



Mega International Commercial Bank Co., Ltd.  
(Hong Kong Branch)  
Interim Financial Information Disclosure Statements  
For the half year ended 30 June 2016

Section A - Branch Information (Hong Kong Office Only)

HK Dollars Thousand

1. Profit and Loss Information

	30/06/2016	30/06/2015
Net Interest income	141,506	140,002
Interest income	206,984	224,438
Interest expenses	-65,478	-84,436
Other operating income	14,531	6,474
Gains less losses arising from non-trading in foreign currencies	9,747	6,474
Gains less losses from other trading activities	4,784	-
Net fees and commission income	23,629	30,721
Gross fees and commission income	25,076	32,157
Gross fees and commission expenses	-1,447	-1,436
Others	93	142
Staff and rental expenses	-20,595	-21,535
Other expenses	-14,834	-15,116
Provisions for impaired loans and receivables	6,546	638
Profit before taxation	150,876	141,326
Taxation charge	-	-
Profit after taxation	<u>150,876</u>	<u>141,326</u>

## HK Dollars Thousand

2. Balance Sheet Information

30/06/2016

31/12/2015

Assets

Cash and short term funds (except those included in amount due from overseas offices)	6,365,426	5,898,315
Placements with banks and other financial institutions which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices of the institution)	9,191,161	6,815,264
Amount due from overseas offices	798,530	1,865,689
Acceptance and bills of exchange held	268,401	1,263,995
Certificates of deposit held	2,857,787	-
Advances and other accounts	6,007,222	6,538,817
Investment securities	4,064,265	6,248,976
Tangible fixed assets	506	649
Total assets	<u>29,553,298</u>	<u>28,631,705</u>

Liabilities

Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)	92,363	286,124
Deposits from customers:-		
Demand deposits and current accounts	255,277	243,667
Savings deposits; and	16,920,016	16,670,852
Time, call and notice deposits	11,524,490	10,746,880
Amount due to overseas offices	82,548	118,124
Other accounts and provisions	527,728	342,395
Total liabilities	<u>29,402,422</u>	<u>28,408,042</u>
Reserves and current profit/(loss)	150,876	223,663
Total equity and liabilities	<u>29,553,298</u>	<u>28,631,705</u>

## 3. Additional Balance Sheet Information

	30/06/2016	31/12/2015
i) <u>Advances and other accounts</u>		
Advances to customers	5,473,570	6,155,355
Advances to banks and other financial institutions	75,000	75,000
Accrued interest and other accounts	458,652	308,462
Total	<u>6,007,222</u>	<u>6,538,817</u>
Provision for bad or doubtful debts		
General - advances to customers	55,904	62,452
General - advances to banks and other financial institutions	-	-
Specific - advances to customers	13,193	13,180
Specific - advances to banks and other financial institutions	-	-
Specific - other accounts	-	-

ii) (a) Advances to customers

Amount of advances to customers on which interest is being placed in suspense or on which interest accrual has ceased	-	-
Amount of suspended interest	-	-
Amount of specific provision made in respect of such advances	-	-
Percentage of such advances to total advances to customers	-	-

(b) Advances to banks and other financial institutions

Amount of advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased	-	-
Amount of suspended interest	-	-
Amount of specific provision made in respect of such advances	-	-
Percentage of such advances to total advances to banks and other financial institutions	-	-

iii) (a) Breakdown of gross amount of advances to customers by industry sectors

	30/06/2016		31/12/2015	
	HK Dollars Thousand	% of Loan Covered by Collateral	HK Dollars Thousand	% of Loan Covered by Collateral
Loan for use in Hong Kong				
Industrial, Commercial and Financial:-				
Manufacturing	214,433	0.00%	258,719	0.00%
Property development	37,537	0.00%	76,873	51.00%
Property investment	2,095,318	48.00%	2,252,292	50.00%
Electricity and gas	-	0.00%	150,000	0.00%
Information technology	126,076	0.00%	-	0.00%
Wholesale and retail trade	128,015	76.00%	106,189	91.00%
Transport and transport equipment	34,423	30.00%	32,927	31.00%
Financial concerns	470,629	87.00%	892,478	66.00%
Hotel, boarding houses & catering	184,058	76.00%	179,380	78.00%
Stockbrokers	175,252	0.00%	113,460	0.00%
Professional & private individuals	-	0.00%	-	0.00%
Others	142,951	81.00%	142,838	81.00%
Sub-total	<u>3,608,692</u>		<u>4,205,156</u>	
Trade finance	161,460	21.00%	156,416	22.00%
Loan for use outside Hong Kong	1,703,418	56.00%	1,793,783	50.00%
Total advances to customers	<u>5,473,570</u>		<u>6,155,355</u>	

(b) Breakdown of gross amount of advances to customers by geographical areas after taking account of transfer of risk

	30/06/2016		31/12/2015	
	HK Dollars Thousand		HK Dollars Thousand	
China	1,895,340		2,929,457	
Hong Kong	1,466,957		1,472,116	
Taiwan	307,035		369,726	
Others	1,804,238		1,384,056	
Total	<u>5,473,570</u>		<u>6,155,355</u>	

(c) International claims by geographical segment  
(as defined in HKMA Form MA(BS) 21) after taking account of transfer of risk

		HK Dollars Million					
As at 30/06/2016		Non-bank private Sector					
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total	
1	Developed countries	13,767	-	-	1,629	-	15,396
2	Offshore centers	11,562	-	-	12,817	-	24,379
3	Developing Europe	-	-	-	-	-	-
4	Developing Latin America and Caribbean	-	-	-	-	-	-
5	Developing Africa and Middle East	1,474	-	-	32	-	1,506
6	Developing Asia Pacific	15,733	-	-	2,965	-	18,698
7	International organizations	-	-	-	-	-	-
8	Unallocated by country	-	-	-	-	-	-

		HK Dollars Million					
As at 31/12/2015		Non-bank private Sector					
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total	
1	Developed countries	11,408	-	-	536	-	11,944
2	Offshore centers	11,248	208	-	7,851	-	19,307
3	Developing Europe	-	-	-	-	-	-
4	Developing Latin America and Caribbean	624	-	-	3,902	-	4,526
5	Developing Africa and Middle East	1,396	-	-	99	-	1,495
6	Developing Asia Pacific	16,157	222	-	2,549	-	18,928
7	International organizations	-	-	-	-	-	-
8	Unallocated by country	-	-	-	-	-	-

iv) Overdue and non-performing loans

		HK Dollars Thousand	
		30/06/2016	31/12/2015
(a) Disclosure of non-performing loans:			
	Outstanding amount of non-performing loans	-	-
	Amount of suspended interest in respect of such loans	-	-
	Amount of specific provisions made in respect of such loans	-	-
	Percentage of such loans to total loans to customers	-	-
(b) Outstanding amount of overdue loans which have been overdue for more than:			
	1 month and up to 3 months	-	-
	3 months and up to 6 months	-	-
	6 months and up to 1 year	-	-
	Over 1 year	13,193	13,180
	Rescheduled loans to customers (net of those overdue loans which have been disclosed above)	-	-
	Current market value of collateral	-	-
	Covered portion of overdue loans	-	-
	Uncovered portion of overdue loans	13,193	13,180
(c) Reconciliation between overdue loans and non-performing loans:			
	Loans to customers overdue for 3 months or less	-	-
	Loans to customers overdue for more than 3 months	13,193	13,180
Less:	Overdue loans for more than 3 months and on which interest is still being accrued	13,193	13,180
Add:	Overdue loans for 3 months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has been ceased	-	-
Add:	Overdue loans for 3 months or less or not yet overdue and on which interest is still being accrued	-	-
	Total non-performing loans	-	-

Note :

- (1) We have no non-performing, overdue and rescheduled loans to banks and other financial institutions as at 30/06/2016 and 31/12/2015.
- (2) We have no repossessed assets held by the branch as at 30/06/2016 and 31/12/2015.

v) Non-bank China exposures

HK Dollars Million

As at 30/06/2016

Companies and individuals outside China where the credit is granted for use in China :	items in HKMA return	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1	896	-	896
2. Local governments, local government-owned entities and their subsidiaries and JVs	2	124	-	124
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	461	218	679
4. Other entities of central government not reported in item 1 above	4	243	-	243
5. Other entities of local governments not reported in item 2 above	5	59	-	59
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	1,483	921	2,404
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	157	1	158
Total	8	3,423	1,140	4,563
Total assets after provision	9	29,484		
On-balance sheet exposures as percentage of total assets	10	12%		

As at 31/12/2015

Companies and individuals outside China where the credit is granted for use in China:	items in HKMA return	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1	827	-	827
2. Local governments, local government-owned entities and their subsidiaries and JVs	2	170	-	170
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	487	309	796
4. Other entities of central government not reported in item 1 above	4	277	6	283
5. Other entities of local governments not reported in item 2 above	5	75	-	75
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	1,479	602	2,081
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	101	-	101
Total	8	3,416	917	4,333
Total assets after provision	9	28,556		
On-balance sheet exposures as percentage of total assets	10	12%		

vi) Significant foreign currency exposures

HK Dollars Million

30/06/2016

	USD	EUR	CNY	Other Currency	Total
Spot assets	22,910	567	1,618	647	25,742
Spot liabilities	-24,505	-567	-2,156	-944	-28,172
Forward purchases	2,462	-	536	306	3,304
Forward sales	-860	-	-	-12	-872
Net option position (worst case approach)	-	-	-	-	-
Net long (short) position	7	-	-2	-3	2

HK Dollars Million

31/12/2015

	USD	EUR	CNY	Other Currency	Total
Spot assets	20,525	792	2,525	799	24,641
Spot liabilities	-23,194	-587	-2,524	-865	-27,170
Forward purchases	2,799	-	-	126	2,925
Forward sales	-129	-205	-	-59	-393
Net option position (worst case approach)	-	-	-	-	-
Net long (short) position	1	-	1	1	3

#### 4. Off-Balance Sheet Exposures

Contractual or notional amounts of off-balance sheet exposures outstanding:

	<u>HK Dollars Thousand</u>	
	<u>30/06/2016</u>	<u>31/12/2015</u>
Contingent liabilities and commitments		
Direct credit substitutes	18,237	22,992
Transaction-related contingencies	-	-
Trade-related contingencies	57,258	63,761
Other commitments	3,910,059	4,966,087
Exchange rate contracts	3,343,362	2,970,666
Interest rate contracts	77,585	193,775
Total	<u>7,406,501</u>	<u>8,217,281</u>

Replacement cost (this amount does not take into account the effects of bilateral netting arrangements) for:

Exchange rate contracts:

Positive fair value	782	211
Negative fair value	-247	-1,088

Interest rate contracts :

Positive fair value	-	-
Negative fair value	-1,431	-827

#### 5. Liquidity

The average liquidity maintenance ratio for the period:

	<u>30/06/2016</u>	<u>30/06/2015</u>
Average liquidity maintenance ratio	45.52%	46.39%

The average liquidity maintenance ration is the arithmetic mean of each calendar month's average liquidity maintenance ration for the period as calculated in accordance with the Banking ( Liquidity ) Rules with effect from 1 January 2015.

#### 6. Remuneration Disclosure

In accordance with section 3 of the HKMA' s Supervisory Policy Manual Guideline CG-5 "Sound Remuneration System", Mega International Commercial Bank Co., Ltd. has disclosed the relevant information in the part of Corporate Governance of the Bank's Annual Report (Chinese version).

#### 7. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

**Section B - Bank Information ( Consolidated Basis)**

NT Dollars Million

	<u>30/06/2016</u>	<u>31/12/2015</u>
<b>1. Capital Adequacy Ratio</b>		
Consolidated capital adequacy ratio:	13.41%	13.33%
<p>Note: The capital adequacy ratio is computed in accordance with the Basel III Capital Accord framework, after taking into account for credit risk, market risk and operational risk.</p>		
<b>2. Capital</b>		
Aggregate amount of shareholders' funds	248,064	253,493
<b>3. Other Financial Information</b>		
Total assets	2,993,824	3,088,768
Total liabilities	2,745,760	2,835,275
Total advances	1,731,772	1,773,269
Total customer deposits and remittances	2,238,941	2,235,242
	<u>30/06/2016</u>	<u>30/06/2015</u>
Pre-tax profit	10,164	16,818

Chief Executives' Declaration of Compliance

It is certified by the Chief Executive of Mega International Commercial Bank Co., Ltd., Hong Kong Branch that the information disclosed above complies fully with the disclosure standards as set out in CA-D-1 (Guideline on the Application of the Banking(Disclosure) Rules) of the Supervisory Policy Manual (V.2 - 06.08.15) issued by the Hong Kong Monetary Authority and is not false or misleading.

For and on behalf of  
Mega International Commercial Bank Co., Ltd.  
Hong Kong Branch  
**MEGA INTERNATIONAL COMMERCIAL  
BANK CO., LTD.  
HONG KONG BRANCH**

  
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Authorized Signature(s)  
Lee Yung Ho  
Senior Vice President & General Manager

**23 SEP 2016**