 (Unaudited)	<u>310,000,000</u>	<u>5,255,926</u>	<u>399,023,649</u>	<u>714,279,575</u>
Balance at 1 January 2023 (Audited)	310,000,000	3,644,599	399,101,475	712,746,074
Comprehensive income / (loss)				
Profit for the half year	-	-	525,382	525,382
Other comprehensive income				
Change in fair value of investment securities measured at FVOCI	-	1,638,606	-	1,638,606
Total comprehensive income	-	1,638,606	525,382	2,163,988
Total transfer and appropriation	-	-	-	-
Balance at 30 June 2023 (Unaudited)	<u>310,000,000</u>	<u>5,283,205</u>	<u>399,626,857</u>	<u>714,910,062</u>

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IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Half Year Ended 30 Jun 2024 (Unaudited) HK\$	Half Year Ended 30 Jun 2023 (Unaudited) HK\$
Cash flows from operating activities		
Operating profit	3,239,518	2,690,920
Depreciation - property, plant and equipment	1,472,509	1,506,732
Depreciation - right-of-use assets	1,425,781	1,425,781
Dividend income from equity investments at FVOCI	(283,087)	(553,184)
Cash flows from operating activities before changes in operating assets and liabilities	5,854,721	5,070,249
Changes in operating assets and liabilities		
- Net increase in interest receivable	(1,420,484)	(347,590)
- Net increase in other receivable accounts	(1,963,756)	(814,322)
- Net increase in interest payable	359,114	42,522
- Net decrease in other payable accounts	(1,737,919)	(2,368,570)
- Net decrease in advances to customers	67,995,905	350,848
- Net decrease in customers' deposits	(17,134,723)	(21,006,876)
- Net increase in placements with banks repayable more than 3 months	(98,302,758)	(1,009,174)
Net cash outflow from operating activities	(46,349,900)	(20,082,913)
Cash flows from investing activities		
Dividends received on equity investments at FVOCI	283,087	553,184
Purchase of plant and equipment	(86,860)	(82,396)
Net cash inflow from investing activities	196,227	470,788
Cash flows from financing activities		
Principal elements of lease payments	(1,238,782)	(1,016,575)
Net cash outflow from financing activities	(1,238,782)	(1,016,575)
Decrease in cash and cash equivalents	(47,392,455)	(20,628,700)
Cash and cash equivalents at 1 January	148,443,132	137,322,647
Cash and cash equivalents at 30 June (Note a)	101,050,677	116,693,947
Cash flows from operating activities included:		
Interest received	9,005,016	9,403,457
Interest paid	2,073,753	1,436,377
Note a :		
Cash and cash equivalents comprise the following balances:		
Cash in hand	2,809,269	3,370,775
Balances with banks and central bank	11,604,804	11,323,172
Placements with banks with original maturity within 3 months	86,636,604	102,000,000
	101,050,677	116,693,947

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V. SCOPE OF CONSOLIDATION

This interim financial disclosure statement has been prepared based on the consolidated results and financial data of the Bank and its five subsidiaries made up to 30 June 2024. The five wholly owned subsidiaries of the Bank are TSB Property Management Limited, Success Land Enterprises Limited, Golden Wisdom Development Limited, Team Gold Investment Limited and Gold Harmony Enterprises Limited, the first two of which are engaged in property management and investment holding respectively, while the latter three are investment property holding companies. There were no subsidiaries which were not included in the consolidated Group.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The basis of consolidation for accounting purposes differs from the basis of consolidation for regulatory purposes, under which only Success Land Enterprises Limited, Golden Wisdom Development Limited, Team Gold Investment Limited and Gold Harmony Enterprises Limited are included as subsidiaries in the consolidated Group for regulatory purposes. The Bank is required to calculate and report its capital ratios on the consolidated position based on the regulatory scope of consolidated figures in addition to the Bank's solo position based on its unconsolidated level figures.

There are no shareholdings in any of the above subsidiaries that are deducted from the Bank's CET1 capital.

The total assets and total equity reported on the financial statement of each of the above mentioned subsidiaries as at 30 June 2024 are as follows:

	Total Assets At 30 Jun 2024 (Unaudited) HK\$	Total Equity At 30 Jun 2024 (Unaudited) HK\$
TSB Property Management Limited	1,008,745	948,225
Success Land Enterprises Limited	2	2
Golden Wisdom Development Limited	35,185,217	34,780,140
Team Gold Investment Limited	31,299,399	31,020,466
Gold Harmony Enterprises Limited	18,622,691	(2,638,834)

There are no restrictions on the transfer of funds or regulatory capital between the Group companies under any relevant regulatory, legal or taxation constraints.

VI. NOTES AND SUPPLEMENTARY INFORMATION

(1) General Information

The principal activities of Tai Sang Bank Limited (the "Bank") and its subsidiaries (collectively the "Group") are the provision of banking and related financial services, and property investment and management.

The Bank is an authorized institution incorporated in Hong Kong. The address of its registered office is 130 - 132 Des Voeux Road Central, Hong Kong.

This interim financial disclosure statement is presented in units of Hong Kong dollars (HK\$), unless otherwise stated.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(2) Accounting Policies

The accounting policies applied in the preparation of this interim financial disclosure statement for the half year ended 30 June 2024 are consistent with those used and described in the Group's audited annual financial statements for the year ended 31 December 2023.

(3) Net Interest Income

	Half Year Ended 30 Jun 2024 (Unaudited) HK\$	Half Year Ended 30 Jun 2023 (Unaudited) HK\$
Interest income		
Cash and balances and placements with banks	4,323,493	3,472,784
Loans and advances	2,479,391	4,788,668
Debt securities at FVOCI	3,517,121	1,468,587
Others	105,495	21,007
Impaired assets	-	-
	<u>10,425,500</u>	<u>9,751,046</u>
Interest expense		
Deposits from customers	1,794,736	962,051
Lease liabilities	446,218	483,425
Others	191,913	33,423
	<u>2,432,867</u>	<u>1,478,899</u>

(4) Other Operating Income

	Half Year Ended 30 Jun 2024 (Unaudited) HK\$	Half Year Ended 30 Jun 2023 (Unaudited) HK\$
Fees and commission income	69,410	119,112
Less : fees and commission expense	(23,319)	(28,040)
Net fees and commission income	<u>46,091</u>	<u>91,072</u>
Gross rental income - investment properties	4,816,328	4,657,832
Less : rental outgoings	(1,593,784)	(1,845,049)
	<u>3,222,544</u>	<u>2,812,783</u>
Air-conditioning and management fees	1,103,987	1,077,490
Dividend income from:		
Listed equity investments at FVOCI	283,087	553,184
Safe deposit box rental income	9,229,906	6,827,722
Miscellaneous income	706,572	236,554
	<u>14,592,187</u>	<u>11,598,805</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(5) Operating Expenses

	Half Year Ended 30 Jun 2024 (Unaudited) HK\$	Half Year Ended 30 Jun 2023 (Unaudited) HK\$
Staff costs	9,962,177	8,521,323
Premises and equipment expenses	1,281,863	1,293,660
Depreciation - property, plant and equipment	1,472,509	1,506,732
Depreciation - rights-of-use assets	1,425,781	1,425,781
Miscellaneous expenses	5,202,972	4,432,536
	<u>19,345,302</u>	<u>17,180,032</u>

(6) Income Tax Expense

Hong Kong income tax has been provided at the rate of 16.5% (2023:16.5%) on the estimated assessable profits for the period.

	Half Year Ended 30 Jun 2024 (Unaudited) HK\$	Half Year Ended 30 Jun 2023 (Unaudited) HK\$
Current income – Hong Kong profits tax expense	19,527	53,678
Deferred income tax expense	80,149	206,297
Income tax expense	<u>99,676</u>	<u>259,975</u>

(7) Cash and Balances with Banks

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Cash in hand	2,809,269	2,509,320
Balances with banks and central bank	11,604,804	12,719,691
Placement with banks, maturing within 1 month	114,552,783	97,000,000
	<u>128,966,856</u>	<u>112,229,011</u>
Expected credit loss allowances for impaired assets - (cash and balances with banks)	<u>-</u>	<u>-</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(8) Placements with Banks

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Placements with banks		
- maturing between 1 and 12 months	<u>148,109,370</u>	<u>45,300,048</u>
Expected credit loss allowances for impaired assets		
- (placements with banks)	<u>-</u>	<u>-</u>

(9) Loans and Advances to Customers & Other Accounts

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Loans and advances to customers	<u>154,323,925</u>	<u>222,319,830</u>
Accrued interest and other accounts	<u>8,644,308</u>	<u>5,260,067</u>
Expected credit loss allowances for impaired assets		
- expected credit loss allowances (loans and advances to customers)	<u>-</u>	<u>-</u>
- expected credit loss allowances (accrued interest & other accounts)	<u>-</u>	<u>-</u>

- (10) All advances disclosed in note (9) above as at 31 December 2023 and 30 June 2024 were made to customers located in Hong Kong and were fully secured.
- (11) As at 31 December 2023 and 30 June 2024, there were no advances to customers or banks and other financial institutions which were impaired and for which individual impairment allowances were made.
- (12) There were no advances to customers, advances to banks and other financial institutions and other assets which had been overdue for more than three months as at 31 December 2023 and 30 June 2024.
- (13) There were no rescheduled advances to customers or rescheduled advances to banks and other financial institutions as at 31 December 2023 and 30 June 2024.
- (14) The Group had no repossessed assets as at 31 December 2023 and 30 June 2024. In situations where assets are acquired by repossession of collateral for realization, they would continue to be reported as advances.
- (15) There were no exposures to non-bank counterparties in Mainland China as at 31 December 2023 and 30 June 2024.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(16) Gross Advances to Customers by Industry Sectors

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Unaudited) HK\$
Loans for use in Hong Kong		
Industrial, commercial and financial		
- property development	-	71,862,691
- property investment	112,006,325	113,228,140
- investment companies	29,312,017	25,246,983
Wholesale and retail trade	6,542,308	6,192,308
Individuals		
- others	6,463,275	5,789,708
	<u>154,323,925</u>	<u>222,319,830</u>

(17) Investment Securities Measured at Fair Value through Other Comprehensive Income

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Debt Securities		
Treasury bills (including Hong Kong Exchange Fund Bills)	108,781,230	177,553,392
Total Debt Securities	<u>108,781,230</u>	<u>177,553,392</u>
Equity Securities		
Listed in Hong Kong, at market value	21,918,492	21,091,909
Listed outside Hong Kong, at market value	30,037	32,359
Unlisted, at estimated fair value	325,694	325,694
Total Equity Securities	<u>22,274,223</u>	<u>21,449,962</u>
Total Investment Securities Measured at Fair Value through Other Comprehensive Income	<u>131,055,453</u>	<u>199,003,354</u>
Type of issuer:		
Sovereign	108,781,230	177,553,392
Banks and other financial institutions	10,972,481	11,774,380
Corporates	10,395,742	8,816,082
Others	906,000	859,500
	<u>131,055,453</u>	<u>199,003,354</u>
Expected credit loss allowances for impaired assets (investment debt securities at fair value through other comprehensive income)	<u>-</u>	<u>-</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(18) Property, Plant and Equipment

	Bank Premises HK\$	Furniture, Fixtures and Equipment HK\$	Total HK\$
Cost or Deemed cost at valuation			
At 1 Jan 2024 (Audited)	150,285,740	38,547,917	188,833,657
Additions	-	86,860	86,860
Write off / disposal	-	(12,880)	(12,880)
At 30 Jun 2024 (Unaudited)	<u>150,285,740</u>	<u>38,621,897</u>	<u>188,907,637</u>
Accumulated depreciation and impairment			
At 1 Jan 2024 (Audited)	51,703,590	16,837,716	68,541,306
Charge for the period	179,361	1,293,148	1,472,509
Write off / disposal	-	(12,387)	(12,387)
At 30 Jun 2024 (Unaudited)	<u>51,882,951</u>	<u>18,118,477</u>	<u>70,001,428</u>
Net book value			
At 30 Jun 2024 (Unaudited)	<u>98,402,789</u>	<u>20,503,420</u>	<u>118,906,209</u>
At 31 Dec 2023 (Audited)	<u>98,582,150</u>	<u>21,710,201</u>	<u>120,292,351</u>

(19) Investment Properties

	Total HK\$
At 1 Jan 2023 (Audited)	307,900,000
Fair value loss for the year	(2,300,000)
At 31 Dec 2023 (Audited)	<u>305,600,000</u>
Fair value loss for the 6 months period	(5,100,000)
At 30 Jun 2024 (Unaudited)	<u>300,500,000</u>

(20) Deposits from Customers

Deposits from customers comprise of the following categories :

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Demand deposits and current accounts	55,437,545	57,552,544
Savings deposits	91,821,148	111,788,636
Time, call and notice deposits	76,741,030	71,793,266
	<u>223,999,723</u>	<u>241,134,446</u>

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(21) Reserves

	Other properties revaluation reserve HK\$	Investments at FVOCI revaluation reserve HK\$	General reserve HK\$	Regulatory reserve HK\$	Retained earnings HK\$	Total HK\$
At 1 Jan 2024 (Audited)	1,854,801	301,905	610,257	1,800,000	400,984,300	405,551,263
Surplus on revaluation of equity investments at FVOCI	-	688,963	-	-	-	688,963
Loss for the half year	-	-	-	-	(1,960,651)	(1,960,651)
At 30 Jun 2024 (Unaudited)	1,854,801	990,868	610,257	1,800,000	399,023,649	404,279,575
Representing :						
Bank and subsidiaries	1,854,801	990,868	610,257	1,800,000	399,023,649	404,279,575

(22) International Claims

The break-down of the international claims by types of counterparties on geographical segment which constitutes 10% or more of the aggregate international claims are reported as follows:

	Banks and other Financial Institutions HK\$'000	Official Sector HK\$'000	Total HK\$'000
As at 30 June 2024 (Unaudited)			
Asia Pacific excluding Hong Kong	262,662	-	262,662
As at 31 December 2023 (Unaudited)			
Asia Pacific excluding Hong Kong	85,300	-	85,300
Europe	57,000	-	57,000
	142,300	-	142,300

The above international claims classification has taken into account the transfer of risk in the case of claims on overseas branches of a bank whose head office is located in another country.

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VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(23) Currency Concentrations

The US dollar net position, the RMB net position and the EUR net position, which arise from non-trading positions and each constitutes more than 10% of the total net position in all foreign currencies, are reported as follows:

US Dollar Position:

	As at 30 Jun 2024 (Unaudited) HK\$'000	As at 31 Dec 2023 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	15,982	15,589
Spot liabilities	(15,334)	(14,985)
Net long position	<u>648</u>	<u>604</u>

RMB Position:

	As at 30 Jun 2024 (Unaudited) HK\$'000	As at 31 Dec 2023 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	332	342
Spot liabilities	(127)	(133)
Net long position	<u>205</u>	<u>209</u>

EUR Position:

	As at 30 Jun 2024 (Unaudited) HK\$'000	As at 31 Dec 2023 (Unaudited) HK\$'000
Equivalent in Hong Kong dollars		
Spot assets	30	31
Spot liabilities	-	-
Net long position	<u>30</u>	<u>31</u>

(24) Off-Balance Sheet Exposures

(a) Contingent Liabilities and Commitments

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Contract amount		
Direct credit substitutes	-	-
Trade-related contingencies	-	-
Other commitments with an original maturity of under 1 year or which are unconditionally cancellable	348,016	5,099,736
	<u>348,016</u>	<u>5,099,736</u>
Credit Risk Weighted Amount	<u>-</u>	<u>-</u>

(b) Derivatives

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Exchange Rate Contracts		
Notional Contract Amount	<u>-</u>	<u>-</u>
Credit Risk Weighted Amount	<u>-</u>	<u>-</u>
Replacement Cost	<u>-</u>	<u>-</u>

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(24) Off-Balance Sheet Exposures (Continued)

(b) Derivatives (Continued)

	As at 30 Jun 2024 (Unaudited) HK\$	As at 31 Dec 2023 (Audited) HK\$
Interest Rate Contracts		
Notional Contract Amount	-	-
Credit Risk Weighted Amount	-	-
Replacement Cost	-	-
Other Contracts		
Notional Contract Amount	-	-
Credit Risk Weighted Amount	-	-
Replacement Cost	-	-

The Group did not enter into any bilateral netting agreements during the period and accordingly the above amounts are shown on a gross basis.

(25) Capital Structure and Adequacy

The Bank is required by the HKMA to compute and report on capital ratios on both consolidated and solo basis. The Bank and the Group complied with all of the externally imposed capital requirements by the HKMA throughout the reporting period. The capital base after deductions used in the calculation of the above capital ratios and reported to the Hong Kong Monetary Authority is analysed as follows :

	Consolidated Basis As at 30 Jun 2024 (Unaudited) HK\$'000	Consolidated Basis As at 31 Dec 2023 (Audited) HK\$'000
Common equity tier 1 (CET1) capital :		
CET1 capital instruments	264,987	264,987
Retained earnings	398,085	399,759
Disclosed reserves	5,256	4,567
	668,328	669,313
Less: Cumulative fair value gains arising from revaluation of land and buildings	(266,919)	(272,019)
Regulatory reserve for general banking risk	(1,800)	(1,800)
Total CET1 capital after deductions	399,609	395,494
Additional Tier 1 capital	-	-
Total Tier 1 capital after deductions	399,609	395,494
Tier 2 capital		
Reserve attributable to fair value gains on revaluation of land and buildings	140,370	142,665
Regulatory reserve for general banking risk	1,800	1,800
	142,170	144,465
Less : Tier 2 capital deductions	-	-
Total Tier 2 capital after deductions	142,170	144,465
Total capital base	541,779	539,959

The total capital base for the current reporting period has slightly increased from that as at 31 December 2023, mainly as a result of the net increase from operating profit booked for the current period and the unrealised gain from marking the FVOCI securities to market which are then partially offset by the property revaluation loss booked in the same period.

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(25) Capital Structure and Adequacy (Continued)

The capital ratios shown in Template KM1 represent the consolidated ratios of the Bank as computed in accordance with the Banking (Capital) Rules. In accordance with the Banking (Capital) Rules, the Bank has adopted the “basic approach” for the calculation of the risk weighted assets for credit risk and the “basic indicator approach” for the calculation of operational risk. The Bank has been exempted from the calculation of risk weighted assets for market risk.

(26) Regulatory Disclosure Templates

The following regulatory disclosure templates as at 30 June 2024 (unaudited) are attached to the annex of this interim financial disclosure statement:

- Key Prudential Ratios (Template KM1)
- Composition of Regulatory Capital (Template CC1)
- Reconciliation of Regulatory Capital to Statement of Financial Position (Template CC2)
- Main Features of Regulatory Capital Instruments (Table CCA)
- Summary Comparison of Accounting Assets Against Leverage Ratio (Template LR1)
- Leverage Ratio (Template LR2)
- Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (Template CCyB1)
- Overview of Risk Weighted Assets (Template OV1)
- Credit Quality of Exposures Template (Template CR1)
- Changes in Defaulted Loans and Debt Securities Template (Template CR2)
- Overview of Recognized Credit Risk Mitigation Template (Template CR3)
- Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation Template (Template CR4)
- Credit Risk Exposures by Asset Classes and by Risk Weights Template (Template CR5)

The Bank does not engage in any derivative transactions, securities financing transactions or securitization transactions as at 31 December 2023 and 30 June 2024 nor has plan to engage in such transactions in the coming year, and has therefore not included any disclosure templates on counterparty credit risk in respect of derivative contracts and securities financing transactions and securitization exposures, which are considered not to be relevant and would carry nil balances on such templates if published.

The Bank has been exempted from the calculation of risk weighted assets for market risk and accordingly has been exempted from disclosing templates on market risk.

Full capital deductions under the Banking (Capital) Rules have already been applied in the Capital Disclosures Template.

Full terms and conditions of the Bank’s CET1 capital instruments are disclosed in the website of the Bank.

TAI SANG BANK LIMITED
INTERIM FINANCIAL DISCLOSURE STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2024 (UNAUDITED)

VI. NOTES AND SUPPLEMENTARY INFORMATION (CONTINUED)

(27) Statement in Accordance with Section 436 of Hong Kong Companies Ordinance (Cap. 622)

The financial information relating to the year ended 31 December 2023 as included in this Interim Financial Disclosure Statement for the half year ended 30 June 2024 as comparative information, does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Company is a private company, the Company is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Company's auditor has reported on those financial statements. The auditor's reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

(28) Statement of Compliance

This interim financial disclosure statement for the half year ended 30 June 2024 is prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" and fully complies with the requirements set out in the Banking (Disclosure) Rules.

TAI SANG BANK LIMITED
REGULATORY DISCLOSURE TEMPLATES
AS AT 30 JUNE 2024
(UNAUDITED)

Tai Sang Bank Limited

Template KM1: Key Prudential Ratios (on Regulatory Consolidated Basis)

		(a)	(b)	(c)	(d)	(e)
		30-Jun-24	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23
	Regulatory capital (amount) (HK\$'000)					
1	Common Equity Tier 1 (CET1)	399,609	395,404	395,494	394,198	394,498
2	Tier 1	399,609	395,404	395,494	394,198	394,498
3	Total capital	541,779	539,869	539,959	538,872	539,172
	RWA (amount) (HK\$'000)					
4	Total RWA	608,794	573,395	633,328	698,280	698,177
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	65.64%	68.96%	62.45%	56.45%	56.50%
6	Tier 1 ratio (%)	65.64%	68.96%	62.45%	56.45%	56.50%
7	Total capital ratio (%)	88.99%	94.15%	85.26%	77.17%	77.23%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	1.000%	1.000%	1.000%	1.000%	1.000%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	3.50%	3.50%	3.50%	3.50%	3.50%
12	CET1 available after meeting the AI's minimum capital requirements (%)	57.64%	60.96%	54.45%	48.45%	48.50%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure (HK\$'000)	724,996	713,283	722,779	709,560	717,453
14	LR (%)	55.12%	55.43%	54.72%	55.56%	54.99%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%)	119.96%	119.41%	97.18%	51.61%	69.71%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

Tai Sang Bank Limited

Template KM1: Key Prudential Ratios (on Regulatory Consolidated Basis) Continued

Note:

(1) N/A: Not applicable

(2) Risk-based regulatory capital ratios

The table above summarizes the capital ratios calculated as computed in accordance with the Banking (Capital) Rules under regulatory consolidated basis of the Bank as at the dates shown. The constituent elements of the Total capital as at 30 June 2024 and 31 December 2023 have been disclosed in note (25) of the Interim Financial Disclosure Statements. All of the Common Equity Tier 1 capital, Tier1 capital and Total capital of the Bank's regulatory group have slightly increased from 31 March 2024 mainly due to the net result of the operating profit and mark-to-market surplus on investment securities measured at FVOCI for the second quarter of 2024, partially offset by the property revaluation loss on investment properties as at the end of June 2024. On the other hand, the RWA of the Bank's regulatory consolidated group has increased by HK\$35Mn from the end of March 2024, thus resulting in decreases in the Group's regulatory consolidated CET1 ratio, Tier 1 ratio and Total capital ratio as at 30 June 2024.

(3) The Bank uses the Basic Approach for calculating credit risk and the Basic Indicator Approach for calculating operational risk. The Bank was granted by the HKMA an exemption from the calculation of market risk under the exemption criteria under section 22(1) of the Banking (Capital) Rules on 22 March 2016 and has excluded market risk in the calculation of capital ratio since then and as at 30 June 2024.

(4) The capital conservation buffer ratio for the Bank for 2024 is 2.5% (2023: 2.5%) as stipulated by the Banking (Capital) Rules. While the Bank only operates and has private sector credit exposures in Hong Kong for the purpose of the calculation of its countercyclical capital buffer ratio, the applicable countercyclical capital buffer ratio for the Bank equals to that of Hong Kong as at 30 June 2024, which amounts to 1% (as at 31 December 2023: 1%).

(5) Basel III leverage ratio

The leverage ratio shown above represents the regulatory consolidated leverage ratio calculated in accordance with the Banking (Capital) Rules. The exposure measure for 30 June 2024 has only slightly increased from that as at 31 March 2024. This factor together with the increase in the regulatory Group's Tier 1 capital have resulted in a slight decrease in the Group's consolidated level Leverage Ratio as at 30 June 2024.

(6) Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)

The Bank, as a category 2 institution for the purpose of the Liquidity Rules, is only required to maintain and report LMR on a solo basis. As such, the Bank is not required to report LCR. The above LMRs are the quarterly average LMRs calculated as the simple average of each calendar month's average LMR of the Bank's solo position within the reporting quarters. Only a slight increase in average LMR was noted for the current quarter as compared to the last quarter.

Liquidity risk arises from the mismatch in the cash flows emanating from on-balance sheet assets and liabilities, plus the settlement characteristic of off-balance sheet activities. The Group's funding activities are closely managed by the directors in accordance with policies and guidelines established by the Board. The usual conservative strategy and the availability of up-to-date reporting on liquidity position ensure that all obligations of the Group are met in a timely and cost efficient manner.

(7) Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)

The Bank is not required to report NSFR and CFR.

(8) Higher Loss Absorbency (HLA)

The Bank is not designated as a domestic systematically important authorised institution and as such is not subject to the HLA requirements under the Banking (Capital) Rules.

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2024
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	264,987	(1)
2	Retained earnings	398,085	(7)
3	Disclosed reserves	5,256	(3)+(4)+(5)+(6)
4	Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory adjustments	668,328	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liabilities)	0	
9	Other intangible assets (net of associated deferred tax liabilities)	0	
10	Deferred tax assets (net of associated deferred tax liabilities)	0	
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	268,719	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	266,919	(3)+(8)
26b	Regulatory reserve for general banking risks	1,800	(6)
26c	Securitization exposures specified in a notice given by the MA	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2024
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	Total regulatory deductions to CET1 capital	268,719	
29	CET1 capital	399,609	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	Capital instruments subject to phase-out arrangements from AT1 capital	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements	0	
36	AT1 capital before regulatory deductions	0	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	Total regulatory deductions to AT1 capital	0	
44	AT1 capital	0	
45	Tier 1 capital (T1 = CET1 + AT1)	399,609	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	Capital instruments subject to phase-out arrangements from Tier 2 capital	0	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0	
49	of which: capital instruments issued by subsidiaries subject to phase-out arrangements	0	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,800	(6)
51	Tier 2 capital before regulatory deductions	1,800	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	
54	Insignificant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	0	

Tai Sang Bank Limited

Template CC1: Composition of Regulatory Capital as at 30 June 2024
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(140,370)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(140,370)	[(2)+(3)+(8)] *45%
57	Total regulatory adjustments to Tier 2 capital	(140,370)	
58	Tier 2 capital (T2)	142,170	
59	Total regulatory capital (TC = T1 + T2)	541,779	
60	Total RWA	608,794	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	65.64%	
62	Tier 1 capital ratio	65.64%	
63	Total capital ratio	88.99%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	8.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	1.00%	
67	of which: higher loss absorbency requirement	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	57.64%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,800	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	8,970	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	0	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	0	

Template CC1: Composition of Regulatory Capital as at 30 June 2024
(Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
(Presented in HK\$' 000)			
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
82	Current cap on AT1 capital instruments subject to phase-out arrangements	0	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements	0	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0	

Notes to the Template

Row No.	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	0	0
	<u>Explanation</u> As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (“MSRs”) may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
10	Deferred tax assets (net of associated deferred tax liabilities)	0	0
	<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<u>Explanation</u> For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		

Template CC1: Composition of Regulatory Capital as at 30 June 2024
(Unaudited - on Regulatory Consolidated Basis)

Notes to the Template

	Description	Hong Kong basis	Basel III basis
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	Explanation For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
54	Insignificant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	0
	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
Remarks: The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.			

Tai Sang Bank Limited

**Template CC2: Reconciliation of Regulatory Capital to Statement of Financial Position
as at 30 June 2024 (Unaudited - on Regulatory Consolidated Basis)**

	Consolidated Statement of Financial Position as in published interim financial disclosure statement	Under regulatory scope of consolidation - Group's Statement of Financial Position	Cross- referenced to Template CC1
	As at 30 June 2024	As at 30 June 2024	
	HK\$'000	HK\$'000	
Assets			
Cash and balances with banks	128,967	128,967	
Placements with banks maturing between one and twelve months	148,109	148,109	
Loans and advances to customers and other accounts	162,968	162,942	
Investment securities at fair value through other comprehensive income	131,055	131,055	
Investment in subsidiary not consolidated for regulatory purposes	-	10	
Property, plant and equipment	118,906	118,906	
Investment properties	300,500	300,500	
Right-of-use assets	40,110	40,110	
Tax recoverable	66	43	
Total assets	1,030,681	1,030,642	
Liabilities			
Deposits from customers	224,000	224,972	
Other liabilities and provisions	39,971	39,898	
Lease liabilities	42,961	42,961	
Deferred tax liabilities	9,470	9,470	
Total liabilities	316,402	317,301	
Shareholders' Equity			
Paid-in share capital	310,000	310,000	
<i>of which: share capital paid up in cash and capitalized from realized revaluation gains of properties</i>		264,987	(1)
<i>share capital capitalized from unrealized revaluation gains of properties</i>		45,013	(2)
Other properties revaluation reserve	1,855	1,855	(3)
Investments at FVOCI revaluation reserve	991	991	(4)
General reserve	610	610	(5)
Regulatory reserve	1,800	1,800	(6)
Retained earnings	399,023	398,085	(7)
<i>of which: unrealized revaluation gains of investment properties</i>		265,064	(8)
<i>other retained earnings and profits</i>		133,021	
Total shareholders' equity	714,279	713,341	
Total liabilities and shareholders' equity	1,030,681	1,030,642	

Note:

There are no material changes in the reconciling items between the composition of the regulatory capital and the consolidated statement of financial position as at 30 June 2024 when compared to that of 31 December 2023.

Tai Sang Bank Limited

Table CCA: Main Features of Regulatory Capital Instruments as at 30 June 2024

1	Issuer	Tai Sang Bank Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Laws of Hong Kong
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules [#]	Not applicable
5	Post-transitional Basel III rules ⁺	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD 265 (Mn)
9	Par value of instrument	HKD 1
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1954, 1969, 1990, 2001, 2010
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating dividend
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Footnote:

[#] *Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

⁺ *Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

^{*} *Include solo-consolidated*

Tai Sang Bank Limited

Template LR1 : Summary Comparison of Accounting Assets Against Leverage Ratio ("LR")
as at 30 June 2024 (Unaudited - on Regulatory Consolidated Basis)

		(a)
	Item	Value under the LR framework HK\$'000 equivalent
1	Total consolidated assets as per published financial statements	1,030,681
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	10
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	0
3a	Adjustments for eligible cash pooling transactions	0
4	Adjustments for derivative contracts	0
5	Adjustment for SFTs (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	0
6a	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	0
7	Other adjustments	8,002
8	Leverage ratio exposure measure	1,038,693

Note: There are no material changes in the summary comparison reconciling items of the Bank's balance sheet assets as stated in the statement of financial position with the exposure measure for the calculation of leverage ratio for the current semi-annual reporting period.

Tai Sang Bank Limited

Template LR2 : Leverage Ratio ("LR") as at 30 June 2024 (Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)
	Item	Leverage ratio framework HK\$'000	Leverage ratio framework HK\$'000
		30-Jun-24	31-Mar-24
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	1,038,693	1,031,273
2	Less: Asset amounts deducted in determining Tier 1 capital	(313,732)	(318,832)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	724,961	712,441
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivatives contracts (where applicable net of eligible cash variation margin and/or bilateral netting)	-	-
5	Add-on amounts for PFE associated with all derivatives contracts	-	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivatives contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivatives contracts	-	-
11	Total exposures arising from derivative contracts	-	-
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	348	8,415
18	Less: Adjustments for conversion to credit equivalent amounts	(313)	(7,573)
19	Off-balance sheet items	35	842
Capital and total exposures			
20	Tier 1 capital	399,609	395,404
20a	Total exposures before adjustments for specific and collective provisions	724,996	713,283
20b	Adjustments for specific and collective provisions	0	0
21	Total exposures after adjustments for specific and collective provisions	724,996	713,283
Leverage ratio			
22	Leverage ratio	55.12%	55.43%

Note: The leverage ratio shown above represents the regulatory consolidated leverage ratio calculated in accordance with the Banking (Capital) Rules. The exposure measure for 30 June 2024 has only slightly increased from that as at 31 March 2024. This factor together with the increase in the regulatory Group's Tier 1 capital have resulted in a slight decrease in the Group's consolidated level Leverage Ratio as at 30 June 2024.

Tai Sang Bank Limited

Template CCyB1: Geographical Distribution of Credit Exposures Used in
Countercyclical Capital Buffer ("CCyB") as at 30 June 2024

As at 30/06/2024		(a)	(c)	(d)	(e)
Geographical breakdown by Jurisdiction (J)		Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK\$ '000	AI-specific CCyB ratio %	CCyB amount HK\$ '000
1	Hong Kong	1.000%	154,324		
	Total		154,324	1.000%	1,543

As at 31/12/2023		(a)	(c)	(d)	(e)
Geographical breakdown by Jurisdiction (J)		Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK\$ '000	AI-specific CCyB ratio %	CCyB amount HK\$ '000
1	Hong Kong	1.000%	222,320		
	Total		222,320	1.000%	2,223

Note: The above templates show the CCyB ratios of the Bank computed on the consolidated basis as at 30 June 2024 and 31 Decemebr 2023. As the Bank only operates and has private sector credit exposures in Hong Kong, the overall countercyclical capital buffer ratio was the same as the jurisdiction countercyclical capital buffer ratio of Hong Kong, that is, 1%, as at 30 June 2024 (2023: 1%). The level of RWA, i.e. private sector credit exposures in Hong Kong, has decreased during the first half year of 2024 as a result of the smaller loan book. Apart from this, there have been no material changes in the geographical breakdown of the credit exposures of the Bank during the current semi-annual reporting period.

Template OV1: Overview of RWA as at 30 June 2024 (Unaudited - on Regulatory Consolidated Basis)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30-Jun-24	31-Mar-24	30-Jun-24
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	717,569	690,000	57,406
2	Of which STC approach	-	-	-
2a	Of which BSC approach	717,569	690,000	57,406
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	-	-	-
7	Of which SA-CCR approach	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	-	-	-
11	Equity positions in banking book under the simple risk-weighted method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures - LTA	-	-	-
13	CIS exposures – MBA	-	-	-
14	CIS exposures – FBA	-	-	-
14a	CIS exposures - combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	-	-	-
21	Of which STM approach	-	-	-
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	N/A	N/A	N/A
24	Operational risk	62,788	57,763	5,023
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	171,563	174,368	13,725
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	171,563	174,368	13,725
27	Total	608,794	573,395	48,704

Note:

- (1) N/A: Not applicable
- (2) The risk weighted amounts (RWA) for the credit risk for non-securitization exposures calculated on BSC approach have increased from 31 March 2024, mainly as a result of the higher level of bank placements coupling with the lower level of exchange fund papers held as at 30 June 2024 . RWA for operational risk also increased during the current quarter, mostly due to the increase in operating income as computed based on past 3 years' historical data. Deduction to RWA was lower at the end of June 2024 owing to the booking of property revaluation loss as at 30 June 2024 which has in turn led to the lower overall property revaluation surplus amount used for the calculation of this item.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2024

Template CR1 : Credit Quality of Exposures

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Or which ECL accounting provisions for credit losses on STC approach exposures		Or which ECL accounting provisions for credit losses on IRB approach exposures	Net values HK\$ '000
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provision	Allocated in regulatory category of collective provision		
As at 30 June 2024		HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
1	Loans	0	154,324	0	0	0	0	154,324
2	Debt securities	0	108,781	0	0	0	0	108,781
3	Off-balance sheet exposures	0	348	0	0	0	0	348
4	Total	0	263,453	0	0	0	0	263,453

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Or which ECL accounting provisions for credit losses on STC approach exposures		Or which ECL accounting provisions for credit losses on IRB approach exposures	Net values HK\$ '000
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provision	Allocated in regulatory category of collective provision		
As at 31 December 2023		HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
1	Loans	0	222,320	0	0	0	0	222,320
2	Debt securities	0	177,553	0	0	0	0	177,553
3	Off-balance sheet exposures	0	5,100	0	0	0	0	5,100
4	Total	0	404,973	0	0	0	0	404,973

Note: There was a decrease in the level of loans of the Group between the positions as at 30 June 2024 and 31 December 2023. The debt securities held as at 30 June 2024 and 31 December 2023 were investments in Hong Kong Government exchange fund bills. All credit exposures of the Group as at both 30 June 2024 and 31 December 2023 were non-defaulted exposures.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2024

Template CR2 : Changes in Defaulted Loans and Debt Securities

		(a)
		Amount
As at 30 June 2024		HK\$ '000
1	Defaulted loans and debt securities at end of the previous reporting period	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at end of the current reporting period	0

		(a)
		Amount
As at 31 December 2023		HK\$ '000
1	Defaulted loans and debt securities at end of the previous reporting period	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at end of the current reporting period	0

Note: Our Bank does not have any defaulted loans and debt securities as at 30 June 2024 and 31 December 2023.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2024

Template CR3 : Overview of Recognized Credit Risk Mitigation (CRM)

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount HK\$ '000	Exposures to be secured HK\$ '000	Exposures secured by recognized collateral HK\$ '000	Exposures secured by recognized guarantees HK\$ '000	Exposures secured by recognized credit derivative contracts HK\$ '000
As at 30 June 2024						
1	Loans	154,324	0	0	0	0
2	Debt securities	108,781	0	0	0	0
3	Total	263,105	0	0	0	0
4	Of which defaulted	0	0	0	0	0

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount HK\$ '000	Exposures to be secured HK\$ '000	Exposures secured by recognized collateral HK\$ '000	Exposures secured by recognized guarantees HK\$ '000	Exposures secured by recognized credit derivative contracts HK\$ '000
As at 31 December 2023						
1	Loans	222,320	0	0	0	0
2	Debt securities	177,553	0	0	0	0
3	Total	399,873	0	0	0	0
4	Of which defaulted	0	0	0	0	0

Note: All loan amounts reported in Column (a) in Template CR3 above as at 30 June 2024 and 31 December 2023 are fully secured by collaterals other than recognized Credit Risk Mitigation. Debt securities represent exchange fund bills issued by the Hong Kong government which are unsecured.

Tai Sang Bank Limited
Credit Risk Templates (Unaudited) as at 30 June 2024

Template CR4 : Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation - for BSC Approach

As at 30 June 2024		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		HK\$ '000					
1	Sovereign exposures	113,767	0	113,767	0	10,878	9.56%
2	PSE exposures	0	0	0	0	0	0.00%
3	Multilateral development bank exposures	0	0	0	0	0	0.00%
4	Bank exposures	269,280	0	269,280	0	53,856	20.00%
5	Cash items	2,809	0	2,809	0	0	0.00%
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%
7	Residential mortgage loans	29,312	254	29,312	0	29,312	100.00%
8	Other exposures	623,525	94	623,525	0	623,523	100.00%
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%
10	Total	1,038,693	348	1,038,693	0	717,569	69.08%

As at 31 Dec 2023		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		HK\$ '000					
1	Sovereign exposures	184,954	0	184,954	0	17,755	9.60%
2	PSE exposures	0	0	0	0	0	0.00%
3	Multilateral development bank exposures	0	0	0	0	0	0.00%
4	Bank exposures	147,619	0	147,619	0	29,524	20.00%
5	Cash items	2,509	0	2,509	0	0	0.00%
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0.00%
7	Residential mortgage loans	25,247	4,682	25,247	0	25,247	100.00%
8	Other exposures	680,772	418	680,772	0	680,772	100.00%
9	Significant exposures to commercial entities	0	0	0	0	0	0.00%
10	Total	1,041,101	5,100	1,041,101	0	753,298	72.36%

Note: The overall level of on-balance sheet and off-balance sheet exposures were lower for the end of current half year period when compared to the end of December 2023. Residential mortgage loans in the above templates include loans and overdrafts secured by residential property mortgages, as defined by the completion instruction of the Capital Adequacy Return. Decrease in sovereign exposures was taken up by the increase in bank exposures, representing bank placements. The remaining increase in bank exposures was mostly due to the lower level of other exposures as at 30 June 2024, which represented non-residential mortgage loans, fixed assets, investment properties and right-of-use assets. This has also led to a decrease in the RWA density as at 30 June 2024.

Tai Sang Bank Limited

Credit Risk Templates (Unaudited) as at 30 June 2024

Template CR5 : Credit Risk Exposures by Asset classes and by Risk Weights - for BSC Approach

As at 30 June 2024		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Exposure class	Risk Weight	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		HK\$ '000								
1	Sovereign exposures	4,986	108,781	0	0	0	0	0	0	113,767
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	269,280	0	0	0	0	0	269,280
5	Cash items	2,809	0	0	0	0	0	0	0	2,809
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	0	29,312	0	0	29,312
8	Other exposures	0	0	0	0	0	623,525	0	0	623,525
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
10	Total	7,795	108,781	269,280	0	0	652,837	0	0	1,038,693

As at 31 December 2023		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Exposure class	Risk Weight	0%	10%	20%	35%	50%	100%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		HK\$ '000								
1	Sovereign exposures	7,401	177,553	0	0	0	0	0	0	184,954
2	PSE exposures	0	0	0	0	0	0	0	0	0
3	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0
4	Bank exposures	0	0	147,619	0	0	0	0	0	147,619
5	Cash items	2,509	0	0	0	0	0	0	0	2,509
6	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	0	0	0	0	0	0	0	0	0
7	Residential mortgage loans	0	0	0	0	0	25,247	0	0	25,247
8	Other exposures	0	0	0	0	0	680,772	0	0	680,772
9	Significant exposures to commercial entities	0	0	0	0	0	0	0	0	0
10	Total	9,910	177,553	147,619	0	0	706,019	0	0	1,041,101

Note: The decrease in sovereign exposures for 30 June 2024 was mainly resulted from the decreased balance in both the HKMA settlement account and exchange fund bills held. Residential mortgage loans remained rather stable during the current half year period. The decrease in other exposures during the current half year period was mainly due to the lower level of non-residential mortgage loans, fixed assets, investment properties and right-of-use assets as at 30 June 2024. The increase in the level of Bank exposures as at the end of June 2024 was resulted from the increased level of interbank placements as at 30 June 2024, the increase of which came from funds released from the lower loan book and the lower level of exchange fund bills held.