



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

**FINANCIAL INFORMATION DISCLOSURE STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2020**

**UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH****TABLE OF CONTENTS**

	Page
UNAUDITED INCOME STATEMENT	1
UNAUDITED BALANCE SHEET	2
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION	3
GROUP CONSOLIDATED FINANCIAL INFORMATION	26

**UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH**
**UNAUDITED INCOME STATEMENT**

		Year ended 31 December 2020	Year ended 31 December 2019
	Note	HK\$'000	HK\$'000
Interest income		4,141,024	5,940,207
Interest expense		<u>(1,715,010)</u>	<u>(3,933,779)</u>
<b>Net interest income</b>		<b>2,426,014</b>	<b>2,006,428</b>
Fee and commission income		465,049	672,157
Fee and commission expenses		<u>(20,942)</u>	<u>(22,711)</u>
<b>Net fee and commission income</b>		<b>444,107</b>	<b>649,446</b>
<b>Net trading gain</b>	1	<b>3,618</b>	581,634
<b>Other income</b>		<u>6,360</u>	<u>27,823</u>
<b>Total income</b>		<b>2,880,099</b>	<b>3,265,331</b>
<b>Operating expenses</b>	2	<u>(665,751)</u>	<u>(707,364)</u>
<b>Net income before impaired advances and receivables allowances</b>		<b>2,214,348</b>	<b>2,557,967</b>
Net charge of impaired advances and receivables		<u>(450,561)</u>	<u>(4,330)</u>
<b>Operating profit</b>		<b>1,763,787</b>	<b>2,553,637</b>
Net gain from disposal of fixed assets and investment properties		<u>-</u>	<u>-</u>
<b>Profit before taxation</b>		<b>1,763,787</b>	<b>2,553,637</b>
Taxation		<u>(326,897)</u>	<u>(423,079)</u>
<b>Profit for the year</b>		<b><u>1,436,890</u></b>	<b><u>2,130,558</u></b>

**UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH**
**UNAUDITED BALANCE SHEET**

	Note	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
<b>Assets</b>			
Cash and balances with central banks and banks	3	2,164,511	1,950,659
Placements with banks maturing between one and twelve months		1,979,297	852,533
Amount due from overseas offices		1,245,894	2,415,755
Trade bills	4	7,664,037	6,805,495
Securities held for trading purposes		2,146,657	2,479,572
Positive fair values for derivative financial instruments	10	8,594,942	5,994,022
Amount receivable under reverse repos		13,081,691	5,728,717
Advances to banks		-	-
Advances to customers	5	133,181,463	129,885,400
Financial investments	6	29,181,105	36,139,334
Investment in subsidiary		20	20
Investment property		492	492
Fixed assets		401,279	255,991
Other assets		1,902,221	1,629,267
Total assets		<b>201,543,609</b>	<b>194,137,257</b>
<b>Liabilities</b>			
Deposits and balances from central banks, banks and other financial institutions	7	8,274,054	20,906,173
Negative fair values for derivative financial instruments	10	8,348,388	5,655,519
Amount payable under repos		1,243,794	281,719
Deposits from customers	8	50,848,159	59,507,559
Amount due to overseas offices		126,554,303	100,908,633
Certificates of deposit issued	9	300,000	300,000
Issued debt securities		-	1,000,000
Other liabilities		5,967,753	5,551,798
Reserve for securities classified at fair value through other comprehensive income		7,158	25,856
Total liabilities		<b>201,543,609</b>	<b>194,137,257</b>

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

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000
Foreign exchange	(545)	286,837
Interest rate instruments	(59,219)	276,958
Commodity contracts	39,596	4
Credit derivative contracts	19,790	14,493
Securities held for trading purposes	3,410	1,766
Others	586	1,576
	<u>3,618</u>	<u>581,634</u>

**2. Operating expenses**

	Year ended 31 December 2020 HK\$'000	Year ended 31 December 2019 HK\$'000
Staff costs	439,896	528,920
Rental expenses	96,836	76,432
Courier expenses	4,381	4,510
Data processing fees	58,650	48,325
Net charge/ (reversal) for other provisions	9,957	(15,488)
Others	56,031	64,665
	<u>665,751</u>	<u>707,364</u>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Cash in hand	49,618	41,368
Balances with central banks	177,947	89,129
Balances with banks	961,229	482,785
Placements with banks maturing within one month	976,836	1,338,117
Less:		
Allowances for non-impaired losses	(1,119)	(740)
	<u>2,164,511</u>	<u>1,950,659</u>

**4. Trade bills**

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Gross trade bills	7,782,255	6,920,707
Less:		
Allowances for non-impaired losses	(10,411)	(17,531)
Allowances for impaired losses	(107,807)	(97,681)
	<u>7,664,037</u>	<u>6,805,495</u>

**5. Advances to customers**

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Gross advances to customers	133,977,776	130,354,559
Less:		
Allowances for non-impaired advances	(435,316)	(355,709)
Allowances for impaired advances	(360,997)	(113,450)
	<u>133,181,463</u>	<u>129,885,400</u>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Government debt securities	9,759,129	10,748,988
Certificates of deposit	10,746,471	16,330,989
Other debt securities	<u>8,675,505</u>	<u>9,059,357</u>
	<b><u>29,181,105</u></b>	<b><u>36,139,334</u></b>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Deposits and balances from central banks	6,119,270	8,291,700
Deposits and balances from banks and other financial institutions	<u>2,154,784</u>	<u>12,614,473</u>
	<b><u>8,274,054</u></b>	<b><u>20,906,173</u></b>

**8. Deposits from customers**

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Demand deposits and current accounts	8,850,194	12,999,753
Savings deposits	14,953,529	12,455,404
Time, call and notice deposits	<u>27,044,436</u>	<u>34,052,402</u>
	<b><u>50,848,159</u></b>	<b><u>59,507,559</u></b>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
At amortised cost	<u>300,000</u>	<u>300,000</u>

**10. Derivative financial instruments**

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Exchange rate-related contracts		
- Spot and forwards	41,595,285	34,683,784
- Swaps	358,015,276	388,483,122
- Options	<u>1,840,219</u>	<u>1,816,756</u>
	<u>401,450,780</u>	424,983,662
Interest rate contracts	261,186,388	253,062,436
Commodity contracts	4,519,213	2,919,056
Credit derivative contracts	<u>3,563,242</u>	<u>6,009,146</u>
	<u>670,719,623</u>	<u>686,974,300</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.



**UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH**
**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:

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Positive fair values		
Exchange rate-related contracts		
- Spot and forwards	<b>980,124</b>	451,606
- Swaps	<b>4,054,243</b>	1,881,199
- Options	<b>3,283</b>	50,429
	<b>5,037,650</b>	2,383,234
Interest rate contracts	<b>3,260,692</b>	3,438,260
Commodity contracts	<b>260,953</b>	106,418
Credit derivative contracts	<b>35,647</b>	66,110
	<b>8,594,942</b>	5,994,022
Negative fair values		
Exchange rate-related contracts		
- Spot and forwards	<b>715,591</b>	537,019
- Swaps	<b>4,180,694</b>	1,779,677
- Options	<b>3,431</b>	60,928
	<b>4,899,716</b>	2,377,624
Interest rate contracts	<b>3,172,930</b>	3,145,641
Commodity contracts	<b>260,953</b>	87,989
Credit derivative contracts	<b>14,789</b>	44,265
	<b>8,348,388</b>	5,655,519

**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:

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Direct credit substitutes	<b>1,126,518</b>	1,365,850
Transaction-related contingencies	<b>4,364,303</b>	3,546,364
Trade-related contingencies	<b>8,954,034</b>	6,382,157
Forward forward deposits placed	<b>80,839</b>	1,307,234
Other commitments	<b><u>78,252,592</u></b>	<u>78,462,173</u>
	<b><u>92,778,286</u></b>	<u>91,063,778</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**
**(a) Liquidity Maintenance Ratio (LMR)**

	<b>Quarter ended 31 December 2020</b>	Quarter ended 31 December 2019
Average LMR for 3 months periods	<b>43.55%</b>	39.81%

**(b) Core Funding Ratio (CFR)**

	<b>Quarter ended 31 December 2020</b>	Quarter ended 31 December 2019
Average CFR for 3 months periods	<b>105.30%</b>	100.54%

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").

The liquidity information can be found in the Regulatory Disclosure section of our website [www.uobgroup.com/hk](http://www.uobgroup.com/hk).

## UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

### UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

#### 12. Liquidity (continued)

##### (c) 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)**
**12. Liquidity (continued)**
**(d) Liquidity Risk Mismatch**

The following table analyses the on and off balance sheet items, with reference to the completion instructions for the Hong Kong Monetary Authority Return of Liquidity Monitoring Tools.

**As at 31 December 2020**

(HK\$'000)	Up to 7 days	Over 7 days to 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 3 years	Over 3 years	No specific maturity
Cash, balances and placements with central banks	227,567	-	-	-	-	-	-
Placements and balances with banks and other financial institutions	2,351,799	333,765	1,335,527	1,145,644	-	-	-
Loans to customers, acceptances and bills of exchange held	9,910,615	27,432,751	23,965,244	28,947,011	39,658,764	10,190,696	1,761,430
Debt securities held #	31,443,250	-	-	-	-	-	-
Amount receivable under reverse repo	1,672,075	4,220,832	6,351,236	837,548	-	-	-
Gross cash inflow from derivatives financial assets	52,451,300	50,586,359	114,104,565	112,407,504	26,430,920	16,595,132	-
Other assets	375,120	231,625	477,341	53,970	321,190	9,969	609,499
<b>Total on-balance sheet assets</b>	<b>98,431,726</b>	<b>82,805,332</b>	<b>146,233,913</b>	<b>143,391,677</b>	<b>66,410,874</b>	<b>26,795,797</b>	<b>2,370,929</b>
<b>Total off-balance sheet claims</b>	<b>11,737,980</b>	<b>-</b>	<b>80,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deposits from customers	26,638,498	8,121,411	14,347,575	1,765,521	-	-	-
Deposits and balances of banks and other financial institutions	7,120,773	14,483,195	38,191,637	75,071,254	-	10,000	-
Debt securities issued	-	-	-	-	300,000	-	-
Amount payable under repo	-	136,643	958,889	148,262	-	-	-
Gross cash outflow from derivatives financial liabilities	52,460,723	50,850,199	114,143,633	112,085,359	26,186,343	16,580,207	-
Other liabilities and capital	439,019	285,518	4,205,092	109,998	423,586	126,574	203,783
<b>Total on-balance sheet liabilities</b>	<b>86,659,013</b>	<b>73,876,966</b>	<b>171,846,826</b>	<b>189,180,394</b>	<b>26,909,929</b>	<b>16,716,781</b>	<b>203,783</b>
<b>Total off-balance sheet obligations</b>	<b>42,220,194</b>	<b>4,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contractual Maturity Mismatch</b>	<b>(18,709,501)</b>	<b>8,923,458</b>	<b>(25,532,074)</b>	<b>(45,788,717)</b>	<b>39,500,945</b>	<b>10,079,016</b>	
<b>Cumulative Contractual Maturity Mismatch</b>	<b>(18,709,501)</b>	<b>(9,786,043)</b>	<b>(35,318,117)</b>	<b>(81,106,834)</b>	<b>(41,605,889)</b>	<b>(31,526,873)</b>	

# Debt securities held that are readily monetizable are profiled to next day in accordance with MA(BS)23 completion instruction specified by HKMA.

## UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

### UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

#### 12. Liquidity (continued)

##### (d) Liquidity Risk Mismatch (continued)

The following table analyses the on and off balance sheet items, with reference to the completion instructions for the Hong Kong Monetary Authority Return of Liquidity Monitoring Tools.

As at 31 December 2019

(HK\$'000)	Up to 7 days	Over 7 days to 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 3 years	Over 3 years	No specific maturity
Cash, balances and placements with central banks	93,407	-	-	-	-	-	-
Placements and balances with banks and other financial institutions	6,269,960	673,191	1,002,168	134,556	-	-	-
Loans to customers, acceptances and bills of exchange held	9,005,009	21,412,136	17,243,079	19,912,599	46,450,307	16,915,155	296,143
Debt securities held #	40,360,131	-	-	-	-	-	-
Amount receivable under reverse repo	573,309	3,353,734	5,766,389	120,041	150,034	-	-
Gross cash inflow from derivatives financial assets	71,135,544	55,689,332	118,156,019	140,659,656	33,368,974	13,978,217	-
Other assets	147,881	206,172	58,713	715,802	57,547	1,988	427,798
<b>Total on-balance sheet assets</b>	<b>127,585,241</b>	<b>81,334,565</b>	<b>142,226,368</b>	<b>161,542,654</b>	<b>80,026,862</b>	<b>30,895,360</b>	<b>723,941</b>
<b>Total off-balance sheet claims</b>	<b>4,928,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deposits from customers	32,138,981	19,835,199	10,839,747	6,198,092	-	-	-
Deposits and balances of banks and other financial institutions	12,450,071	22,147,371	25,061,858	50,763,019	-	10,000	-
Debt securities issued	-	-	-	1,300,000	-	300,000	-
Amount payable under repo	-	15,741	1,998,974	-	149,227	-	-
Gross cash outflow from derivatives financial liabilities	71,197,457	55,449,370	117,856,099	140,754,669	32,786,700	13,616,349	-
Other liabilities and capital	3,833,406	243,487	369,795	2,931,907	108,010	55,488	104,888
<b>Total on-balance sheet liabilities</b>	<b>119,619,915</b>	<b>97,691,168</b>	<b>156,126,473</b>	<b>201,947,687</b>	<b>33,043,937</b>	<b>13,981,837</b>	<b>104,888</b>
<b>Total off-balance sheet obligations</b>	<b>44,674,448</b>	<b>-</b>	<b>2,336,205</b>	<b>2,336,205</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contractual Maturity Mismatch</b>	<b>(31,780,440)</b>	<b>(16,356,603)</b>	<b>(16,236,310)</b>	<b>(42,741,238)</b>	<b>46,982,925</b>	<b>16,913,523</b>	
<b>Cumulative Contractual Maturity Mismatch</b>	<b>(31,780,440)</b>	<b>(48,137,043)</b>	<b>(64,373,353)</b>	<b>(107,114,591)</b>	<b>(60,131,666)</b>	<b>(43,218,143)</b>	

# Debt securities held that are readily monetizable are profiled to next day in accordance with MA(BS)23 completion instruction specified by HKMA.

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

	USD	CNY	Others	Total
<b>HK\$'million</b>				
<b>As at 31 December 2020</b>				
<b>Hong Kong dollar equivalents</b>				
Spot assets	69,064	3,633	11,394	84,091
Spot liabilities	(142,425)	(2,270)	(3,357)	(148,052)
Forward purchases	230,529	78,368	23,112	332,009
Forward sales	(154,601)	(79,753)	(31,090)	(265,444)
Net options position	-	-	-	-
	<u>2,567</u>	<u>(22)</u>	<u>59</u>	<u>2,604</u>
<b>Net long /(short) position</b>				
<b>HK\$'million</b>				
<b>As at 30 June 2020</b>				
<b>Hong Kong dollar equivalents</b>				
Spot assets	74,069	3,574	7,046	84,689
Spot liabilities	(129,985)	(1,084)	(3,029)	(134,098)
Forward purchases	242,928	74,834	16,896	334,658
Forward sales	(184,620)	(77,054)	(20,707)	(282,381)
Net options position	-	-	-	-
	<u>2,392</u>	<u>270</u>	<u>206</u>	<u>2,868</u>
<b>Net long /(short) position</b>				

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 31 December 2020 and 30 June 2020.

**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 31 December 2020		As at 30 June 2020	
	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	23,041,906	11,460,486	18,672,370	10,439,203
- Property investment	30,296,315	20,671,162	22,378,624	18,617,833
- Financial concerns	5,965,271	678,430	4,967,189	135,490
- Stockbrokers	4,503,434	1,508,924	3,637,796	1,595,537
- Wholesale and retail trade	4,324,939	2,650,282	5,100,935	2,650,180
- Manufacturing	6,084,072	3,127,072	6,591,108	3,637,901
- Transport and transport equipment	1,103,554	846,083	1,226,606	958,873
- Recreational activities	15,699	15,696	16,305	16,303
- Information technology	2,128,476	715,684	718,395	715,443
- Others	26,440,649	18,309,544	30,163,173	19,199,727
Subtotal	103,904,315	59,983,363	93,472,501	57,966,490
Individuals				
- Loans for purchase of other residential properties	179,942	179,942	147,813	147,813
- Others	96,288	89,867	90,593	83,166
Subtotal	276,230	269,809	238,406	230,979
Total loans for use in Hong Kong	104,180,545	60,253,172	93,710,907	58,197,469
Trade finance	11,456,299	2,648,150	17,101,617	2,663,666
Loans for use outside Hong Kong	18,340,932	4,824,016	19,542,035	5,895,806
Gross advances to customers	133,977,776	67,725,338	130,354,559	66,756,941



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

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Hong Kong	<b>117,490,837</b>	112,986,027
Other areas	<b><u>16,486,939</u></b>	<u>17,368,532</u>
	<b><u><u>133,977,776</u></u></b>	<b><u><u>130,354,559</u></u></b>

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					
<b>As at 31 December 2020</b>					
Developed countries	4,051	2	1,310	1,659	7,022
Offshore centres, of which:	16,159	-	12,291	31,627	60,077
- Singapore	3,608	-	660	712	4,980
- Hong Kong	12,551	-	11,631	27,615	51,797
- Other areas	-	-	-	3,300	3,300
Developing Latin America and Caribbean	-	-	-	-	-
Developing Asia Pacific, of which:	13,385	1,583	1,241	11,512	27,721
- Mainland China	11,563	1,583	1,241	9,906	24,293
- Other areas	1,822	-	-	1,606	3,428
Others	-	-	-	-	-
<b>Total</b>	<b>33,595</b>	<b>1,585</b>	<b>14,842</b>	<b>44,798</b>	<b>94,820</b>
HK\$'million					
<b>As at 30 June 2020</b>					
Developed countries	3,217	3	1,414	1,674	6,308
Offshore centres, of which:	12,207	-	10,587	36,596	59,390
- Singapore	5,573	-	388	747	6,708
- Hong Kong	6,633	-	10,199	32,994	49,826
- Other areas	1	-	-	2,855	2,856
Developing Latin America and Caribbean	-	-	-	-	-
Developing Asia Pacific, of which:	11,607	1,163	1,152	12,641	26,563
- Mainland China	9,529	1,163	1,152	11,004	22,848
- Other areas	2,078	-	-	1,637	3,715
Others	-	-	-	-	-
<b>Total</b>	<b>27,031</b>	<b>1,166</b>	<b>13,153</b>	<b>50,911</b>	<b>92,261</b>

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**

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Gross impaired advances to customers	1,429,642	776,870
Allowances for impaired advances	<u>(360,997)</u>	<u>(113,450)</u>
	<b><u>1,068,645</u></b>	<b><u>663,420</u></b>
Value of collateral taken into account in respect of such advances to customers to which the allowances for the impaired advances relate	<b>631,956</b>	550,337
Percentage of such advances to customers to total gross advances to customers	<b>1.07%</b>	0.60%

Analysis of gross impaired advances to customers by geographical areas:

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Hong Kong	1,421,325	768,270
Singapore	<u>8,317</u>	<u>8,600</u>
	<b><u>1,429,642</u></b>	<b><u>776,870</u></b>

**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**

	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Gross impaired trade bills	<b>247,908</b>	235,177
Allowances for impaired losses	<u><b>(107,807)</b></u>	<u>(97,681)</u>
	<b><u>140,101</u></b>	<b><u>137,496</u></b>
Value of collateral taken into account in respect of such trade bills to which the allowances for impaired losses relate	<b>95,957</b>	98,761
Percentage of such trade bills to total trade bills	<b>3.19%</b>	3.40%
Analysis of gross impaired trade bills by geographical areas:		
	<b>As at 31 December 2020 HK\$'000</b>	<b>As at 30 June 2020 HK\$'000</b>
Hong Kong	<b>215,122</b>	202,401
Singapore	<u><b>32,786</b></u>	<u>32,776</u>
	<b><u>247,908</u></b>	<b><u>235,177</u></b>

**(c)** There are no allowances for impaired losses on advance to banks and debt securities as at 31 December 2020 and 30 June 2020 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 31 December 2020		As at 30 June 2020	
	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	62,083	0.05%	269,975	0.21%
- one year or less but over six months	464,005	0.35%	261,589	0.20%
- over one year	<u>270,263</u>	<u>0.20%</u>	<u>6,269</u>	<u>0.01%</u>
Total	<u>796,351</u>	<u>0.60%</u>	<u>537,833</u>	<u>0.42%</u>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Hong Kong	790,137	531,640
Singapore	6,169	6,175
Others	<u>45</u>	<u>18</u>
	<u>796,351</u>	<u>537,833</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 31 December 2020		As at 30 June 2020	
	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%	134,083	1.94%
- one year or less but over six months	131,287	1.69%	60,049	0.87%
- over one year	93,807	1.21%	41,045	0.59%
<b>Total</b>	<b>225,094</b>	<b>2.90%</b>	<b>235,177</b>	<b>3.40%</b>

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

	As at 31 December 2020 HK\$'000	As at 30 June 2020 HK\$'000
Hong Kong	192,308	202,401
Singapore	32,786	32,776
	<b>225,094</b>	<b>235,177</b>

(c) There are no rescheduled advances to customers as at 31 December 2020 and 30 June 2020.

(d) There are no advances to banks and debt securities which are overdue for more than three months or have been rescheduled as at 31 December 2020 and 30 June 2020.

(e) There are no repossessed assets as at 31 December 2020 and 30 June 2020.

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	Current market value of collateral	Covered portion	Uncovered portion	Individual impairment allowances
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>As at 31 December 2020</b>					
Overdue advances					
- Fully covered advances	-	-	-	-	-
- Partially covered advances	776,999	554,513	554,513	222,486	174,872
- Uncovered advances	<u>19,352</u>	<u>-</u>	<u>-</u>	<u>19,352</u>	<u>14,429</u>
<b>Total</b>	<b><u>796,351</u></b>	<b><u>554,513</u></b>	<b><u>554,513</u></b>	<b><u>241,838</u></b>	<b><u>189,301</u></b>
<b>As at 30 June 2020</b>					
Overdue advances					
- Fully covered advances	-	-	-	-	-
- Partially covered advances	527,879	441,895	441,895	85,984	43,444
- Uncovered advances	<u>9,954</u>	<u>-</u>	<u>-</u>	<u>9,954</u>	<u>9,877</u>
<b>Total</b>	<b><u>537,833</u></b>	<b><u>441,895</u></b>	<b><u>441,895</u></b>	<b><u>95,938</u></b>	<b><u>53,321</u></b>

**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
<b>As at 31 December 2020</b>					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	164,851	75,576	75,576	89,275	45,129
- Uncovered trade bills	<u>60,243</u>	<u>-</u>	<u>-</u>	<u>60,243</u>	<u>60,243</u>
<b>Total</b>	<b><u>225,094</u></b>	<b><u>75,576</u></b>	<b><u>75,576</u></b>	<b><u>149,518</u></b>	<b><u>105,372</u></b>
<b>As at 30 June 2020</b>					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	168,578	98,761	98,761	69,817	31,712
- Uncovered trade bills	<u>66,599</u>	<u>-</u>	<u>-</u>	<u>66,599</u>	<u>65,969</u>
<b>Total</b>	<b><u>235,177</u></b>	<b><u>98,761</u></b>	<b><u>98,761</u></b>	<b><u>136,416</u></b>	<b><u>97,681</u></b>

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
<b>As at 31 December 2020</b>			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	13,768	3,323	17,091
(2) Local governments, local government-owned entities and their subsidiaries and JVs	2,536	2,976	5,512
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	10,004	1,723	11,727
(4) Other entities of central government not reported in item 1 above	877	91	968
(5) Other entities of local governments not reported in item 2 above	169	257	426
(6) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,267	3,627	11,894
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,254	334	2,588
Total	<u>37,875</u>	<u>12,331</u>	<u>50,206</u>
Total assets after provisions	<u>201,458</u>		
On-balance sheet exposures as percentage of total assets	<u>18.80%</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 30 June 2020			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	17,246	3,387	20,633
(2) Local governments, local government-owned entities and their subsidiaries and JVs	2,343	2,538	4,881
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	11,013	1,809	12,822
(4) Other entities of central government not reported in item 1 above	1,084	232	1,316
(5) Other entities of local governments not reported in item 2 above	211	24	235
(6) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,978	2,550	11,528
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,003	293	3,296
Total	<u>43,878</u>	<u>10,833</u>	<u>54,711</u>
Total assets after provisions	<u>194,074</u>		
On-balance sheet exposures as percentage of total assets	<u>22.61%</u>		

There are no allowances for impaired loan on non-bank Mainland China exposures as at 31 December 2020 and 30 June 2020 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 period.

Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

Hong Kong, 30 April 2021

## 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".

	<b>As at 31 December 2020 S\$'million</b>	<b>As at 30 June 2020 S\$'million</b>
Group shareholders' equity	<b>40,901</b>	40,081
Group's capital adequacy ratios		
Common Equity Tier 1	<b>14.7%</b>	14.0%
Tier 1	<b>15.8%</b>	15.0%
Total	<b>18.4%</b>	17.1%

#### 2. Other financial information

	<b>Year ended 31 December 2020 S\$'million</b>	<b>Year ended 31 December 2019 S\$'million</b>
Pre-tax profit	<b>3,536</b>	5,174

	<b>As at 31 December 2020 S\$'million</b>	<b>As at 30 June 2020 S\$'million</b>
Total assets	<b>431,814</b>	429,614
Total liabilities	<b>390,683</b>	389,308
Total gross customer loans	<b>281,387</b>	280,693
Total customer deposits	<b>324,598</b>	322,688