



UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

(Incorporated in Singapore with limited liability)

FINANCIAL INFORMATION DISCLOSURE STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2023**

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH

TABLE OF CONTENTS

	Page
UNAUDITED INCOME STATEMENT	1
UNAUDITED BALANCE SHEET	2
UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION	3-26
GROUP CONSOLIDATED FINANCIAL INFORMATION	27

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED INCOME STATEMENT

	Note	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2022 HK\$'000
Interest income		12,513,965	5,832,697
Interest expense		<u>(10,453,535)</u>	<u>(3,336,599)</u>
Net interest income		2,060,430	2,496,098
Fee and commission income		681,918	644,410
Fee and commission expenses		<u>(30,208)</u>	<u>(28,126)</u>
Net fee and commission income		651,710	616,284
Net trading gain	1	1,133,624	445,640
Other income		<u>12,522</u>	<u>6,191</u>
Total income		3,858,286	3,564,213
Operating expenses	2	<u>(977,782)</u>	<u>(771,504)</u>
Net income before impairment losses and provisions for loans and receivables		2,880,504	2,792,709
Impairment losses and provisions for loans and receivables		<u>(1,064,100)</u>	<u>(315,321)</u>
Operating profit		1,816,404	2,477,388
Net gain from disposal of fixed assets		<u>-</u>	<u>-</u>
Profit before taxation		1,816,404	2,477,388
Taxation		<u>(407,794)</u>	<u>(418,334)</u>
Profit for the year		<u>1,408,610</u>	<u>2,059,054</u>

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED BALANCE SHEET

	Note	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Assets			
Cash and balances with central banks and banks	3	1,582,312	749,111
Placements with banks maturing between one and twelve months		-	-
Amount due from overseas offices		2,934,714	2,195,581
Trade bills	4	5,056,780	5,423,214
Securities held for trading purposes		-	-
Positive fair values for derivative financial instruments	10	9,093,645	17,431,573
Amount receivable under reverse repos		14,680,032	4,126,128
Advances to banks		-	-
Advances to customers	5	156,535,133	161,975,276
Financial investments	6	52,617,691	53,994,363
Investment in subsidiary		20	20
Investment property		492	492
Fixed assets		335,118	336,595
Other assets		2,585,645	2,911,098
Total assets		245,421,582	249,143,451
Liabilities			
Deposits and balances from central banks, banks and other financial institutions	7	15,479,363	18,315,899
Negative fair values for derivative financial instruments	10	9,340,076	17,170,192
Amount payable under repos		13,974,767	3,215,232
Deposits from customers	8	79,946,452	64,728,057
Amount due to overseas offices		109,187,651	129,259,121
Certificates of deposit issued	9	700,000	700,000
Issued debt securities		4,841,833	5,195,121
Other liabilities		11,951,440	10,559,829
Total liabilities		245,421,582	249,143,451

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

	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2022 HK\$'000
Foreign exchange	1,228,793	520,805
Interest rate instruments	(109,362)	(76,015)
Commodity contracts	820	8,244
Credit derivative contracts	857	1,921
Securities held for trading purposes	11,289	(7,673)
Others	1,227	(1,642)
	<u>1,133,624</u>	<u>445,640</u>

2. Operating expenses

	Year ended 31 December 2023 HK\$'000	Year ended 31 December 2022 HK\$'000
Staff costs	587,688	567,904
Rental expenses	73,631	92,178
Courier expenses	3,437	3,635
IT-related expenses	109,905	88,323
Net charge/(reversal) for other provisions	94,158	(65,427)
Public relation expenses	27,927	18,980
Others	81,036	65,911
	<u>977,782</u>	<u>771,504</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 2023 HK\$'000	As at 30 June 2023 HK\$'000
Cash in hand	-	36,645
Balances with central banks	266,530	258,281
Balances with banks	420,355	455,964
Placements with banks maturing within one month	898,203	-
Less:		
Allowances for non-impaired losses	(2,776)	(1,779)
	<u>1,582,312</u>	<u>749,111</u>

4. Trade bills

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Gross trade bills	5,181,577	5,605,601
Less:		
Allowances for non-impaired losses	(15,027)	(10,224)
Allowances for impaired losses	(109,770)	(172,163)
	<u>5,056,780</u>	<u>5,423,214</u>

5. Advances to customers

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Gross advances to customers	158,259,569	164,289,357
Less:		
Allowances for non-impaired advances	(887,728)	(1,280,094)
Allowances for impaired advances	(836,708)	(1,033,987)
	<u>156,535,133</u>	<u>161,975,276</u>

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Government debt securities	6,533,244	8,584,655
Certificates of deposit	8,907,830	12,054,119
Other debt securities	<u>37,176,617</u>	<u>33,355,589</u>
	<u>52,617,691</u>	<u>53,994,363</u>

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Deposits and balances from central banks	4,343,670	3,961,180
Deposits and balances from banks and other financial institutions	<u>11,135,693</u>	<u>14,354,719</u>
	<u>15,479,363</u>	<u>18,315,899</u>

8. Deposits from customers

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Demand deposits and current accounts	18,607,823	10,878,272
Savings deposits	18,633,706	12,354,461
Time, call and notice deposits	<u>42,704,923</u>	<u>41,495,324</u>
	<u>79,946,452</u>	<u>64,728,057</u>

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
At amortised cost	<u>700,000</u>	<u>700,000</u>

10. Derivative financial instruments

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Exchange rate-related contracts		
- Spot and forwards	36,075,317	48,112,111
- Swaps	580,886,073	579,915,536
- Options	<u>1,081,748</u>	<u>1,182,883</u>
	618,043,138	629,210,530
Interest rate contracts	453,522,875	710,040,070
Commodity contracts	2,899,835	2,938,007
Credit derivative contracts	<u>1,688,974</u>	<u>-</u>
	<u>1,076,154,822</u>	<u>1,342,188,607</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:

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Positive fair values		
Exchange rate-related contracts		
- Spot and forwards	594,491	1,052,151
- Swaps	4,194,020	6,729,036
- Options	4,350	8,632
	4,792,861	7,789,819
Interest rate contracts	4,212,083	9,507,840
Commodity contracts	85,207	133,914
Credit derivative contracts	3,494	-
	9,093,645	17,431,573
Negative fair values		
Exchange rate-related contracts		
- Spot and forwards	675,159	1,305,361
- Swaps	3,829,464	5,735,076
- Options	15,764	29,696
	4,520,387	7,070,133
Interest rate contracts	4,731,340	9,966,145
Commodity contracts	85,207	133,914
Credit derivative contracts	3,142	-
	9,340,076	17,170,192

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 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Direct credit substitutes	1,228,685	2,073,701
Transaction-related contingencies	5,913,064	6,665,478
Trade-related contingencies	4,360,832	2,926,241
Forward forward deposits placed	-	147,878
Other commitments	94,804,362	89,660,730
	<u>106,306,943</u>	<u>101,474,028</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)

	Quarter ended 31 December 2023	Quarter ended 31 December 2022
Average LMR	46.28%	44.59%

(b) Core Funding Ratio (CFR)

	Quarter ended 31 December 2023	Quarter ended 31 December 2022
Average CFR	118.10%	96.54%

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.

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 Plan and Recovery Plan 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 2023 (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	266,531	-	-	-	-	-	-
Placements and balances with banks and other financial institutions	3,076,390	1,099,955	60,663	21,419	-	-	-
Loans to customers, acceptances and bills of exchange held	4,649,206	29,347,547	19,068,200	56,845,314	40,119,504	10,688,723	3,455,251
Debt securities held #	53,097,060	-	-	-	-	134,011	-
Amount receivable under reverse repo	2,676,283	2,698,615	9,009,677	295,457	-	-	-
Gross cash inflow from derivatives financial assets	62,272,744	92,574,077	172,555,057	209,671,212	47,738,820	30,427,831	-
Other assets	132,267	341,952	49,652	200,556	28,233	2,041	843,619
Total on-balance sheet assets	126,170,481	126,062,146	200,743,249	267,033,958	87,886,557	41,252,606	4,298,870
Total off-balance sheet claims	31,964,613	-	-	-	-	-	-
Deposits from customers	40,576,001	11,730,713	19,464,179	8,399,218	152,532	-	-
Deposits and balances of banks and other financial institutions	8,994,002	15,099,073	40,752,279	60,701,093	-	10,000	-
Debt securities issued	350,000	500,000	900,000	2,850,000	1,000,000	-	-
Amount payable under repo	2,676,014	2,697,874	8,600,879	-	-	-	-
Gross cash outflow from derivatives financial liabilities	62,250,544	92,503,332	172,678,843	209,540,667	47,783,430	30,508,572	-
Other liabilities and capital	267,770	1,003,656	9,056,522	187,752	95,531	69,272	(151,887)
Total on-balance sheet liabilities	115,114,331	123,534,648	251,452,702	281,678,730	49,031,493	30,587,844	(151,887)
Total off-balance sheet obligations	47,677,183	-	4,255,211	-	-	-	-
Contractual Maturity Mismatch	(4,656,420)	2,527,498	(54,964,664)	(14,644,772)	38,855,064	10,664,762	
Cumulative Contractual Maturity Mismatch	(4,656,420)	(2,128,922)	(57,093,586)	(71,738,358)	(32,883,294)	(22,218,532)	

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 2022

(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	385,255	-	-	-	-	-	-
Placements and balances with banks and other financial institutions	3,686,764	205,902	553,986	59,471	-	-	-
Loans to customers, acceptances and bills of exchange held	6,453,813	30,028,082	14,487,037	34,355,616	63,552,038	10,063,877	3,025,808
Debt securities held #	44,623,139	-	-	-	-	-	-
Amount receivable under reverse repo	271,105	3,929,211	3,679,327	486,578	-	-	-
Gross cash inflow from derivatives financial assets	63,234,774	74,660,593	116,660,905	178,297,125	45,181,656	29,260,836	-
Other assets	167,404	364,233	324,902	21,213	98,243	4,481	640,987
Total on-balance sheet assets	118,822,254	109,188,021	135,706,157	213,220,003	108,831,937	39,329,194	3,666,795
Total off-balance sheet claims	26,616,200	-	-	-	-	-	-
Deposits from customers	25,604,776	9,019,625	18,993,610	6,608,658	-	-	-
Deposits and balances of banks and other financial institutions	10,665,294	9,052,550	27,467,539	90,923,053	1,938,000	10,000	-
Debt securities issued	-	1,400,000	854,000	300,000	4,150,000	-	-
Amount payable under repo	-	1,878,131	2,001,780	247,344	-	-	-
Gross cash outflow from derivatives financial liabilities	63,194,661	74,964,550	116,584,337	178,232,381	45,286,873	29,147,910	-
Other liabilities and capital	579,586	419,090	8,111,484	172,841	99,054	87,652	(792,144)
Total on-balance sheet liabilities	100,044,317	96,733,946	174,012,750	276,484,277	51,473,927	29,245,562	(792,144)
Total off-balance sheet obligations	51,099,091	-	-	-	-	-	-
Contractual Maturity Mismatch	(5,704,954)	12,454,075	(38,306,593)	(63,264,274)	57,358,010	10,083,632	
Cumulative Contractual Maturity Mismatch	(5,704,954)	6,749,121	(31,557,472)	(94,821,746)	(37,463,736)	(27,380,104)	

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
HK\$'million				
As at 31 December 2023				
Hong Kong dollar equivalents				
Spot assets	72,858	3,103	11,930	87,891
Spot liabilities	(158,432)	(1,783)	(2,381)	(162,596)
Forward purchases	350,615	119,399	18,723	488,737
Forward sales	(263,723)	(120,879)	(28,215)	(412,817)
Net options position	-	-	-	-
	<u>1,318</u>	<u>(160)</u>	<u>57</u>	<u>1,215</u>
Net long /(short) position				
HK\$'million				
As at 30 June 2023				
Hong Kong dollar equivalents				
Spot assets	65,533	3,219	7,172	75,924
Spot liabilities	(156,323)	(2,093)	(2,991)	(161,407)
Forward purchases	360,733	124,651	18,888	504,272
Forward sales	(270,720)	(125,989)	(23,010)	(419,719)
Net options position	-	-	-	-
	<u>(777)</u>	<u>(212)</u>	<u>59</u>	<u>(930)</u>
Net long /(short) position				

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 2023 and 30 June 2023.

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 2023		As at 30 June 2023	
	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	31,954,738	17,388,820	32,179,471	16,847,369
- Property investment	31,655,863	22,812,316	32,082,147	23,058,382
- Financial concerns	7,022,183	1,530,375	5,765,800	954,571
- Stockbrokers	2,382,760	-	1,453,534	-
- Wholesale and retail trade	4,496,384	2,477,531	4,345,669	2,618,854
- Manufacturing	6,482,813	3,079,100	5,772,470	2,923,543
- Transport and transport equipment	1,330,650	942,286	1,670,196	881,678
- Recreational activities	127,500	127,500	154,304	154,304
- Information technology	3,652,224	2,601,000	3,506,246	2,392,552
- Others	24,761,967	18,298,911	28,410,330	21,513,213
Subtotal	<u>113,867,082</u>	<u>69,257,839</u>	<u>115,340,167</u>	<u>71,344,466</u>
Individuals				
- Loans for purchase of other residential properties	243,397	234,524	225,318	218,259
- Others	64,765	62,761	69,652	67,660
Subtotal	<u>308,162</u>	<u>297,285</u>	<u>294,970</u>	<u>285,919</u>
Total loans for use in Hong Kong	114,175,244	69,555,124	115,635,137	71,630,385
Trade finance	17,203,305	1,595,653	21,021,152	1,619,196
Loans for use outside Hong Kong	<u>26,881,020</u>	<u>8,692,724</u>	<u>27,633,068</u>	<u>7,715,865</u>
Gross advances to customers	<u>158,259,569</u>	<u>79,843,501</u>	<u>164,289,357</u>	<u>80,965,446</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 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Hong Kong	138,321,972	144,090,038
China	14,613,006	12,423,752
Other areas	5,324,591	7,775,567
	<u>158,259,569</u>	<u>164,289,357</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 31 December 2023					
Developed countries	14,866	-	3,967	120	18,953
of which:					
- United Kingdom	2,952	-	3,948	37	6,937
Offshore centres	9,279	2,052	17,520	34,571	63,422
of which:					
- Hong Kong	4,906	2,052	17,520	29,945	54,423
Developing Asia Pacific	14,221	-	776	14,883	29,880
of which:					
- Mainland China	12,423	-	776	14,245	27,444
HK\$' million					
As at 30 June 2023					
Developed countries	11,723	2	9,058	883	21,666
of which:					
- United Kingdom	3,077	-	9,019	220	12,316
Offshore centres	6,093	332	10,957	41,091	58,473
of which:					
- Hong Kong	1,910	332	10,780	35,616	48,638
Developing Asia Pacific	10,411	-	1,027	13,397	24,835
of which:					
- Mainland China	8,413	-	385	12,610	21,408

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 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Gross impaired advances to customers	2,819,364	2,908,745
Allowances for impaired advances	<u>(836,708)</u>	<u>(1,033,987)</u>
	<u>1,982,656</u>	<u>1,874,758</u>
Value of collateral taken into account in respect of such advances to customers to which the allowances for the impaired advances relate	1,244,667	1,329,456
Percentage of such advances to customers to total gross advances to customers	1.78%	1.77%

Analysis of gross impaired advances to customers by geographical areas:

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Hong Kong	1,722,040	1,943,209
China	840,869	804,944
Other areas	<u>256,455</u>	<u>160,592</u>
	<u>2,819,364</u>	<u>2,908,745</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 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Gross impaired trade bills	230,572	323,379
Allowances for impaired losses	<u>(109,770)</u>	<u>(172,163)</u>
	<u>120,802</u>	<u>151,216</u>
Value of collateral taken into account in respect of such trade bills to which the allowances for impaired losses relate	75,285	98,275
Percentage of such trade bills to total trade bills	4.45%	5.77%
Analysis of gross impaired trade bills by geographical areas:		
	As at 31 December 2023 HK\$'000	As at 30 June 2022 HK\$'000
Hong Kong	230,572	323,379
	<u>230,572</u>	<u>323,379</u>

(c) There are no allowances for impaired losses on advance to banks and debt securities as at 31 December 2023 and 30 June 2023 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 2023		As at 30 June 2023	
	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	369,845	0.24%	774,967	0.47%
- one year or less but over six months	821,418	0.52%	1,121,965	0.68%
- over one year	<u>1,413,906</u>	<u>0.89%</u>	<u>947,587</u>	<u>0.58%</u>
Total	<u>2,605,169</u>	<u>1.65%</u>	<u>2,844,519</u>	<u>1.73%</u>

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Hong Kong	1,708,987	1,918,819
China	814,013	765,096
Other areas	<u>82,169</u>	<u>160,604</u>
	<u>2,605,169</u>	<u>2,844,519</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 2023		As at 30 June 2023	
	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%	9,910	0.18%
- over one year	<u>211,723</u>	<u>4.09%</u>	<u>291,589</u>	<u>5.20%</u>
Total	<u>211,723</u>	<u>4.09%</u>	<u>301,499</u>	<u>5.38%</u>

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

	As at 31 December 2023 HK\$'000	As at 30 June 2023 HK\$'000
Hong Kong	<u>211,723</u>	<u>301,499</u>

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

	As at 31 December 2023		As at 30 June 2023	
	HK\$'000	% of total gross advances to customers	HK\$'000	% of total gross advances to customers
Rescheduled advances to customers	104,568	0.07%	145,795	0.09%
Total	<u>104,568</u>	<u>0.07%</u>	<u>145,795</u>	<u>0.09%</u>

(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 2023 and 30 June 2023.

(e) There are no repossessed assets as at 31 December 2023 and 30 June 2023.

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 31 December 2023					
Overdue advances					
- Fully covered advances	52,546	52,546	52,546	-	2,641
- Partially covered advances	1,385,664	1,030,396	1,030,396	355,268	349,495
- Uncovered advances	<u>1,166,959</u>	<u>-</u>	<u>-</u>	<u>1,166,959</u>	<u>465,322</u>
Total	<u>2,605,169</u>	<u>1,082,942</u>	<u>1,082,942</u>	<u>1,522,227</u>	<u>817,458</u>
As at 30 June 2023					
Overdue advances					
- Fully covered advances	75,703	75,703	75,703	-	1,641
- Partially covered advances	1,521,248	1,224,614	1,224,614	296,634	297,502
- Uncovered advances	<u>1,247,568</u>	<u>-</u>	<u>-</u>	<u>1,247,568</u>	<u>718,761</u>
Total	<u>2,844,519</u>	<u>1,300,317</u>	<u>1,300,317</u>	<u>1,544,202</u>	<u>1,017,904</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 31 December 2023					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	160,973	75,285	75,285	85,688	77,420
- Uncovered trade bills	<u>50,750</u>	<u>-</u>	<u>-</u>	<u>50,750</u>	<u>30,366</u>
Total	<u>211,723</u>	<u>75,285</u>	<u>75,285</u>	<u>136,438</u>	<u>107,786</u>
As at 30 June 2023					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	249,285	98,275	98,275	151,010	137,814
- Uncovered trade bills	<u>52,214</u>	<u>-</u>	<u>-</u>	<u>52,214</u>	<u>32,262</u>
Total	<u>301,499</u>	<u>98,275</u>	<u>98,275</u>	<u>203,224</u>	<u>170,076</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 31 December 2023			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	13,781	3,335	17,116
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,175	305	1,480
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	36,635	6,698	43,333
(4) Other entities of central government not reported in item 1 above	1,978	4	1,982
(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	11,450	1,041	12,491
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	9,685	767	10,452
Total	<u>74,704</u>	<u>12,150</u>	<u>86,854</u>
Total assets after provisions	<u>245,344</u>		
On-balance sheet exposures as percentage of total assets	<u>30.45%</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 2023			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	18,768	4,396	23,164
(2) Local governments, local government-owned entities and their subsidiaries and JVs	1,854	802	2,656
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	30,936	6,808	37,744
(4) Other entities of central government not reported in item 1 above	1,206	-	1,206
(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	9,979	838	10,817
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	8,835	956	9,791
Total	71,578	13,800	85,378
Total assets after provisions	249,182		
On-balance sheet exposures as percentage of total assets	28.73%		

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 2024

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 31 December 2023 S\$'million	As at 30 June 2023 S\$'million
Group shareholders' equity	46,226	45,689
Group's capital adequacy ratios		
Common Equity Tier 1	13.4%	13.6%
Tier 1	14.4%	15.0%
Total	16.6%	17.3%

2. Other financial information

	Year ended 31 December 2023 S\$'million	Year ended 31 December 2022 S\$'million
Pre-tax profit	6,863	5,785

	As at 31 December 2023 S\$'million	As at 30 June 2023 S\$'million
Total assets	523,520	505,563
Total liabilities	477,052	459,633
Total gross customer loans	321,150	318,979
Total customer deposits	385,469	376,762