



DBS BANK LTD, HONG KONG BRANCH

(Incorporated in Singapore with limited liability)

**FINANCIAL DISCLOSURE STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

DBS BANK LTD, HONG KONG BRANCH

TABLE OF CONTENTS

	Page
Income statement (unaudited)	1
Statement of financial position (unaudited)	2
Supplementary financial information (unaudited)	3
Group consolidated financial information	23

DBS BANK LTD, HONG KONG BRANCH

INCOME STATEMENT (unaudited)

		For the year ended	
	Note	31 December 2018 <i>HK\$ million</i>	31 December 2017 <i>HK\$ million</i>
Interest income		7,796	4,725
Interest expense		(4,965)	(2,443)
Net interest income		2,831	2,282
Fee and commission income		522	639
Other income	1	607	280
Total income		3,960	3,201
Total expenses	2	(707)	(630)
Profit before allowances for credit and other losses		3,253	2,571
Allowances for credit and other losses		149	(444)
Profit before income tax		3,402	2,127
Income tax expense		(556)	(347)
Profit after income tax		2,846	1,780

DBS BANK LTD, HONG KONG BRANCH

STATEMENT OF FINANCIAL POSITION (unaudited)

	Note	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Assets			
Cash and balance with central bank	3	178	179
Government securities and treasury bills	4	10,798	10,097
Due from banks	5	36,437	27,060
Derivatives	12	12,370	14,934
Bank and corporate securities	6	50,663	51,182
Loans and advances to customers	7	213,273	202,617
Other assets	8	2,898	2,977
Total assets		<u>326,617</u>	<u>309,046</u>
Liabilities			
Due to banks	9	225,896	213,030
Deposits and balances from customers	10	51,307	45,854
Derivatives	12	12,931	14,983
Other liabilities		25,185	22,950
Issued debt securities	11	11,298	12,229
Total liabilities		<u>326,617</u>	<u>309,046</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

1. Other income

	For the year ended	
	31 December 2018	31 December 2017
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net trading income / (loss)		
– Foreign exchange	721	103
– Interest rates, debt securities, equities and others	(122)	176
	<u>599</u>	<u>279</u>
Net income from investment securities	7	–
Others	1	1
	<u>607</u>	<u>280</u>

2. Total expenses

	For the year ended	
	31 December 2018	31 December 2017
	<i>HK\$ million</i>	<i>HK\$ million</i>
Employee benefits	270	247
Rental of premises	19	21
Brokerage	61	37
Other expenses	357	325
	<u>707</u>	<u>630</u>

3. Cash and balance with central bank

	As at	As at
	31 December 2018	30 June 2018
	<i>HK\$ million</i>	<i>HK\$ million</i>
Cash in hand	1	1
Balance with central bank	177	178
	<u>178</u>	<u>179</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

4. Government securities and treasury bills

	Held for trading <i>HK\$ million</i>	Fair value through other comprehensive income <i>HK\$ million</i>	Amortised cost <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 31 December 2018				
Treasury bills	–	3,490	–	3,490
Other debt securities	23	3,192	4,093	7,308
	<u>23</u>	<u>6,682</u>	<u>4,093</u>	<u>10,798</u>
As at 30 June 2018				
Treasury bills	–	3,592	–	3,592
Other debt securities	23	2,377	4,105	6,505
	<u>23</u>	<u>5,969</u>	<u>4,105</u>	<u>10,097</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

5. Due from banks

	As at 31 December 2018 HK\$ million	As at 30 June 2018 HK\$ million
(a) Balances with banks	1,329	1,328
(b) Placements with banks		
Remaining maturity		
– Within one month	2,547	7,882
– One year or less but over one month	4,400	–
	6,947	7,882
(c) Amount due from overseas offices	27,929	17,223
(d) Loans and advances to banks	235	628
Gross amount due from banks	36,440	27,061
Allowance for credit and other losses	(3)	(1)
Net amount due from banks	36,437	27,060

As at 31 December 2018, there were no impaired, overdue or rescheduled placements with and advances to banks (30 June 2018: Nil).

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

6. Bank and corporate securities

	Held for trading <i>HK\$ million</i>	Fair value through other comprehensive income <i>HK\$ million</i>	Amortised cost <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 31 December 2018				
Certificates of deposit held	7,995	4,529	–	12,524
Debt securities	–	3,711	34,444	38,155
	<u>7,995</u>	<u>8,240</u>	<u>34,444</u>	<u>50,679</u>
Allowance for credit and other losses	–	–	(16)	(16)
	<u>7,995</u>	<u>8,240</u>	<u>34,428</u>	<u>50,663</u>
As at 30 June 2018				
Certificates of deposit held	7,972	3,880	–	11,852
Debt securities	–	3,172	36,208	39,380
	<u>7,972</u>	<u>7,052</u>	<u>36,208</u>	<u>51,232</u>
Allowance for credit and other losses	–	–	(50)	(50)
	<u>7,972</u>	<u>7,052</u>	<u>36,158</u>	<u>51,182</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

7. Loans and advances to customers

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Loans and advances to customers	213,727	203,062
Less		
– Allowances for credit and other losses	<u>(454)</u>	<u>(445)</u>
	<u>213,273</u>	<u>202,617</u>
Comprising:		
– Trade bills	20,864	23,120
– Loans	<u>192,409</u>	<u>179,497</u>
	<u>213,273</u>	<u>202,617</u>

In determining credit losses, the Branch follows the requirements of International Financial Reporting Standard (“IFRS”) 9 “Financial Instruments”.

Specific allowance for credit losses is established if there is evidence that the Branch will be unable to collect all amounts due under a claim according to the original contractual terms or the equivalent value.

Specific allowance for credit losses is recorded as a reduction in the carrying value of a claim on the balance sheet.

8. Other assets

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Acceptances	1,511	1,879
Accrued interest receivables	631	477
Deferred tax assets	150	171
Fixed assets	1	1
Others	<u>605</u>	<u>449</u>
	<u>2,898</u>	<u>2,977</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

9. Due to banks

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Deposits and balances from banks	190,495	183,959
Amounts due to overseas offices	35,401	29,071
	<u>225,896</u>	<u>213,030</u>

10. Deposits and balances from customers

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Demand deposits and current accounts	11,368	11,299
Savings deposits	17,217	19,443
Time, call and notice deposits	22,722	15,112
	<u>51,307</u>	<u>45,854</u>

11. Issued debt securities

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Liabilities designated at fair value through profit or loss	514	1,269
Liabilities measured at amortised cost	10,784	10,960
	<u>11,298</u>	<u>12,229</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

12. Derivatives

The contractual/notional amounts of derivatives are disclosed as follows:

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Foreign exchange derivatives	1,597,155	1,457,248
Interest rate derivatives	1,181,417	1,048,907
Equity derivatives	485	1,747
Commodity derivatives	62	1,675
	<u>2,779,119</u>	<u>2,509,577</u>

The amounts are shown on a gross basis and do not take into account the effect of bilateral netting arrangements.

The contract/notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date. They do not represent amounts at risk.

The following table summarises the positive and negative fair values of each class of derivatives:

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Positive fair values		
Foreign exchange derivatives	8,383	10,716
Interest rate derivatives	3,979	4,168
Equity derivatives	1	1
Commodity derivatives	7	49
	<u>12,370</u>	<u>14,934</u>
Negative fair values		
Foreign exchange derivatives	8,680	10,299
Interest rate derivatives	4,215	4,518
Equity derivatives	29	117
Commodity derivatives	7	49
	<u>12,931</u>	<u>14,983</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

13. Contingent liabilities and commitments

The following is a summary of the contractual amount of each significant class of contingent liabilities and commitments:

	As at 31 December 2018 HK\$ million	As at 30 June 2018 HK\$ million
Direct credit substitutes	1,368	1,575
Transaction-related contingencies	3,184	6,596
Trade-related contingencies	5,905	7,864
Forward forward deposits placed	7	9
Other commitments with an original maturity of not more than one year or which are unconditionally cancellable	126,265	113,751
Other commitments with an original maturity of more than one year	<u>38,426</u>	<u>32,835</u>
	<u>175,155</u>	<u>162,630</u>

The above table shows the contractual amounts of the Branch's off balance sheet exposures that commit it to extend credit to customers. The above amounts represent a worse case scenario of credit risk exposure 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 date.

14. Liquidity

14.1 Liquidity Ratios

The Branch complies with the minimum requirement of Liquidity Maintenance Ratio ("LMR") and Core Funding Ratio ("CFR") in accordance with the Banking (Liquidity) Rules issued by the Hong Kong Monetary Authority ("HKMA").

	For the quarter ended 31 December 2018	For the year ended 31 December 2017
Average LMR	<u>42.1%</u>	<u>38.0%</u>
	For the quarter ended 31 December 2018	For the quarter ended 30 September 2018
Average CFR	<u>127.2%</u>	<u>123.9%</u>

The average LMR and CFR are calculated as the simple average of each month's average corresponding ratio.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

14. Liquidity (Continued)

14.2 Liquidity Risk Management

14.2.1 Governance

The Branch's approach to liquidity risk management is based on the building blocks of governance by risk committees' oversight, policies that define overarching principles and specific risk methodologies, and standards that establish the detailed requirements.

The Group Liquidity Risk Management Policy sets out the Branch's overall approach towards liquidity risk management and describes the range of strategies employed by the Branch to manage its liquidity. These include maintaining an adequate counterbalancing capacity, which corresponds to liquid assets, the capacity to borrow from the money markets as well as forms of managerial interventions that improve liquidity, to address potential cash flow shortfalls and maintaining diversified sources of liquidity. The policy also sets out the structure and responsibilities of committees and functional units for liquidity risk management.

The Policy is supported by Standards and corresponding Hong Kong addendums which establish the detailed requirements for liquidity risk identification, measurement, reporting and control. All the policies, standards and addendums would be subjected to annual review and approval from various risk committees, including the Board Risk Management Committee ("BRMC").

The Hong Kong Market and Liquidity Risk Committee ("MLRC") serves as an executive forum to provide oversight on the effectiveness of liquidity risk management framework including policies, models, systems, processes, information and methodologies. The MLRC comprises representatives from risk management and other relevant business and support units. It sets standards and provides necessary guidance on the establishment and maintenance of bank-wide Liquidity Contingency Plan ("LCP").

The day-to-day liquidity risk monitoring, control, reporting and analysis are managed by the Risk Management Group, Market and Liquidity Risk unit – an independent risk management function that reports to the Senior Risk Executive.

14.2.2 Liquidity Stress Testing

The primary measure used to manage liquidity within the tolerance defined by the Board is the cash flow maturity mismatch analysis. The analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with the risk tolerance, core parameters underpinning the performance of the analysis, such as the types of scenarios, survival period and minimum level of liquid assets, are pre-specified for monitoring and control.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

14. Liquidity (Continued)

14.2 Liquidity Risk Management (Continued)

14.2.2 Liquidity Stress Testing (Continued)

Stress testing is performed under the cash flow maturity mismatch analysis, and covers adverse scenarios involving shocks that are general market and/or bank-specific in nature. Stress tests assess the bank's vulnerability when liability run-offs increase, asset drawdown and rollovers increase and/or liquid asset buffer reduces. In addition, ad-hoc stress tests are performed in the formulation of the internal capital adequacy assessment process.

14.2.3 Funding Strategy

The Branch's liquidity and funding positions is centrally managed at Hong Kong location level with the support from Head Office. DBS strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. In particular, it has continuously made inroads in growing, deepening and diversifying its deposit base, spanning retail, wealth management, corporate and institutional customers. Supplementing the deposit base, it continues to maintain access to wholesale channels to increase flexibility and manage funding cost in capitalising on business opportunities.

The Assets and Liabilities Committee ("ALCO") regularly reviews the balance sheet composition, trends in loans and deposits, utilisation of wholesale funding, momentum in business activities, market competition, economic outlooks, market conditions and other factors that may affect liquidity in the continual refinement of the Branch's funding strategy.

14.2.4 Contingency Funding Plan

In the event of a potential or actual crisis, the Group has in place a set of LCP and respective Hong Kong Addendum, which applies to Hong Kong location level (including the Branch), to facilitate and prepare the management to respond in a coordinated, coherent and organized way to tide the Bank over a crisis situation. The LCP establishes clear lines of responsibilities and preventive measures against and respond to a crisis situation. It also outlines the key management actions and options to be taken in managing a liquidity crisis. Stockpiling High Quality Liquid Assets, maintaining diversification of wholesale funding facilities, such as Money Market lines, Overdraft facilities, Repo facilities and access to Central Bank liquidity facilities could be served as contingent facilities while their availability depends on the types and/or severity of the crisis.

14.2.5 Liquidity Risk Mitigation

Strategies and plans are discussed at relevant committees such as BRMC, ALCO and MLRC to proactively manage liquidity risk of the Branch. To mitigate the risk, the Branch strives to maintain a diversified funding base and put in place a set of LCP to ensure adequate liquidity as mentioned in above paragraphs.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

14. Liquidity (Continued)

14.2 Liquidity Risk Management (Continued)

14.2.6 Cash Flow Maturity Mismatch Analysis*

In HK\$ millions ⁽ⁱ⁾	Less than 7 days	1 week to 1 month	1 to 3 months	3 to 12 months
2018				
Net liquidity mismatch	17,226	(12,252)	(34,223)	(11,450)
Cumulative mismatch	<u>17,226</u>	<u>4,974</u>	<u>(29,249)</u>	<u>(40,699)</u>
2017⁽ⁱⁱ⁾				
Net liquidity mismatch	6,538	(2,929)	(35,019)	(7,868)
Cumulative mismatch	<u>6,538</u>	<u>3,608</u>	<u>(31,410)</u>	<u>(39,278)</u>

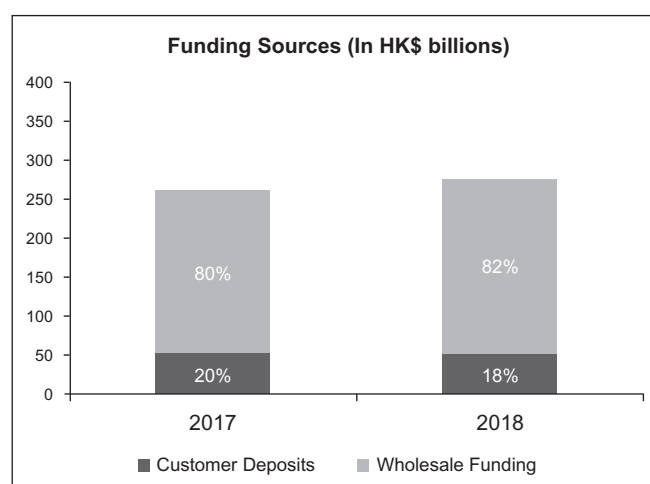
(i) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded.

(ii) As the behavioural assumptions used to determine the maturity mismatch between assets and liabilities are updated from time to time, the information presented above may not be directly comparable across past balance sheet dates.

* The cash flow maturity mismatch analysis has already taken into account limitations on the transferability of liquidity.

14.2.7 Sources of Funding

The Branch's source of funding is mainly from wholesale funding comprising intragroup borrowings and issuance of medium term notes:



DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

14. Liquidity (Continued)

14.2 Liquidity Risk Management (Continued)

14.2.8 Liquidity Gap

The table below analyses the on- and off-balance sheet items, broken down into maturity buckets* of the Branch as at 31 December 2018:

In HK\$ millions	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1	> 3	> 6	> 1 year	> 2 years	> 3 years	Over 5 years	Balancing amount
					month up to 3 months	months up to 6 months	months up to 1 year	up to 2 years	up to 3 years			
Cash and balances with central bank	178	178	-	-	-	-	-	-	-	-	-	-
Due from banks	36,484	20,099	628	6,265	1,183	8,024	19	-	266	-	-	-
Debt securities	61,227	37,879	-	733	1,479	3,419	8,797	799	3,704	2,230	2,187	-
Loans and advances to customers	214,045	166	7,558	35,505	13,592	16,738	20,863	42,848	38,991	37,107	657	20
Other assets	321,638	82	2,630	3,623	14,296	21,807	50,685	47,729	45,665	71,465	63,116	540
Total on-balance sheet assets	633,572	58,404	10,816	46,126	30,550	49,988	80,364	91,376	88,626	110,802	65,960	560
Total off-balance sheet claims	11,199	7,350	3,848	-	-	1	-	-	-	-	-	-

In HK\$ millions	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1	> 3	> 6	> 1 year	> 2 years	> 3 years	Over 5 years	Balancing amount
					month up to 3 months	months up to 6 months	months up to 1 year	up to 2 years	up to 3 years			
Deposits and balances from customers	51,343	30,081	1,905	13,236	2,886	1,900	1,069	-	266	-	-	-
Due to banks	221,739	13,410	9,952	23,643	27,716	22,580	4,456	114,166	5,816	-	-	-
Debt securities issued	17,058	10	78	101	3,872	178	5,562	1,566	-	-	5,691	-
Other liabilities	323,384	119	2,554	4,409	14,552	22,236	51,031	47,688	45,475	71,336	62,947	1,037
Total on-balance sheet liabilities	613,524	43,620	14,389	41,389	49,026	46,894	62,118	163,420	51,557	71,336	68,638	1,037
Total off-balance sheet obligations	60,915	39,264	14,590	6,278	783	-	-	-	-	-	-	-

* The maturity buckets mainly follow information provided to the HKMA MA(BS)23 – Liquidity Monitoring Tools return.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Currency concentrations

	USD	CNY	EUR	JPY	TWD	Others	Total
In HK\$ million							
As at 31 December 2018							
Hong Kong dollar equivalents							
Spot assets	144,651	15,487	8,868	4,186	479	18,580	192,251
Spot liabilities	(166,668)	(9,280)	(1,281)	(420)	(482)	(17,771)	(195,902)
Forward purchases	903,789	370,491	7,858	1,322	20,044	14,261	1,317,765
Forward sales	(876,142)	(377,902)	(15,803)	(5,342)	(20,239)	(15,236)	(1,310,664)
Net options position	(1,661)	1,661	-	-	-	-	-
Net long/(short) position	<u>3,969</u>	<u>457</u>	<u>(358)</u>	<u>(254)</u>	<u>(198)</u>	<u>(166)</u>	<u>3,450</u>
As at 30 June 2018							
Hong Kong dollar equivalents							
Spot assets	133,145	16,812	7,911	4,341	414	6,054	168,677
Spot liabilities	(154,132)	(11,639)	(691)	(526)	(417)	(10,797)	(178,202)
Forward purchases	799,585	271,310	7,803	2,696	21,385	18,374	1,121,153
Forward sales	(777,848)	(279,803)	(15,047)	(6,767)	(21,428)	(13,285)	(1,114,178)
Net options position	(1,698)	1,698	-	-	-	-	-
Net long/(short) position	<u>(948)</u>	<u>(1,622)</u>	<u>(24)</u>	<u>(256)</u>	<u>(46)</u>	<u>346</u>	<u>(2,550)</u>

There is no structural position in any currency as at 31 December 2018 and 30 June 2018.

The net options position is calculated based on the delta-weighted position as set out in the prudential return "Foreign Currency Position" issued by the HKMA.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

16. Loans and advances to customers by loan usage

The Branch employs a range of policies and practices to mitigate credit risk, one of which is the taking of collateral. The collateral includes cash, marketable securities, properties, trade receivables, inventory, equipment and other physical and financial collateral. Balances of advances analysed by loan usage and the corresponding balances covered by collateral are as follows:

	As at 31 December 2018		As at 30 June 2018	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
In HK\$ million				
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	24,041	6,973	23,252	4,139
– Property investment	32,199	16,058	29,998	16,424
– Financial concerns	541	–	–	–
– Stockbrokers	628	–	1,599	–
– Wholesale and retail trade	12,738	702	12,954	1,368
– Manufacturing	6,551	160	6,515	–
– Transport and transport equipment	7,258	–	8,270	–
– Recreational activities	–	–	500	–
– Information technology	5,247	–	3,925	–
– Others	12,749	1,101	11,535	1,029
Individuals				
– Loans for the purchase of other residential properties	91	91	70	68
– Others	–	–	–	–
Trade finance (including trade bills)	24,893	–	29,270	–
Loans for use outside Hong Kong	86,791	2,630	75,174	2,476
	<u>213,727</u>	<u>27,715</u>	<u>203,062</u>	<u>25,504</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

17. Loans and advances to customers by geographical area

	As at 31 December 2018 <i>HK\$ million</i>	As at 30 June 2018 <i>HK\$ million</i>
Hong Kong	172,350	164,207
Mainland China	34,538	32,842
Others	6,839	6,013
	<u>213,727</u>	<u>203,062</u>

The above analysis by geographical area is based on the location of the counterparty after taking into account the transfer of risk. In general, transfer of risk applies when an advance is guaranteed by a party in a location which is different from that of the counterparty.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

18. International claims

Analysis of international claims by location and by type of counterparty is as follows:

	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
In HK\$ million					
As at 31 December 2018					
Developed countries	18,380	11,141	–	2,806	32,327
Offshore centres, of which:	30,833	–	811	75,161	106,805
– Singapore	28,368	–	–	1,638	30,006
– Hong Kong	2,465	–	811	73,494	76,770
– Others	–	–	–	29	29
Developing Latin America and Caribbean	–	–	–	–	–
Developing Asia Pacific, of which	37,590	348	174	18,812	56,924
– China	37,378	348	174	18,264	56,164
– Others	212	–	–	548	760
International organisations	–	3,775	–	–	3,775
Total	86,803	15,264	985	96,779	199,831
As at 30 June 2018					
Developed countries	22,422	10,194	–	1,639	34,255
Offshore centres, of which:	22,315	–	567	66,755	89,637
– Singapore	19,327	–	–	1,643	20,970
– Hong Kong	2,988	–	567	64,610	68,165
– Others	–	–	–	502	502
Developing Latin America and Caribbean	7	–	–	–	7
Developing Asia Pacific, of which	36,322	491	44	14,937	51,794
– China	35,862	491	44	14,222	50,619
– Others	460	–	–	715	1,175
International organisations	–	3,823	–	–	3,823
Total	81,066	14,508	611	83,331	179,516

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

19. Non-performing loans and advances

As at 31 December 2018, there are non-performing loans and advances of HK\$7million (At 30 June 2018: Nil).

Non-performing loans and advances are advances with objective evidence of impairment and are assessed using discounted cash flow method. Specific allowances of such advances are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The specific allowances were made after taking into account the value of collateral in respect of the above advances.

20. Overdue and rescheduled loans and advances

There is no rescheduled loan and advance and no repossessed asset as at 31 December 2018 and 30 June 2018.

The overdue loans and advances of the Branch are analysed as follows:

	As at 31 December 2018		As at 30 June 2018	
	HK\$ million	% of gross loans and advances to customers	HK\$ million	% of gross loans and advances to customers
Six months or less but over three months	7	0.003%	–	–
One year or less but over six months	–	–	–	–
Over one year	–	–	–	–
	<u>7</u>	<u>0.003%</u>	<u>–</u>	<u>–</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

20. Overdue and rescheduled loans and advances (Continued)

In HK\$ million	As at 31 December 2018		As at 30 June 2018	
	HK\$ million	% of gross loans and advances to customers	HK\$ million	% of gross loans and advances to customers
Individual impairment allowances made in respect of the above overdue loans and advances	<u>7</u>	<u>0.003%</u>	<u>–</u>	<u>–</u>
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Covered portion of the above overdue loans and advances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Uncovered portion of the above overdue loans and advances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

21. Mainland activities

Type of Counterparties	On-balance sheet exposures <i>HK\$ million</i>	Off-balance sheet exposures <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 31 December 2018			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	51,019	13,186	64,205
(b) Local governments, local government-owned entities and their subsidiaries and JVs	27,595	1,425	29,020
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	14,200	1,647	15,847
(d) Other entities of central government not reported in part (a) above	10,952	1,224	12,176
(e) Other entities of local governments not reported in part (b) above	7,218	303	7,521
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	11,102	1,874	12,976
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	15,508	3,310	18,818
	<u>137,594</u>	<u>22,969</u>	<u>160,563</u>
Total assets after provisions	<u>326,571</u>		
On-balance sheet exposures as percentage of total assets	<u>42.13%</u>		

DBS BANK LTD, HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

21. Mainland activities (Continued)

Type of Counterparties	On-balance sheet exposures <i>HK\$ million</i>	Off-balance sheet exposures <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 30 June 2018			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	50,349	13,997	64,346
(b) Local governments, local government-owned entities and their subsidiaries and JVs	20,136	1,704	21,840
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	13,660	4,262	17,922
(d) Other entities of central government not reported in part (a) above	11,369	713	12,082
(e) Other entities of local governments not reported in part (b) above	8,341	496	8,837
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,889	2,579	11,468
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	16,795	3,092	19,887
	<u>129,539</u>	<u>26,843</u>	<u>156,382</u>
Total assets after provisions	<u>308,831</u>		
On-balance sheet exposures as percentage of total assets	<u>41.95%</u>		

Hong Kong, 25 March 2019

DBS GROUP HOLDINGS LTD

GROUP CONSOLIDATED FINANCIAL INFORMATION

1. Capital Position and Capital Adequacy Ratios

The Group's capital adequacy ratios are as follows:

	As at 31 December 2018	As at 30 June 2018
Capital Adequacy Ratios		
Common Equity Tier 1	13.9%	13.6%
Tier 1	15.1%	14.4%
Total	16.9%	16.2%

The capital adequacy ratios are computed in accordance with the requirements set out in the Monetary Authority of Singapore's Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore".

The Group shareholders' funds, including capital and reserves, as at 31 December 2018 were S\$49,045 million (30 June 2018: S\$47,214 million).

2. Other financial information

	For the year ended	
	31 December 2018	31 December 2017
	S\$'million	S\$'million
Pre-tax profit	6,659	5,175

	As at 31 December 2018	As at 30 June 2018
	S\$'million	S\$'million
Total assets	550,751	540,004
Total liabilities	500,876	491,960
Total loans and advances	345,003	338,071
Total customer deposits	393,785	387,560