



**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**

**June 30, 2024**

**(Unaudited)**

## **Hong Kong Branch Banking Disclosure Statement as of June 30, 2024**

### **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.



Louis Hsien-Chen Fong  
Senior Vice President & Chief Executive  
Hong Kong Branch

September 12, 2024

### **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/financial-information/regulatory-disclosures> for public inspection.

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

**Section A - Hong Kong Branch Information**

**1. Income statement**

	<b>Six months ended Jun 30, 2024</b>	<b>Six months ended Jun 30, 2023</b>
	HK\$000	HK\$000
Interest income	118,498	93,356
Interest expense	(90,506)	(70,888)
<b>Net interest income</b>	<b>27,992</b>	<b>22,468</b>
Fees and commission income	2,915	2,601
Fees and commission expense	(275)	(273)
<b>Net fees and commission income</b>	<b>2,640</b>	<b>2,328</b>
Gains less losses arising from trading in foreign currencies	0	0
Gains less losses arising from non-trading in foreign currencies	6,880	7,278
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	0	0
Other operating income	0	0
<b>Total operating income before impairment losses and provisions</b>	<b>37,512</b>	<b>32,074</b>
(Provisions) / reversal for impaired loans and receivables	(18,550)	(29,497)
<b>Net operating income</b>	<b>18,962</b>	<b>2,577</b>
Staff and rental expenses	(15,980)	(16,676)
Other expenses	(8,181)	(6,481)
Net charge for other provisions	539	(619)
<b>Operating expenses</b>	<b>(23,622)</b>	<b>(23,776)</b>
<b>Profit / (Loss) before taxation</b>	<b>(4,660)</b>	<b>(21,199)</b>
Tax expense	0	0
<b>Profit / (Loss) after taxation</b>	<b>(4,660)</b>	<b>(21,199)</b>

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

**Section A - Hong Kong Branch Information**

**2. Balance sheet**

	<b>Jun 30, 2024</b>	<b>Dec 31, 2023</b>
	HK\$000	HK\$000
<b>ASSETS</b>		
Cash and balances with banks (except those included in amount due from overseas offices)	93,844	286,859
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)	156,166	78,125
Amount due from overseas offices	809,928	1,116,972
Trade bills	0	0
Certificates of deposit held	0	0
Loans and advances to bank	0	0
Loans and advances to customers (net of allowance for loan losses)	2,823,446	2,612,948
Investment securities		
- Available-for-sale securities	145,153	142,530
- Held-to-maturity securities	0	0
Property, plant and equipment and investment properties	2,787	2,222
Other assets	46,623	50,191
<b>Total assets</b>	<b>4,077,947</b>	<b>4,289,847</b>
<b>LIABILITIES</b>		
Deposits and balances from banks (except those included in amount due to overseas offices)	0	0
Deposits from customers		
- demand deposits and current accounts	67,592	130,036
- savings deposits	125,093	133,528
- time, call and notice deposits	1,282,643	1,404,405
	1,475,328	1,667,969
Amount due to overseas offices	2,603,825	2,620,891
Other liabilities	(1,206)	987
<b>Total liabilities</b>	<b>4,077,947</b>	<b>4,289,847</b>

## Key Financial Information Disclosure Statement (Unaudited)

### Section A - Hong Kong Branch Information

#### 3. Additional balance sheet information

##### (a) Loans and advances to customers

	<u>Jun 30, 2024</u>	<u>Dec 31, 2023</u>
	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	2,231,868	2,037,595
- China	74,179	39,062
- British Virgin Islands	246,210	242,163
- Singapore	112,836	122,662
- Cayman Islands	211,776	210,730
- United Arab Emirates	18,929	18,939
	<u>2,895,798</u>	<u>2,671,151</u>
Allowance for loan losses		
- specific provisions	0	0
- collective provisions	(72,352)	(58,203)
	<u>(72,352)</u>	<u>(58,203)</u>
	<u>2,823,446</u>	<u>2,612,948</u>
Allowance made by the head office of Cathay Bank against the exposure of Hong Kong Branch as follows:		
- specific provisions	0	0
- collective provisions	0	0
	<u>0</u>	<u>0</u>
Gross value of assets against which specific provisions have been made	<u>0</u>	<u>0</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:

	<u>Jun 30, 2024</u>		<u>Dec 31, 2023</u>	
	HK\$000	%	HK\$000	%
Hong Kong:				
- more than 3 months but not more than 6 months	6,204	0.21	0	0.00
- 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>6,204</u>	<u>0.21</u>	<u>0</u>	<u>0.00</u>
			<u>0</u>	<u>0.00</u>
			<u>0</u>	<u>0.00</u>
- specific provisions			0	0
- covered portion of overdue loans and advances			6,204	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			6,204	0
			<u>6,204</u>	<u>0</u>

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

**Section A - Hong Kong Branch Information**

**(c) Impaired loans and advances to customers**

	<u>Jun 30, 2024</u>	<u>Dec 31, 2023</u>
	HK\$000	HK\$000
Gross impaired loans and advances	6,204	0
Specific provisions	<u>0</u>	<u>0</u>
Net impaired loans and advances	<u>6,204</u>	<u>0</u>
Gross impaired loans and advances as a percentage of gross loans and advances to customers	<u>0.21%</u>	<u>0.00%</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>6,204</u>	<u>0</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>Jun 30, 2024</u>		<u>Dec 31, 2023</u>	
	HK\$000	%	HK\$000	%
Rescheduled loans and advances to customers	<u>0</u>	<u>0.00</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**

	<b>Jun 30, 2024</b>		<b>Dec 31, 2023</b>	
	HK\$000	The percentage covered by collateral %	HK\$000	The percentage covered by collateral %
<b>Gross amount of loans and advances to customers for use in Hong Kong:</b>				
<b>Industrial, commercial and financial</b>				
- property development	0	0.00	0	0.00
- property investment	1,226,794	100.00	1,027,493	100.00
- financial concerns	91,461	100.00	130,908	77.08
- stockbrokers	0	0.00	0	0.00
- wholesale and retail trade	199,375	98.67	214,462	98.29
- manufacturing	63,256	18.04	127,839	8.57
- transport and transport equipment	0	0.00	0	0.00
- Information technology	0	0.00	0	0.00
- others	354,542	100.00	295,612	100.00
	<u>1,935,428</u>	<u>97.18</u>	<u>1,796,314</u>	<u>91.62</u>
<b>Individuals</b>				
- 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	18,436	100.00	18,798	100.00
- credit card advances	0	0.00	0	0.00
- others	0	0.00	0	0.00
	<u>18,436</u>	<u>100.00</u>	<u>18,798</u>	<u>100.00</u>
<b>Total loans and advances for use in Hong Kong</b>	<u>1,953,864</u>	<u>97.21</u>	<u>1,815,112</u>	<u>91.71</u>
<b>Trade finance</b>	341,161	74.14	284,520	84.51
<b>Loans and advances for use outside Hong Kong</b>	<u>600,773</u>	<u>54.18</u>	<u>571,519</u>	<u>56.06</u>
	<u><u>2,895,798</u></u>	<u><u>85.57</u></u>	<u><u>2,671,151</u></u>	<u><u>83.31</u></u>

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

**Section A - Hong Kong Branch Information**

**(f) Mainland activities**

	<b>Jun 30, 2024</b>		
	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	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	106,031	43,179	149,210
4. Other entities of central government not reported in item 1 above	487,847	17,357	505,204
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	502,883	4,296	507,179
<b>Total</b>	<u>1,096,761</u>	<u>64,832</u>	<u>1,161,593</u>
Total assets after provisions	4,077,947		
On-balance sheet exposures as % of total assets	26.89%		

	<b>Dec 31, 2023</b>		
	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	0	0	0
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	105,241	78,125	183,366
4. Other entities of central government not reported in item 1 above	287,240	18,702	305,942
5. Other entities of local governments not reported in item 2 above	0	0	0
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	0	0	0
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	514,126	8,258	522,384
<b>Total</b>	<u>906,607</u>	<u>105,085</u>	<u>1,011,692</u>
Total assets after provisions	4,289,847		
On-balance sheet exposures as % of total assets	21.13%		



## 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:

Jun 30, 2024						
HK\$million						
Non-bank private sector						
Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	Total	
<b>Offshore centres</b>						
Hong Kong	244	0	30	454	0	728
British Virgin Islands	0	0	0	246	0	246
Cayman Islands	0	0	0	212	0	212

Dec 31, 2023						
HK\$million						
Non-bank private sector						
Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	Total	
<b>Offshore centres</b>						
Hong Kong	282	0	70	408	0	760
British Virgin Islands	0	0	0	242	0	242
Cayman Islands	0	0	0	211	0	211

#### 5. Off-balance sheet exposures and derivative transactions

	Jun 30, 2024	Dec 31, 2023
	HK\$000	HK\$000
<b>Contingent liabilities and commitments</b>		
- direct credit substitutes	0	0
- transaction-related contingencies	6,771	156
- trade-related contingencies	145,470	69,101
- other commitments	309,554	470,024
	<u>461,795</u>	<u>539,281</u>

	Jun 30, 2024	Dec 31, 2023
	HK\$000	HK\$000
<b>Derivative transactions (Notional amount)</b>		
- exchange rate contracts	1,624,007	1,446,237
- interest rate contracts	0	0
	<u>1,624,007</u>	<u>1,446,237</u>

	Jun 30, 2024	Dec 31, 2023
	HK\$000	HK\$000
<b>Derivative transactions (Fair value)</b>		
- exchange rate contracts	(10)	1,122
- interest rate contracts	0	0
	<u>(10)</u>	<u>1,122</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.

## Key Financial Information Disclosure Statement (Unaudited)

### Section A - Hong Kong Branch Information

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.

	<b>Jun 30, 2024</b>
	Equivalent in HK\$million
<b>Non-structural position</b>	<b>US\$</b>
Spot assets	2,265
Spot liabilities	(3,669)
Forward purchases	1,515
Forward sales	(110)
Net options position	0
Net long / (short) position	<u>1</u>
<b>Structural position</b>	<u>0</u>

	<b>Dec 31, 2023</b>
	Equivalent in HK\$million
<b>Non-structural position</b>	<b>US\$</b>
Spot assets	2,614
Spot liabilities	(3,865)
Forward purchases	1,350
Forward sales	(96)
Net options position	0
Net long / (short) position	<u>3</u>
<b>Structural position</b>	<u>0</u>

### 7. Liquidity information disclosure

Average liquidity maintenance ratio for the reporting period

	<b>Quarter ended Jun 30, 2024</b>	<b>Quarter ended Jun 30, 2023</b>
	<u>51.46%</u>	<u>63.68%</u>

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

### 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 22 - 37 of the Cathay General Bancorp 2024 Proxy Statement.

## Key Financial Information Disclosure Statement (Unaudited)

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

#### 1. Capital and capital adequacy

	<u>Jun 30, 2024</u>	<u>Dec 31, 2023</u>
Capital adequacy ratio	14.47%	14.09%

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>Jun 30, 2024</u>	<u>Dec 31, 2023</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Total amount of shareholders' funds	22,306	21,926

#### 2. Other financial information

	<u>Jun 30, 2024</u>	<u>Dec 31, 2023</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Total assets	181,289	180,129
Total liabilities	158,983	158,203
Total loans and advances	150,101	151,585
Total customer deposits	154,694	151,172
	<u>Six months ended Jun 30, 2024</u>	<u>Six months ended Jun 30, 2023</u>
	Equivalent in HK\$million	Equivalent in HK\$million
Pre-tax profit	1,324	1,632

Note:

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

Jun 30, 2024	7.8083
Dec 31, 2023	7.8125
Jun 30, 2023	7.8346