



兆豐國際商業銀行股份有限公司香港分行

Mega International Commercial Bank Co., Ltd. Hong Kong Branch (Incorporated in Taiwan)

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Mega International Commercial Bank Co., Ltd.

(Hong Kong Branch)

Year Ended Financial Information Disclosure Statements

For the year ended 31 December 2015

Section A - Branch Information (Hong Kong Office Only)

HK Dollars Thousand

1. Profit and Loss Information

	31/12/2015	31/12/2014
Net Interest income	281,758	326,056
Interest income	444,084	510,049
Interest expenses	-162,326	-183,993
Other operating income		
Gains less losses arising from non-trading in foreign currencies	16,467	28,776
Net fees and commission income	57,406	68,605
Gross fees and commission income	60,405	71,553
Gross fees and commission expenses	-2,999	-2,948
Others	214	8,925
Staff and rental expenses	-39,816	-42,013
Other expenses	-31,010	-28,202
Provisions for impaired loans and receivables	9,821	-
Profit before taxation	294,840	362,147
Taxation charge	71,178	43,770
Profit after taxation	<u>223,662</u>	<u>318,377</u>

HK Dollars Thousand

2. Balance Sheet Information

31/12/2015 30/06/2015

Assets

Cash and short term funds (except those included in amount due from overseas offices)

5,898,315 4,605,484

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)

6,815,264 4,654,488

Amount due from overseas offices

1,865,689 606,370

Acceptance and bills of exchange held

1,263,995 4,300,812

Advances and other accounts

6,538,817 7,769,495

Investment securities

6,248,976 5,748,004

Tangible fixed assets

649 763

Total assets

28,631,705 27,685,416

Liabilities

Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices)

286,124 645,996

Deposits from customers:-

Demand deposits and current accounts

243,667 250,906

Savings deposits; and

16,670,852 15,657,012

Time, call and notice deposits

10,746,880 10,030,313

Amount due to overseas offices

118,124 119,027

Other accounts and provisions

342,395 840,836

Total liabilities

28,408,042 27,544,090

Reserves and current profit/(loss)

223,663 141,326

Total equity and liabilities

28,631,705 27,685,416

3. Additional Balance Sheet Information

31/12/2015 30/06/2015

i) Advances and other accounts

Advances to customers	6,155,355	7,015,893
Advances to banks and other financial institutions	75,000	75,000
Accrued interest and other accounts	308,462	678,602
Total	<u>6,538,817</u>	<u>7,769,495</u>

Provision for bad or doubtful debts		
General - advances to customers	62,452	71,167
General - advances to banks and other financial institutions	-	-
Specific - advances to customers	13,180	13,648
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

	31/12/2015		30/06/2015	
	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	258,719	0.00%	304,035	2.55%
Property development	76,873	51.00%	39,381	0.00%
Property investment	2,252,292	50.00%	1,671,699	5.38%
Electricity and gas	150,000	0.00%	150,000	0.00%
Information technology	-	0.00%	-	0.00%
Wholesale and retail trade	106,189	91.00%	142,652	93.48%
Transport and transport equipment	32,927	31.00%	-	0.00%
Financial concerns	892,478	66.00%	1,226,024	43.85%
Hotel, boarding houses & catering	179,380	78.00%	163,882	0.00%
Stockbrokers	113,460	0.00%	226,848	0.00%
Professional & private individuals	-		40,313	3.42%
Others	142,838	81.00%	141,625	0.00%
Sub-total	<u>4,205,156</u>		<u>4,106,459</u>	
Trade finance	156,416	22.00%	142,257	29.70%
Loan for use outside Hong Kong	<u>1,793,783</u>	50.00%	<u>2,767,177</u>	17.26%
Total advances to customers	<u>6,155,355</u>		<u>7,015,893</u>	

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

	31/12/2015	30/06/2015
	HK Dollars Thousand	HK Dollars Thousand
China	2,929,457	3,943,949
Hong Kong	1,472,116	1,107,356
Taiwan	369,726	499,108
Others	1,384,056	1,465,480
Total	<u>6,155,355</u>	<u>7,015,893</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 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 centres	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 organisations	-	-	-	-	-	-
8 Unallocated by country	-	-	-	-	-	-

		HK Dollars Million				
As at 30/6/2015		Non-bank private Sector				
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
1 Developed countries	2,499	-	-	30	-	2,529
2 Offshore centres	2,301	208	-	5,134	-	7,643
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America and Caribbean	-	-	-	308	-	308
5 Developing Africa and Middle East	-	-	-	28	-	28
6 Developing Asia Pacific	14,354	311	-	1,786	-	16,451
7 International organisations	-	-	-	-	-	-
8 Unallocated by country	-	-	-	-	-	-

iv) Overdue and non-performing loans

HK Dollars Thousand
31/12/2015 30/06/2015

(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	13,180	13,648
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	13,180	13,648

(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	13,180	13,648
Less: Overdue loans for more than 3 months and on which interest is still being accrued	13,180	13,648
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 31/12/2015 and 30/06/2016.
(2) We have no repossessed assets held by the branch as at 31/12/2015 and 30/06/2015.

v) Non-bank China exposures

HK Dollars Million

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%		

As at 30/06/2015

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	866	-	866
2. Local governments, local government-owned entities and their subsidiaries and JVs	2	225	96	321
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	660	-	660
4. Other entities of central government not reported in item 1 above	4	246	-	246
5. Other entities of local governments not reported in item 2 above	5	155	29	184
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	969	181	1,150
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	20	-	20
Total	8	3,141	306	3,447
Total assets after provision	9	27,600		
On-balance sheet exposures as percentage of total assets	10	11%		

vi) Significant foreign currency exposures

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

HK Dollars Million

30/06/2015

	USD	EUR	CNY	Other Currency	Total
Spot assets	18,803	664	3,478	690	23,635
Spot liabilities	(21,236)	(501)	(3,388)	(822)	(25,947)
Forward purchases	2,761	128	75	245	3,209
Forward sales	(327)	(293)	(163)	(113)	(896)
Net option position (worst case approach)	-	-	-	-	-
Net long (short) position	1	(2)	2	-	1

4. Off-Balance Sheet Exposures

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

	HK Dollars Thousand	
	31/12/2015	30/06/2015
Contingent liabilities and commitments		
Direct credit substitutes	22,992	22,761
Transaction-related contingencies	-	-
Trade-related contingencies	63,761	159,267
Other commitments	4,966,087	2,425,880
Exchange rate contracts	2,970,666	3,282,927
Interest rate contracts	193,775	193,812
Total	8,217,281	6,084,647

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

Exchange rate contracts:

Positive fair value	211	333
Negative fair value	(1,088)	(5,367)

Interest rate contracts :

Positive fair value	-	-
Negative fair value	(827)	(2,288)

5. Liquidity

	31/12/2015	30/06/2015
The average liquidity maintenance ratio for the period:		
Average liquidity maintenance ratio	47.16%	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>31/12/2015</u>	<u>30/06/2015</u>
1. Capital Adequacy Ratio		
Consolidated capital adequacy ratio:	13.33%	12.19%
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.		
2. Capital		
Aggregate amount of shareholders' funds	253,493	227,062
3. Other Financial Information		
Total assets	3,088,768	2,878,982
Total liabilities	2,835,275	2,651,920
Total advances	1,773,269	1,751,864
Total customer deposits	2,235,242	2,160,717
	<u>31/12/2015</u>	<u>31/12/2014</u>
Pre-tax profit	30,320	30,245

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 Chao
Senior Vice President

2016/3/30