



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

FINANCIAL INFORMATION DISCLOSURE STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2021**

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UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED INCOME STATEMENT

	Note	Year ended 31 December 2021 HK\$'000	Year ended 31 December 2020 HK\$'000
Interest income		2,936,670	4,141,024
Interest expense		(624,078)	(1,715,010)
Net interest income		2,312,592	2,426,014
Fee and commission income		765,870	465,049
Fee and commission expenses		(22,381)	(20,942)
Net fee and commission income		743,489	444,107
Net trading gain	1	222,222	3,618
Other income		5,785	6,360
Total income		3,284,088	2,880,099
Operating expenses	2	(785,108)	(665,751)
Net income before impaired advances and receivables allowances		2,498,980	2,214,348
Net charge of impaired advances and receivables		(350,416)	(450,561)
Operating profit		2,148,564	1,763,787
Net gain from disposal of fixed assets		75	-
Profit before taxation		2,148,639	1,763,787
Taxation		(336,560)	(326,897)
Profit for the year		1,812,079	1,436,890

UNITED OVERSEAS BANK LIMITED, HONG KONG BRANCH
UNAUDITED BALANCE SHEET

	Note	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Assets			
Cash and balances with central banks and banks	3	1,201,798	1,105,058
Placements with banks maturing between one and twelve months		-	776,504
Amount due from overseas offices		1,008,778	1,123,211
Trade bills	4	8,112,257	9,498,553
Securities held for trading purposes		4,016,820	2,417,585
Positive fair values for derivative financial instruments	10	6,573,643	6,762,530
Amount receivable under reverse repos		12,108,068	12,252,560
Advances to banks		-	-
Advances to customers	5	149,729,687	146,118,317
Financial investments	6	39,950,748	33,399,549
Investment in subsidiary		20	20
Investment property		492	492
Fixed assets		371,866	399,956
Other assets		1,573,687	1,233,763
Total assets		224,647,864	215,088,098
Liabilities			
Deposits and balances from central banks, banks and other financial institutions	7	12,008,424	19,346,350
Negative fair values for derivative financial instruments	10	5,979,876	6,351,751
Amount payable under repos		345,559	1,219,934
Deposits from customers	8	76,137,461	55,640,925
Amount due to overseas offices		115,361,038	123,074,716
Certificates of deposit issued	9	300,000	300,000
Issued debt securities		3,169,783	899,772
Other liabilities		11,345,723	8,254,650
Total liabilities		224,647,864	215,088,098

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

	Year ended 31 December 2021 HK\$'000	Year ended 31 December 2020 HK\$'000
Foreign exchange	199,496	(545)
Interest rate instruments	(4,995)	(59,219)
Commodity contracts	28,651	39,596
Credit derivative contracts	1,360	19,790
Securities held for trading purposes	(65)	3,410
Others	(2,225)	586
	<u>222,222</u>	<u>3,618</u>

2. Operating expenses

	Year ended 31 December 2021 HK\$'000	Year ended 31 December 2020 HK\$'000
Staff costs	508,656	439,896
Rental expenses	88,842	96,836
Courier expenses	3,722	4,381
Data processing fees	78,372	58,650
Net charge for other provisions	34,443	9,957
Others	71,073	56,031
	<u>785,108</u>	<u>665,751</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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Cash in hand	26,516	38,359
Balances with central banks	190,670	177,838
Balances with banks	985,834	891,153
Placements with banks maturing within one month	-	-
Less:		
Allowances for non-impaired losses	(1,222)	(2,292)
	<u>1,201,798</u>	<u>1,105,058</u>

4. Trade bills

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Gross trade bills	8,222,103	9,638,599
Less:		
Allowances for non-impaired losses	(10,127)	(15,647)
Allowances for impaired losses	(99,719)	(124,399)
	<u>8,112,257</u>	<u>9,498,553</u>

5. Advances to customers

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Gross advances to customers	150,754,203	146,938,609
Less:		
Allowances for non-impaired advances	(487,833)	(466,571)
Allowances for impaired advances	(536,683)	(353,721)
	<u>149,729,687</u>	<u>146,118,317</u>

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

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Government debt securities	11,779,879	10,020,626
Certificates of deposit	11,952,688	12,583,238
Other debt securities	<u>16,218,181</u>	<u>10,795,685</u>
	<u>39,950,748</u>	<u>33,399,549</u>

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

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Deposits and balances from central banks	6,951,770	6,599,320
Deposits and balances from banks and other financial institutions	<u>5,056,654</u>	<u>12,747,030</u>
	<u>12,008,424</u>	<u>19,346,350</u>

8. Deposits from customers

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Demand deposits and current accounts	26,982,802	10,190,161
Savings deposits	15,723,358	11,695,845
Time, call and notice deposits	<u>33,431,301</u>	<u>33,754,919</u>
	<u>76,137,461</u>	<u>55,640,925</u>

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

	As at 31 December 2021 HK\$'000	As at 30 June 2021 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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Exchange rate-related contracts		
- Spot and forwards	43,293,977	40,503,380
- Swaps	446,333,039	379,511,412
- Options	<u>2,094,838</u>	<u>3,212,940</u>
	491,721,854	423,227,732
Interest rate contracts	309,595,114	276,593,930
Commodity contracts	5,255,828	6,181,213
Credit derivative contracts	<u>4,872,404</u>	<u>3,732,422</u>
	<u>811,445,200</u>	<u>709,735,297</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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Positive fair values		
Exchange rate-related contracts		
- Spot and forwards	660,913	362,069
- Swaps	2,567,651	2,507,703
- Options	71,625	55,401
	3,300,189	2,925,173
Interest rate contracts	1,719,379	2,385,378
Commodity contracts	1,519,049	1,384,489
Credit derivative contracts	35,026	67,490
	6,573,643	6,762,530
Negative fair values		
Exchange rate-related contracts		
- Spot and forwards	651,959	441,473
- Swaps	2,006,306	2,126,369
- Options	71,708	55,448
	2,729,973	2,623,290
Interest rate contracts	1,706,719	2,297,486
Commodity contracts	1,519,049	1,384,489
Credit derivative contracts	24,135	46,486
	5,979,876	6,351,751

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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Direct credit substitutes	1,913,376	1,149,450
Transaction-related contingencies	4,361,914	5,246,577
Trade-related contingencies	3,855,748	6,344,444
Forward forward deposits placed	-	1,082,757
Other commitments	<u>100,087,923</u>	<u>77,199,691</u>
	<u>110,218,961</u>	<u>91,022,919</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 2021	Quarter ended 31 December 2020
Average LMR	37.23%	43.55%

(b) Core Funding Ratio (CFR)

	Quarter ended 31 December 2021	Quarter ended 31 December 2020
Average CFR	112.63%	105.30%

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 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 2021

(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	217,188	-	-	-	-	-	-
Placements and balances with banks and other financial institutions	1,436,647	143,165	274,447	141,516	-	-	-
Loans to customers, acceptances and bills of exchange held	9,843,337	33,311,738	13,003,830	29,332,054	60,350,949	11,550,583	1,698,274
Debt securities held #	44,073,292	-	-	-	-	-	-
Amount receivable under reverse repo	2,257,943	3,335,034	2,564,446	3,950,645	-	-	-
Gross cash inflow from derivatives financial assets	76,211,201	85,694,376	124,947,230	124,133,356	35,270,443	17,229,378	-
Other assets	290,876	135,647	172,134	470,288	32,090	6,587	617,229
Total on-balance sheet assets	134,330,484	122,619,960	140,962,087	158,027,859	95,653,482	28,786,548	2,315,503
Total off-balance sheet claims	13,999,054	-	-	-	-	-	-
Deposits from customers	45,315,345	6,948,539	16,249,599	7,641,322	-	-	-
Deposits and balances of banks and other financial institutions	10,366,476	12,348,394	28,628,350	74,102,383	1,938,000	10,000	-
Debt securities issued	-	-	720,000	-	2,750,000	-	-
Amount payable under repo	-	-	106,245	239,314	-	-	-
Gross cash outflow from derivatives financial liabilities	76,218,705	85,547,915	124,939,990	123,694,464	35,153,881	17,247,969	-
Other liabilities and capital	4,236,117	189,078	5,716,189	595,291	103,152	93,333	244,947
Total on-balance sheet liabilities	136,136,643	105,033,926	176,360,373	206,272,774	39,945,033	17,351,302	244,947
Total off-balance sheet obligations	48,918,177	2,149,654	-	-	-	-	-
Contractual Maturity Mismatch	(36,725,282)	15,436,380	(35,398,286)	(48,244,915)	55,708,449	11,435,246	
Cumulative Contractual Maturity Mismatch	(36,725,282)	(21,288,902)	(56,687,188)	(104,932,103)	(49,223,654)	(37,788,408)	

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 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
Total on-balance sheet assets	98,431,726	82,805,332	146,233,913	143,391,677	66,410,874	26,795,797	2,370,929
Total off-balance sheet claims	11,737,980	-	80,839	-	-	-	-
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
Total on-balance sheet liabilities	86,659,013	73,876,966	171,846,826	189,180,394	26,909,929	16,716,781	203,783
Total off-balance sheet obligations	42,220,194	4,908	-	-	-	-	-
Contractual Maturity Mismatch	(18,709,501)	8,923,458	(25,532,074)	(45,788,717)	39,500,945	10,079,016	
Cumulative Contractual Maturity Mismatch	(18,709,501)	(9,786,043)	(35,318,117)	(81,106,834)	(41,605,889)	(31,526,873)	

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 2021				
Hong Kong dollar equivalents				
Spot assets	77,736	6,144	5,631	89,511
Spot liabilities	(153,346)	(2,188)	(2,051)	(157,585)
Forward purchases	280,125	114,290	17,054	411,469
Forward sales	(203,560)	(118,268)	(20,575)	(342,403)
Net options position	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net long /(short) position	<u>955</u>	<u>(22)</u>	<u>59</u>	<u>992</u>
HK\$'million				
As at 30 June 2021				
Hong Kong dollar equivalents				
Spot assets	81,348	5,464	10,586	97,398
Spot liabilities	(147,631)	(2,968)	(2,176)	(152,775)
Forward purchases	240,547	101,977	25,387	367,911
Forward sales	(173,253)	(104,294)	(33,899)	(311,446)
Net options position	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net long /(short) position	<u>1,011</u>	<u>179</u>	<u>(102)</u>	<u>1,088</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 31 December 2021 and 30 June 2021.

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 2021		As at 30 June 2021	
	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	27,605,166	13,861,596	24,663,163	9,920,347
- Property investment	31,277,850	20,514,949	27,626,382	19,886,254
- Financial concerns	7,447,521	875,000	6,367,046	576,432
- Stockbrokers	2,179,341	1,829,342	4,611,863	2,778,884
- Wholesale and retail trade	4,478,291	2,415,109	4,219,317	2,689,613
- Manufacturing	6,474,648	2,946,118	6,692,855	3,152,545
- Transport and transport equipment	1,527,905	697,636	1,724,424	716,303
- Recreational activities	13,652	13,650	14,277	14,275
- Information technology	2,624,417	1,179,938	1,445,649	716,148
- Others	29,965,434	17,085,626	26,954,445	18,454,160
Subtotal	113,594,225	61,418,964	104,319,421	58,904,961
Individuals				
- Loans for purchase of other residential properties	192,493	192,163	181,020	181,020
- Others	83,371	81,334	95,977	89,539
Subtotal	275,864	273,497	276,997	270,559
Total loans for use in Hong Kong	113,870,089	61,692,461	104,596,418	59,175,520
Trade finance	11,270,899	2,258,693	23,976,196	2,358,371
Loans for use outside Hong Kong	25,613,215	3,782,741	18,365,995	4,211,787
Gross advances to customers	150,754,203	67,733,895	146,938,609	65,745,678

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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Hong Kong	126,811,389	127,830,702
China	15,657,101	12,744,249
Other areas	8,285,713	6,363,658
	<u>150,754,203</u>	<u>146,938,609</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 2021					
Offshore centres	15,070	-	12,456	31,224	58,750
of which:					
- Hong Kong	10,956	-	11,988	26,844	49,788
Developing Asia Pacific	14,691	1,285	3,763	18,117	37,856
of which:					
- Mainland China	12,104	1,285	1,364	16,535	31,288
HK\$'million					
As at 30 June 2021					
Offshore centres	15,703	-	11,049	43,414	70,166
of which:					
- Hong Kong	11,058	-	11,020	39,930	62,008
Developing Asia Pacific	16,816	1,733	907	13,266	32,722
of which:					
- Mainland China	14,178	1,733	907	11,513	28,331

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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Gross impaired advances to customers	1,202,627	1,210,794
Allowances for impaired advances	<u>(536,683)</u>	<u>(353,721)</u>
	<u>665,944</u>	<u>857,073</u>
Value of collateral taken into account in respect of such advances to customers to which the allowances for the impaired advances relate	536,976	580,651
Percentage of such advances to customers to total gross advances to customers	0.80%	0.82%

Analysis of gross impaired advances to customers by geographical areas:

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Hong Kong	1,200,826	1,202,640
Singapore	<u>1,801</u>	<u>8,154</u>
	<u>1,202,627</u>	<u>1,210,794</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 2021 HK\$'000	As at 30 June 2021 HK\$'000
Gross impaired trade bills	214,001	265,118
Allowances for impaired losses	<u>(99,719)</u>	<u>(124,399)</u>
	<u>114,282</u>	<u>140,719</u>
Value of collateral taken into account in respect of such trade bills to which the allowances for impaired losses relate	78,624	98,436
Percentage of such trade bills to total trade bills	2.60%	2.75%
Analysis of gross impaired trade bills by geographical areas:		
	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Hong Kong	214,001	232,280
Singapore	<u>-</u>	<u>32,838</u>
	<u>214,001</u>	<u>265,118</u>

(c) There are no allowances for impaired losses on advance to banks and debt securities as at 31 December 2021 and 30 June 2021 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 2021		As at 30 June 2021	
	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	2,778	0.002%	137,309	0.09%
- one year or less but over six months	117,742	0.08%	314,195	0.21%
- over one year	906,754	0.60%	719,139	0.49%
Total	1,027,274	0.68%	1,170,643	0.79%

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

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Hong Kong	1,027,274	1,164,464
Singapore	-	6,179
	1,027,274	1,170,643

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 2021		As at 30 June 2021	
	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%	38,278	0.40%
- one year or less but over six months	14,657	0.18%	-	0.00%
- over one year	191,660	2.33%	226,840	2.35%
Total	206,317	2.51%	265,118	2.75%

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

	As at 31 December 2021 HK\$'000	As at 30 June 2021 HK\$'000
Hong Kong	206,317	232,280
Singapore	-	32,838
	206,317	265,118

(c) There are no rescheduled advances to customers as at 31 December 2021 and 30 June 2021.

(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 2021 and 30 June 2021.

(e) There are no repossessed assets as at 31 December 2021 and 30 June 2021.

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 2021					
Overdue advances					
- Fully covered advances	61,143	61,200	61,143	-	574
- Partially covered advances	591,209	377,776	377,776	213,433	181,078
- Uncovered advances	<u>374,922</u>	<u>-</u>	<u>-</u>	<u>374,922</u>	<u>304,055</u>
Total	<u>1,027,274</u>	<u>438,976</u>	<u>438,919</u>	<u>588,355</u>	<u>485,707</u>
As at 30 June 2021					
Overdue advances					
- Fully covered advances	21,432	134,720	21,432	-	-
- Partially covered advances	782,599	557,684	557,684	224,915	181,004
- Uncovered advances	<u>366,612</u>	<u>-</u>	<u>-</u>	<u>366,612</u>	<u>151,807</u>
Total	<u>1,170,643</u>	<u>692,404</u>	<u>579,116</u>	<u>591,527</u>	<u>332,811</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 2021					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	170,909	78,624	78,624	92,285	63,393
- Uncovered trade bills	35,408	-	-	35,408	35,408
	<u>206,317</u>	<u>78,624</u>	<u>78,624</u>	<u>127,693</u>	<u>98,801</u>
Total	<u>206,317</u>	<u>78,624</u>	<u>78,624</u>	<u>127,693</u>	<u>98,801</u>
As at 30 June 2021					
Overdue trade bills					
- Fully covered trade bills	-	-	-	-	-
- Partially covered trade bills	190,837	98,436	98,436	92,401	50,118
- Uncovered trade bills	74,281	-	-	74,281	74,281
	<u>265,118</u>	<u>98,436</u>	<u>98,436</u>	<u>166,682</u>	<u>124,399</u>
Total	<u>265,118</u>	<u>98,436</u>	<u>98,436</u>	<u>166,682</u>	<u>124,399</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 2021			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	11,833	4,654	16,487
(2) Local governments, local government-owned entities and their subsidiaries and JVs	2,587	995	3,582
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	28,642	4,702	33,344
(4) Other entities of central government not reported in item 1 above	300	-	300
(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	7,206	1,108	8,314
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	5,911	793	6,704
Total	<u>56,479</u>	<u>12,252</u>	<u>68,731</u>
Total assets after provisions	<u>224,565</u>		
On-balance sheet exposures as percentage of total assets	<u>25.15%</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 2021			
(1) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	23,774	4,594	28,368
(2) Local governments, local government-owned entities and their subsidiaries and JVs	2,779	1,472	4,251
(3) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,965	6,021	15,986
(4) Other entities of central government not reported in item 1 above	762	139	901
(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	8,504	2,885	11,389
(7) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,411	1,123	4,534
Total	49,195	16,234	65,429
Total assets after provisions	215,025		
On-balance sheet exposures as percentage of total assets	22.88%		

There are no allowances for impaired loan on non-bank Mainland China exposures as at 31 December 2021 and 30 June 2021 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, 29 April 2022

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 2021 S\$'million	As at 30 June 2021 S\$'million
Group shareholders' equity	42,633	42,031
Group's capital adequacy ratios		
Common Equity Tier 1	13.5%	14.2%
Tier 1	14.4%	15.2%
Total	16.6%	18.1%

2. Other financial information

	Year ended 31 December 2021 S\$'million	Year ended 31 December 2020 S\$'million
Pre-tax profit	4,937	3,536

	As at 31 December 2021 S\$'million	As at 30 June 2021 S\$'million
Total assets	459,323	446,506
Total liabilities	416,462	404,256
Total gross customer loans	310,800	298,597
Total customer deposits	352,633	338,894