



Hong Kong Branch

a banking corporation (having limited liability)
incorporated in the State of California in the United States of America

**Cathay Bank
Hong Kong Branch**

Banking Disclosure Statement

December 31, 2019

(Unaudited)

Hong Kong Branch Banking Disclosure Statement as of December 31, 2019

Principal activities

The Branch provides a range of banking, financial and related services.

Chief Executive's Declaration of Compliance

I certify that the information disclosed in this statement is prepared in compliance with the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance and, to the best of my knowledge and belief, it is not false or misleading in any material respect.



Tony Chi-Chiu Wong
Senior Vice President & Chief Executive
Hong Kong Branch

March 31, 2020

Disclosure Statement Available to The Public

Copies of the Disclosure Statement may be obtained from the reception of Cathay Bank, Hong Kong Branch on 3008, 30/F, Tower 2, The Gateway, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

A copy of the Disclosure Statement has been lodged with the Hong Kong Monetary Authority's Public Registry and is available on the website <https://www.cathaybank.com/cathay-general/regulatory-disclosures> for public inspection.

Key Financial Information Disclosure Statement
(Unaudited)

Section A - Hong Kong Branch Information

1. Income statement

	For the year ended Dec 31, 2019	For the year ended Dec 31, 2018
	HK\$000	HK\$000
Interest income	133,183	104,941
Interest expense	(52,728)	(40,003)
Net interest income	80,455	64,938
Fees and commission income	8,008	9,260
Fees and commission expense	(467)	(397)
Net fees and commission income	7,541	8,863
Gains less losses arising from trading in foreign currencies	0	0
Gains less losses arising from non-trading in foreign currencies	5,463	5,141
Gains less losses on securities held for trading purposes	0	0
Gains less losses from the disposal of property, plant and equipment and investment properties	(4)	0
Other operating income	0	0
Total operating income before impairment losses and provisions	93,455	78,942
Impairment losses and provisions for impaired loans and receivables	(1,557)	(3,994)
Net operating income	91,898	74,948
Staff and rental expenses	(30,986)	(32,035)
Other expenses	(11,782)	(12,338)
Operating expenses	(42,768)	(44,373)
Profit before taxation	49,130	30,575
Tax expense	(8,694)	(7,005)
Profit after taxation	40,436	23,570

Key Financial Information Disclosure Statement
(Unaudited)

Section A - Hong Kong Branch Information

2. Balance sheet

	Dec 31, 2019	Jun 30, 2019
	HK\$000	HK\$000
ASSETS		
Cash and balances with banks (except those included in amount due from overseas offices)	368,131	310,015
Placements with banks 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)	0	78,081
Amount due from overseas offices	1,402,401	901,357
Trade bills	0	0
Certificates of deposit held	0	0
Loans and advances to bank	0	0
Loans and advances to customers (net of provisions)	2,353,660	2,321,787
Investment securities		
- Available-for-sale securities	157,078	157,107
- Held-to-maturity securities	0	0
Property, plant and equipment and investment properties	5,757	4,667
Other assets	84,314	216,912
Total assets	4,371,341	3,989,926
LIABILITIES		
Deposits and balances from banks (except those included in amount due to overseas offices)	200,000	150,000
Deposits from customers		
- demand deposits and current accounts	692,658	833,297
- savings deposits	584,444	439,637
- time, call and notice deposits	1,554,886	1,363,340
	2,831,988	2,636,274
Amount due to overseas offices	1,208,618	1,092,070
Other liabilities	130,735	111,582
Total liabilities	4,371,341	3,989,926

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

3. Additional balance sheet information

(a) Loans and advances to customers

	Dec 31, 2019	Jun 30, 2019
	HK\$000	HK\$000
Gross amount of loans and advances to customers by countries or geographical segments after taking into account any recognized risk transfer		
- Hong Kong	1,876,111	1,944,277
- Singapore	144,594	135,768
- China	75,592	75,793
- British Virgin Islands	185,796	80,138
- Cayman Islands	95,396	109,313
	<u>2,377,489</u>	<u>2,345,289</u>
Provisions for impaired loans and advances		
- specific provisions	0	0
- collective provisions	(23,829)	(23,502)
	<u>(23,829)</u>	<u>(23,502)</u>
	<u>2,353,660</u>	<u>2,321,787</u>
Provisions made by the head office of Cathay Bank against the exposure of Hong Kong Branch as follows:		
- specific provisions	16,743	1,189
- collective provisions	33,065	23,799
	<u>49,808</u>	<u>24,988</u>
Gross value of assets against which specific provisions have been made	<u>38,937</u>	<u>61,747</u>

(b) Overdue loans and advances to customers

Gross amount of loans and advances to customers which have been overdue for more than three months and their expression as a percentage of its total amount of loans and advances to customers are as follows:

	Dec 31, 2019		Jun 30, 2019	
	HK\$000	%	HK\$000	%
Hong Kong:				
- more than 3 months but not more than 6 months	0	0.00	6,479	0.28
- more than 6 months but not more than one year	0	0.00	0	0.00
- more than one year	0	0.00	0	0.00
	<u>0</u>	<u>0.00</u>	<u>6,479</u>	<u>0.28</u>
			<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
			HK\$000	HK\$000
- specific provisions			0	0
- covered portion of overdue loans and advances			0	0
- uncovered portion of overdue loans and advances			0	0
- current market value of collateral held against the covered portion of overdue loans and advances			0	0
			<u>0</u>	<u>0</u>

Key Financial Information Disclosure Statement
(Unaudited)

Section A - Hong Kong Branch Information

(c) Impaired loans and advances to customers

	<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
	HK\$000	HK\$000
Gross impaired loans and advances	40,137	68,526
Specific provisions	0	0
Net impaired loans and advances	<u>40,137</u>	<u>68,526</u>
Gross impaired loans and advances as a percentage of gross loans and advances to customers	<u>1.69%</u>	<u>2.92%</u>
Specific provisions as a percentage of gross impaired loans and advances	<u>0.00%</u>	<u>0.00%</u>
Current market value of collateral related to impaired loans and advances	<u>1,200</u>	<u>300</u>

(d) Rescheduled loans and advances to customers

Rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months and their expression as a percentage of its total amount of loans and advances to customers are as follows:

	<u>Dec 31, 2019</u>		<u>Jun 30, 2019</u>	
	HK\$000	%	HK\$000	%
Rescheduled loans and advances to customers	<u>38,937</u>	<u>1.64</u>	<u>0</u>	<u>0.00</u>

Key Financial Information Disclosure Statement
(Unaudited)

Section A - Hong Kong Branch Information

(e) Loans and advances to customers by industry sector

	Dec 31, 2019		Jun 30, 2019	
	HK\$000	The percentage covered by collateral %	HK\$000	The percentage covered by collateral %
Gross amount of loans and advances to customers for use in Hong Kong:				
Industrial, commercial and financial				
- property development	0	0.00	0	0.00
- property investment	135,704	100.00	115,758	99.96
- financial concerns	354,643	17.89	370,194	9.88
- stockbrokers	0	0.00	0	0.00
- wholesale and retail trade	378,776	27.15	431,432	24.56
- manufacturing	232,134	9.66	232,326	6.41
- transport and transport equipment	0	0.00	80,138	0.00
- Information technology	0	0.00	0	0.00
- others	115,177	73.76	117,742	72.67
	<u>1,216,434</u>	<u>33.65</u>	<u>1,347,590</u>	<u>26.62</u>
Individuals				
- loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0	0.00	0	0.00
- loans for the purchase of other residential properties	27,052	100.00	13,539	100.00
- credit card advances	0	0.00	0	0.00
- others	1	0.00	0	0.00
	<u>27,053</u>	<u>100.00</u>	<u>13,539</u>	<u>100.00</u>
Total loans and advances for use in Hong Kong	<u>1,243,487</u>	<u>35.10</u>	<u>1,361,129</u>	<u>27.35</u>
Trade finance	361,847	43.41	495,671	33.71
Loans and advances for use outside Hong Kong	<u>772,155</u>	<u>6.99</u>	<u>488,489</u>	<u>10.34</u>
	<u><u>2,377,489</u></u>	<u><u>27.23</u></u>	<u><u>2,345,289</u></u>	<u><u>25.15</u></u>

Key Financial Information Disclosure Statement
(Unaudited)

Section A - Hong Kong Branch Information

(f) Mainland activities

	Dec 31, 2019		
	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$000		
1. Central government, central government-owned entities and their subsidiaries and JVs	117,203	0	117,203
2. Local governments, local government-owned entities and their subsidiaries and JVs	38,937	54,977	93,914
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	353,498	246,264	599,762
4. Other entities of central government not reported in item 1 above	117,155	0	117,155
5. Other entities of local governments not reported in item 2 above	177,988	0	177,988
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	35,099	0	35,099
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	162,643	0	162,643
Total	1,002,523	301,241	1,303,764
Total assets after provisions	4,371,341		
On-balance sheet exposures as % of total assets	22.93%		

	Jun 30, 2019		
	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$000		
1. Central government, central government-owned entities and their subsidiaries and JVs	0	0	0
2. Local governments, local government-owned entities and their subsidiaries and JVs	61,746	51,171	112,917
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	399,878	77,718	477,596
4. Other entities of central government not reported in item 1 above	117,532	0	117,532
5. Other entities of local governments not reported in item 2 above	78,155	0	78,155
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	45,254	0	45,254
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	168,612	0	168,612
Total	871,177	128,889	1,000,066
Total assets after provisions	3,989,926		
On-balance sheet exposures as % of total assets	21.83%		

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

4. International claim

International claims by major countries or geographical segments with not less than 10% of the total international claims after taking into account any recognized risk transfer (excluding claims arising between branches and subsidiaries) are shown as follows:

	Dec 31, 2019					
	HK\$million					
	Banks	Official Sector	Non-bank private sector		Others	Total
Non-bank financial institutions			Non-financial private sector			
Offshore centres						
Hong Kong	307	0	234	686	0	1,227
	Jun 30, 2019					
	HK\$million					
	Banks	Official Sector	Non-bank private sector		Others	Total
Non-bank financial institutions			Non-financial private sector			
Offshore centres						
Hong Kong	196	0	234	875	0	1,305

5. Off-balance sheet exposures and derivative transactions

	Dec 31, 2019	Jun 30, 2019
	HK\$000	HK\$000
Contingent liabilities and commitments		
- direct credit substitutes	0	0
- transaction-related contingencies	2,690	5,136
- trade-related contingencies	151,342	131,817
- other commitments	937,863	839,301
	<u>1,091,895</u>	<u>976,254</u>
	Dec 31, 2019	Jun 30, 2019
	HK\$000	HK\$000
Derivative transactions (Notional amount)		
- exchange rate contracts	176,571	632,500
- interest rate contracts	0	0
	<u>176,571</u>	<u>632,500</u>

**Key Financial Information Disclosure Statement
(Unaudited)**

Section A - Hong Kong Branch Information

	<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
	HK\$000	HK\$000
Derivative transactions (Fair value)		
- exchange rate contracts	31	(774)
- interest rate contracts	0	0
	<u>31</u>	<u>(774)</u>

The contractual amounts of the above instruments indicate the volume of transactions outstanding as of balance sheet date, they do not represent amount at risk. The contractual amount and fair value above do not take into account the effect of bilateral netting arrangements.

6. Currency risk

Foreign currency exposures with net position (in absolute terms) constituting not less than 10% of the total net positions in all foreign currencies are disclosed.

	<u>Dec 31, 2019</u>
	Equivalent in HK\$million
Non-structural position	US\$
Spot assets	3,229
Spot liabilities	(3,294)
Forward purchases	122
Forward sales	(55)
Net options position	0
Net long / (short) position	<u>2</u>
Structural position	<u>0</u>

	<u>Jun 30, 2019</u>
	Equivalent in HK\$million
Non-structural position	US\$
Spot assets	2,918
Spot liabilities	(3,014)
Forward purchases	365
Forward sales	(268)
Net options position	0
Net long / (short) position	<u>1</u>
Structural position	<u>0</u>

Key Financial Information Disclosure Statement
 (Unaudited)

Section A - Hong Kong Branch Information
7. Liquidity information disclosure

Average liquidity maintenance ratio for the reporting period

Quarter ended Dec 31, 2019	Quarter ended Dec 31, 2018
42.85%	45.23%

The average liquidity maintenance ratio disclosed is a 3 months' average for each quarter based on the requirement of the Banking (Disclosure) Rules.

Qualitative disclosures
a. Governance of liquidity risk management

The Board of Directors of Cathay Bank head office delegates the responsibility for managing the overall liquidity of Cathay Bank Hong Kong Branch (CBHK) to CBHK's Assets and Liabilities Committee (ALCO). The ALCO formulates both the long-term strategy for funding sources and short-term tactics to address prevailing conditions. CBHK manages its liquidity risk in accordance with Liquidity Risk Management Policy which provides a set of guidelines for the prudent management of liquidity in the normal course of business. It also sets out the responsibilities of the ALCO and functional units for liquidity risk monitoring, control and reporting.

b. Funding strategy

CBHK maintains an appropriate mix of high quality liquid assets as a source of liquidity cushion for meeting emergency funding needs. The amount and composition of such assets should be determined with reference to the business need and liquidity risk profile. In managing the funding strategy, CBHK establishes a clear strategy for holding liquid assets, determines the appropriate volume, tenor and mix of such holdings.

c. Liquidity risk mitigation techniques

To mitigate the liquidity risk, CBHK maintains an adequate cushion of unencumbered, high quality liquid assets that can be reliably sold in the markets to obtain funds to meet CBHK's liquidity needs at all times, even in periods of severe idiosyncratic and market stress. The size of the liquidity cushion reflects CBHK's established risk tolerance and should be sufficient to cover funding gaps generated from the liquidity stress scenarios.

d. Stress testing

CBHK conducts regular stress tests on cash flows by applying various "what if" scenarios on the liquidity positions for all currencies in aggregate so as to ensure that CBHK has adequate liquidity to withstand stressed conditions. These stress tests are separately conducted for positions in HKD, USD and other foreign currencies in which CBHK has significant positions. To ensure that liquidity is managed in line with the risk tolerance, the type of scenarios and survival period are set for monitoring and control.

e. Contingency funding plan

CBHK's Liquidity Contingency Policy defines the framework and basic principles of liquidity contingency management and stipulates the tools and procedures for the application of these principles. It provides guidance for the monitoring of liquidity positions and identification of liquidity contingency issues occur and identifies the tools for managing liquidity contingency situations.

Quantitative disclosures
f. Cash flow maturity mismatch analysis

HK\$000 (#)	Up to 7 days	7 days to 1 month	1 to 3 months	3 to 6 months	6 to 12 months
Dec 31, 2019					
Net liquidity mismatch	(283,700)	(53,404)	(321,559)	(118,825)	147,356
Cumulative mismatch	<u>(283,700)</u>	<u>(337,104)</u>	<u>(658,663)</u>	<u>(777,488)</u>	<u>(630,132)</u>
Jun 30, 2019					
Net liquidity mismatch	(220,106)	219,762	(255,547)	(22,248)	(585,865)
Cumulative mismatch	<u>(220,106)</u>	<u>(344)</u>	<u>(255,891)</u>	<u>(278,139)</u>	<u>(864,004)</u>

(#) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded.

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

g. Sources of funding

CBHK's source of funding is mainly from customer deposits and borrowing from Cathay Bank head office/other banks.

	Dec 31, 2019		Jun 30, 2019	
	HK\$000	%	HK\$000	%
Customer deposits	2,831,988	67	2,636,274	68
Borrowing from Cathay Bank head office/other banks	1,408,618	33	1,242,070	32
	<u>4,240,606</u>	<u>100</u>	<u>3,878,344</u>	<u>100</u>

h. Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries

This item is not applicable to CBHK

i. Liquidity gap (HK\$000)

The table below analyses the on- and off-balance sheet items, broken down into maturity buckets of CBHK.

As of Dec 31, 2019

	On demand	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Balancing figure	Total
On-balance sheet assets											
Cash and balances with banks (except those included in amount due from overseas offices)	251,320	116,811	0	0	0	0	0	0	0	0	368,131
Amount due from overseas offices	1,402,401	0	0	0	0	0	0	0	0	0	1,402,401
Loans and advances to customers	78,113	658,100	347,392	160,193	387,055	463,582	146,732	31,352	104,970	0	2,377,489
Investment securities											
- Available-for-sale securities	0	0	0	0	0	157,078	0	0	0	0	157,078
Property, plant and equipment and investment properties	0	0	0	0	0	0	0	0	0	5,757	5,757
Other assets	67,546	3,078	1,666	15	0	0	0	0	0	12,009	84,314
Impairment allowance	0	0	0	0	0	0	0	0	0	(23,829)	(23,829)
	<u>1,799,380</u>	<u>777,989</u>	<u>349,058</u>	<u>160,208</u>	<u>387,055</u>	<u>620,660</u>	<u>146,732</u>	<u>31,352</u>	<u>104,970</u>	<u>(6,063)</u>	<u>4,371,341</u>
On-balance sheet liabilities											
Deposits and balances from banks (except those included in amount due to overseas offices)	0	150,000	50,000	0	0	0	0	0	0	0	200,000
Deposits from customers	1,277,103	977,807	354,267	134,967	87,844	0	0	0	0	0	2,831,988
Amount due to overseas offices	196,256	155,748	272,559	155,748	233,622	194,685	0	0	0	0	1,208,618
Other liabilities	550	3,474	2,887	709	9,706	0	0	0	0	113,409	130,735
	<u>1,473,909</u>	<u>1,287,029</u>	<u>679,713</u>	<u>291,424</u>	<u>331,172</u>	<u>194,685</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>113,409</u>	<u>4,371,341</u>
Off-balance sheet claims											
Irrevocable loan commitments or facilities received	545,118	0	0	0	0	0	0	0	0	0	545,118
	<u>545,118</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>545,118</u>
Off-balance sheet obligations											
Direct credit substitutes	0	0	0	0	0	0	0	0	0	0	0
Transaction-related contingencies	0	0	0	0	0	0	0	0	0	2,691	2,691
Trade-related contingencies	0	21,630	122,841	0	0	0	0	0	0	6,871	151,342
Other commitments	0	219,693	154,475	214,610	349,086	0	0	0	0	0	937,864
	<u>0</u>	<u>241,323</u>	<u>277,316</u>	<u>214,610</u>	<u>349,086</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,562</u>	<u>1,091,897</u>
Net liquidity gaps	870,589	(750,363)	(607,971)	(345,826)	(293,203)	425,975	146,732	31,352	104,970	(129,034)	(546,779)

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

i. Liquidity gap (HK\$000) (continued)

As of Jun 30, 2019

On-balance sheet assets	On demand	Up to 1 month	Between 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years	Balancing figure	Total
Cash and balances with banks (except those included in amount due from overseas offices)	153,853	156,162	78,081	0	0	0	0	0	0	0	388,096
Amount due from overseas offices	901,357	0	0	0	0	0	0	0	0	0	901,357
Loans and advances to customers	56,517	672,169	380,415	225,268	128,535	442,937	304,143	40,515	94,790	0	2,345,289
Investment securities											
- Available-for-sale securities	0	0	0	0	0	157,107	0	0	0	0	157,107
Property, plant and equipment and investment properties	0	0	0	0	0	0	0	0	0	4,667	4,667
Other assets	202,547	3,497	1,996	42	0	0	0	0	0	8,830	216,912
Impairment allowance	0	0	0	0	0	0	0	0	0	(23,502)	(23,502)
	1,314,274	831,828	460,492	225,310	128,535	600,044	304,143	40,515	94,790	(10,005)	3,989,926
On-balance sheet liabilities											
Deposits and balances from banks (except those included in amount due to overseas offices)	0	0	150,000	0	0	0	0	0	0	0	150,000
Deposits from customers	1,272,934	614,313	479,685	169,387	99,955	0	0	0	0	0	2,636,274
Amount due to overseas offices	194,138	0	78,081	78,081	585,608	156,162	0	0	0	0	1,092,070
Other liabilities	554	3,291	2,953	8,405	2,714	4,257	0	0	0	89,408	111,582
	1,467,626	617,604	710,719	255,873	688,277	160,419	0	0	0	89,408	3,989,926
Off-balance sheet claims											
Irrevocable loan commitments or facilities received	663,688	0	0	0	0	0	0	0	0	0	663,688
	663,688	0	0	0	0	0	0	0	0	0	663,688
Off-balance sheet obligations											
Direct credit substitutes	0	0	0	0	0	0	0	0	0	0	0
Transaction-related contingencies	0	0	0	0	0	0	0	0	0	5,136	5,136
Trade-related contingencies	0	29,623	71,511	23,934	0	0	0	0	0	6,749	131,817
Other commitments	0	234,962	354,524	181,614	68,201	0	0	0	0	0	839,301
	0	264,585	426,035	205,548	68,201	0	0	0	0	11,885	976,254
Net liquidity gaps	510,336	(50,361)	(676,262)	(236,111)	(627,943)	439,625	304,143	40,515	94,790	(111,298)	(312,566)

8. Remuneration system

With reference to HKMA Supervisory Policy Manual CG-5, "Guideline on a sound remuneration system", remuneration information for senior management and key personnel is disclosed by Cathay Bank head office, hence it is not separately disclosed by Cathay Bank Hong Kong Branch. For details on head office remuneration information, please refer to pages 17 - 32 of the Cathay General Bancorp 2019 Proxy Statement.

Key Financial Information Disclosure Statement (Unaudited)

Section B - Bank Information (Consolidated Basis)

1. Capital and capital adequacy

	<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
Capital adequacy ratio	13.81%	14.02%

The consolidated capital adequacy ratio of the Bank is computed in accordance with the Basel Capital Accord. The ratio compares the capital base of the Bank with on and off balance sheet assets, weighted for risk. Such ratio incorporates an allowance for market risk.

	<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Total amount of shareholders' funds	18,419	18,204

2. Other financial information

	<u>Dec 31, 2019</u>	<u>Jun 30, 2019</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Total assets	140,691	137,230
Total liabilities	122,272	119,026
Total loans and advances	116,802	113,553
Total customer deposits	114,675	112,394
	<u>For the year ended Dec 31, 2019</u>	<u>For the year ended Dec 31, 2018</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Pre-tax profit	2,779	2,771

Note:

The exchange rate for translation of US\$ against HK\$:

Dec 31, 2019	7.7874
Jun 30, 2019	7.8081
Dec 31, 2018	7.8317