

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

**[Key Financial Information Disclosure Statement]  
For The Year Ended 31 December 2015**

# CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

## [Key Financial Information Disclosure Statement] For The Year Ended 31 December 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 Year Ended 31 December 2015

HKS'000

	The Year to 2015/12/31	The Year to 2014/12/31
<b>INTEREST INCOME</b>	265,882	344,933
<b>INTEREST EXPENSE</b>	<u>(105,379)</u>	<u>(150,940)</u>
	160,503	193,993
<b>OTHER OPERATING INCOME</b>		
Gain less losses arising from trading in foreign currencies	94,538	55,527
Gain less losses from other trading activities	(685)	1,308
Income from non-trading investments	9,766	11,742
Net Fees and commission income		
Income from fees and commissions	56,417	86,232
Fees and commission expenses	(6,079)	(8,589)
Other income	1,397	4,234
	<u>155,354</u>	<u>150,454</u>
<b>OPERATING EXPENSES</b>		
Staff and rental expense	(75,705)	(49,977)
Other expenses (less fees and commission expense)	<u>(25,698)</u>	<u>(20,879)</u>
	<u>(101,403)</u>	<u>(70,856)</u>
<b>NET (CHARGE)/ CREDIT FOR DEBT PROVISION</b>	10,594	6,846
<b>TANGIBLE FIXED ASSETS WRITTEN OFF</b>	(949)	-
	<u>224,099</u>	<u>280,437</u>
<b>PROFIT BEFORE TAXATION</b>		
	224,099	280,437
<b>TAXATION</b>	-	-
	<u>224,099</u>	<u>280,437</u>
<b>PROFIT AFTER TAXATION</b>		
	<u>224,099</u>	<u>280,437</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 2015

HKS'000

	2015/12/31	2015/6/30
<b><u>ASSETS</u></b>		
Cash and short term funds (except those included in amount due from overseas offices)	1,183,103	2,603,265
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	292,509	1,915,122
Amount due from overseas offices	969,294	508,242
Trade bills	220,876	210,017
Advances and other accounts	6,012,022	5,382,314
Available-For-Sale Securities	1,387,409	1,645,054
Held-to-Maturity Securities	858,347	869,918
Tangible fixed assets	20,756	26,316
	<u>10,944,316</u>	<u>13,160,248</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
Current, fixed, saving and other deposits from customers		
Demand deposits and current accounts	80,766	93,128
Savings deposits	3,825,429	4,151,951
Time deposits	4,547,292	5,787,718
Amount due to overseas offices	723,678	237,888
NCDs issued and outstanding	-	-
Other accounts and provisions		
Tax payable	34,530	44,137
Interest payable and other account	1,496,226	563,203
Total liabilities	<u>10,707,921</u>	<u>13,038,565</u>
Reserves	12,296	11,335
Retained earnings	224,099	110,348
	<u>236,395</u>	<u>121,683</u>
Total equities and liabilities	<u>10,944,316</u>	<u>13,160,248</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 2015

HKS'000

#### ADVANCES AND OTHER ACCOUNTS

	2015/12/31	2015/6/30
A.Advances to customers (except advances to banks and other financial institutions)	4,501,283	4,788,225
Accrued interest and other accounts		
Accrued interest	33,418	36,075
Deferred tax	6,520	9,600
Other accounts	1,519,092	600,653
Total	<u>6,060,313</u>	<u>5,434,553</u>
Less: Provisions against advances and other accounts		
General	(48,291)	(52,239)
Specific	-	-
Total	<u>(48,291)</u>	<u>(52,239)</u>
Total advances and other accounts	<u>6,012,022</u>	<u>5,382,314</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:

	2015/12/31	2015/6/30
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 31 December 2015**

**HK\$'000**

**ADVANCES AND OTHER ACCOUNTS-continued**

C. Overdue and rescheduled advances to customers

	2015/12/31		2015/6/30	
	<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%	-	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:

	2015/12/31	2015/6/30
	<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 31 December 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:

	2015/12/31	2015/6/30
Direct credit substitutes	65,637	155,281
Trade-related contingencies	183,458	104,705
Other commitments	<u>1,852,564</u>	<u>3,753,886</u>
	<u>2,101,659</u>	<u>4,013,872</u>
Derivatives		
Exchange rate contracts	75,112,388	87,119,458
Interest rate contracts	<u>12,426,394</u>	<u>10,855,037</u>
	<u>87,538,782</u>	<u>97,974,495</u>
Replacement costs of derivatives (of the above derivatives)		
Exchange rate contracts	1,324,093	440,707
Interest rate contracts	<u>77,486</u>	<u>76,273</u>
	<u>1,401,579</u>	<u>516,980</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 2015

**HK\$'000**

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

	2015/12/31		2015/6/30	
<b>A. Loans for use in Hong Kong</b>				
	Amount	Covered by collateral or other security	Amount	Covered by collateral or other security
a. Industrial, commercial and financial				
-Property development	33,333	33,333	-	-
-Property investment	-	-	188,000	-
-Financial concerns	17,837	13,963	25,582	6,201
-Stockbrokers	60,000	-	110,000	-
-Wholesale and retail trade	333,179	33,179	335,753	33,384
-Manufacturing	1,190,312	179,260	1,167,368	199,929
-Transport and transport equipment	19,430	9,430	10,120	10,120
-Information technology	-	-	-	-
-Hotels, boarding houses & catering	509,012	509,012	200,000	200,000
-Others	-	-	-	-
b. Individuals				
-Loans for the purchase of other residential properties	15,242	15,242	21,390	21,390
-Others	47,849	40,449	11,534	1,734
<b>B. Trade finance</b>	114,814	493	142,177	186
<b>C. Loan for use outside Hong Kong</b>	2,160,275	226,393	2,576,301	888,178
<b>Total</b>	<u>4,501,283</u>	<u>1,060,754</u>	<u>4,788,225</u>	<u>1,361,122</u>

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

	2015/12/31	2015/6/30
-Hong Kong	1,848,947	1,790,515
-British Virgin Islands	606,208	648,141
-Others	2,046,128	2,349,569
<b>Total</b>	<u>4,501,283</u>	<u>4,788,225</u>

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

	2015/12/31	2015/6/30
-Hong Kong	-	-
-Others	-	-
<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.



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

V. OTHER FINANCIAL INFORMATION

As at 31 December 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 accordance 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 31 December 2015

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	1,541	1,122	451	210	-	3,324
of which- United States	617	797	357	-	-	1,771
2. Offshore centres	1,467	-	67	3,017	-	4,551
of which- Hong Kong SAR	1,321	-	67	1,726	-	3,114
of which- Singapore	66	-	-	434	-	500
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	-	807	-	807
5. Developing Africa and Middle East	236	-	-	2	-	238
6. Developing Asia-Pacific	1,309	1	157	463	-	1,930
of which- Taiwan	1,232	-	-	52	-	1,284
of which- China	77	1	157	3	-	238
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
<b>Total</b>	<b>4,553</b>	<b>1,123</b>	<b>675</b>	<b>4,499</b>	<b>-</b>	<b>10,850</b>

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- Taiwan	1,139	-	-	16	-	1,155
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>

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.

As at 31 December 2015

	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	341	-	341
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	326	5	331
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	661	83	744
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>1,328</b>	<b>88</b>	<b>1,416</b>
Total assets after provisions	10,944		
On-balance sheet exposures as % of total assets	12.13%		

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%		

# 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 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.

Comparative figures have been reclassified in accordance with disclosure format.

As at 31 December 2015	USD	GBP	JPY	EUR	CNY	CAD	AUD	NZD	Total
Spot assets	7,580	3	14	191	643	4	330	-	8,765
Spot Liabilities	(6,535)	(15)	(449)	(209)	(2,075)	-	(134)	(6)	(9,423)
Forward purchases	34,988	34	2,040	678	31,281	114	28	5	69,168
Forward sales	(35,658)	-	(1,576)	(662)	(29,795)	-	(258)	-	(67,949)
Net option position	29	-	-	-	-	-	17	-	46
Net long(short) position	<u>404</u>	<u>22</u>	<u>29</u>	<u>(2)</u>	<u>54</u>	<u>118</u>	<u>(17)</u>	<u>(1)</u>	<u>607</u>
As at 30 June 2015	USD	GBP	JPY	EUR	CNY	CAD	AUD	NZD	Total
Spot assets	9,301	5	798	63	3,277	3	411	2	13,860
Spot Liabilities	(9,529)	(5)	(794)	(37)	(3,103)	(98)	(134)	(7)	(13,707)
Forward purchases	36,013	-	799	17	35,097	96	-	5	72,027
Forward sales	(35,757)	-	(803)	(43)	(35,168)	-	(277)	-	(72,048)
Net option position	116	-	-	-	-	-	-	-	116
Net long(short) position	<u>144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>248</u>

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 31 December 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 year to 2015/12/31 %
The average value of LMR for the period	<u>45.71</u>
	The year to 2014/12/31 %
The average liquidity ratio for the period	<u>58.06</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 31 December 2015

	2015/12/31 %	2015/6/30 %
A. Capital adequacy ratio	<u>16.39%</u>	<u>15.90%</u>
	2015/12/31 NT\$'000	2015/6/30 NT\$'000
B. Aggregate amount of shareholders' funds	<u>153,007,894</u>	<u>144,478,510</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 2015

NTS'000

	2015/12/31	2015/6/30
Total Assets	<u>2,342,601,732</u>	<u>2,267,782,459</u>
Total Liabilities	<u>2,189,593,838</u>	<u>2,123,303,949</u>
Total advances	<u>1,122,031,477</u>	<u>1,131,618,244</u>
Total Customers deposit	<u>1,885,413,823</u>	<u>1,806,071,855</u>
	The year to 2015/12/31	The year to 2014/12/31
Profit before taxation	<u>21,014,594</u>	<u>20,445,111</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 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.



\_\_\_\_\_  
General Manager  
Cathay United Bank Company Limited  
Hong Kong Branch

23 MAR 2016

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Date