



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, 2025

(Unaudited)

Hong Kong Branch Banking Disclosure Statement as of June 30, 2025

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

August 27, 2025

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

	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024
	HK\$000	HK\$000
Interest income	95,432	118,498
Interest expense	(71,472)	(90,506)
Net interest income	23,960	27,992
Fees and commission income	2,700	2,915
Fees and commission expense	(282)	(275)
Net fees and commission income	2,418	2,640
Gains less losses arising from trading in foreign currencies	0	0
Gains less losses arising from non-trading in foreign currencies	4,193	6,880
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
Total operating income before impairment losses and provisions	30,571	37,512
(Provisions) / reversal for impaired loans and receivables	34,480	(18,550)
Net operating income	65,051	18,962
Staff and rental expenses	(16,428)	(15,980)
Other expenses	(14,142)	(8,181)
Net charge for other provisions	71	539
Operating expenses	(30,499)	(23,622)
Profit / (Loss) before taxation	34,552	(4,660)
Tax expense	0	0
Profit / (Loss) after taxation	34,552	(4,660)

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

2. Balance sheet

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
ASSETS		
Cash and balances with banks (except those included in amount due from overseas offices)	30,933	32,197
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	0
Amount due from overseas offices	1,201,553	1,191,764
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)	2,580,606	2,591,321
Investment securities		
- Available-for-sale securities	152,619	145,783
- Held-to-maturity securities	0	0
Property, plant and equipment and investment properties	17,299	2,826
Other assets	129,512	63,402
Total assets	4,112,522	4,027,293
LIABILITIES		
Deposits and balances from banks (except those included in amount due to overseas offices)	0	0
Deposits from customers		
- demand deposits and current accounts	141,538	118,480
- savings deposits	160,440	174,387
- time, call and notice deposits	1,547,531	1,264,835
	1,849,509	1,557,702
Amount due to overseas offices	2,226,107	2,473,764
Other liabilities	36,906	(4,173)
Total liabilities	4,112,522	4,027,293

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

3. Additional balance sheet information

(a) Loans and advances to customers

	Jun 30, 2025	Dec 31, 2024
	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	1,947,615	2,057,217
- China	94,197	85,403
- British Virgin Islands	249,823	242,044
- Singapore	93,811	102,489
- Cayman Islands	215,410	159,639
- United Arab Emirates	19,030	18,822
	<u>2,619,886</u>	<u>2,665,614</u>
Allowance for loan losses		
- specific provisions	0	0
- collective provisions	(39,280)	(74,293)
	<u>(39,280)</u>	<u>(74,293)</u>
	<u>2,580,606</u>	<u>2,591,321</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:

	Jun 30, 2025		Dec 31, 2024	
	HK\$000	%	HK\$000	%
Hong Kong:				
- more than 3 months but not more than 6 months	0	0.00	102,517	3.85
- more than 6 months but not more than one year	37,110	1.42	0	0.00
- more than one year	0	0.00	0	0.00
	<u>37,110</u>	<u>1.42</u>	<u>102,517</u>	<u>3.85</u>
- specific provisions				
- covered portion of overdue loans and advances	37,110		102,517	
- uncovered portion of overdue loans and advances	0		0	
- current market value of collateral held against the covered portion of overdue loans and advances	<u>37,110</u>		<u>102,517</u>	

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

(c) Impaired loans and advances to customers

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
Gross impaired loans and advances	63,427	102,517
Specific provisions	0	0
Net impaired loans and advances	<u>63,427</u>	<u>102,517</u>
Gross impaired loans and advances as a percentage of gross loans and advances to customers	<u>2.42%</u>	<u>3.85%</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>63,427</u>	<u>102,517</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:

	Jun 30, 2025		Dec 31, 2024	
	HK\$000	%	HK\$000	%
Rescheduled loans and advances to customers	<u>19,471</u>	<u>0.74</u>	<u>0</u>	<u>0.00</u>

(e) Repossessed assets

Repossession assets only comprise properties which have acquired access or control (e.g. through legal actions or voluntary actions by the borrowers concerned) for releasing in full or in part on the obligations of the borrowers.

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
Current market value of the repossessed assets	<u>53,350</u>	<u>6,003</u>

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

(e) Loans and advances to customers by industry sector

	Jun 30, 2025		Dec 31, 2024	
	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	1,020,277	100.00	1,138,175	100.00
- financial concerns	95,365	100.00	92,922	100.00
- stockbrokers	0	0.00	0	0.00
- wholesale and retail trade	148,873	93.64	192,656	99.46
- manufacturing	70,515	9.98	45,484	20.92
- transport and transport equipment	0	0.00	0	0.00
- Information technology	0	0.00	0	0.00
- others	437,511	100.00	419,279	100.00
	1,772,541	95.89	1,888,516	98.04
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	17,658	100.00	18,065	100.00
- credit card advances	0	0.00	0	0.00
- others	0	0.00	0	0.00
	17,658	100.00	18,065	100.00
Total loans and advances for use in Hong Kong	1,790,199	95.93	1,906,581	98.06
Trade finance	281,323	74.99	273,658	81.71
Loans and advances for use outside Hong Kong	548,364	55.13	485,375	49.38
	2,619,886	85.14	2,665,614	87.52

Key Financial Information Disclosure Statement (Unaudited)

Section A - Hong Kong Branch Information

(f) Mainland activities

Jun 30, 2025			
	HK\$000		
	On-balance sheet exposure	Off-balance sheet exposure	Total
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	122,105	23,435	145,540
4. Other entities of central government not reported in item 1 above	345,694	0	345,694
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	523,099	0	523,099
Total	990,898	23,435	1,014,333
Total assets after provisions	4,112,522		
On-balance sheet exposures as % of total assets	24.09%		

Dec 31, 2024			
	HK\$000		
	On-balance sheet exposure	Off-balance sheet exposure	Total
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	128,020	27,649	155,669
4. Other entities of central government not reported in item 1 above	339,642	17,258	356,900
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	437,681	0	437,681
Total	905,343	44,907	950,250
Total assets after provisions	4,027,293		
On-balance sheet exposures as % of total assets	22.48%		

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, 2025						
HK\$million						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed economies						
United States	0	0	153	0	0	153
Offshore centres						
Hong Kong	26	0	0	438	0	464
British Virgin Islands	0	0	0	250	0	250
Cayman Islands	0	0	0	215	0	215

Dec 31, 2024						
HK\$million						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed economies						
United States	0	0	146	0	0	146
Offshore centres						
Hong Kong	28	0	0	435	0	463
British Virgin Islands	0	0	0	242	0	242
Cayman Islands	0	0	0	160	0	160

5. Off-balance sheet exposures and derivative transactions

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
Contingent liabilities and commitments		
- direct credit substitutes	0	0
- transaction-related contingencies	20,098	20,096
- trade-related contingencies	106,049	143,904
- other commitments	235,523	299,320
	<u>361,670</u>	<u>463,320</u>

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
Derivative transactions (Notional amount)		
- exchange rate contracts	1,588,631	1,530,059
- interest rate contracts	0	0
	<u>1,588,631</u>	<u>1,530,059</u>

	Jun 30, 2025	Dec 31, 2024
	HK\$000	HK\$000
Derivative transactions (Fair value)		
- exchange rate contracts	9,638	(1,491)
- interest rate contracts	0	0
	<u>9,638</u>	<u>(1,491)</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

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.

	Jun 30, 2025
	Equivalent in HK\$million
Non-structural position	USD
Spot assets	2,450
Spot liabilities	(3,724)
Forward purchases	1,437
Forward sales	(151)
Net options position	0
Net long / (short) position	<u>12</u>
Structural position	<u>0</u>

	Dec 31, 2024
	Equivalent in HK\$million
Non-structural position	USD
Spot assets	2,377
Spot liabilities	(3,646)
Forward purchases	1,399
Forward sales	(131)
Net options position	0
Net long / (short) position	<u>(1)</u>
Structural position	<u>0</u>

7. Liquidity information disclosure

Average liquidity maintenance ratio for the reporting period

Quarter ended Jun 30, 2025	Quarter ended Jun 30, 2024
<u>62.25%</u>	<u>51.46%</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 2025 Proxy Statement.

Key Financial Information Disclosure Statement (Unaudited)

Section B - Bank Information (Consolidated Basis)

1. Capital and capital adequacy

	Jun 30, 2025	Dec 31, 2024
Capital adequacy ratio	14.75%	14.76%

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.

	Jun 30, 2025	Dec 31, 2024
	Equivalent in HK\$million	Equivalent in HK\$million
Total amount of shareholders' funds	23,306	22,504

2. Other financial information

	Jun 30, 2025	Dec 31, 2024
	Equivalent in HK\$million	Equivalent in HK\$million
Total assets	186,112	178,852
Total liabilities	162,806	156,348
Total loans and advances	153,914	149,189
Total customer deposits	157,223	153,234
	Six months ended Jun 30, 2025	Six months ended Jun 30, 2024
	Equivalent in HK\$million	Equivalent in HK\$million
Pre-tax profit	1,538	1,324

Note:

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

Jun 30, 2025	7.8498
Dec 31, 2024	7.7639
Jun 30, 2024	7.8083