

**UniCredit Bank AG**  
**Hong Kong Branch**  
**Disclosure Statement for the Financial Period Ended 30 June 2017**

*For and on behalf of*  
**UniCredit Bank AG**  
Hong Kong Branch

  
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*Authorized Signature(s)*

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

*Section A. Hong Kong Branch Information*

**I. Income statement information**

Description	30 June 2017	30 June 2016
	HK\$ million	HK\$ million
Interest income	111	122
Interest expense	(65)	(99)
Other operating income	65	120
- Gains less losses arising from trading in foreign currencies	38	109
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	(16)	(53)
- Net fees and commission income	23	23
- Fees and commission income	28	28
- Fees and commission expenses	(5)	(5)
- Others	20	41
Operating expenses	(144)	(123)
- Staff expenses	(54)	(49)
- Rental expenses	(11)	(11)
- Other expenses less fee and commission expenses	(79)	(63)
Impairment losses and provision for impaired loans and receivables	-	15
Net charge for other provision	-	-
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	(33)	35
Taxation expenses or tax income	-	-
<b>Profit after taxation</b>	<b>(33)</b>	<b>35</b>

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

II. Balance sheet information

Description	30 June 2017 HK\$ million	31 December 2016 HK\$ million
<b>Assets</b>		
Cash and balances with banks (excluding overseas offices)	1,813	118
Placements with banks maturing between one and twelve months	6,192	6,078
Amounts due from overseas offices of the institution	35,924	30,291
Trade bills	1,054	975
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	7,441	6,387
- Loans and advances to customers	3,307	1,831
- Loans and advances to banks	946	874
- Other accounts	3,210	3,702
- Provisions for impaired loans and receivables	(22)	(20)
- Collective provision	(22)	(20)
- Individual provision	-	-
Available-for-sale financial assets	7,681	8,820
Investment Securities	-	-
Other investments	-	-
Property, plant and equipment and investment properties	4	4
<b>Total assets</b>	<b>60,109</b>	<b>52,673</b>
<b>Liabilities</b>		
Deposits and balances from banks (excluding overseas offices)	677	2,439
Deposits from customers	1,211	1,257
- Demand deposits and current accounts	670	715
- Savings deposits	-	-
- Time, call and notice deposits	541	542
Amounts due to overseas offices of the institution	37,620	32,568
Certificates of deposit issued	-	80
Issued debt securities	-	-
Other liabilities	20,601	16,329
Provisions	-	-
<b>Total liabilities</b>	<b>60,109</b>	<b>52,673</b>

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

Additional balance sheet information

(a) Impaired loans and advances (Note 1)	30 June 2017		31 December 2016	
	HK\$ million		HK\$ million	
	Collateral coverage		Collateral coverage	
(i) Impaired loans and advances to customers	-	-	-	-
Specific provisions made in respect of such advances	-	-	-	-
Impaired loans to customers after allowances	-	-	-	-
Percentage of impaired loans to total advances to customers		0.00%		0.00%
(ii) Impaired loans and advances to banks	-	-	-	-
Specific provisions made in respect of such advances	-	-	-	-
Impaired loans to banks after allowances	-	-	-	-
Percentage of impaired loans to total advances to banks		0.00%		0.00%

(b) Off-balance sheet exposures	30 June 2017		31 December 2016	
	HK\$ million		HK\$ million	
<b>The contractual or notional amounts of each of the following class of off-balance sheet exposures outstanding:</b>				
<b>Contingent liabilities and commitments (Note 2)</b>				
Direct credit substitutes		627		526
Transaction-related contingencies		131		79
Trade-related contingencies		919		677
Note issuance and revolving underwriting facilities		-		-
Other commitments		903		3,190
Others		1,268		20,151
<b>Total</b>		<b>3,848</b>		<b>24,623</b>
<b>Derivatives (Note 3)</b>				
Exchange rate-related derivative contracts		308,430		254,607
Interest rate derivative contracts		16,721		15,423
Others		-		-
<b>Total</b>		<b>325,151</b>		<b>270,030</b>

(c) The fair value of derivatives outstanding (Note 4):	30 June 2017		31 December 2016	
	HK\$ million		HK\$ million	
Exchange rate-related derivative contracts		1,701		2,807
Interest rate derivative contracts		12		52
Others		-		-
<b>Total</b>		<b>1,713</b>		<b>2,859</b>

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

III. International claims (Note 5)

(expressed in HK\$ million)

Geographical segment	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
<b>As at 30 June 2017</b>						
1. Developed countries	40,545	6,263	315	1,369	-	48,492
of which Japan	25,727	2,234	-	-	-	27,961
of which Germany	12,071	4,029	304	-	-	16,404
2. Offshore centres	4,108	-	2,707	-	-	6,815
of which Singapore	2,187	-	-	-	-	2,187
of which Hong Kong	1,921	-	2,706	-	-	4,627
3. Developing Europe	166	-	-	-	-	166
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	1,010	-	-	-	-	1,010
of which United Arab Emirates	1,010	-	-	-	-	1,010
6. Developing Asia-Pacific	1,869	-	295	-	-	2,164
of which Taiwan	781	-	-	-	-	781
of which South Korea	776	-	-	-	-	776
of which China	222	-	44	-	-	266
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Impairments loans and advances to customers	-	-	-	-	-	-
Overdue loans and advances to customers	-	-	-	-	-	-

UniCredit Bank AG

Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

International claims (cont.)

(expressed in HK\$ million)

Geographical segment	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
<b>As at 31 December 2016</b>						
1. Developed countries	34,144	6,912	1,294	295	-	42,645
of which Germany	27,803	4,117	-	287	-	32,207
of which Japan	3,509	2,795	-	-	-	6,304
2. Offshore centres	3,803	-	-	519	-	4,322
of which Singapore	2,698	-	-	-	-	2,698
of which Hong Kong	1,105	-	-	519	-	1,624
3. Developing Europe	186	-	-	-	-	186
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	1,420	-	-	-	-	1,420
of which United Arab Emirates	1,420	-	-	-	-	1,420
6. Developing Asia-Pacific	1,596	625	-	1,052	-	3,273
of which China	562	625	-	586	-	1,773
of which South Korea	861	-	-	-	-	861
of which Taiwan	13	-	-	-	-	13
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Impairments loans and advances to customers	-	-	-	-	-	-
Overdue loans and advances to customers	-	-	-	-	-	-

UniCredit Bank AG

Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

IV. Sector information

(expressed in HK\$ million)

Sector classification	30 June 2017		31 December 2016	
	Collateral Coverage	Gross amount of loans and advances	Collateral Coverage	Gross amount of loans and advances
Gross loans and advances to customers by major sectors				
<i>Loans and Advances for use in Hong Kong</i>				
<b>Industrial, commercial and financial :</b>				
- Property development	-	-	-	-
- Property investment	-	-	-	-
- Financial concerns	-	234	-	42
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	329	-	354
- Manufacturing	-	2,039	-	20
- Transport and transport equipment	-	5	-	5
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Others	-	33	-	37
Total industrial, commercial and financial	-	2,640	-	458
<b>Individuals :</b>				
- Loans for the purchase of flats in the Home Owners Scheme, Private Sector Participation Scheme & Tenants Purchase Scheme, or their respective successor schemes	-	-	-	-
- Loans for the purchase of other residential properties	-	-	-	-
- Credit card advances	-	-	-	-
- Others	-	-	-	-
Total individual		-		-
Loans and Advances for use in Hong Kong		2,640		458
<i>Trade finance</i>		58		61
<i>Loans and Advances for use outside Hong Kong</i>		609		1,312
<i>Advances to customers (Note 6)</i>		<b>3,307</b>		<b>1,831</b>
<b>Geographic Breakdown :</b>				
China		2,258		42
Germany		391		924
Italy		407		431

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

V. Overdue and rescheduled assets

(expressed in HK\$ million)

Description	30 June 2017			31 December 2016		
	Collateral coverage	Gross amount	As % to total loans	Collateral coverage	Gross amount	As % to total loans
(1) Analysis of loans and advances to customers which have been overdue for:						
- more than 3 months but not more than 6 months	-	-	0.00%	-	-	0.00%
- more than 6 months but not more than one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
Total	-	-		-	-	
(2) Analysis of loans and advances to banks which have been overdue for:						
- more than 3 months but not more than 6 months	-	-	0.00%	-	-	0.00%
- more than 6 months but not more than one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
Total	-	-		-	-	
(3) Value of collateral held against overdue loans and advances						
- Current market value of collateral held against the covered portion of overdue loans and advances		-			-	
- Covered portion of overdue loans and advances		-		-	-	
- Uncovered portion of overdue loans and advances		-			-	
(4) Specific provision made for overdue loans and advances		-			-	
(5) Rescheduled loans and advances to customers net of those which have been overdue for over three months		-	0.00%		-	0.00%
(6) Rescheduled loans and advances to banks net of those which have been overdue for over three months		-	0.00%		-	0.00%
(7) Analysis of gross amount of other assets such as trade bills and debt securities, which have been overdue for:						
- more than 3 months but not more than 6 months	-	-	0.00%	-	-	0.00%
- more than 6 months but not more than one year	-	-	0.00%	-	-	0.00%
- more than one year	-	-	0.00%	-	-	0.00%
Total	-	-		-	-	
(8) Amount of repossessed assets held (Note 7)		-	0.00%		-	0.00%



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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

VI. Mainland Activities (Note 6)

(expressed in HK\$ million)

Types of Counterparties	On-balance sheet exposures	Off-balance sheet exposures	Total
<b>As at 30 June 2017</b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	44	-	44
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of central government not reported in items 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	142	111	253
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>186</b>	<b>111</b>	<b>297</b>
<b>Total Assets after provisions</b>	<b>60,109</b>		
<b>On-balance sheet exposure as percentage of total assets</b>	<b>0.31%</b>		

Types of Counterparties	On-balance sheet exposures	Off-balance sheet exposures	Total
<b>As at 31 December 2016</b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	626	-	626
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	584	-	584
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of central government not reported in items 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	186	30	216
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>1,396</b>	<b>30</b>	<b>1,426</b>
<b>Total Assets after provisions</b>	<b>52,673</b>		
<b>On-balance sheet exposure as percentage of total assets</b>	<b>2.65%</b>		

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Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

VII. Currency Risk (Note 8)

Equivalent in millions of HK\$	<u>USD</u>	<u>CNY</u>	<u>Total</u>
<b><u>As at 30 June 2017</u></b>			
Spot assets	8,732	3,697	12,429
Spot liabilities	(17,717)	(635)	(18,352)
Forward purchases	150,094	33,005	183,099
Forward sales	(140,659)	(36,115)	(176,774)
Net option position	-	-	-
<b>Net long (short) position</b>	<b>450</b>	<b>(48)</b>	<b>402</b>
<b>Net structural position</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b><u>As at 31 December 2016</u></b>			
Spot assets	4,970	3,487	8,457
Spot liabilities	(19,592)	(1,462)	(21,054)
Forward purchases	122,773	37,975	160,748
Forward sales	(107,829)	(39,952)	(147,781)
Net option position	-	-	-
<b>Net long (short) position</b>	<b>322</b>	<b>48</b>	<b>370</b>
<b>Net structural position</b>	<b>4</b>	<b>-</b>	<b>4</b>

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**Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017**

<b>VIII. Liquidity Information</b>	<b><u>30 June 2017</u></b>	<b><u>30 June 2016</u></b>
(i) The average liquidity maintenance ratio for the financial period	321.94%	267.95%

(ii) Liquidity Risk Management Policy

To meet the statutory liquidity ratio, UCB HK maintains a secured 3 month positive funding gap by implementing match-funded policy on medium-long term and short term assets; and HQLA investment with central bank eligible securities.

Note 1: A loan to customer is impaired if it is not probable to have a full repayment of principal.

Note 2: For contingent liabilities and commitments, the contract amount represents the amount at risk should the contract be fully drawn upon and the client defaults. The total of the contract amount is not representative of future liquidity requirements.

Note 3: For derivatives, the notional amounts indicate the nominal value of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

Note 4: No bilateral netting arrangements has been taken into account in deriving the fair value.

Note 5: The country or geographical classification has been taken into account of transfer of risk.

Note 6: The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority.

Note 7: Upon the repossession of the assets, the related loans and advances will continue to be recorded in the account.

Note 8: The net options position is calculated by using our internal reporting method.

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 Financial Disclosure for Hong Kong Branch for the financial period ended 30 June 2017

*Section B. Consolidated Group Information*

I. Capital and capital adequacy	<u>30 June 2017</u>	<u>31 December 2016</u>
Capital adequacy ratio	21.2%	20.4%
	<b>EUR Billion</b>	<b>EUR Billion</b>
Shareholders' equity	18.3	20.4
<p>The capital adequacy ratio is computed in accordance with the Basel III and calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p>		
II. Other financial information	<u>30 June 2017</u>	<u>31 December 2016</u>
	EUR Billion	EUR Billion
Total assets	294.6	302.1
Total liabilities	276.3	281.7
Total advances (Note 1)	153.2	154.5
Total customer deposits	117.1	117.2
	<u>30 June 2017</u>	<u>30 June 2016</u>
	EUR Billion	EUR Billion
Pre-tax profit / (loss) for the financial period	0.93	0.57
Note (1) :		
Advances to Bank	30.8	33.0
Advances to Customers	122.4	121.5
Total	<u>153.2</u>	<u>154.5</u>

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