



UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
(Incorporated in Singapore with limited liability)

INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

**FOR THE PERIOD ENDED
30 JUN 2018**

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

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UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED INCOME STATEMENT

	Note	Half-year ended 30 June 2018 HK\$'000	Half-year ended 30 June 2017 HK\$'000
Interest income		1,983,032	1,150,076
Interest expense		<u>(1,275,300)</u>	<u>(605,369)</u>
Net interest income		707,732	544,707
Fee and commission income		392,700	174,504
Fee and commission expenses		<u>(16,712)</u>	<u>(10,603)</u>
Net fee and commission income		375,988	163,901
Net trading gain	1	438,949	346,327
Other income		<u>5,331</u>	<u>4,265</u>
Total income		1,528,000	1,059,200
Operating expenses	2	<u>(351,782)</u>	<u>(320,542)</u>
Net income before impairment allowances		1,176,218	738,658
Net (charge) /reversal of impairment allowances		<u>(97,347)</u>	<u>4,916</u>
Operating profit		1,078,871	743,574
Net gain from disposal of fixed assets and investment properties		<u>57,984</u>	<u>50,473</u>
Profit before taxation		1,136,855	794,047
Taxation		<u>(195,311)</u>	<u>(121,975)</u>
Profit for the period		<u>941,544</u>	<u>672,072</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED BALANCE SHEET

	Note	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Assets			
Cash and balances with central banks and banks	3	6,800,424	12,504,759
Placements with banks maturing between one and twelve months		435,176	390,935
Amount due from overseas offices		14,724,885	6,341,508
Trade bills	4	11,388,756	8,617,667
Securities held for trading purposes		391,649	1,601,210
Positive fair values for derivative financial instruments	10	4,113,470	4,045,551
Amount receivable under reverse repos		14,943,173	12,248,599
Advances to banks		-	-
Advances to customers	5	114,245,662	95,732,131
Financial investments	6	26,452,757	15,749,658
Investment in subsidiary		20	20
Investment properties		492	13,428
Fixed assets		37,873	41,153
Other assets		1,446,912	2,607,208
Total assets		194,981,249	159,893,827
Liabilities			
Deposits and balances from central bank, banks and other financial institutions	7	37,889,213	18,155,439
Negative fair values for derivative financial instruments	10	4,197,268	3,926,073
Deposits from customers	8	57,440,850	56,268,078
Amount due to overseas offices		90,255,689	77,903,854
Certificates of deposit issued	9	1,316,326	518,647
Other liabilities		4,128,667	3,125,577
Reserve for available-for-sale securities		(246,764)	(3,841)
Total liabilities		194,981,249	159,893,827

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION
1. Net trading gain

	Half-year ended 30 June 2018 HK\$'000	Half-year ended 30 June 2017 HK\$'000
Foreign exchange and foreign exchange products	412,220	440,909
Interest rate instruments	19,457	(97,569)
Securities held for trading purposes	5,768	4,495
Others	1,504	(1,508)
	<u>438,949</u>	<u>346,327</u>

2. Operating expenses

	Half-year ended 30 June 2018 HK\$'000	Half-year ended 30 June 2017 HK\$'000
Staff costs	219,556	184,922
Courier expenses	46,659	54,114
Rental expenses	27,139	26,183
Data processing fees	23,542	21,381
Others	34,886	33,942
	<u>351,782</u>	<u>320,542</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
3. Cash and balances with central banks and banks

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Cash in hand	17,195	6,116,529
Balances with central banks	4,456,648	1,123,972
Balances with banks	948,912	886,596
Placements with banks maturing within one month	1,381,646	4,377,662
Less:		
Allowances for non-impaired losses	(3,977)	-
	<u>6,800,424</u>	<u>12,504,759</u>

4. Trade bills

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Gross trade bills	11,525,815	8,696,467
Less:		
Allowances for non-impaired losses	(45,121)	-
Allowances for impaired losses	(91,938)	(78,800)
	<u>11,388,756</u>	<u>8,617,667</u>

5. Advances to customers

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Gross advances to customers	114,626,264	95,934,744
Less:		
Allowances for non-impaired loans	(174,096)	-
Allowances for impaired loans	(206,506)	(202,613)
	<u>114,245,662</u>	<u>95,732,131</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
6. Financial investments

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Certificates of deposit	12,869,127	4,953,272
Treasury bills	10,087,169	9,491,681
Other debt securities	<u>3,496,461</u>	<u>1,304,705</u>
	<u>26,452,757</u>	<u>15,749,658</u>

7. Deposits and balances from central bank, banks and other financial institutions

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Deposits and balances from central bank	15,105,600	8,073,600
Deposits and balances from banks and other financial institutions	<u>22,783,613</u>	<u>10,081,839</u>
	<u>37,889,213</u>	<u>18,155,439</u>

8. Deposits from customers

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Demand deposits and current accounts	8,052,829	4,533,989
Savings deposits	11,128,722	8,966,143
Time, call and notice deposits	<u>38,259,299</u>	<u>42,767,946</u>
	<u>57,440,850</u>	<u>56,268,078</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
9. Certificates of deposit issued

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Designated at fair value through profit or loss	298,019	298,707
At amortised cost	<u>1,018,307</u>	<u>219,940</u>
	<u>1,316,326</u>	<u>518,647</u>

10. Derivative financial instruments

(a) The contractual/ notional amounts of derivative financial instruments are disclosed as follows:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Exchange rate-related contracts		
- Spot and forwards	49,350,003	34,345,329
- Swaps	377,113,277	253,351,197
- Foreign currency options	<u>2,413,065</u>	<u>2,990,653</u>
	<u>428,876,345</u>	<u>290,687,179</u>
Interest rate contracts	127,477,403	111,307,649
Commodity contracts	<u>1,893,012</u>	<u>2,113,490</u>
	<u>558,246,760</u>	<u>404,108,318</u>

The amounts are shown on a gross basis. The contractual amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet dates. The amounts do not represent amounts at risk.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
10. Derivative financial instruments (continued)

(b) The following table summarises the positive and negative fair values of each class of derivative financial instruments:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Positive fair values		
Exchange rate-related contracts		
- Spot and forwards	715,117	672,729
- Swaps	2,323,129	2,656,589
- Foreign currency options	20,329	38,882
	<u>3,058,575</u>	<u>3,368,200</u>
Interest rate contracts	1,020,456	509,146
Commodity contracts	34,439	168,205
	<u>4,113,470</u>	<u>4,045,551</u>
Negative fair values		
Exchange rate-related contracts		
- Spot and forwards	649,378	383,388
- Swaps	2,523,419	2,917,911
- Foreign currency options	49,621	38,882
	<u>3,222,418</u>	<u>3,340,181</u>
Interest rate contracts	946,364	424,235
Commodity contracts	28,486	161,657
	<u>4,197,268</u>	<u>3,926,073</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
11. Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Direct credit substitutes	600,204	524,995
Transaction-related contingencies	1,044,635	1,135,883
Trade-related contingencies	7,064,301	7,719,628
Forward forward deposits placed	23,595	2,464,715
Other commitments	<u>67,302,927</u>	<u>64,455,589</u>
	<u>76,035,662</u>	<u>76,300,810</u>

The above table shows the contractual amounts of credit related commitments and contingencies of United Overseas Bank Limited, Hong Kong Branch ("the Branch"). It includes letters of credit, guarantees and commitments to extend credit to customers. The above amounts represent a worst case scenario of credit risk exposures arising from these instruments, without taking into account any collateral held or other credit enhancements attached. The amounts do not represent amounts at risk at the balance sheet dates.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
12. Liquidity

	Quarter ended 30 June 2018	Quarter ended 31 March 2018	Half-year ended 30 June 2017
Average liquidity maintenance ratio	<u>39.80%</u>	<u>38.15%</u>	<u>39.51%</u>
Average core funding ratio	<u>89.84%</u>	<u>87.30%</u>	<u>N/A</u>

The average liquidity maintenance ratio (“LMR”) is calculated based on the arithmetic mean of the average value of LMR for each quarter for Q1 and Q2 2018 and 6 months’ average for H1 2017, which is made in accordance with the requirements specified under Banking (Disclosure) Rules (“BDR”).

Liquidity Risk Management

Liquidity risk is defined as the risk of impact on a bank’s earnings or capital from its inability to meet its financial or payment obligations as they fall due or its incapability of meeting its liquidity needs without incurring significant costs or losses.

The Branch’s overall Liquidity Risk Governance and Risk Management Framework are governed by United Overseas Bank Limited (“the Group”) and in compliance with local regulatory standards.

Liquidity risk is measured and managed on a projected cash flow basis with daily monitoring and regular stress-testing. Cash flow mismatch limits are delegated by the Group to limit the Branch’s liquidity risk exposures. The Branch also employs liquidity early warning indicators and trigger points to detect early any emerging liquidity risk.

Contingency funding plans are in place to identify potential liquidity crisis using a series of warning indicators. The Branch also maintains a certain percentage of its liability base in the form of cash and other liquid assets as a buffer against unforeseen liquidity requirement. The main objectives are honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and avoiding raising funds at market premiums or through forced sale of assets.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
13. Currency risk

	USD	CNY	SGD	Others	Total
HK\$'million					
As at 30 June 2018					
Hong Kong dollar equivalents					
Spot assets	94,773	1,532	1,081	2,687	100,073
Spot liabilities	(114,433)	(2,011)	(2,831)	(4,299)	(123,574)
Forward purchases	222,924	76,414	4,689	21,392	325,419
Forward sales	(204,068)	(75,759)	(2,748)	(19,811)	(302,386)
Net options position	-	-	-	-	-
Net (short)/ long position	<u>(804)</u>	<u>176</u>	<u>191</u>	<u>(31)</u>	<u>(468)</u>
HK\$'million					
As at 31 December 2017					
Hong Kong dollar equivalents					
Spot assets	77,114	3,257	702	5,097	86,170
Spot liabilities	(96,464)	(2,790)	(1,346)	(1,155)	(101,755)
Forward purchases	153,310	70,131	4,083	13,757	241,281
Forward sales	(133,382)	(70,617)	(3,333)	(17,637)	(224,969)
Net options position	-	-	-	-	-
Net long /(short) position	<u>578</u>	<u>(19)</u>	<u>106</u>	<u>62</u>	<u>727</u>

Net position in a particular foreign currency is disclosed if the net position (regardless of sign) constitutes 10% or more of the total net position in all foreign currencies. The net options position is calculated based on delta-weighted position approach.

There is no structural position in any particular currency as at 30 June 2018 and 31 December 2017.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
14. Analysis of gross advances to customers by industry sectors and loan usage

	As at 30 June 2018		As at 31 December 2017	
	Outstanding balance HK\$'000	Balance covered by collateral HK\$'000	Outstanding balance HK\$'000	Balance covered by collateral HK\$'000
Loans for use in Hong Kong				
Industrial, commercial and financial				
- Property development	19,392,843	10,356,119	17,924,302	9,582,941
- Property investment	24,599,964	18,331,299	15,956,113	11,920,801
- Financial concerns	3,606,908	86,405	5,324,846	117,247
- Stockbrokers	4,472,592	-	2,114,223	36,219
- Wholesale and retail trade	2,384,780	2,004,232	1,930,709	1,634,487
- Manufacturing	6,567,145	2,205,891	4,962,816	1,321,423
- Transport and transport equipment	780,164	454,192	618,110	310,156
- Recreational activities	155,784	113,005	96,111	63,538
- Information technology	1,333,332	617,616	1,678,853	624,979
- Others	15,308,444	12,235,539	11,739,630	9,585,490
Subtotal	<u>78,601,956</u>	<u>46,404,298</u>	<u>62,345,713</u>	<u>35,197,281</u>
Individuals				
- Loans for purchase of other residential properties	88,942	88,942	53,820	53,820
- Others	146,967	145,951	111,505	104,773
Subtotal	<u>235,909</u>	<u>234,893</u>	<u>165,325</u>	<u>158,593</u>
Total loans for use in Hong Kong	<u>78,837,865</u>	<u>46,639,191</u>	62,511,038	35,355,874
Trade finance	18,716,258	2,076,456	15,665,518	1,368,598
Loans for use outside Hong Kong	<u>17,072,141</u>	<u>4,263,017</u>	<u>17,758,188</u>	<u>3,635,541</u>
Gross advances to customers	<u><u>114,626,264</u></u>	<u><u>52,978,664</u></u>	<u><u>95,934,744</u></u>	<u><u>40,360,013</u></u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
15. Analysis of gross advances to customers by geographical areas

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Hong Kong	99,759,530	83,085,815
Mainland China	8,110,983	7,198,472
Other areas	6,755,751	5,650,457
	<u>114,626,264</u>	<u>95,934,744</u>

The above analysis of gross advances to customers by geographical areas is based on the location of the counterparties where it constitutes 10% or more of the total gross advances to customers after taking into account the transfer of risk. In general, transfer of risk applies when a claim is guaranteed by a party situated in a country different from the counterparty.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
16. International claims

	Banks	Official sectors	Non-bank private sectors		Total
			Non-bank financial institutions	Non-financial private sectors	
HK\$'million					
As at 30 June 2018					
Developed countries	3,173	1	-	504	3,678
Offshore centres, of which:	20,782	-	4,453	38,878	64,113
- Singapore	15,277	-	863	1,613	17,753
- Hong Kong	5,505	-	3,590	32,794	41,889
- Other areas	-	-	-	4,471	4,471
Developing Asia Pacific, of which:	20,859	-	771	17,613	39,243
- Mainland China	17,568	-	771	17,542	35,881
- Other areas	3,291	-	-	71	3,362
Others	-	-	-	2	2
Total	44,814	1	5,224	56,997	107,036
HK\$'million					
As at 31 December 2017					
Developed countries	4,724	4,006	-	34	8,764
Offshore centres, of which:	10,953	124	3,427	36,724	51,228
- Singapore	7,836	120	941	1,214	10,111
- Hong Kong	3,114	-	2,486	30,160	35,760
- Other areas	3	4	-	5,350	5,357
Developing Asia Pacific, of which:	14,996	282	1,040	15,146	31,464
- Mainland China	14,119	106	1,040	15,043	30,308
- Other areas	877	176	-	103	1,156
Others	-	67	-	-	67
Total	30,673	4,479	4,467	51,904	91,523

The above analysis is prepared with reference to the completion instructions for the Hong Kong Monetary Authority Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. Claims on individual countries or areas after risk transfer, amounting to 10% or more of the aggregate international claims of the Branch, are shown.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
17. Impaired advances to customers and trade bills

Impaired advances to customers and trade bills are those assets where objective evidence exists that full repayment of principal or interest is considered unlikely.

(a) Impaired advances to customers

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Gross impaired advances to customers	211,255	202,613
Allowances for impaired loan	(206,506)	(202,613)
	<u>4,749</u>	<u>-</u>
Value of collateral taken into account in respect of such advances to customers to which the allowances for impaired loan relate	1,752	-
Percentage of such advances to customers to total gross advances to customers	0.18%	0.21%

Analysis of gross impaired advances to customers by geographical areas:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Singapore	163,895	157,160
Hong Kong	47,360	45,453
	<u>211,255</u>	<u>202,613</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
17. Impaired advances to customers and trade bills (continued)
(b) Impaired trade bills

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Gross impaired trade bills	108,409	78,800
Allowances for impaired losses	<u>(91,938)</u>	<u>(78,800)</u>
	<u>16,471</u>	<u>-</u>
Value of collateral taken into account in respect of such trade bills to which the allowances for impaired losses relate	-	-
Percentage of such trade bills to total trade bills	0.94%	0.91%

Analysis of gross impaired trade bills by geographical areas:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Singapore	55,169	22,848
Hong Kong	<u>53,240</u>	<u>55,952</u>
	<u>108,409</u>	<u>78,800</u>

(c) There are no allowances for impaired losses on advance to banks and debt securities as at 30 June 2018 and 31 December 2017 respectively.

The above analyses of gross impaired advances to customers and gross impaired trade bills by geographical areas are based on the location of the counterparties after taking into account the transfer of risk. In general, transfer of risk applies when a claim is guaranteed by a party situated in a country different from the counterparty.

Collective impairment allowances

The Branch does not make collective impairment allowances for loans and advances as at December 2017. This is considered centrally on a global basis by the Group, based on an assessment of the degree of credit risk inherent in the Group's overall portfolio of loans and advances and other risk exposures.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
18. Overdue advances, rescheduled advances and repossessed assets
(a) Gross overdue advances to customers

	As at 30 June 2018		As at 31 December 2017	
	HK\$'000	% of total gross advances to customers	HK\$'000	% of total gross advances to customers
Gross advances to customers which have been overdue for:				
- six months or less but over three months	8	0.00%	22	0.00%
- one year or less but over six months	-	0.00%	3,375	0.00%
- over one year	<u>203,303</u>	<u>0.18%</u>	<u>199,238</u>	<u>0.21%</u>
Total	<u>203,311</u>	<u>0.18%</u>	<u>202,635</u>	<u>0.21%</u>

Analysis of gross overdue advances to customers which are overdue for more than three months by geographical areas:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Singapore	157,695	157,160
Hong Kong	<u>45,616</u>	<u>45,475</u>
	<u>203,311</u>	<u>202,635</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

18. Overdue advances, rescheduled advances and repossessed assets (continued)

(b) Gross overdue trade bills

	As at 30 June 2018		As at 31 December 2017	
	HK\$'000	% of total gross trade bills	HK\$'000	% of total gross trade bills
Gross trade bills which have been overdue for:				
- six months or less but over three months	-	0.00%	-	0.00%
- one year or less but over six months	-	0.00%	-	0.00%
- over one year	<u>75,548</u>	<u>0.66%</u>	<u>78,800</u>	<u>0.91%</u>
Total	<u>75,548</u>	<u>0.66%</u>	<u>78,800</u>	<u>0.91%</u>

Analysis of gross overdue trade bills which are overdue for more than three months by geographical areas:

	As at 30 June 2018 HK\$'000	As at 31 December 2017 HK\$'000
Hong Kong	53,240	55,952
Singapore	<u>22,308</u>	<u>22,848</u>
	<u>75,548</u>	<u>78,800</u>

(c) There are no rescheduled advances to customers as at 30 June 2018 and 31 December 2017.

(d) There are no advances to banks and debt securities which are overdue for more than three months or have been rescheduled as at 30 June 2018 and 31 December 2017.

(e) There are no repossessed assets as at 30 June 2018 and 31 December 2017.

The above analysis of gross overdue advances to customers and gross overdue trade bills by geographical areas are based on the location of the counterparties after taking into account the transfer of risk. In general, transfer of risk applies when a claim is guaranteed by a party situated in a country different from the counterparty.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

18. Overdue advances, rescheduled advances and repossessed assets (continued)

(f) Current market value of collateral held against advances overdue for more than three months

	Outstanding amount of advances HK\$'000	Current market value of collateral HK\$'000	Covered portion HK\$'000	Uncovered portion HK\$'000	Individual impairment allowances HK\$'000
As at 30 June 2018					
Overdue advances					
- Fully covered advances	-	-	-	-	-
- Partially covered advances	-	-	-	-	-
- Uncovered advances	<u>203,311</u>	<u>-</u>	<u>-</u>	<u>203,311</u>	<u>203,303</u>
Total	<u>203,311</u>	<u>-</u>	<u>-</u>	<u>203,311</u>	<u>203,303</u>
As at 31 December 2017					
Overdue advances					
- Fully covered advances	-	-	-	-	-
- Partially covered advances	-	-	-	-	-
- Uncovered advances	<u>202,635</u>	<u>-</u>	<u>-</u>	<u>202,635</u>	<u>202,612</u>
Total	<u>202,635</u>	<u>-</u>	<u>-</u>	<u>202,635</u>	<u>202,612</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

18. Overdue advances, rescheduled advances and repossessed assets (continued)

(g) Current market value of collateral held against trade bills overdue for more than three months

	Outstanding amount of trade bills HK\$'000	Current market value of collateral HK\$'000	Covered portion HK\$'000	Uncovered portion HK\$'000	Individual impairment allowances HK\$'000
As at 30 June 2018					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	-	-	-	-	-
- Uncovered trade bills	<u>75,548</u>	<u>-</u>	<u>-</u>	<u>75,548</u>	<u>75,548</u>
Total	<u>75,548</u>	<u>-</u>	<u>-</u>	<u>75,548</u>	<u>75,548</u>
As at 31 December 2017					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	-	-	-	-	-
- Uncovered trade bills	<u>78,800</u>	<u>-</u>	<u>-</u>	<u>78,800</u>	<u>78,800</u>
Total	<u>78,800</u>	<u>-</u>	<u>-</u>	<u>78,800</u>	<u>78,800</u>

The Branch follows the Group's guidelines and standards on acceptability of specific collateral for credit risk mitigation. Collateral is taken whenever possible to mitigate the credit risk assumed and the value of the collateral is monitored periodically. The main types of collateral are cash, marketable securities, real estate, equipment, inventory and receivables.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
19. Non-bank Mainland China exposures

Type of counterparties	On-balance sheet exposures HK\$'million	Off-balance sheet exposures HK\$'million	Total HK\$'million
As at 30 June 2018			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	22,522	1,865	24,387
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,819	1,026	2,845
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,149	1,213	3,362
(4) Other entities of central government not reported in item 1 above	2,000	393	2,393
(5) Other entities of local governments not reported in item 2 above	8,222	17	8,239
(6) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,659	2,766	9,425
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	6,969	1,802	8,771
Total	<u>50,340</u>	<u>9,082</u>	<u>59,422</u>
Total assets after provisions	<u>194,924</u>		
On-balance sheet exposures as percentage of total assets	<u>25.83%</u>		

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
19. Non-bank Mainland China exposures (continued)

Type of counterparties	On-balance sheet exposures HK\$'million	Off-balance sheet exposures HK\$'million	Total HK\$'million
As at 31 December 2017			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	20,180	2,108	22,288
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,195	802	1,997
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,384	1,473	2,857
(4) Other entities of central government not reported in item 1 above	2,157	825	2,982
(5) Other entities of local governments not reported in item 2 above	8,378	22	8,400
(6) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,781	2,725	9,506
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,642	1,706	6,348
Total	44,717	9,661	54,378
Total assets after provisions	159,901		
On-balance sheet exposures as percentage of total assets	27.97%		

There are no allowances for impaired loan on non-bank Mainland China exposures as at 30 June 2018 and 31 December 2017 respectively.

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

20. Remuneration policy

The remuneration policy and systems of the Branch are established according to the framework of the Group remuneration guidelines for its employees engaged in the business and operations in Hong Kong.

The information related to the Group remuneration system are disclosed in the annual report of United Overseas Bank Limited.

21. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statements presentation adopted in the current year.

Hong Kong, 28 September 2018

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

UNAUDITED GROUP CONSOLIDATED FINANCIAL INFORMATION

The information set out below is based on the consolidated accounts of United Overseas Bank Limited (the "Group").

1. Capital and capital adequacy ratios

The Group computes its capital adequacy ratios in accordance with the Basel III capital adequacy requirements set out in the Monetary Authority of Singapore ("MAS") No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore".

	As at 30 June 2018 S\$'million	(Audited) As at 31 December 2017 S\$'million
Group shareholders' equity	37,660	36,850
Group's capital adequacy ratios		
Common Equity Tier 1	14.5%	15.1%
Tier 1	16.0%	16.2%
Total	18.4%	18.7%

2. Other financial information

	Half-year ended 30 June 2018 S\$'million	Half-year ended 30 June 2017 S\$'million
Pre-tax profit	2,476	2,047

	As at 30 June 2018 S\$'million	(Audited) As at 31 December 2017 S\$'million
Total assets	384,263	358,592
Total liabilities	346,413	321,556
Total gross customer loans	249,739	236,028
Total customer deposits	287,515	272,765