



**REMUNERATION DISCLOSURE  
UNDER APRA CPS 511  
FOR YEAR 2025**



## CPS 511 REMUNERATION DISCLOSURE

**ENTITY:** Land Bank of Taiwan Co., Ltd.  
**REGULATORY STANDARD:** APRA Prudential Standard CPS 511 Remuneration  
**CLASSIFICATION:** Non-Significant Financial Institution  
**REPORTING PERIOD:** 1 January 2025 – 31 December 2025

This disclosure confirms the Land Bank of Taiwan Co., Ltd., Brisbane Branch's compliance with the qualitative requirements of APRA *Prudential Standard CPS 511 Remuneration* for non-significant financial institutions. It outlines the governance, design and risk alignment of the remuneration framework for all personnel employed by the Branch, with specific focus on senior managers and material risk-takers.

The governance structure effectively balances local autonomy with Head Office oversight as the Senior Officer Outside Australia and the Bank President retain ultimate authority over final variable outcomes, while local Performance Assessment Committee evaluates staff performance against balanced financial and non-financial objectives. To preserve the integrity of control functions, Risk and Compliance personnel are assessed and remunerated independently of the business lines they supervise.

The remuneration framework underpins the business plan through a conservative strategy prioritising stability over short-term gain. This risk appetite is structurally enforced through a strict AUD 50,000 cap on annual variable remuneration for all employees. This design choice effectively mitigates incentives for excessive risk-taking and positions variable award below the mandatory deferral thresholds of the *Financial Accountability Regime Act 2023*. Despite this conservative profile, the framework integrates robust consequence management tools, including in-period adjustments, malus, and clawback. These mechanisms ensure variable remuneration can be forfeited entirely in the events of misconduct, compliance breaches, or significant failures in risk management.



**GENERAL MANAGER**  
Che-Min (Jeremy) Shen

## 1 BACKGROUND

Land Bank of Taiwan Co., Ltd. (**LBOT, the Bank**) Brisbane Branch (**We, the Branch**) is a foreign Authorised Deposit-taking Institution (**ADI**) operating in Australia. Under the Australian Prudential Regulation Authority (**APRA**) Prudential Standard CPS 511 Remuneration (**CPS 511**), the Branch is classified as a Non-Significant Financial Institution (**Non-SFI**).

This disclosure outlines the Branch's remuneration framework, governance, and practices for the financial year ended 31 December 2025. It is prepared in accordance with the qualitative disclosure requirements set out in paragraph 96 to 98 of CPS 511.

## 2 FRAMEWORK GOVERNANCE

The Branch operates under a governance framework designed to ensure remuneration practices are prudent, transparent, and aligned with the Branch's long-term soundness and risk profile.

### 2.1 Oversight Bodies

As a foreign ADI, the Branch utilises a governance structure that balances local autonomy with Head Office oversight.

- **Senior Officer Outside Australia (SOOA):** The SOOA holds ultimate responsibility for the effective implementation of the remuneration framework and the approval of the Branch's Remuneration Policy (**the Policy**);
- **Performance Assessment Committee (the Committee):** This local body is responsible for the annual performance appraisal of Local Hires. It comprises the General Manager (**GM**), the Deputy General Manager (**DGM**), and Department Heads (excluding Risk and Compliance Department). The Committee reviews performance against the Branch's business and risk objectives;
- **Head Office (Ministry of Finance, Taiwan):** For Head Office expatriates, remuneration is governed by the statutory framework for public servants in Taiwan, overseen by the Ministry of Finance.

### 2.2 Performance Assessment Committee

The Performance Assessment Committee is convened annually by the DGM to oversee the performance assessment and variable remuneration recommendations for local hires. To maintain functional independence, the Committee includes all Department Heads except the Risk and Compliance Department; instead, Risk and Compliance personnel are separately appraised by the GM and the Head Office Chief Compliance Officer. Following these reviews, all local hire outcomes are submitted to the SOOA and the Bank President for final approval.

On the other hand, performance management for Head Office expatriates remains outside the Committee's scope, as their compensation is strictly governed by the Ministry of Finance (Taiwan)'s statutory grade-based framework for public servants<sup>1</sup>.

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<sup>1</sup> As a 100%-state-owned bank under the supervision of Ministry of Finance (Taiwan), the remuneration of Head Office expatriates are governed by the statutory framework applicable to public servants. Under this regime, remuneration is determined using a transparent, codified, grade-based system prescribed by the Taiwanese law.

Consequently, the Bank has not established a specific Remuneration Committee at the Head Office level. Instead, the Ministry of Finance serves as the ultimate oversight body. This framework ensures transparency, with all applicable regulations and salary standards publicly disclosed in accordance with government requirements.

During the reporting period, the Committee met **once** to assess performance outcomes and determine eligibility for variable remuneration for the 2025 financial year (note, the Branch has a financial year by the 31 December).

## 2.3 Discretion and Oversight

The SOOA and the Bank President exercises discretion in determining remuneration outcomes to ensure they reflect risk and conduct matters.

- **Risk Input:** The Chief Risk Officer (**CRO**) and the Risk Management Committee (**RMC**) provides independent input into the Policy to ensure it supports prudent risk-taking;
- **Discretionary Adjustments:** The SOOA and the Bank President retain the discretion to adjust variable remuneration pools or individual awards downwards (including to zero) in response to adverse risk or conduct outcomes.

## 3 DESIGN & STRUCTURE

### 3.1 Specified Roles

The Branch identifies individuals in “Specified Roles” whose activities may have a material impact on the Branch’s risk profile. For the 2025 financial year, these roles included:

CATEGORY	ROLES INCLUDED
Senior Managers	General Manager
Material Risk-Takers ( <b>MRTs</b> )	General Manager Deputy General Manager Head of Loan Head of Treasury Head of Accounting
Risk & Financial Control	Chief Risk Officer Risk and Compliance Department staff (Risk Personnel)

**Note:** The Branch did not have any “Highly-Paid MRTs” (individuals with total remuneration  $\geq$  AUD 1 million) during the reporting period.

### 3.2 Strategy and Risk Alignment

The Branch’s remuneration framework is designed to support its strategic objectives while prioritising risk management.

- **Strategic Alignment:** Remuneration outcomes are linked to the achievement of the Branch’s business plan, including financial measures and non-financial measures;
- **Risk Management:** The framework promotes the effective management of financial and non-financial risks by capping variable remuneration at a conservative level (AUD 50,000 per annum), thereby reducing the incentive for excessive risk-taking.

### 3.3 Remuneration Structure

The Branch's remuneration framework consists of two(2) primary components:

- **Fixed Remuneration:** Comprising base salary and superannuation, is determined by role complexity and market practice (for local hires), or by government grading scale (for expatriates);
- **Variable Remuneration (including short-term incentive (STI)):** Award is discretionary and based on a balanced scorecard of financial and non-financial performance indicators. The award is evaluated annually and are capped at AUD 50,000.

### 3.4 Conduct and Long-Term Soundness

To support long-term soundness and mitigate conduct risk:

- **Fixed vs. Variable Mix:** The remuneration mix is heavily weighted towards fixed remuneration. This provides financial stability to employees and discourage short-termism;
- **Independence of Control Functions:** Personnel in Risk and Compliance functions are remunerated based on the achievement of risk and compliance objectives, independent of the financial performance of the business lines they oversee. They are also subject to independent performance review by the GM and the Head Office Chief Compliance Officer.

### 3.5 Consequence Management

The Branch applies strict consequence management to hold individuals accountable for adverse risk and conduct outcomes. Measures include in-period adjustments, malus, and clawback provisions are applicable to the employee's variable remuneration, with the potential for awards to be reduced to zero should any of the following circumstance occur:

- misconduct leading to significant adverse outcome;
- significant failure of financial or non-financial risk management;
- breach of accountability, fitness and propriety, or compliance obligations;
- significant error in the criteria used to determine awards; or
- significant adverse outcomes for customers or counterparties.

If an individual is under investigation for any of the above, vesting of variable remuneration is suspended until the investigation concludes.

### 3.6 Accountable Persons and Remuneration Deferral

The Branch has registered both the SOOA and the GM as Accountable Persons under the *FAR Act*. Although section 25(1)(a) of the Act mandates deferred remuneration for such positions, these requirements are not triggered as the Branch cap maximum variable remuneration at AUD 50,000 per annum. Since this amount remains below the statutory threshold, mandatory deferral obligations under this Act do not apply.