



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

INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENTS

**FOR THE PERIOD ENDED
30 JUN 2019**

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UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED INCOME STATEMENT

	Note	Half-year ended 30 June 2019 HK\$'000	Half-year ended 30 June 2018 HK\$'000
Interest income		2,919,795	1,983,032
Interest expense		<u>(2,032,267)</u>	<u>(1,275,300)</u>
Net interest income		887,528	707,732
Fee and commission income		466,053	392,700
Fee and commission expenses		<u>(9,345)</u>	<u>(16,712)</u>
Net fee and commission income		456,708	375,988
Net trading gain	1	368,409	438,949
Other income		<u>4,998</u>	<u>5,331</u>
Total income		1,717,643	1,528,000
Operating expenses	2	<u>(324,203)</u>	<u>(351,782)</u>
Net income before impaired advances and receivables allowances		1,393,440	1,176,218
Net reversal / (charge) of impaired advances and receivables		<u>153,707</u>	<u>(97,347)</u>
Operating profit		1,547,147	1,078,871
Net gain from disposal of fixed assets and investment properties		<u>-</u>	<u>57,984</u>
Profit before taxation		1,547,147	1,136,855
Taxation		<u>(257,888)</u>	<u>(195,311)</u>
Profit for the year		<u>1,289,259</u>	<u>941,544</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED BALANCE SHEET

	Note	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Assets			
Cash and balances with central banks and banks	3	4,330,590	7,830,506
Placements with banks maturing between one and twelve months		334,245	110,000
Amount due from overseas offices		8,544,868	4,349,091
Trade bills	4	8,946,147	10,390,041
Securities held for trading purposes		-	147,501
Positive fair values for derivative financial instruments	10	3,729,019	4,081,926
Amount receivable under reverse repos		7,581,305	11,913,217
Advances to banks		-	-
Advances to customers	5	124,776,945	122,007,561
Financial investments	6	31,929,800	29,296,439
Investment in subsidiary		20	20
Investment properties		492	492
Fixed assets		208,276	56,044
Other assets		1,448,578	1,275,599
Total assets		191,830,285	191,458,437
Liabilities			
Deposits and balances from central banks, banks and other financial institutions	7	29,870,328	21,950,424
Negative fair values for derivative financial instruments	10	3,565,261	3,799,979
Deposits from customers	8	62,224,995	70,410,793
Amount due to overseas offices		90,240,491	89,219,946
Certificates of deposit issued	9	599,967	1,199,171
Issued debt securities		1,000,000	1,000,000
Other liabilities		4,340,101	4,089,743
Reserve for securities classified at fair value through other comprehensive income		(10,858)	(211,619)
Total liabilities		191,830,285	191,458,437

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

	Half-year ended 30 June 2019 HK\$'000	Half-year ended 30 June 2018 HK\$'000
Foreign exchange	270,344	412,220
Interest rate instruments	98,391	19,457
Commodity contracts	368	81
Securities held for trading purposes	690	5,768
Others	<u>(1,384)</u>	<u>1,423</u>
	<u>368,409</u>	<u>438,949</u>

2. Operating expenses

	Half-year ended 30 June 2019 HK\$'000	Half-year ended 30 June 2018 HK\$'000
Staff costs	244,057	219,556
Rental expenses	6,582	27,139
Courier expenses	2,404	46,659
Data processing fees	19,774	23,542
Others	<u>51,386</u>	<u>34,886</u>
	<u>324,203</u>	<u>351,782</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
3. Cash and balances with central banks and banks

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Cash in hand	33,158	20,755
Balances with central banks	19,922	4,130,740
Balances with banks	701,392	931,454
Placements with banks maturing within one month	3,576,632	2,748,157
Less:		
Allowances for non-impaired losses	(514)	(600)
	<u>4,330,590</u>	<u>7,830,506</u>

4. Trade bills

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Gross trade bills	8,997,986	10,475,777
Less:		
Allowances for non-impaired losses	(10,487)	(44,261)
Allowances for impaired losses	(41,352)	(41,475)
	<u>8,946,147</u>	<u>10,390,041</u>

5. Advances to customers

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Gross advances to customers	125,048,009	122,431,571
Less:		
Allowances for non-impaired advances	(222,229)	(222,427)
Allowances for impaired advances	(48,835)	(201,583)
	<u>124,776,945</u>	<u>122,007,561</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
6. Financial investments

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Treasury bills	10,451,642	11,973,125
Certificates of deposit	16,600,412	11,864,324
Other debt securities	<u>4,877,746</u>	<u>5,458,990</u>
	<u>31,929,800</u>	<u>29,296,439</u>

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

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Deposits and balances from central banks	13,922,500	12,292,000
Deposits and balances from banks and other financial institutions	<u>15,947,828</u>	<u>9,658,424</u>
	<u>29,870,328</u>	<u>21,950,424</u>

8. Deposits from customers

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Demand deposits and current accounts	7,269,550	8,068,828
Savings deposits	9,872,228	11,389,729
Time, call and notice deposits	<u>45,083,217</u>	<u>50,952,236</u>
	<u>62,224,995</u>	<u>70,410,793</u>

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
9. Certificates of deposit issued

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Designated at fair value through profit or loss	-	299,233
At amortised cost	<u>599,967</u>	<u>899,938</u>
	<u>599,967</u>	<u>1,199,171</u>

10. Derivative financial instruments

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

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Exchange rate-related contracts		
- Spot and forwards	37,689,961	32,748,930
- Swaps	394,005,283	324,690,132
- Options	<u>1,957,171</u>	<u>1,875,342</u>
	<u>433,652,415</u>	<u>359,314,404</u>
Interest rate contracts	201,304,109	125,194,393
Commodity contracts	337,653	1,219,962
Credit derivative contracts	<u>3,123,260</u>	<u>3,132,620</u>
	<u>638,417,437</u>	<u>488,861,379</u>

The amounts are shown on a gross basis and do not take into account the effect of bilateral netting arrangements.

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.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
10. Derivative financial instruments (continued)

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

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Positive fair values		
Exchange rate-related contracts		
- Spot and forwards	429,575	533,628
- Swaps	1,999,946	2,469,421
- Options	45,570	55,714
	<u>2,475,091</u>	<u>3,058,763</u>
Interest rate contracts	1,206,795	724,918
Commodity contracts	27,794	161,795
Credit derivative contracts	19,339	136,450
	<u>3,729,019</u>	<u>4,081,926</u>
Negative fair values		
Exchange rate-related contracts		
- Spot and forwards	689,657	620,857
- Swaps	1,668,883	2,145,601
- Options	60,820	73,338
	<u>2,419,360</u>	<u>2,839,796</u>
Interest rate contracts	1,119,166	684,618
Commodity contracts	26,735	158,148
Credit derivative contracts	-	117,417
	<u>3,565,261</u>	<u>3,799,979</u>

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 2019 HK\$'000	As at 31 December 2018 HK\$'000
Direct credit substitutes	1,322,480	1,310,903
Transaction-related contingencies	1,702,984	1,267,230
Trade-related contingencies	9,535,207	7,426,392
Forward forward deposits placed	4,068,487	76,232
Other commitments	<u>85,717,206</u>	<u>79,807,538</u>
	<u>102,346,364</u>	<u>89,888,295</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.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
12. Liquidity
(i) Liquidity Maintenance Ratio (LMR)

	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Average LMR for 3 months periods	40.15%	39.80%

(ii) Core Funding Ratio (CFR)

	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Average CFR for 3 months periods	100.34%	89.84%

The average LMR & CFR are calculated based on the arithmetic mean of each month's corresponding average ratios for the quarter, which are made in accordance with the requirements specified under Banking (Disclosure) Rules ("BDR").

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

12. Liquidity (continued)

(iii) Liquidity Risk Management

Liquidity risk is the risk arising from a bank's potential inability to meet all its financial or payment obligations when they fall due or only being able to meet these obligations at significant costs or losses.

The objective of the Branch's liquidity risk management align with the Group's risk management framework which is to ensure that the Branch maintains sufficient liquidity to fund our day-to-day operations, to meet deposit withdrawals and loan disbursements, to participate in new investments and to repay borrowings. Hence, liquidity is managed in a manner to address known as well as unanticipated cash funding needs.

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by the Group ALCO. These policies, controls and limits enable the Branch to monitor and to manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. These include minimising excessive funding concentrations by diversifying the sources and terms of funding, and maintaining a portfolio of high quality and marketable debt securities.

The Branch takes a conservative stance on liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that there are adequate liquid assets to meet cash shortfall.

The distribution of deposits is managed actively to ensure a balance between cost effectiveness, continued accessibility to funds and diversification of funding sources. The Branch establishes concentration limits on collateral pools and sources of funding, such as concentration of bond securities holding and concentration of top 20 depositors. Important factors in ensuring liquidity are competitive pricing, proactive management of the Branch's core deposits and the maintenance of customer confidence.

The Branch's liquidity risk is aligned with the regulatory liquidity risk management framework and is measured and managed on a projected cash flow basis. The Branch is monitored under business-as-usual and stress scenarios. Cash flow mismatch limits are established to limit liquidity exposure. The Branch also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

The Branch has contingency funding plans in place to identify potential liquidity crises using a series of warning indicators. Crisis management processes and various strategies including funding and communication have been developed to minimise the impact of any liquidity crunch.

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

	USD	CNY	JPY	SGD	Others	Total
HK\$'million						
As at 30 June 2019						
Hong Kong dollar equivalents						
Spot assets	72,496	1,651	1,854	472	4,759	81,232
Spot liabilities	(109,986)	(1,564)	(68)	(1,308)	(1,496)	(114,422)
Forward purchases	236,182	102,238	2,355	4,963	9,145	354,883
Forward sales	(197,113)	(102,619)	(4,027)	(4,299)	(12,591)	(320,649)
Net options position	-	-	-	-	-	-
Net long /(short) position	<u>1,579</u>	<u>(294)</u>	<u>114</u>	<u>(172)</u>	<u>(183)</u>	<u>1,044</u>
HK\$'million						
As at 31 December 2018						
Hong Kong dollar equivalents						
Spot assets	77,188	2,191	1,645	1,504	3,368	85,896
Spot liabilities	(110,643)	(3,869)	(21)	(2,101)	(1,477)	(118,111)
Forward purchases	195,169	86,984	2,491	3,935	9,635	298,214
Forward sales	(161,343)	(85,444)	(4,145)	(3,338)	(11,467)	(265,737)
Net options position	-	-	-	-	-	-
Net long /(short) position	<u>371</u>	<u>(138)</u>	<u>(30)</u>	<u>0</u>	<u>59</u>	<u>262</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 2019 and 31 December 2018.

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 2019		As at 31 December 2018	
	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	21,295,915	12,097,205	22,076,712	11,679,785
- Property investment	25,891,024	19,480,375	22,554,190	16,215,385
- Financial concerns	2,186,076	135,356	2,702,989	138,829
- Stockbrokers	2,741,474	-	3,794,870	-
- Wholesale and retail trade	4,911,616	2,643,230	3,228,826	2,358,537
- Manufacturing	6,480,934	2,348,541	6,762,705	1,941,438
- Transport and transport equipment	2,181,428	738,676	982,337	556,890
- Recreational activities	184,029	39,461	127,967	110,967
- Information technology	1,762,902	605,424	2,035,686	608,265
- Others	22,947,343	16,914,236	21,734,448	16,060,889
Subtotal	90,582,741	55,002,504	86,000,730	49,670,985
Individuals				
- Loans for purchase of other residential properties	138,596	138,596	86,919	86,919
- Others	135,884	95,091	138,851	138,851
Subtotal	274,480	233,687	225,770	225,770
Total loans for use in Hong Kong	90,857,221	55,236,191	86,226,500	49,896,755
Trade finance	18,196,497	2,854,991	16,443,113	2,381,614
Loans for use outside Hong Kong	15,994,291	4,946,392	19,761,958	5,118,996
Gross advances to customers	125,048,009	63,037,574	122,431,571	57,397,365

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 2019 HK\$'000	As at 31 December 2018 HK\$'000
Hong Kong	110,270,252	107,128,386
Mainland China	9,292,550	8,813,256
Other areas	<u>5,485,207</u>	<u>6,489,929</u>
	<u>125,048,009</u>	<u>122,431,571</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 2019					
Developed countries	7,294	-	775	1,282	9,351
Offshore centres, of which:	14,969	1	6,682	32,085	53,737
- Singapore	10,705	1	676	1,097	12,479
- Hong Kong	4,264	-	6,006	29,289	39,559
- Other areas	-	-	-	1,699	1,699
Developing Latin America and Caribbean	-	-	-	-	-
Developing Asia Pacific, of which:	15,161	-	533	14,438	30,132
- Mainland China	12,745	-	533	13,423	26,701
- Other areas	2,416	-	-	1,015	3,431
Others	-	-	-	-	-
Total	37,424	1	7,990	47,805	93,220
HK\$'million					
As at 31 December 2018					
Developed countries	9,900	1	-	1,305	11,206
Offshore centres, of which:	10,360	-	8,073	36,932	55,365
- Singapore	5,271	-	1,125	595	6,991
- Hong Kong	5,089	-	6,948	33,159	45,196
- Other areas	-	-	-	3,178	3,178
Developing Latin America and Caribbean	-	-	-	-	-
Developing Asia Pacific, of which:	13,259	-	535	11,830	25,624
- Mainland China	11,829	-	535	11,465	23,829
- Other areas	1,430	-	-	365	1,795
Others	2	-	-	-	2
Total	33,521	1	8,608	50,067	92,197

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 2019 HK\$'000	As at 31 December 2018 HK\$'000
Gross impaired advances to customers	95,056	238,049
Allowances for impaired advances	<u>(48,835)</u>	<u>(201,583)</u>
	<u>46,221</u>	<u>36,466</u>
Value of collateral taken into account in respect of such advances to customers to which the allowances for the impaired advances relate	10,645	2,274
Percentage of such advances to customers to total gross advances to customers	0.08%	0.19%

Analysis of gross impaired advances to customers by geographical areas:

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Singapore	22,966	171,460
Hong Kong	<u>72,090</u>	<u>66,589</u>
	<u>95,056</u>	<u>238,049</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 2019 HK\$'000	As at 31 December 2018 HK\$'000
Gross impaired trade bills	41,352	41,475
Allowances for impaired losses	<u>(41,352)</u>	<u>(41,475)</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	0.46%	0.40%

Analysis of gross impaired trade bills by geographical areas:

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Singapore	33,021	33,119
Hong Kong	<u>8,331</u>	<u>8,356</u>
	41,352	41,475

(c) There are no allowances for impaired losses on advance to banks and debt securities as at 30 June 2019 and 31 December 2018 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 where it constitutes 10% or more of the total 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
(a) Gross overdue advances to customers

	As at 30 June 2019		As at 31 December 2018	
	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	29,113	0.02%	16	0.00%
- one year or less but over six months	25	0.00%	6,242	0.00%
- over one year	6,306	0.01%	32,829	0.03%
Total	35,444	0.03%	39,087	0.03%

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

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Singapore	22,966	6,232
Hong Kong	12,448	32,855
Others	30	-
	35,444	39,087

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 2019		As at 31 December 2018	
	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%	26,073	0.25%
- one year or less but over six months	25,996	0.29%	7,046	0.07%
- over one year	15,356	0.17%	8,356	0.08%
Total	41,352	0.46%	41,475	0.40%

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

	As at 30 June 2019 HK\$'000	As at 31 December 2018 HK\$'000
Singapore	33,021	33,119
Hong Kong	8,331	8,356
	41,352	41,475

(c) There are no rescheduled advances to customers as at 30 June 2019 and 31 December 2018.

(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 2019 and 31 December 2018.

(e) There are no repossessed assets as at 30 June 2019 and 31 December 2018.

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 where it constitutes 10% or more of the total 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 to customers 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 2019					
Overdue advances					
- Fully covered advances	2,000	2,050	2,000	-	-
- Partially covered advances	10,312	1,250	1,250	9,062	3,127
- Uncovered advances	<u>23,132</u>	<u>-</u>	<u>-</u>	<u>23,132</u>	<u>23,059</u>
Total	<u><u>35,444</u></u>	<u><u>3,300</u></u>	<u><u>3,250</u></u>	<u><u>32,194</u></u>	<u><u>26,186</u></u>
As at 31 December 2018					
Overdue advances					
- Fully covered advances	-	-	-	-	-
- Partially covered advances	-	-	-	-	-
- Uncovered advances	<u>39,087</u>	<u>-</u>	<u>-</u>	<u>39,087</u>	<u>39,087</u>
Total	<u><u>39,087</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>39,087</u></u>	<u><u>39,087</u></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 2019					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	-	-	-	-	-
- Uncovered trade bills	<u>41,352</u>	<u>-</u>	<u>-</u>	<u>41,352</u>	<u>41,352</u>
Total	<u>41,352</u>	<u>-</u>	<u>-</u>	<u>41,352</u>	<u>41,352</u>
As at 31 December 2018					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	-	-	-	-	-
- Uncovered trade bills	<u>41,475</u>	<u>-</u>	<u>-</u>	<u>41,475</u>	<u>41,475</u>
Total	<u>41,475</u>	<u>-</u>	<u>-</u>	<u>41,475</u>	<u>41,475</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 2019			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	16,742	3,057	19,799
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,567	802	2,369
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,596	2,283	11,879
(4) Other entities of central government not reported in item 1 above	1,987	263	2,250
(5) Other entities of local governments not reported in item 2 above	94	134	228
(6) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,727	3,089	9,816
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,244	433	4,677
Total	<u>40,957</u>	<u>10,061</u>	<u>51,018</u>
Total assets after provisions	<u>191,760</u>		
On-balance sheet exposures as percentage of total assets	<u>21.36%</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 2018			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	18,220	2,306	20,526
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,742	708	2,450
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	12,392	2,652	15,044
(4) Other entities of central government not reported in item 1 above	1,938	169	2,107
(5) Other entities of local governments not reported in item 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	6,878	2,860	9,738
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,632	1,160	5,792
Total	45,802	9,855	55,657
Total assets after provisions	191,389		
On-balance sheet exposures as percentage of total assets	23.93%		

There are no allowances for impaired loan on non-bank Mainland China exposures as at 30 June 2019 and 31 December 2018 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, 30 September 2019

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

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 2019 S\$'million	As at 31 December 2018 S\$'million
Group shareholders' equity	39,033	37,623
Group's capital adequacy ratios		
Common Equity Tier 1	13.9%	13.9%
Tier 1	14.9%	14.9%
Total	17.2%	17.0%

2. Other financial information

	Period ended 30 June 2019 S\$'million	Period ended 30 June 2018 S\$'million
Pre-tax profit	2,660	2,476

	As at 30 June 2019 S\$'million	As at 31 December 2018 S\$'million
Total assets	406,382	388,092
Total liabilities	367,147	350,280
Total gross customer loans	272,881	261,707
Total customer deposits	304,792	293,186