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UBS AG  
Hong Kong Branch  
*(Incorporated in Switzerland with Limited Liability)*

Key Financial Information Disclosure Statements  
As at 30 June 2023

UBS AG HONG KONG BRANCH

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENTS

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Note: The disclosure statements for the current period and prior periods are available in the following UBS website.

<https://www.ubs.com/global/en/legalinfo2/hongkong/disclosure-statements.html>

UBS AG HONG KONG BRANCH

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENTS

30 June 2023

**Chief Executive's Declaration**

The key financial information disclosure statements as at 30 June 2023 are set out on pages 2 to 12.

Information is disclosed in accordance with the Banking (Disclosure) Rules and the guidance notes for overseas incorporated authorized institutions issued by the Hong Kong Monetary Authority.

This disclosure complies with the Hong Kong Monetary Authority's recommendations and is not false or misleading in any material aspects.

A handwritten signature in black ink, appearing to be 'Amy Lo', written in a cursive style.

Amy Lo  
Chief Executive  
UBS AG Hong Kong Branch  
21st September 2023

UBS AG HONG KONG BRANCH

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2023

	Notes	6 months ended 30 Jun 2023 HKD million	6 months ended 30 Jun 2022 HKD million
Interest income		4,400	1,648
Interest expense		3,054	386
Net interest income		<u>1,346</u>	<u>1,262</u>
Other operating income	2	7,665	8,141
Total operating income		<u>9,011</u>	<u>9,403</u>
Operating expenses	3	5,841	5,940
Impairment losses and provisions for impaired loans and receivables		(16)	(216)
Profit before taxation		<u>3,186</u>	<u>3,679</u>
Tax expense		500	690
Profit after taxation		<u><u>2,686</u></u>	<u><u>2,989</u></u>

UBS AG HONG KONG BRANCH

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 Jun 2023 HKD million	31 Dec 2022 HKD million
<b>ASSETS</b>			
Cash and balances with banks (except those included in amount due from overseas offices)		5,436	5,231
Amount receivable under reverse repos		6,910	12,665
Amount due from overseas offices		81,725	68,707
Securities held for trading purposes		8,961	12,574
Investment securities		12,222	10,619
Loans and receivables	4	107,677	115,574
Other investments		2,956	3,456
Property, plant and equipment and investment properties		3,590	3,771
Total assets		<u>229,477</u>	<u>232,597</u>
<b>LIABILITIES</b>			
Deposits and balances from banks (except those included in amount due to overseas offices)		1,189	861
Amount payable under repos		4,703	4,306
Deposits from customers	8	179,310	179,423
Amount due to overseas offices		783	466
Certificates of deposit issued		4,780	234
Issued debt securities		25,051	28,834
Other liabilities		13,200	18,025
Provisions		461	448
Total liabilities		<u>229,477</u>	<u>232,597</u>

## NOTES TO THE FINANCIAL STATEMENTS

**1 Business activities**

UBS AG Hong Kong Branch ("the Branch") is a branch of UBS AG, a bank incorporated in Switzerland. The Branch provides a broad range of financial services including wealth management, advisory services, underwriting, financing, brokerage and asset management.

**2 Other operating income**

	Notes	6 months ended 30 Jun 2023 HKD million	6 months ended 30 Jun 2022 HKD million
Net trading income			
Profit on dealing in foreign currencies		197	202
(Loss)/profit on trading securities		(42)	(60)
Profit from other trading activities		103	110
		<u>258</u>	<u>252</u>
Net fee and commission income			
Fee and commission income		3,552	4,041
Less: Fee and commission expenses		(756)	(877)
		<u>2,796</u>	<u>3,164</u>
Other income		4,611	4,725
		<u>7,665</u>	<u>8,141</u>

**3 Operating expenses**

	Notes	6 months ended 30 Jun 2023 HKD million	6 months ended 30 Jun 2022 HKD million
Staff costs		3,041	3,422
Rental expenses		270	272
Net service fee to other UBS entities		1,705	1,546
Other operating expenses		825	700
		<u>5,841</u>	<u>5,940</u>

**4 Loans and receivables**

	Notes	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Loans and advances to customers	5	98,106	104,424
Accrued interest and other receivables		9,571	11,150
		<u>107,677</u>	<u>115,574</u>
Less: Collective provisions		28	44
Specific provisions			
- loans and advances to customers		433	396
- fee receivables		-	7
		<u>107,216</u>	<u>115,127</u>

**5 Analysis of gross amounts of loans and advances to customers****a. Loans and advances to customers - by industry sectors**

The analysis of gross loans and advances to customers and the percentages of secured loans and advances by industry sectors are based on the categories and definitions used by the Hong Kong Monetary Authority.

	30 Jun 2023	
	HKD million	
	Gross loans and advances	Collateral or other security *
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Manufacturing	21	0%
Property development	72	0%
Property investment	97	100%
Wholesale and retail trade	5	17%
Financial concerns	2,060	100%
Stockbrokers	1	0%
Others	144	100%
	<u>2,400</u>	<u>96%</u>
Individuals		
For the purchase of other residential properties	499	100%
Others	26,117	100%
	<u>26,616</u>	<u>100%</u>
Loans and advances for use outside Hong Kong	69,090	99%
Total loans and advances to customers	<u><u>98,106</u></u>	<u><u>99%</u></u>
	31 Dec 2022	
	HKD million	
	Gross loans and advances	Collateral or other security *
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Manufacturing	59	0%
Property development	146	0%
Property investment	98	100%
Wholesale and retail trade	4	2%
Financial concerns	2,066	100%
Stockbrokers	633	0%
Others	363	100%
	<u>3,369</u>	<u>75%</u>
Individuals		
For the purchase of other residential properties	557	100%
Others	26,547	100%
	<u>27,104</u>	<u>100%</u>
Loans and advances for use outside Hong Kong	73,951	98%
Total loans and advances to customers	<u><u>104,424</u></u>	<u><u>98%</u></u>

\*Where collateral values are greater than gross loans and advances, only the amount of collateral up to the gross loans and advances is included.

**5 Analysis of gross amounts of loans and advances to customers (Cont'd)****b. Loans and advances to customers - by geographical areas**

The gross amounts of loans and advances to customers by geographical areas are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when a loan or advance is guaranteed by a party in a country which is different from that of the counterparty. The basis of the country classification is in accordance with the guidance notes from the Hong Kong Monetary Authority.

	30 Jun 2023 HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	29,607	-
British Virgin Islands	37,990	-
Others	30,509	2,007
	<u>98,106</u>	<u>2,007</u>

	31 Dec 2022 HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	31,042	-
British Virgin Islands	39,192	-
Others	34,190	1,934
	<u>104,424</u>	<u>1,934</u>

**6 Impaired loans and advances**

	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Gross impaired loans and advances to customers (Percentage of total loans and advances to customers)	2,007 (2.05%)	1,934 (1.85%)
Covered portion	1,574	1,538
Uncovered portion	433	396
Specific provisions	433	396
Value of the collateral in respect of such loans and advances to which the specific provisions have been made	1,574	1,538

There were no impaired advances to banks and other financial institutions as at 30 June 2023 and 31 December 2022.

Country provision, if required, is booked at head office level. The bank may establish and maintain Collective Loan Loss Provisions for country risk in case an event (or various events) in one or several countries has been identified that is likely to cause an impairment of assets, while there is not sufficient information as to which counterparties are actually affected, thus preventing the establishment of individual counterparty provisions or allowances in a timely fashion.



## NOTES TO THE FINANCIAL STATEMENTS

**7 Overdue, rescheduled and repossessed assets****a. Overdue and rescheduled loans and advances**

	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Loans and advances to customers overdue for		
- more than 3 months but not more than 6 months	-	-
- more than 6 months but not more than 1 year	28 (0.03%)	-
- more than 1 year	-	-
(% to total loans and advances to customers)		
Rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months	1,979 (2.02%)	1,907 (1.83%)
(% to total loans and advances to customers)		
Specific provisions on the overdue loans and advances to customers	28	-
Fair value of the collateral held in respect of the overdue loans and advances to customers	-	-

The Branch did not have any overdue or rescheduled advances to banks as at 30 June 2023 and 31 December 2022.

**b. Other overdue and repossessed assets**

The Branch did not have any other overdue and repossessed assets as at 30 June 2023 and 31 December 2022.

**8 Deposits from customers**

	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Demand deposits and current accounts	42,965	50,999
Savings deposits	1,009	1,239
Time, call and notice deposits	135,336	127,185
	<u>179,310</u>	<u>179,423</u>

**9 International claims**

International claims are classified by the types and the locations of the counterparties after taking into account the transfer of risk. In general, such transfer of risk refers to the reduction of the Branch's exposure to a particular country by an effective transfer of credit risk to a different country with the use of credit risk mitigants which include guarantees, collaterals and credit derivatives. The basis of the country and geographical segment classification is in accordance with the guidance notes from the Hong Kong Monetary Authority.

**9 International claims (Cont'd)**

	30 Jun 2023 HKD million					
			Non-bank private sector			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
International organisations	-	183	-	-	-	183
Developed countries	88,473	2,402	200	460	-	91,535
Switzerland	85,068	1,745	194	100	-	87,107
Others	3,405	657	6	360	-	4,428
Offshore centres	5,150	4,284	2,013	72,177	-	83,624
British Virgin Islands	-	-	-	37,864	-	37,864
Hong Kong	4,387	1,785	34	16,445	-	22,651
Others	763	2,499	1,979	17,868	-	23,109
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	148	-	148
Developing Africa and Middle East	-	-	-	376	-	376
Developing Asia Pacific	2,147	700	5,582	13,865	-	22,294
	<u>95,770</u>	<u>7,569</u>	<u>7,795</u>	<u>87,026</u>	<u>-</u>	<u>198,160</u>

	31 Dec 2022 HKD million					
			Non-bank private sector			
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
International organisations	-	138	-	-	-	138
Developed countries	80,995	1,681	245	843	-	83,764
Switzerland	70,423	843	-	63	-	71,329
Others	10,572	838	245	780	-	12,435
Offshore centres	4,741	8,048	2,169	77,614	-	92,572
British Virgin Islands	-	-	-	39,036	-	39,036
Hong Kong	4,375	736	148	18,255	-	23,514
Others	366	7,312	2,021	20,323	-	30,022
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	160	-	160
Developing Africa and Middle East	-	-	-	406	-	406
Developing Asia Pacific	1,977	883	4,814	14,346	-	22,020
	<u>87,713</u>	<u>10,750</u>	<u>7,228</u>	<u>93,369</u>	<u>-</u>	<u>199,060</u>

**10 Non-bank Mainland exposures**

The total direct non-bank Mainland exposures and the specific provision were as follows:

	30 Jun 2023 HKD million			
	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total</u>	<u>Specific provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	386	147	533	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,980	104	7,084	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,158	163	3,321	28
<b>Total</b>	<b>10,524</b>	<b>414</b>	<b>10,938</b>	<b>28</b>
Total assets after provision	<u>229,016</u>			
On-balance sheet exposures as percentage of total assets	4.60%			
	31 Dec 2022 HKD million			
	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total</u>	<u>Specific provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	650	27	677	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,403	86	7,489	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,861	129	3,990	27
<b>Total</b>	<b>11,914</b>	<b>242</b>	<b>12,156</b>	<b>27</b>
Total assets after provision	<u>232,149</u>			
On-balance sheet exposures as percentage of total assets	5.13%			

**11 Currency Risk**

(HKD million)

The net position in a particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	30 Jun 2023				
	USD	SGD*	PHP*	Others	Total
Spot assets	111,102	3,373	64	39,049	153,588
Spot liabilities	(137,004)	(4,210)	(14)	(30,719)	(171,947)
Forward purchases	115,743	8,067	32	72,950	196,792
Forward sales	(89,108)	(7,273)	(32)	(81,235)	(177,648)
Net options position	-	-	-	-	-
Net long / (short) position	733	(43)	50	45	785
Net structural position	-	-	-	-	-

	31 Dec 2022				
	USD	SGD	PHP	Others	Total
Spot assets	104,529	8,131	98	41,627	154,385
Spot liabilities	(135,968)	(4,650)	(11)	(28,927)	(169,556)
Forward purchases	123,255	17,576	19	71,119	211,969
Forward sales	(91,340)	(21,145)	(19)	(83,791)	(196,295)
Net options position	-	-	-	-	-
Net long / (short) position	476	(88)	87	28	503
Net structural position	-	-	-	-	-

The above figures represent the Hong Kong dollar equivalent values of the individual currencies.

\* The foreign currency which constitutes less than 10% of the total net position in all foreign currencies is presented for comparative purpose only.

## OFF BALANCE SHEET EXPOSURES AND LIQUIDITY INFORMATION

As at 30 June 2023

	30 Jun 2023 HKD million		31 Dec 2022 HKD million		
<b>1 Contingent liabilities and commitments</b> (contractual amounts)					
Direct credit substitutes		9,866		10,072	
Transaction-related contingent items		1,162		2,462	
Other commitments		-		45	
<b>2 Derivatives transactions</b> (HKD million)	30 Jun 2023		31 Dec 2022		
	Fair value		Fair value		Total
	Positive	Negative	Positive	Negative	Notional Amount
Exchange rate-related derivative contracts	2,733	2,904	4,565	5,192	345,071
Interest rate derivative contracts	965	1,641	947	1,610	110,327
Equity derivative contracts	484	479	579	574	5,314
Precious metals other than gold contracts	35	34	37	37	4,313

At branch level, the above exposures do not take into account the effects of bilateral netting agreements. Such netting is effected at UBS Group AG consolidated level.

**3 Liquidity information****a. Liquidity Maintenance Ratio**

	3 months ended 30 Jun 2023	3 months ended 30 Jun 2022
Average Liquidity Maintenance Ratio for the financial period	80.6%	77.9%

The average Liquidity Maintenance Ratio for the 3-month period is the simple average of each calendar month's average Liquidity Maintenance Ratio, which is computed as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Hong Kong Banking Ordinance.

**b. Core Funding Ratio**

	3 months ended 30 Jun 2023	3 months ended 30 Jun 2022
Average Core Funding Ratio for the financial period	726.0%	714.0%

The average Core Funding Ratio for the 3-month period is the simple average of each calendar month's average Core Funding Ratio, which is computed as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Hong Kong Banking Ordinance.

UBS GROUP AG

CONSOLIDATED FINANCIAL INFORMATION

As at 30 June 2023

	30 Jun 2023 USD million	31 Dec 2022 USD million
Total shareholders' equity attributable to UBS shareholders	86,999	56,876
Common equity tier 1 capital ratio	14.4%	14.2%
Other financial information		
Statement of financial position:		
Total assets	1,678,780	1,104,364
Total liabilities	1,591,145	1,047,146
Total loans and advances	651,770	387,220
Total customer deposits	712,546	525,051
	6 months ended 30 Jun 2023 USD million	6 months ended 30 Jun 2022 USD million
Statement of comprehensive income:		
Pre-tax profit	30,735	5,344

Notes :

- (1) For further details on UBS Group AG financial information, please refer to the UBS Group AG 2022 Annual Report and press release issued on 31 August 2023 for June 2023 half-year results which may be viewed on our website: [www.ubs.com](http://www.ubs.com).