



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

Key Financial Information Disclosure Statements
As at 30 June 2024

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

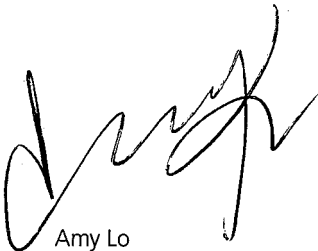
30 June 2024

Chief Executive's Declaration

The key financial information disclosure statements as at 30 June 2024 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.



Amy Lo
Chief Executive
UBS AG Hong Kong Branch
26th Sep 2024

UBS AG HONG KONG BRANCH

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2024

	Notes	6 months ended 30 Jun 2024 HKD million	6 months ended 30 Jun 2023 HKD million
Interest income		7,069	4,400
Interest expense		6,133	3,054
Net interest income		<u>936</u>	<u>1,346</u>
Other operating income	2	8,464	7,665
Total operating income		<u>9,400</u>	<u>9,011</u>
Operating expenses	3	7,373	5,841
Impairment losses and provisions for impaired loans and receivables		(9)	(16)
Profit before taxation		<u>2,036</u>	<u>3,186</u>
Tax expense		331	500
Profit after taxation		<u><u>1,705</u></u>	<u><u>2,686</u></u>

UBS AG HONG KONG BRANCH

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 Jun 2024 HKD million	31 Dec 2023 HKD million
ASSETS			
Cash and balances with banks (except those included in amount due from overseas offices)		8,431	6,276
Amount receivable under reverse repos		11,444	3,673
Amount due from overseas offices		191,446	145,188
Securities held for trading purposes		12,732	6,968
Investment securities		12,792	13,260
Loans and receivables	4	103,097	97,963
Other investments		2,554	2,954
Property, plant and equipment and investment properties		3,154	3,363
Total assets		<u>345,650</u>	<u>279,645</u>
LIABILITIES			
Deposits and balances from banks (except those included in amount due to overseas offices)		989	1,222
Amount payable under repos		6,240	4,007
Deposits from customers	8	284,960	231,503
Amount due to overseas offices		1,840	1,110
Certificates of deposit issued		2,748	2,983
Issued debt securities		33,806	25,356
Other liabilities		14,495	12,968
Provisions		572	496
Total liabilities		<u>345,650</u>	<u>279,645</u>

UBS AG HONG KONG BRANCH

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 2024 HKD million	6 months ended 30 Jun 2023 HKD million
Net trading income		
Profit on dealing in foreign currencies	184	197
Profit/(loss) on trading securities	41	(42)
Profit from other trading activities	139	103
	<u>364</u>	<u>258</u>
Net fee and commission income		
Fee and commission income	3,338	3,552
Less: Fee and commission expenses	(838)	(756)
	<u>2,500</u>	<u>2,796</u>
Other income	5,600	4,611
	<u>8,464</u>	<u>7,665</u>

3 Operating expenses

	6 months ended 30 Jun 2024 HKD million	6 months ended 30 Jun 2023 HKD million
Staff costs	3,165	3,041
Rental expenses	273	270
Net service fee to other UBS entities	2,696	1,705
Other operating expenses	1,239	825
	<u>7,373</u>	<u>5,841</u>

4 Loans and receivables

	30 Jun 2024 HKD million	31 Dec 2023 HKD million
Loans and advances to customers	91,082	88,797
Accrued interest and other receivables	12,015	9,166
	<u>103,097</u>	<u>97,963</u>
Less: Collective provisions	18	21
Specific provisions		
- loans and advances to customers	508	474
- fee receivables	-	-
	<u>102,571</u>	<u>97,468</u>

NOTES TO THE FINANCIAL STATEMENTS

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 2024	
	HKD million	
	Gross loans and advances	Collateral or other security *
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Manufacturing	20	0%
Property development	11	0%
Property investment	82	100%
Wholesale and retail trade	4	0%
Financial concerns	1,286	100%
Information Technology	-	0%
Others	71	100%
	<u>1,474</u>	<u>98%</u>
Individuals		
For the purchase of other residential properties	412	100%
Others	26,673	99%
	<u>27,085</u>	<u>99%</u>
Loans and advances for use outside Hong Kong	62,523	98%
Total loans and advances to customers	<u>91,082</u>	<u>99%</u>

	31 Dec 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	13	0%
Property investment	85	100%
Wholesale and retail trade	4	0%
Financial concerns	1,801	100%
Stockbrokers	-	0%
Information Technology	1	0%
Others	131	100%
	<u>2,056</u>	<u>98%</u>
Individuals		
For the purchase of other residential properties	502	100%
Others	24,948	99%
	<u>25,450</u>	<u>99%</u>
Loans and advances for use outside Hong Kong	61,291	98%
Total loans and advances to customers	<u>88,797</u>	<u>98%</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.

NOTES TO THE FINANCIAL STATEMENTS

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 2024	
	HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	29,919	9
British Virgin Islands	31,675	-
Others	29,488	2,050
	<u>91,082</u>	<u>2,059</u>

	31 Dec 2023	
	HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	27,881	-
British Virgin Islands	34,081	-
Others	26,835	2,074
	<u>88,797</u>	<u>2,074</u>

6 Impaired loans and advances

	30 Jun 2024	31 Dec 2023
	HKD million	HKD million
Gross impaired loans and advances to customers (Percentage of total loans and advances to customers)	2,059 (2.26%)	2,074 (2.34%)
Covered portion	1,540	1,588
Uncovered portion	519	486
Specific provisions	508	474
Value of the collateral in respect of such loans and advances to which the specific provisions have been made	1,540	1,588

There were no impaired advances to banks and other financial institutions as at 30 June 2024 and 31 December 2023.

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 2024 HKD million	31 Dec 2023 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	11 (0.01%)	-
- more than 1 year	40 (0.04%)	30 (0.03%)
(% to total loans and advances to customers)		
Rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months	2,007 (2.2%)	2,032 (2.29%)
(% to total loans and advances to customers)		
Specific provisions on the overdue loans and advances to customers	40	30
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 2024 and 31 December 2023.

b. Other overdue and repossessed assets

The Branch did not have any other overdue and repossessed assets as at 30 June 2024 and 31 December 2023.

8 Deposits from customers

	30 Jun 2024 HKD million	31 Dec 2023 HKD million
Demand deposits and current accounts	43,013	38,479
Savings deposits	-	1,561
Time, call and notice deposits	241,947	191,463
	<u>284,960</u>	<u>231,503</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 2024 HKD million						
	Non-bank private sector					Total
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	
International organisations	-	238	-	-	-	238
Developed countries	207,308	1,542	2,438	414	-	211,702
Switzerland	197,949	-	457	40	-	198,446
Others	9,359	1,542	1,981	374	-	13,256
Offshore centres	4,699	4,932	2,934	69,533	-	82,098
British Virgin Islands	-	-	5	32,042	-	32,047
Others	4,699	4,932	2,929	37,491	-	50,051
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	165	-	165
Developing Africa and Middle East	-	-	-	459	-	459
Developing Asia Pacific	2,472	1,361	5,256	14,848	-	23,937
	214,479	8,073	10,628	85,419	-	318,599

31 Dec 2023 HKD million						
	Non-bank private sector					Total
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	
International organisations	-	84	-	-	-	84
Developed countries	150,511	669	425	322	-	151,927
Switzerland	149,178	-	256	39	-	149,473
Others	1,333	669	169	283	-	2,454
Offshore centres	4,446	2,884	2,686	66,894	-	76,910
British Virgin Islands	-	-	-	34,017	-	34,017
Hong Kong	3,720	2,000	655	17,086	-	23,461
Others	726	884	2,031	15,791	-	19,432
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	154	-	154
Developing Africa and Middle East	-	-	-	401	-	401
Developing Asia Pacific	2,349	1,092	5,485	12,430	-	21,356
	157,306	4,729	8,596	80,201	-	250,832

10 Non-bank Mainland exposures

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

	30 Jun 2024 HKD million			
	On-balance <u>sheet exposures</u>	Off-balance sheet <u>exposures</u>	Total	Specific <u>provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	168	68	236	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,042	112	6,154	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,047	50	3,097	32
Total	9,257	230	9,487	32
Total assets after provision	<u>345,078</u>			
On-balance sheet exposures as percentage of total assets	2.76%			

	31 Dec 2023 HKD million			
	On-balance <u>sheet exposures</u>	Off-balance sheet <u>exposures</u>	Total	Specific <u>provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	173	229	402	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,107	48	5,155	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,107	92	3,199	30
Total	8,387	369	8,756	30
Total assets after provision	<u>279,148</u>			
On-balance sheet exposures as percentage of total assets	3.00%			

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 2024									
	USD	EUR*	CNY	IDR*	CHF*	MYR*	JPY*	PHP*	Others	Total
Spot assets	219,439	11,585	9,830	96	12,956	34	9,137	80	13,299	276,456
Spot liabilities	(219,753)	(5,708)	(14,209)	(56)	(520)	(4)	(7,229)	(76)	(22,508)	(270,063)
Forward purchases	87,961	8,208	28,308	-	3,440	-	12,091	2,518	28,820	171,346
Forward sales	(87,004)	(14,098)	(23,991)	-	(15,846)	-	(13,977)	(2,518)	(19,655)	(177,089)
Net options position	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	643	(13)	(62)	40	30	30	22	4	(44)	650
Net structural position	-	-	-	-	-	-	-	-	-	-

	31 Dec 2023									
	USD	EUR	CNY	IDR	CHF	MYR	JPY	PHP	Others	Total
Spot assets	172,137	11,679	6,932	60	8,919	29	2,637	12	9,102	211,507
Spot liabilities	(175,025)	(3,595)	(10,648)	(26)	(427)	(2)	(6,057)	(2)	(18,247)	(214,029)
Forward purchases	90,069	12,200	32,459	-	2,955	-	8,598	156	31,000	177,437
Forward sales	(87,303)	(20,343)	(28,799)	-	(11,417)	-	(5,155)	(156)	(21,836)	(175,009)
Net options position	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	(122)	(59)	(55)	34	30	27	23	10	19	(94)
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.

UBS AG HONG KONG BRANCH

OFF BALANCE SHEET EXPOSURES AND LIQUIDITY INFORMATION

As at 30 June 2024

	30 Jun 2024 HKD million			31 Dec 2023 HKD million		
1 Contingent liabilities and commitments (contractual amounts)						
Direct credit substitutes	4,899			14,235		
Transaction-related contingent items	1,019			1,019		
Other commitments	-			-		
2 Derivatives transactions (HKD million)						
	30 Jun 2024			31 Dec 2023		
	Fair value		Total Notional Amount	Fair value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivative contracts	2,461	2,227	313,204	2,706	2,881	268,929
Interest rate derivative contracts	687	1,030	119,472	780	1,099	116,200
Equity derivative contracts	806	806	27,505	394	390	3,173
Precious metals other than gold contracts	76	76	5,856	9	9	3,437

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 2024	3 months ended 30 Jun 2023
Average Liquidity Maintenance Ratio for the financial period	86.4%	80.6%

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 2024	3 months ended 30 Jun 2023
Average Core Funding Ratio for the financial period	813.0%	726.0%

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

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all of the former direct and indirect subsidiaries of Credit Suisse Group AG (the Transaction). Upon the completion of the Transaction, each outstanding, registered Credit Suisse share converted to the right to receive, subject to the payment of certain fees to the Credit Suisse Depository in the case of Credit Suisse American depository shares (ADS), the merger consideration consisting of 1/22.48 UBS Group AG shares. In aggregate, Credit Suisse shareholders received 5.1% of the outstanding UBS Group AG shares on the acquisition date, with a purchase price of USD 3.6bn.

In December 2023, the Board of Directors of UBS Group AG (the BoD) approved the merger of UBS AG and Credit Suisse AG, and both entities entered into a definitive merger agreement. The merger was completed on 31 May 2024.

As at 30 June 2024

	30 Jun 2024 USD million	31 Dec 2023 USD million
Total shareholders' equity attributable to UBS shareholders	83,683	85,624
Common equity tier 1 capital ratio	14.9%	14.3%
Other financial information		
Statement of financial position:		
Total assets	1,560,976	1,716,924
Total liabilities	1,476,758	1,630,769
Total loans and advances	599,105	639,669
Total customer deposits	756,830	792,029
	6 months ended 30 Jun 2024 USD million	6 months ended 30 Jun 2023 USD million
Statement of comprehensive income:		
Pre-tax profit	3,844	29,191

Notes :

(1) For further details on UBS Group AG financial information, please refer to the UBS Group AG 2023 Annual Report and press release issued on 23 August 2024 for June 2024 half-year results which may be viewed on our website: www.ubs.com.