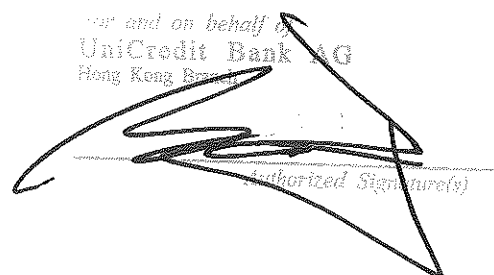


**UniCredit Bank AG  
Hong Kong Branch**

**Disclosure Statement for the Financial Period Ended 31 December 2015**

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



*Authorized Signature(s)*

UniCredit Bank AG

Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

*Section A. Hong Kong Branch Information*

**I. Income statement information**

Description	31 December 2014	31 December 2015
	HK\$ million	HK\$ million
Interest income	474	324
Interest expense	(235)	(230)
Other operating income	41	59
- Gains less losses arising from trading in foreign currencies	(75)	50
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	11	(27)
- Net fees and commission income	24	22
- Fees and commission income	36	34
- Fees and commission expenses	(12)	(12)
- Others	81	14
Operating expenses	(281)	(199)
- Staff expenses	(117)	(103)
- Rental expenses	(23)	(22)
- Other expenses less fee and commission expenses	(141)	(74)
Impairment losses and provision for impaired loans and receivables	6	-
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	5	(46)
Taxation expenses or tax income	-	-
<b>Profit after taxation</b>	<b>5</b>	<b>(46)</b>

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Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

II. Balance sheet information

Description	<u>30 June 2015</u> HK\$ million	<u>31 December 2015</u> HK\$ million
<b>Assets</b>		
Cash and balances with banks (excluding overseas offices)	56	112
Placements with banks maturing between one and twelve months	4,835	1,972
Amounts due from overseas offices of the institution	23,379	43,727
Trade bills	649	778
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	4,276	3,685
- Loans and advances to customers	2,324	1,391
- Loans and advances to banks	8	40
- Other accounts	1,975	2,281
- Provisions for impaired loans and receivables	(31)	(27)
- Collective provision	(14)	(13)
- Individual provision	(17)	(14)
Available-for-sale financial assets	5,278	4,945
Investment Securities	-	-
Other investments	-	-
Property, plant and equipment and investment properties	6	5
<b>Total assets</b>	<u><u>38,479</u></u>	<u><u>55,224</u></u>
<b>Liabilities</b>		
Deposits and balances from banks (excluding overseas offices)	18,606	17,327
Deposits from customers	605	853
- Demand deposits and current accounts	503	697
- Savings deposits	-	-
- Time, call and notice deposits	102	156
Amounts due to overseas offices of the institution	10,887	24,213
Certificates of deposit issued	80	80
Issued debt securities	-	-
Other liabilities	8,301	12,751
Provisions	-	-
<b>Total liabilities</b>	<u><u>38,479</u></u>	<u><u>55,224</u></u>

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Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

Additional balance sheet information

(a) Impaired loans and advances (Note 1)	30 June 2015		31 December 2015	
	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 2015		31 December 2015	
	HK\$ Million		HK\$ Million	
The contractual or notional amounts of each of the following class of off-balance sheet exposures outstanding:				
<b>Contingent liabilities and commitments (Note 2)</b>				
Direct credit substitutes		683		412
Transaction-related contingencies		112		65
Trade-related contingencies		708		517
Note issuance and revolving underwriting facilities		-		-
Other commitments		706		1,771
Others		6,394		9,656
<b>Total</b>		<b>8,603</b>		<b>12,421</b>
<b>Derivatives (Note 3)</b>				
Exchange rate-related derivative contracts		235,868		249,137
Interest rate derivative contracts		7,861		22,404
Others		-		-
<b>Total</b>		<b>243,729</b>		<b>271,541</b>

(c) The fair value of derivatives outstanding (Note 4):	30 June 2015		31 December 2015	
	HK\$ Million		HK\$ Million	
Exchange rate-related derivative contracts		1,488		1,642
Interest rate derivative contracts		67		64
Others		-		-
<b>Total</b>		<b>1,555</b>		<b>1,706</b>

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Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

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 31 December 2015</b>						
1. Developed countries	46,838	1,732	1,722	199	-	50,491
of which Germany	46,065	437	-	-	-	46,502
2. Offshore centres	38	-	-	-	-	38
of which Singapore	37	-	-	-	-	37
3. Developing Europe	119	-	-	-	-	119
of which Russia	90	-	-	-	-	90
of which Turkey	29	-	-	-	-	29
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	-	-	-	-	-	-
of which United Arab Emirates	-	-	-	-	-	-
6. Developing Asia-Pacific	3,148	781	302	-	-	4,231
of which China	2,882	781	-	-	-	3,663
7. International organisations	-	-	-	-	-	-
8. Unallocated by country	-	-	-	-	-	-
Impairments loans and advances to customers	-	-	-	-	-	-
Overdue loans and advances to customers	-	-	-	-	-	-

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Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

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 30 June 2015</b>						
1. Developed countries	25,206	3,492	11	1,509	-	30,218
of which Germany	24,436	2,254	-	700	-	27,390
2. Offshore centres	51	-	-	761	-	812
of which Cayman Islands	-	-	-	761	-	761
3. Developing Europe	26	-	-	-	-	26
of which Russia	-	-	-	-	-	-
of which Turkey	26	-	-	-	-	26
4. Developing Latin America and Caribbean	-	-	-	-	-	-
5. Developing Africa and Middle East	-	-	-	-	-	-
6. Developing Asia-Pacific	6,046	890	-	323	-	7,259
of which China	5,785	890	-	-	-	6,675
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 31 December 2015

IV. Sector information

(expressed in HK\$ million)

Sector classification	30 June 2015		31 December 2015	
	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	-	-	-	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	317	-	314
- Manufacturing	-	33	-	22
- Transport and transport equipment	-	8	-	5
- Recreational activities	-	-	-	-
- Information technology	-	-	-	-
- Others	-	23	-	29
Total industrial, commercial and financial	-	381	-	370
<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		381		370
<i>Trade finance</i>		255		139
<i>Loans and Advances for use outside Hong Kong</i>		1,688		882
<i>Advances to customers (Note 6)</i>		<u>2,324</u>		<u>1,391</u>
<b>Geographic Breakdown :</b>				
Germany		653		633
Italy		601		505
Philippines		266		253

UniCredit Bank AG

Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

V. Overdue and rescheduled assets

(expressed in HK\$ million)

Description	30 June 2015			31 December 2015		
	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%



UniCredit Bank AG

Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

VI. Mainland Activities (Note 6)

(expressed in HK\$ million)

Types of Counterparties	On-balance sheet exposures	Off-balance sheet exposures	Total
<b>As at 31 December 2015</b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	790	-	790
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	629	-	629
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local 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	93	279
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>1,605</b>	<b>93</b>	<b>1,698</b>
<b>Total Assets after provisions</b>	<b>55,224</b>		
<b>On-balance sheet exposure as percentage of total assets</b>	<b>2.91%</b>		

Types of Counterparties	On-balance sheet exposures	Off-balance sheet exposures	Total
<b>As at 30 June 2015</b>			
1. Central government, central government-owned entities and their subsidiaries and JVs	889	-	889
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	662	-	662
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local 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	881	5	886
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
<b>Total</b>	<b>2,432</b>	<b>5</b>	<b>2,437</b>
<b>Total Assets after provisions</b>	<b>38,479</b>		
<b>On-balance sheet exposure as percentage of total assets</b>	<b>6.32%</b>		

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Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015

VII. Currency Risk (Note 8)

Equivalent in millions of HK\$	EUR	USD	Total
<b><u>As at 31 December 2015</u></b>			
Spot assets	25,005	3,074	28,079
Spot liabilities	(23,653)	(25,989)	(49,642)
Forward purchases	59,079	121,335	180,414
Forward sales	(60,479)	(98,533)	(159,012)
Net option position	-	-	-
<b>Net long (short) position</b>	<b>(48)</b>	<b>(113)</b>	<b>(161)</b>
<b>Net structural position</b>	<b>-</b>	<b>5</b>	<b>5</b>
<b><u>As at 30 June 2015</u></b>			
Spot assets	22,159	4,680	26,839
Spot liabilities	(10,773)	(20,442)	(31,215)
Forward purchases	31,473	121,571	153,044
Forward sales	(42,790)	(105,991)	(148,781)
Net option position	-	-	-
<b>Net long (short) position</b>	<b>69</b>	<b>(182)</b>	<b>(113)</b>
<b>Net structural position</b>	<b>-</b>	<b>6</b>	<b>6</b>

**UniCredit Bank AG**

**Financial Disclosure for Hong Kong Branch for the financial period ended 31 December 2015**

<b>VIII. Liquidity Information</b>	<b><u>31 December 2014</u></b>	<b><u>31 December 2015</u></b>
(i) The liquidity ratio for the financial period	153.74%	-
The average liquidity maintenance ratio for the financial period (Implemented on 1 January 2015)	-	123.84%

(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 the HQLA investment with bonds rating A- or above, such as European state government and Chinese government bonds.

**IX. Disclosure on Remuneration System**

Pursuant to section 3 of the Hong Kong Monetary Authority's Supervisory Policy Manual (CG-5) Guidelines on a sound remuneration system, UCB Hong Kong Branch has adopted the remuneration system of UCB, Head Office with reference to page 222 of the Group Annual Report 2015.

The link to Group Annual Report 2015 :

<https://investors.hypovereinsbank.de/cms/english/investorrelations/index.html>

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 31 December 2015

Section B. Consolidated Group Information

I. Capital and capital adequacy	<u>30 June 2015</u>	<u>31 December 2015</u>
Capital adequacy ratio	23.4%	25.1%
	<b>EUR Billion</b>	<b>EUR Billion</b>
Shareholders' equity	20.3	20.8

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.

II. Other financial information	<u>30 June 2015</u> EUR Billion	<u>31 December 2015</u> EUR Billion
Total assets	313.7	298.7
Total liabilities	293.3	277.9
Total advances (Note 1)	155.3	146.3
Total customer deposits	103.6	107.7

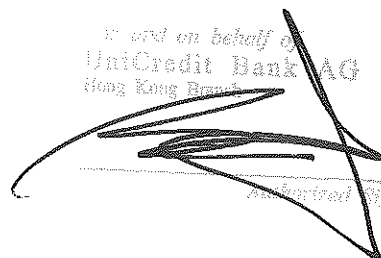
	<u>31 December 2014</u> EUR Billion	<u>31 December 2015</u> EUR Billion
Pre-tax profit / (loss) for the financial period	1.08	0.78

Note (1) :

Advances to Bank	44.1	32.8
Advances to Customers	<u>111.2</u>	<u>113.5</u>
Total	<u><u>155.3</u></u>	<u><u>146.3</u></u>

- END -

Issued on behalf of  
UniCredit Bank AG  
(Hong Kong Branch)



Authorized Signatory(s)