

**CATHAY UNITED BANK COMPANY, LIMITED
HONG KONG BRANCH**

**[Key Financial Information Disclosure Statement]
For The Year Ended 31 December 2014**

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

[Key Financial Information Disclosure Statement] For The Year Ended 31 December 2014

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CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

I. PROFIT AND LOSS INFORMATION

For The Year Ended 31 December 2014

HKS'000

	The Year to 2014/12/31	The Year to 2013/12/31
INTEREST INCOME	344,933	287,763
INTEREST EXPENSE	<u>(150,940)</u>	<u>(109,570)</u>
	<u>193,993</u>	<u>178,193</u>
OTHER OPERATING INCOME		
Gain less losses arising from trading in foreign currencies	55,527	58,851
Gain less losses from other trading activities	1,308	(755)
Income from non-trading investments	11,742	-
Net Fees and commission income		
Income from fees and commissions	86,232	30,774
Fees and commission expenses	(8,589)	(6,433)
Other income	4,234	720
	<u>150,454</u>	<u>83,157</u>
OPERATING EXPENSES		
Staff and rental expense	(49,977)	(41,913)
Other expenses (less fees and commission expense)	<u>(20,879)</u>	<u>(13,287)</u>
	<u>(70,856)</u>	<u>(55,200)</u>
CHARGES FOR BAD AND DOUBTFUL DEBTS		
Provision for bad and doubtful debts	6,846	5,957
	<u>6,846</u>	<u>5,957</u>
PROFIT BEFORE TAXATION	280,437	212,107
TAXATION	-	-
PROFIT AFTER TAXATION	<u>280,437</u>	<u>212,107</u>

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

II. BALANCE SHEET INFORMATION

As at 31 December 2014

HKS'000

	2014/12/31	2014/6/30
<u>ASSETS</u>		
Cash and short term funds (except those included in amount due from overseas offices)	2,720,507	2,106,663
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	1,105,912	1,010,967
Amount due from overseas offices	802,229	882,682
Trade bills	504,420	748,553
Advances and other accounts	5,813,204	6,029,988
Available-For-Sale Securities	814,880	1,014,573
Held-to-Maturity Securities	850,686	898,774
Tangible fixed assets	18,376	7,629
	12,630,214	12,699,829
<u>LIABILITIES</u>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	1,333,938	736,317
Current, fixed, saving and other deposits from customers		
Demand deposits and current accounts	120,568	72,409
Savings deposits	3,122,265	2,865,387
Time deposits	5,859,680	6,065,852
Amount due to overseas offices	118,279	724,704
NCDs issued and outstanding	1,169,066	1,528,873
Other accounts and provisions		
Tax payable	44,137	59,268
Interest payable and other account	561,920	470,287
Total liabilities	12,329,853	12,523,097
Reserves	19,924	35,375
Retained earnings	280,437	141,357
	300,361	176,732
Total equities and liabilities	12,630,214	12,699,829

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

III.ADDITIONAL BALANCE SHEET INFORMATION

As at 31 December 2014

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ADVANCES AND OTHER ACCOUNTS

	2014/12/31	2014/6/30
A.Advances to customers (except advances to banks and other financial institutions)	5,231,866	5,570,596
Accrued interest and other accounts		
Accrued interest	46,635	37,190
Deferred tax	9,600	9,600
Other accounts	583,988	479,579
Total	<u>5,872,089</u>	<u>6,096,965</u>
Less: Provisions against advances and other accounts		
General	(58,885)	(64,383)
Specific	-	(2,594)
Total	<u>(58,885)</u>	<u>(66,977)</u>
Total advances and other accounts	<u>5,813,204</u>	<u>6,029,988</u>

B.Details of the non-performing advances to customers (advances on which interest is being placed in suspense or has ceased to be accrued) are follow:

	2014/12/31	2014/6/30
Gross advances to customers	-	2,620
Specific provisions	-	(2,594)
Total	<u>-</u>	<u>26</u>
Suspended interest	<u>-</u>	<u>-</u>
Value of collateral	<u>-</u>	<u>-</u>
Percentage of such advances to total gross advances	<u>0.00%</u>	<u>0.05%</u>

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

III. Additional balance sheet information

As at 31 December 2014

HKS'000

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	2014/12/31		2014/6/30	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
a. Advances to customers overdue for				
more than 3 months and up to 6 months	-	0.00%	-	0.00%
more than 6 months and up to 1 year	-	0.00%	-	0.00%
more than 1 year	-	0.00%	2,620	0.05%
	<u>-</u>	<u>0.00%</u>	<u>2,620</u>	<u>0.05%</u>
b. Rescheduled advances to customers	-	0.00%	-	0.00%

There were no collateral held against overdue loans as at the above respective reporting dates.

D. Reconciliation for advances to customers

between rescheduled & overdue advances and non-performing advances is as follows:

	2014/12/31	2014/6/30
	<u>Amount</u>	<u>Amount</u>
Advances to customers overdue for more than 3 months	-	2,620
Less: Overdue loans for more than 3 months and on which interest is still being accrued	-	-
Add: Overdue loans for 3 months or less and on which interest is still being placed in suspense or interest accrual has ceased	-	-
Total non-performing advances	<u>-</u>	<u>2,620</u>

E. There were no repossessed assets held as at the above respective reporting dates.

F. There were no overdue and rescheduled advances to banks and other financial institutions as at the above respective reporting dates.

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

IV. OFF-BALANCE SHEET INFORMATION

As at 31 December 2014

HKS'000

CONTINGENT LIABILITIES AND COMMITMENTS

The following is a summary of the contractual amounts of each significant class of contingent liability and commitments:

	2014/12/31	2014/6/30
Trade-related contingencies	319,163	155,925
Other commitments	<u>3,923,257</u>	<u>2,783,402</u>
	<u>4,242,420</u>	<u>2,939,327</u>
Derivatives		
Exchange rate contracts	65,038,032	55,344,284
Interest rate contracts	<u>25,824,432</u>	<u>19,542,615</u>
	<u>90,862,464</u>	<u>74,886,899</u>
Replacement costs of derivatives (of the above derivatives)		
Exchange rate contracts	244,394	222,175
Interest rate contracts	<u>213,692</u>	<u>174,279</u>
	<u>458,086</u>	<u>396,454</u>

For contingent liabilities and commitments, the contract amount at risk should the contract be fully drawn upon and the client default. The replacement costs represent the cost of replacing all contracts which have a positive value when marked to market. They do not take into account the effects of bilateral netting arrangements.

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. Other Financial Information
As at 31 December 2014

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1. GROSS ADVANCES TO CUSTOMERS ANALYSED AND REPORTED BY INDUSTRY SECTOR

	2014/12/31		2014/6/30	
A. Loans for use in Hong Kong				
a. Industrial, commercial and financial	Amount	Covered by collateral or other security	Amount	Covered by collateral or other security
-Property development	156,500	66,500	233,722	67,900
-Property investment	200,000	-	276,936	76,936
-Financial concerns	29,470	6,204	23,252	-
-Stockbrokers	-	-	68,753	-
-Wholesale and retail trade	337,676	30,570	213,847	32,627
-Manufacturing	1,120,340	274,152	1,177,413	287,395
-Transport and transport equipment	-	-	77,507	-
-Information technology	-	-	78,000	-
-Others	80,618	-	85,258	-
b. Individuals				
-Loans for the purchase of other residential properties	18,805	18,805	14,037	13,268
-Others	11,568	1,768	7,930	7,160
B. Trade finance	187,550	186	270,018	1,539
C. Loan for use outside Hong Kong	<u>3,089,339</u>	<u>807,915</u>	<u>3,043,923</u>	<u>912,766</u>
Total	<u>5,231,866</u>	<u>1,206,100</u>	<u>5,570,596</u>	<u>1,399,591</u>

2A. GROSS ADVANCES TO CUSTOMERS ANALYZED AND REPORTED BY COUNTRIES OR GEOGRAPHICAL AREAS

	2014/12/31	2014/6/30
-Hong Kong	2,020,592	2,305,394
-Others	<u>3,211,274</u>	<u>3,265,202</u>
Total	<u>5,231,866</u>	<u>5,570,596</u>

2B. OVERDUE AND NON-PERFORMING LOANS ANALYSED AND REPORTED BY COUNTRIES OR GEOGRAPHICAL AREAS

	2014/12/31	2014/6/30
-Hong Kong	-	2,622
-Others	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>2,622</u>

The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority. Only exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of advances to customers as at the above respective reporting dates are disclosed.

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. Other Financial Information

As at 31 December 2014

MillionHK\$

3. CROSS-BORDER CLAIMS DISCLOSURE

The following tables analysis cross-border claims by types of counterparties. Country or geographical classification is based upon the locations of counterparties after taking into account any recognized risk transfer. They are prepared in accordance with the H.K.M.A. Return of "Cross-border Claims" completion instructions. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

As at 31 December 2014	Banks	Public Sector entities	Others	Total
1. Asia Pacific excluding Hong Kong	4,254	32	2,562	6,848
of which-: China	2,096	-	1,183	3,279
of which-: Taiwan	2,102	-	538	2,640
2. North America	152	348	512	1,012
of which-: United States	149	348	512	1,009
3. Caribbean	-	-	1,727	1,727
of which-: Cayman Islands	-	-	812	812
of which-: British Virgin Islands	-	-	419	419
of which-: Bermuda	-	-	496	496
4. Western Europe	699	-	225	924

As at 30 June 2014	Banks	Public Sector entities	Others	Total
1. Asia Pacific excluding Hong Kong	3,616	72	2,156	5,844
of which-: China	2,353	38	1,017	3,408
of which-: Taiwan	1,085	-	743	1,828
2. North America	114	506	511	1,131
of which-: United States	113	506	511	1,130
3. Caribbean	-	-	2,105	2,105
of which-: Cayman Islands	-	-	743	743
of which-: British Virgin Islands	-	-	478	478
of which-: Bermuda	-	-	884	884
4. Western Europe	560	-	163	723

4. Non-bank Mainland China Exposures

The Non-bank Mainland China exposures are prepared in accordance with the Completion Instructions for the Return of Mainland Activities. Comparative figures have been reclassified in accordance with disclosure format.

As at 31 December 2014

	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	763	-	763
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	26	-	26
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	978	183	1,161
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	1,767	183	1,950
Total assets after provisions	12,630		
On-balance sheet exposures as % of total assets	13.99%		

As at 30 June 2014

	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	574	-	574
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	340	-	340
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	914	-	914
Total assets after provisions	12,700		
On-balance sheet exposures as % of total assets	7.20%		

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

V. Other Financial Information

As at 31 December 2014

MillionHK\$

5.FOREIGN CURRENCY POSITION

The foreign currency exposures are prepared in accordance with the H.K.M.A.Return of "Foreign Currency Position" completion instructions. The net position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net position in all foreign currencies are disclosed.

As at 31 December 2014	USD	CNY	EUR	JPY	Total
Spot assets	8,247	3,055	90	125	11,517
Spot Liabilities	(8,814)	(3,318)	(62)	(17)	(12,211)
Forward purchases	31,454	30,066	168	-	61,688
Forward sales	(30,574)	(29,803)	(196)	(15)	(60,588)
Net option position	116	-	-	-	116
Net long(short) position	429	-	-	93	522
As at 30 June 2014	USD	CNY	EUR	JPY	Total
Spot assets	7,684	3,072	109	9	10,765
Spot Liabilities	(8,751)	(2,658)	(59)	(9)	(11,418)
Forward purchases	20,216	18,774	241	-	38,990
Forward sales	(19,150)	(18,973)	(291)	-	(38,123)
Net option position	349	-	-	-	349
Net long(short) position	348	215	-	-	563

There were no foreign currency structural positions as at the above respective reporting dates.

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>

VI. LIQUIDITY RATIO

As at 31 December 2014

	Year to 2014/12/31 %	Year to 2013/12/31 %
The average liquidity ratio for the year	<u>58.06</u>	<u>50.66</u>

The branch's average liquidity ratio for the period is the simple average of each calendar month's average liquidity ratio, which is computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

VII. REMUNERATION SYSTEM

In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System, please refer to the Bank's 2013 Annual Report (in the part of Corporate Governance Report and Operational Overview).

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION B. - INFORMATION OF THE BANK <CONSOLIDATED BASIS>

I. CAPITAL AND CAPITAL ADEQUACY RATIO

As at 31 December 2014

	2014/12/31 %	2014/6/30 %
A. Capital adequacy ratio	<u>16.19%</u>	<u>13.94%</u>

	2014/12/31 NT\$'000	2014/6/30 NT\$'000
B. Aggregate amount of shareholders' funds	<u>144,483,799</u>	<u>135,464,333</u>

The capital adequacy ratio is equal to the ratio of the regulatory capital in Taiwan to the total risk weighted assets. The Computation of capital adequacy ratio is based on the "Basel Capital Accord" in line with the risk-weighted approach proposed by the Bank for International Settlements and that ratio has included all market risk factors.

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

SECTION B. - INFORMATION OF THE BANK(CONSOLIDATED BASIS)

II. OTHER FINANCIAL INFORMATION

As at 31 December 2014

NTS'000

	2014/12/31	2014/6/30
Total Assets	<u>2,211,066,102</u>	<u>2,058,250,208</u>
Total Liabilities	<u>2,066,582,303</u>	<u>1,922,785,875</u>
Total advances	<u>1,173,253,981</u>	<u>1,110,017,237</u>
Total Customers deposit	<u>1,767,725,222</u>	<u>1,710,234,769</u>
	Year to 2014/12/31	Year to 2013/12/31
Profit before taxation	<u>20,445,111</u>	<u>16,354,907</u>

Declaration

According to the requirement of the Hong Kong Monetary Authority on Key Financial Information Disclosure Statement of Authorized Institutions incorporated outside Hong Kong, we have pleasure in presenting the Key Financial Information Disclosure Statements of Cathay United Bank Company, Limited - Hong Kong Branch for the year ended 31 December 2014. We confirmed that the information contained therein complies, in all material respects, with the supervisory policy manual CA-D-1 "Guideline on the application of the Banking (Disclosure) rules" issued in May 2007 and to the best of my knowledge and belief, it is not false or misleading.



General Manager
Cathay United Bank Company Limited
Hong Kong Branch

31 MAR 2015

Date