

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

**[Key Financial Information Disclosure Statement]  
For The Six Month Ended 30 June 2015**

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

## **[Key Financial Information Disclosure Statement] For The Six Month Ended 30 June 2015**

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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 Six Month Ended 30 June 2015

HKS'000

	The six month to 2015/06/30	The six month to 2014/06/30
<b>INTEREST INCOME</b>	147,616	172,659
<b>INTEREST EXPENSE</b>	(60,502)	(75,742)
	<u>87,114</u>	<u>96,917</u>
<b>OTHER OPERATING INCOME</b>		
Gain less losses arising from trading in foreign currencies	49,162	32,614
Gain less losses from other trading activities	(6,282)	-
Income from non-trading investments	-	-
Net Fees and commission income		
Income from fees and commissions	27,466	44,684
Fees and commission expenses	(3,150)	(5,528)
Other income	354	4,125
	<u>67,550</u>	<u>75,895</u>
<b>OPERATING EXPENSES</b>		
Staff and rental expense	(37,430)	(24,158)
Other expenses (less fees and commission expense)	(13,532)	(8,687)
	<u>(50,962)</u>	<u>(32,845)</u>
<b>CHARGES FOR BAD AND DOUBTFUL DEBTS</b>		
Provision for bad and doubtful debts	6,646	1,390
	<u>6,646</u>	<u>1,390</u>
<b>PROFIT BEFORE TAXATION</b>	110,348	141,357
<b>TAXATION</b>	-	-
<b>PROFIT AFTER TAXATION</b>	<u>110,348</u>	<u>141,357</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 30 June 2015

HK\$'000

	2015/6/30	2014/12/31
<b><u>ASSETS</u></b>		
Cash and short term funds (except those included in amount due from overseas offices)	2,603,265	2,720,507
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	1,915,122	1,105,912
Amount due from overseas offices	508,242	802,229
Trade bills	210,017	504,420
Advances and other accounts	5,382,314	5,813,204
Available-For-Sale Securities	1,645,054	814,880
Held-to-Maturity Securities	869,918	850,686
Tangible fixed assets	26,316	18,376
	<u>13,160,248</u>	<u>12,630,214</u>
<b><u>LIABILITIES</u></b>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	2,160,540	1,333,938
Current, fixed, saving and other deposits from customers		
Demand deposits and current accounts	93,128	120,568
Savings deposits	4,151,951	3,122,265
Time deposits	5,787,718	5,859,680
Amount due to overseas offices	237,888	118,279
NCDs issued and outstanding	-	1,169,066
Other accounts and provisions		
Tax payable	44,137	44,137
Interest payable and other account	563,203	561,920
Total liabilities	<u>13,038,565</u>	<u>12,329,853</u>
Reserves	11,335	19,924
Retained earnings	110,348	280,437
	<u>121,683</u>	<u>300,361</u>
Total equities and liabilities	<u>13,160,248</u>	<u>12,630,214</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 30 June 2015

HKS'000

#### ADVANCES AND OTHER ACCOUNTS

	2015/6/30	2014/12/31
A.Advances to customers (except advances to banks and other financial institutions)	4,788,225	5,231,866
Accrued interest and other accounts		
Accrued interest	36,075	46,635
Deferred tax	9,600	9,600
Other accounts	600,653	583,988
Total	<u>5,434,553</u>	<u>5,872,089</u>
Less: Provisions against advances and other accounts		
General	(52,239)	(58,885)
Specific	-	-
Total	<u>(52,239)</u>	<u>(58,885)</u>
Total advances and other accounts	<u>5,382,314</u>	<u>5,813,204</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:

	2015/6/30	2014/12/31
Gross advances to customers	-	-
Specific provisions	-	-
Total	<u>-</u>	<u>-</u>
Suspended interest	-	-
Value of collateral	-	-
Percentage of such advances to total gross advances	<u>0.00%</u>	<u>0.00%</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 30 June 2015**

**HKS'000**

**ADVANCES AND OTHER ACCOUNTS-continued**

C. Overdue and rescheduled advances to customers

	2015/6/30		2014/12/31	
	<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%	-	0.00%
	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>
b. Rescheduled advances to customers	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>

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:

	2015/6/30	2014/12/31
	<u>Amount</u>	<u>Amount</u>
Advances to customers overdue for more than 3 months	-	-
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>-</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 30 June 2015

HK\$'000

#### CONTINGENT LIABILITIES AND COMMITMENTS

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

	2015/6/30	2014/12/31
Direct credit substitutes	155,281	-
Trade-related contingencies	104,705	319,163
Other commitments	<u>3,753,886</u>	<u>3,923,257</u>
	<u>4,013,872</u>	<u>4,242,420</u>
Derivatives		
Exchange rate contracts	87,119,458	65,038,032
Interest rate contracts	<u>10,855,037</u>	<u>25,824,432</u>
	<u>97,974,495</u>	<u>90,862,464</u>
Replacement costs of derivatives (of the above derivatives)		
Exchange rate contracts	440,707	244,394
Interest rate contracts	<u>76,273</u>	<u>213,692</u>
	<u>516,980</u>	<u>458,086</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 30 June 2015

HKS'000

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

	2015/6/30		2014/12/31	
<b>A. Loans for use in Hong Kong</b>				
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
-Property investment	188,000	-	200,000	-
-Financial concerns	25,582	6,201	29,470	6,204
-Stockbrokers	110,000	-	-	-
-Wholesale and retail trade	335,753	33,384	337,676	30,570
-Manufacturing	1,167,368	199,929	1,120,340	274,152
-Transport and transport equipment	10,120	10,120	-	-
-Information technology	-	-	-	-
-Hotels, boarding houses & catering	200,000	200,000	-	-
-Others	-	-	80,618	-
b. Individuals				
-Loans for the purchase of other residential properties	21,390	21,390	18,805	18,805
-Others	11,534	1,734	11,568	1,768
<b>B. Trade finance</b>	142,177	186	187,550	186
<b>C. Loan for use outside Hong Kong</b>	<u>2,576,301</u>	<u>888,178</u>	<u>3,089,339</u>	<u>807,915</u>
<b>Total</b>	<u>4,788,225</u>	<u>1,361,122</u>	<u>5,231,866</u>	<u>1,206,100</u>

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

	2015/6/30	2014/12/31
-Hong Kong	1,790,515	2,020,592
-Others	<u>2,997,710</u>	<u>3,211,274</u>
<b>Total</b>	<u>4,788,225</u>	<u>5,231,866</u>

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

	2015/6/30	2014/12/31
-Hong Kong	-	-
-Others	<u>-</u>	<u>-</u>
<b>Total</b>	<u>-</u>	<u>-</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 30 June 2015

Million HK\$

3. INTERNATIONAL CLAIMS

The following tables analysis international 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 according with the H.K.M.A Return of "International Banking Statistics" completion instructions. Countries or geographical areas constituting 10% or more of the total international claims are disclosed. Comparative figures have been reclassified in accordance with disclosure format.

As at 30 June 2015

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	2,172	700	33	639	-	3,544
of which:- United States	1,124	304	-	493	-	1,921
2. Offshore centres	2,607	-	426	2,535	-	5,568
of which:- Hong Kong SAR	966	-	112	1,447	-	2,525
of which:- Singapore	1,367	-	-	8	-	1,375
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	758	-	758
5. Developing Africa and Middle East	-	-	-	221	-	221
6. Developing Asia-Pacific	1,986	1	244	382	-	2,613
of which:- China	847	1	244	16	-	1,108
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
<b>Total</b>	<b>6,765</b>	<b>701</b>	<b>703</b>	<b>4,535</b>	<b>-</b>	<b>12,704</b>

As at 31 December 2014

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	1,505	380	545	166	-	2,596
of which:- United States	783	348	492	8	-	1,631
2. Offshore centres	1,740	43	-	3,501	-	5,284
of which:- Hong Kong SAR	431	43	-	1,559	-	2,033
of which:- Singapore	983	-	-	-	-	983
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	544	-	544
5. Developing Africa and Middle East	152	-	-	144	-	296
6. Developing Asia-Pacific	2,510	-	-	605	-	3,115
of which:- China	1,579	-	-	340	-	1,919
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
<b>Total</b>	<b>5,907</b>	<b>423</b>	<b>545</b>	<b>4,960</b>	<b>-</b>	<b>11,835</b>

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 30 June 2015

	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	521	-	521
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	16	-	16
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	1,054	144	1,198
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>1,591</b>	<b>144</b>	<b>1,735</b>
Total assets after provisions	13,160		
On-balance sheet exposures as % of total assets	12.09%		

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	-	-	-
<b>Total</b>	<b>1,767</b>	<b>183</b>	<b>1,950</b>
Total assets after provisions	12,630		
On-balance sheet exposures as % of total assets	13.99%		

# CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

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

### V. OTHER FINANCIAL INFORMATION

As at 30 June 2015

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 30 June 2015	USD	CNY	EUR	JPY	Total
Spot assets	9,301	3,277	63	798	13,439
Spot Liabilities	(9,529)	(3,103)	(37)	(794)	(13,463)
Forward purchases	36,013	35,097	17	799	71,926
Forward sales	(35,757)	(35,168)	(43)	(803)	(71,771)
Net option position	116	-	-	-	116
Net long(short) position	144	103	-	-	247

  

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

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 MAINTENANCE RATIO

As at 30 June 2015

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The liquidity maintenance ratio and liquidity ratio are prepared in accordance with the H.K.M.A. return of "liquidity position" completion instructions which were effective in January 2015 and June 2005 respectively.

	The six month to 2015/06/30 %
The average value of LMR for the period	<u>46.37</u>
	The six month to 2014/06/30 %
The average liquidity ratio for the period	<u>62.70</u>

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

Hong Kong Branch has also set Liquidity Risk Management Framework, Strategy and Implementation which are regulated under "Cathay United Bank Liquidity Risk Management Policy, Hong Kong Branch".

### VII. REMUNERATION SYSTEM

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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 2014 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 30 June 2015

	2015/6/30 %	2014/12/31 %
A.Capital adequacy ratio	<u>15.90%</u>	<u>16.19%</u>

	2015/6/30 NT\$'000	2014/12/31 NT\$'000
B. Aggregate amount of shareholders' funds	<u>144,478,510</u>	<u>144,483,799</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 30 June 2015

NT\$'000

	2015/6/30	2014/12/31
Total Assets	<u>2,267,782,459</u>	<u>2,211,066,102</u>
Total Liabilities	<u>2,123,303,949</u>	<u>2,066,582,303</u>
Total advances	<u>1,131,618,244</u>	<u>1,173,253,981</u>
Total Customers deposit	<u>1,806,071,855</u>	<u>1,767,725,222</u>
	The six month to 2015/06/30	The six month to 2014/06/30
Profit before taxation	<u>12,641,049</u>	<u>12,072,943</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 period ended 30 June 2015. 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 August 2015 and to the best of my knowledge and belief, it is not false or misleading.



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General Manager

Cathay United Bank Company Limited  
Hong Kong Branch

21 SEP 2015

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Date