

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

**[Key Financial Information Disclosure Statement]
For The Half Year Ended 30 June 2016**

CATHAY UNITED BANK COMPANY, LIMITED - HONG KONG BRANCH

[Key Financial Information Disclosure Statement] For The Half Year Ended 30 June 2016

<u>CONTENTS</u>	<u>PAGE(S)</u>
SECTION A - INFORMATION OF THE BRANCH <HONG KONG BRANCH ONLY>	
I. PROFIT AND LOSS INFORMATION	1
II. BALANCE SHEET INFORMATION	2
III. ADDITIONAL BALANCE SHEET INFORMATION	3-4
IV. OFF-BALANCE SHEET INFORMATION	5
V. OTHER FINANCIAL INFORMATION	6-8
VI. LIQUIDITY MAINTENANCE RATIO	9
VII. REMUNERATION SYSTEM	9
SECTION B - INFORMATION OF THE BANK <CONSOLIDATED BASIS>	
I. CAPITAL AND CAPITAL ADEQUACY RATIO	10
II. OTHER FINANCIAL INFORMATION	11
DECLARATION	12

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 Half Year Ended 30 June 2016****HKS'000**

	The Year to 2016/06/30	The six month to 2015/06/30
INTEREST INCOME	107,168	147,616
INTEREST EXPENSE	(50,499)	(60,502)
	<u>56,669</u>	<u>87,114</u>
OTHER OPERATING INCOME		
Gain less losses arising from trading in foreign currencies	30,617	49,162
Gain less losses from other trading activities	(4,550)	(6,282)
Income from non-trading investments	27,574	-
Net Fees and commission income		
Income from fees and commissions	51,708	27,466
Fees and commission expenses	(1,857)	(3,150)
Other income	601	354
	<u>104,093</u>	<u>67,550</u>
OPERATING EXPENSES		
Staff and rental expense	(48,707)	(37,430)
Other expenses (less fees and commission expense)	(13,698)	(13,532)
	<u>(62,405)</u>	<u>(50,962)</u>
NET (CHARGE)/ CREDIT FOR DEBT PROVISION	(9,230)	6,646
GAINS LESS LOSSES FROM THE DISPOSAL OF TANGIBLE FIXED ASSETS	(11)	-
PROFIT BEFORE TAXATION	89,116	110,348
TAXATION	-	-
PROFIT AFTER TAXATION	<u>89,116</u>	<u>110,348</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 2016****HKS'000**

	2016/6/30	2015/12/31
<u>ASSETS</u>		
Cash and short term funds (except those included in amount due from overseas offices)	2,350,723	1,183,103
Placement with banks and other financial institutions maturing between one and twelve months (except those included in amount due from overseas offices)	568,729	292,509
Amount due from overseas offices	1,148,829	969,294
Trade bills	6,770	220,876
Advances and other accounts	5,647,807	6,012,022
Available-For-Sale Securities	450,391	1,387,409
Held-to-Maturity Securities	723,009	858,347
Tangible fixed assets	16,606	20,756
	<u>10,912,864</u>	<u>10,944,316</u>
<u>LIABILITIES</u>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	-	-
Current, fixed, saving and other deposits from customers		
Demand deposits and current accounts	72,635	80,766
Savings deposits	3,754,642	3,825,429
Time deposits	4,650,211	4,547,292
Amount due to overseas offices	1,183,181	723,678
Other accounts and provisions		
Tax payable	-	34,530
Interest payable and other account	962,382	1,496,226
Total liabilities	<u>10,623,051</u>	<u>10,707,921</u>
Reserves	200,697	12,296
Retained earnings	89,116	224,099
	<u>289,813</u>	<u>236,395</u>
Total equities and liabilities	<u>10,912,864</u>	<u>10,944,316</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 2016

HKS'000

ADVANCES AND OTHER ACCOUNTS

	2016/6/30	2015/12/31
A.Advances to customers (except advances to banks and other financial institutions)	4,681,832	4,501,283
Accrued interest and other accounts		
Accrued interest	27,126	33,418
Deferred tax	6,520	6,520
Other accounts	989,850	1,519,092
Total	<u>5,705,328</u>	<u>6,060,313</u>
Less: Provisions against advances and other accounts		
General	(48,276)	(48,291)
Specific	(9,245)	-
Total	<u>(57,521)</u>	<u>(48,291)</u>
Total advances and other accounts	<u>5,647,807</u>	<u>6,012,022</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:

	2016/6/30	2015/12/31
Gross advances to customers	-	-
Specific provisions	-	-
Total	<u>-</u>	<u>-</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>0.00%</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 2016

HKS'000

ADVANCES AND OTHER ACCOUNTS-continued

C. Overdue and rescheduled advances to customers

	2016/6/30		2015/12/31	
	<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. Other assets overdue for				
more than 3 months and up to 6 months	1,003		-	
more than 6 months and up to 1 year	-		-	
more than 1 year	-		-	
	<u>1,003</u>		<u>-</u>	
c. Rescheduled advances and other assets				
	2016/6/30		2015/12/31	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Rescheduled advances to customers				
of which rescheduled advances included in				
item (a) above	-	0.00%	-	0.00%
	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>
Rescheduled other assets				
of which rescheduled other assets included in				
item (b) above	1,003		-	
	<u>1,003</u>		<u>-</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:

	2016/6/30	2015/12/31
	<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 2016

HK\$'000

CONTINGENT LIABILITIES AND COMMITMENTS

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

	2016/6/30	2015/12/31
Direct credit substitutes	72,490	65,637
Trade-related contingencies	38,497	183,458
Other commitments	<u>1,826,419</u>	<u>1,852,564</u>
	<u>1,937,406</u>	<u>2,101,659</u>
Derivatives		
Exchange rate contracts	74,922,502	75,112,388
Interest rate contracts	<u>13,537,401</u>	<u>12,426,394</u>
	<u>88,459,903</u>	<u>87,538,782</u>
Replacement costs of derivatives (of the above derivatives)		
Exchange rate contracts	634,858	1,324,093
Interest rate contracts	<u>141,348</u>	<u>77,486</u>
	<u>776,206</u>	<u>1,401,579</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 2016

HK\$'000

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

	2016/6/30		2015/12/31	
	Amount	Covered by collateral or other security	Amount	Covered by collateral or other security
A. Loans for use in Hong Kong				
a. Industrial, commercial and financial				
-Property development	32,500	32,500	33,333	33,333
-Property investment	-	-	-	-
-Financial concerns	134,689	125,393	17,837	13,963
-Stockbrokers	15,517	-	60,000	-
-Wholesale and retail trade	332,793	32,793	333,179	33,179
-Manufacturing	659,051	11,055	1,190,312	179,260
-Transport and transport equipment	86,327	8,740	19,430	9,430
-Information technology	410,000	-	-	-
-Hotels, boarding houses & catering	508,348	508,348	509,012	509,012
-Others	-	-	-	-
b. Individuals				
-Loans for the purchase of other residential properties	14,679	14,679	15,242	15,242
-Others	70,773	62,172	47,849	40,449
B. Trade finance	103,498	140	114,814	493
C. Loan for use outside Hong Kong	2,313,657	187,014	2,160,275	226,393
Total	4,681,832	982,834	4,501,283	1,060,754

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

	2016/6/30	2015/12/31
-Hong Kong	1,796,738	1,848,947
-British Virgin Islands	836,687	606,208
-Cayman Islands	770,292	140,955
-Others	2,048,407	1,905,173
Total	4,681,832	4,501,283

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

	2016/6/30	2015/12/31
-Hong Kong	-	-
-Others	-	-
Total	-	-

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 2016

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 30 June 2016

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	1,588	266	125	183	-	2,162
of which:- United States	311	234	87	-	-	632
2. Offshore centres	417	-	15	2,890	-	3,322
of which:- Hong Kong SAR	99	-	15	1,088	-	1,202
of which:- Singapore	3	-	-	272	-	275
of which:- Cayman Islands	-	-	-	881	-	881
3. Developing Europe	-	-	-	-	-	-
4. Developing Latin America and Caribbean	-	-	310	542	-	852
5. Developing Africa and Middle East	1	-	-	-	-	1
6. Developing Asia-Pacific	2,385	-	116	94	-	2,596
of which:- Taiwan	2,314	-	-	72	-	2,386
of which:- China	71	-	116	-	-	188
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Total	4,391	267	566	3,709	-	8,933

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	-	157	463	-	1,930
of which:- Taiwan	1,232	-	-	52	-	1,284
of which:- China	77	-	157	3	-	238
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Total	4,553	1,123	675	4,499	-	10,850

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 30 June 2016

	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	268	-	268
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	759	760	1,519
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	528	654	1,182
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	1,555	1,414	2,969
Total assets after provisions	10,913		
On-balance sheet exposures as % of total assets	14.25%		

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	-	-	-
Total	1,328	88	1,416
Total assets after provisions	10,944		
On-balance sheet exposures as % of total assets	12.13%		

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 2016

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 30 June 2016	USD	GBP	JPY	EUR	CNY	CAD	AUD	NZD	CHF	Others	Total
Spot assets	6,840	3	21	151	677	3	140	-	-	-	7,835
Spot Liabilities	(7,889)	(12)	(17)	(37)	(2,372)	(26)	(93)	(11)	-	(67)	(10,524)
Forward purchases	36,013	8	-	345	31,449	39	-	11	-	116	67,981
Forward sales	(34,354)	-	-	(500)	(30,015)	(15)	(84)	-	(1)	(50)	(65,019)
Net option position	683	-	-	-	-	-	-	-	-	-	683
Net long(short) position	<u>1,293</u>	<u>(1)</u>	<u>4</u>	<u>(41)</u>	<u>(261)</u>	<u>1</u>	<u>(37)</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>956</u>
As at 31 December 2015	USD	GBP	JPY	EUR	CNY	CAD	AUD	NZD	CHF	Others	Total
Spot assets	7,580	3	14	191	643	4	330	-	-	-	8,765
Spot Liabilities	(6,535)	(15)	(449)	(209)	(2,075)	-	(134)	(6)	-	(56)	(9,479)
Forward purchases	34,988	34	2,040	678	31,281	114	28	5	-	56	69,224
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>-</u>	<u>-</u>	<u>607</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 30 June 2016

The liquidity maintenance ratio is prepared in accordance with the H.K.M.A. return of "liquidity position" completion instructions, which came into effective from 1 January 2015.

	The half year to 2016/06/30 %	The half year to 2015/06/30 %
The average value of LMR for the period	<u>44.52</u>	<u>46.37</u>

The branch's average liquidity maintenance ratio for the period is the simple average of each calendar month's average liquidity maintenance ratio, which is computed in accordance with the Banking (Liquidity) Rules under 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

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 2015 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 2016

	2016/6/30 %	2015/12/31 %
A. Capital adequacy ratio	<u>15.15</u>	<u>16.39</u>
	2016/6/30 NT\$'000	2015/12/31 NT\$'000
B. Aggregate amount of shareholders' funds	<u>152,666,128</u>	<u>153,007,894</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 in accordance with the "Regulations Governing the Capital Adequacy and Capital of Banks" in Taiwan 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 2016

NTS'000

	2016/6/30	2015/12/31
Total Assets	<u>2,411,239,460</u>	<u>2,342,601,732</u>
Total Liabilities	<u>2,258,573,332</u>	<u>2,189,593,838</u>
Total advances	<u>1,269,066,768</u>	<u>1,122,031,477</u>
Total Customers deposit	<u>1,966,865,322</u>	<u>1,885,413,823</u>
	The half year to 2016/06/30	The half year to 2015/06/30
Profit before taxation	<u>10,410,724</u>	<u>12,641,049</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 half year ended 30 June 2016. 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

2 8 SEP 2016

Date