

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**INTERIM FINANCIAL DISCLOSURE STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2013**

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

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DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2013

MOP

Assets	Total assets	Provision, accumulated depreciation and impairments	Net total assets
Cash	26,653,304.89		26,653,304.89
Deposits with AMCM	162,643,596.89		162,643,596.89
Interbank assets with local credit institutions	93,931,786.15		93,931,786.15
Interbank assets with credit institutions abroad	133,114,176.74		133,114,176.74
Loans and advances	2,698,404,959.21	34,617,736.17	2,663,787,223.04
Applications in local credit institutions	439,980,908.23		439,980,908.23
Placement abroad	24,032,359.37		24,032,359.37
Equipment	1,309,679.12	764,562.38	545,116.74
Installation expenditure	3,076,239.58	2,944,130.56	132,109.02
Other fixed assets	754,222.39	725,210.55	29,011.84
Internal and adjustment accounts	639,886,644.99		639,886,644.99
Total	4,223,787,877.56	39,051,639.66	4,184,736,237.90

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2013

		MOP
Liabilities	Sub-total	Total
Demand deposits and saving accounts	1,481,180,931.18	
Call deposits	84,423.72	
Time deposits	785,518,946.71	2,266,784,301.61
Deposits from public sector entities	6,300.00	
Interbank liabilities to local credit institutions	2,344.33	
Interbank liabilities to credit institutions abroad	1,038,578,478.29	
Cheques and orders payable	41,962,223.11	
Other liabilities	669,852,446.64	1,750,401,792.37
Internal and adjustment accounts	54,517,863.21	
Exposure provisions	35,675,509.58	90,193,372.79
Results from previous financial period	47,452,683.96	
Profit & loss for the year	29,904,087.17	77,356,771.13
Total		4,184,736,237.90

	MOP
Memorandum accounts	Total
Bills for collection	150,604,214.23
Collaterals	11,134,446,000.00
Guarantees on account of customers	318,572,756.18
Letter of credit outstanding	186,256,614.99
Forward exchange contracts purchase	444,635,913.63
Forward exchange contracts sale	444,635,913.63
Other memorandum items	2,133,994,083.67

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**UNAUDITED PROFIT & LOSS STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2013**

Operating profit & loss

MOP

Debit	Amount	Credit	Amount
Costs of credit operations	4,184,024.33	Income from credit operations	36,245,286.78
Personnel costs		Income from banking services	9,926,685.00
Staff remuneration	7,469,925.90	Income from other banking services	3,611,050.58
Staff welfare	668,991.70	Other banking income	2,000,709.82
Other staff costs	313,846.03		
Third party supply	259,525.53		
Third party services	11,611,553.47		
Other banking costs	1,043,032.00		
Taxation	81,169.48		
Costs of non-banking operations	86,644.02		
Depreciation allowances	126,888.00		
Provision allowances	-		
Operating profit	25,938,131.72		
Total	51,783,732.18	Total	51,783,732.18

Profit & loss account

MOP

Debit	Amount	Credit	Amount
Operating loss	-	Operating profit	25,938,131.72
Loss related to previous year	-	Profit related to previous years	8,024,955.45
Exceptional losses	-	Exceptional profits	-
Profit tax provision	4,059,000.00	Provisions used up	-
Profit for the year	29,904,087.17	Loss for the year	-
Total	33,963,087.17	Total	33,963,087.17

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED INCOME STATEMENT

	Note	For the six months ended	
		30 June 2013	30 June 2012
		MOP'000	MOP'000
Interest income		36,229	39,456
Interest expense		(4,184)	(6,639)
Net interest income		32,045	32,817
Net fee and commission income	3	11,569	9,363
Other income	3	3,025	3,879
Operating income		46,639	46,059
Operating expenses	4	(20,700)	(16,248)
Operating profit before provisions		25,939	29,811
Provision for bad and doubtful debts	10	8,024	(5,243)
Profit before taxation		33,963	24,568
Taxation	5	(4,059)	(2,920)
Profit for the period		29,904	21,648

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET

	Note	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Assets			
Cash and balances with banks	6	176,853	124,413
Deposits with Autoridade Monetaria de Macao ("AMCM")	7	162,644	131,183
Placement with Head Office		24,032	-
AMCM Monetary bills	8	439,981	419,972
Advances to customers	9	2,628,111	2,976,589
Other assets	12	606,687	350,005
Property, plant and equipment	13	706	833
		<u>4,039,014</u>	<u>4,002,995</u>
Liabilities			
Deposits from customers	14	2,266,793	2,333,245
Amount due to Head Office	11	961,732	1,212,989
Other liabilities	15	722,547	402,782
Current tax liabilities		10,585	6,526
		<u>3,961,657</u>	<u>3,955,542</u>
Reserve		<u>77,357</u>	<u>47,453</u>
Total liabilities and reserve		<u>4,039,014</u>	<u>4,002,995</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED STATEMENT OF CHANGES IN RESERVE

	Notes	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Balance at 1 January		47,453	40,717
Profit for the period/year		29,904	47,453
Transfer to Head Office	16	-	(40,717)
Balance at 30 June/31 December		<u>77,357</u>	<u>47,453</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED CASH FLOW STATEMENT

	Notes	For the six months ended	
		30 June 2013	30 June 2012
		MOP'000	MOP'000
Cash flow from operating activities			
Profit before taxation		33,963	24,568
Depreciation	13	127	338
Provision for bad and doubtful debts	10	(8,024)	5,243
Advances to customers written off	10	-	(481)
Decrease in advances to customers		356,502	400,101
Increase in other assets		(256,682)	(230,946)
(Decrease)/increase in deposits from customers		(66,452)	313,121
Increase in other liabilities		319,765	204,828
Decrease in amount due to Head Office		(251,257)	(497,607)
Cash inflow from operating activities		127,942	219,165
Increase in cash and cash equivalents		127,942	219,165
Cash and cash equivalents at 1 January		675,568	631,339
Cash and cash equivalents at 30 June		803,510	850,504

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED CASH FLOW STATEMENT (CONTINUED)

Analysis of the balances of cash and cash equivalents:

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	Note	As at 30 June 2013 MOP'000	As at 30 June 2012 MOP'000
Cash and balances with banks	6	176,853	221,344
Deposits with AMCM	7	162,644	136,893
Placements with Head Office with original maturity within three months		24,032	42,289
AMCM monetary bills with original maturity within one month	8	439,981	449,978
		<u>803,510</u>	<u>850,504</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

The principal activities of DBS Bank (Hong Kong) Limited - Macau Branch (the "Branch") are the provision of commercial and retail banking services to its customers.

The Branch's head office is DBS Bank (Hong Kong) Limited ("Head Office") and is a bank incorporated in Hong Kong Special Administrative Region. The address of the Branch's registered office is Rua Santa Clara 5-7E, Lojas C, D, Edif. Ribeiro Macao. DBS Bank Ltd. is an intermediate holding company of DBS Bank (Hong Kong) Limited.

2 Accounting policies

The accounting policies applied in preparing this interim financial report are the same as those applied in preparing the financial statements for the year ended 31 December 2012 as disclosed in the Financial Statements for 2012.

3 Net fee and commission income and other income

	For the six months ended	
	30 June 2013 MOP'000	30 June 2012 MOP'000
Fee and commission income	12,531	10,162
Fee and commission expense	(962)	(799)
Net fee and commission income	<u>11,569</u>	<u>9,363</u>
Gains less losses arising from foreign exchange transactions	1,007	1,789
Others	2,018	2,090
Other income	<u>3,025</u>	<u>3,879</u>

4 Operating expenses

	Note	For the six months ended	
		30 June 2013 MOP'000	30 June 2012 MOP'000
Salaries and other staff costs		8,002	7,765
Computer charges		2,611	1,553
Rent and rates		1,516	1,414
Management service fees		2,794	1,802
Auditor's remuneration		129	141
Depreciation	13	127	338
Others		5,521	3,235
		<u>20,700</u>	<u>16,248</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation

Current tax comprises of Macao complementary tax which is levied at progressive rates ranging from 3% to 9% on the taxable income above MOP32,000 but below MOP300,000, and thereafter at a fixed rate at 12%. For the first half of 2013 and 2012, a special complementary tax incentive allowed the tax free income threshold to increase from MOP32,000 to MOP200,000 with the next MOP100,000 of profit being taxed at a fixed rate of 9% and thereafter at a fixed rate of 12%. The tax on the Branch's profit before taxation differs from the theoretical amount that would arise using the Macao complementary tax rate applicable to profits of the Branch and as follows:

	For the six months ended	
	30 June 2013	30 June 2012
	MOP'000	MOP'000
Profit before taxation	33,963	24,568
Tax calculated at 12%	4,076	2,948
Effect of progressive tax rate before 12%	(3)	(3)
Special complementary tax incentives	(24)	(24)
Expenses not deductible for taxation purposes	10	-
Overprovision in prior years	-	(1)
Taxation charge	4,059	2,920

No deferred taxation has been provided as there were no significant timing differences at the balance sheet date (as at 30 June 2012: Nil).

6 Cash and balance with banks

	As at	As at
	30 June	31 December
	2013	2012
	MOP'000	MOP'000
Cash in hand	26,653	18,001
Balances with banks	150,200	106,412
	176,853	124,413

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Deposits with AMCM

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Balance with AMCM	<u>162,644</u>	<u>131,183</u>

According to the statutory requirement, the Branch is required to maintain a minimum deposit balance with AMCM for liquidity purposes. The required daily average of the MOP current deposit balance should not be less than 70% of the aggregate of the following amount:

- (a) 3% on all liabilities which are repayable on demand;
- (b) 2% on all liabilities which are repayable within 3 months (3 months inclusive) except for those already counted in (a);
- (c) 1% on all liabilities which are repayable beyond 3 months.

At 30 June 2013, the minimum deposit required were MOP57,312,000 (31 December 2012: MOP 52,876,000).

8 AMCM monetary bills

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Monetary bills issued by AMCM, at amortised cost	<u>439,981</u>	<u>419,972</u>

9 Advances to customers

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Loans and advances to customers	2,130,018	2,348,920
Trade bills	568,387	705,987
Less: Specific provision (note 10)	(34,618)	(42,521)
General provision (note 10)	(35,676)	(35,797)
	<u>2,628,111</u>	<u>2,976,589</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Provision for bad and doubtful debts

	Specific provision MOP'000	General provision MOP'000	Total MOP'000
2013			
At 1 January 2013	42,521	35,797	78,318
Charge to the income statement	(7,903)	(121)	(8,024)
	<u>34,618</u>	<u>35,676</u>	<u>70,294</u>
At 30 June 2013 (note 9)	<u>34,618</u>	<u>35,676</u>	<u>70,294</u>
2012			
At 1 January 2012	38,447	38,189	76,636
Charge to the income statement	6,202	(2,392)	3,810
Amounts written off	(2,128)	-	(2,128)
	<u>42,521</u>	<u>35,797</u>	<u>78,318</u>
At 31 December 2012 (note 9)	<u>42,521</u>	<u>35,797</u>	<u>78,318</u>

11 Amount due to Head Office

During the period, the Branch entered into transactions with Head Office in the ordinary course of its banking business.

All balances are unsecured, interest free and repayable on demand except for balances denominated in currencies other than Hong Kong dollar and Macao Patacas, which bear deposit/loan interest rates as determined from time to time by Head Office.

12 Other assets

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Accrued interest	3,569	2,733
Revaluation on derivative financial instruments (note 17)	9,423	6,600
Other accounts	593,695	340,672
	<u>606,687</u>	<u>350,005</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Property, plant and equipment

Furniture, fixtures and equipment	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Cost:		
At 1 January	5,140	4,621
Additions	-	519
At 30 June/31 December	5,140	5,140
Accumulated depreciation:		
At 1 January	4,307	3,790
Charge for the period/year	127	517
At 30 June/31 December	4,434	4,307
Net book value:		
At 30 June/31 December	706	833

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Deposits from customers

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Demand deposits and current accounts	409,665	404,128
Savings deposits	1,071,525	1,152,246
Time and call deposits	785,603	776,871
	<u>2,266,793</u>	<u>2,333,245</u>

15 Other liabilities

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Accrued interest	707	814
Revaluation on derivative financial instruments (note 17)	9,423	6,600
Other liabilities and provisions	712,417	395,368
	<u>722,547</u>	<u>402,782</u>

16 Repatriation of accumulated profits to Head Office

During the six months ended 30 June 2013, the Branch did not repatriate any accumulated profits (2012: MOP40,717,020) to Head Office.

17 Derivative financial instruments

The following is an analysis of the aggregate notional amount and fair value of each significant type of derivative transactions:

	Notional amount MOP'000	Fair value	
		Assets MOP'000	Liabilities MOP'000
30 June 2013			
Forwards	444,636	3,079	3,079
Exchange rate options	2,131,918	6,344	6,344
		<u>9,423</u>	<u>9,423</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Derivative financial instruments (continued)

	Notional amount MOP'000	Fair value	
		Assets MOP'000	Liabilities MOP'000
31 December 2012			
Forwards	430,980	2,051	2,051
Exchange rate options	2,633,101	4,549	4,549
		6,600	6,600
		6,600	6,600

The Branch enters into forwards and exchange rate options to meet customer demands and enters into offsetting derivatives with Head Office. These derivatives are measured at fair value. Unrealised gains and losses are included in the other assets and other liabilities as detailed in note 12 and note 15 to the financial statements respectively.

18 Off-balance sheet exposures

(a) Contingent liabilities and commitments

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

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Transaction-related contingencies	307,031	307,638
Trade-related contingencies	197,798	394,512
Other commitments which are unconditionally cancellable	3,068,486	3,019,978
	3,573,315	3,722,128
	3,573,315	3,722,128

(b) Lease commitments

At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases for land and building are as follows:

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Within 1 year	1,074	431
After 1 year but within 5 years	2,012	-
	3,086	431
	3,086	431

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 Related party transactions

The following is a summary of significant related party transactions which are carried out in the normal course of business:

	For the six months ended	
	30 June 2013 MOP'000	30 June 2012 MOP'000
Interest income from Head Office (note a)	705	779
Interest expense to Head Office (note a)	1,205	1,754
Management fee expense paid to Head Office (note b)	2,794	1,802
Information technology charges paid to Head Office (note c)	797	865
Rent paid to Head Office (note c)	625	565
Expense paid to Head Office/intermediate holding company (note d)	3,826	1,917
Service fee income and expense reimbursement received from Head Office (note e)	1,306	1,306
Commission income received from the branch of intermediate holding company (note f)	1,652	-
Service fee income received on Private Banking business from Head Office (note g)	85	157

Notes:

- (a) The interest rates for the transactions between the Branch and Head Office are priced at the prevailing market rates at the time of each transaction.
- (b) The Branch paid management fee to Head Office for general assistance and support services at an agreed fee between both parties which is revised on an annual basis.
- (c) The Branch received information technology services and rented premises from Head Office during the year at an agreed fee between both parties which is revised on an annual basis.
- (d) The Branch received support from Head Office/intermediate holding company in the normal course of business and the related expenses are charged by Head Office/intermediate holding company on a cost plus basis.
- (e) The Branch provided certain banking-related service, office premises to Head Office at a fixed amount per month and received expense reimbursement from Head Office at cost.
- (f) Commission income received on derivative financial instruments transacted with the branch of intermediate holding company.
- (g) The private banking unit of the Branch provided business referral services to Head Office and received a service fee income from Head Office which was charged on a cost plus basis.

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION

The following disclosures are prepared in accordance with the “Guideline on Disclosure of Financial Information” issued by AMCM.

1 Related party transactions

(i) Income and expenses with Head Office and intermediate holding companies:

	For the six months ended	
	30 June 2013	30 June 2012
	MOP'000	MOP'000
Interest income	705	779
Interest expense	(1,205)	(1,754)
Net fee and commission income	1,652	-
Other income	1,391	1,463
Total expenses charged	(8,042)	(5,149)

(ii) Balances with Head Office and intermediate holding companies:

	As at 30 June 2013	As at 31 December 2012
	MOP'000	MOP'000
Placement with Head Office	24,032	-
Other assets	37	-
	24,069	-
Amount due to Head Office	961,732	1,212,989
Other liabilities	3,733	2,151
	965,465	1,215,140

(iii) Contract/notional amounts of derivative financial instruments with Head Office and intermediate holding company:

	As at 30 June 2013	As at 31 December 2012
	MOP'000	MOP'000
Forwards	225,765	217,259
Exchange rate options	511,522	894,846
	737,287	1,112,105

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management

(a) Credit risk

Advances to customers by credit quality

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Neither past due nor impaired	2,657,608	2,970,694
Past due but not impaired	5,819	18,466
Impaired	34,978	65,747
	<u>2,698,405</u>	<u>3,054,907</u>

Past due loans are customer loans overdue up to 90 days; whereas impaired loans are non-performing loans subject to specific provision.

Advances to customers analysed by geographic area

As at 30 June 2013	Neither pass due nor impaired MOP'000	Past due but not impaired MOP'000	Impaired MOP'000	Specific provision MOP'000	General provision MOP'000
Macau	2,513,604	5,819	34,978	34,618	33,771
Hong Kong	99,508	-	-	-	1,316
Mainland China	43,759	-	-	-	579
Others	737	-	-	-	10
	<u>2,657,608</u>	<u>5,819</u>	<u>34,978</u>	<u>34,618</u>	<u>35,676</u>

As at 31 December 2012	Neither pass due nor impaired MOP'000	Past due but not impaired MOP'000	Impaired MOP'000	Specific provision MOP'000	General provision MOP'000
Macau	2,853,303	18,466	65,747	42,521	34,421
Hong Kong	82,659	-	-	-	969
Others	34,732	-	-	-	407
	<u>2,970,694</u>	<u>18,466</u>	<u>65,747</u>	<u>42,521</u>	<u>35,797</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

Financial derivatives analysed by geographic area

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Macau	1,839,267	1,951,976
Hong Kong	737,287	1,112,105
	<u>2,576,554</u>	<u>3,064,081</u>
	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Credit risk-weighted amount	27,591	29,188

Advances to customers analysed by industry groups

(i) Analysis of advances to customers that were neither past due nor impaired

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Manufacturing	304,854	424,342
Construction and public works	60,256	6,413
Trade (wholesale and retail)	506,067	464,912
Restaurants, hotels and similar	1,567	1,706
Transport, warehouse and communications	900	1,051
Personal housing loans	107,170	125,536
Personal credits	37,559	39,070
Others	1,639,235	1,907,664
	<u>2,657,608</u>	<u>2,970,694</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

Advances to customers analysed by industry groups (continued)

(ii) Advances to customers that were past due but not impaired

As at 30 June 2013	Past due		
	Less than 1 month MOP'000	1-2 months MOP'000	Total MOP'000
Manufacturing	-	-	-
Construction and public works	393	1,969	2,362
Trade (wholesale and retail)	-	-	-
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	2,383	1,074	3,457
Personal credits	-	-	-
Others	-	-	-
	<u>2,776</u>	<u>3,043</u>	<u>5,819</u>

As at 31 December 2012	Past due		
	Less than 1 month MOP'000	1-2 months MOP'000	Total MOP'000
Manufacturing	518	-	518
Construction and public works	-	-	-
Trade (wholesale and retail)	730	-	730
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	210	1,148	1,358
Personal credits	15,455	-	15,455
Others	405	-	405
	<u>17,318</u>	<u>1,148</u>	<u>18,466</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

Advances to customers analysed by industry groups (continued)

(iii) Impaired advances to customers

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
Manufacturing	-	-
Construction and public works	-	-
Trade (wholesale and retail)	30,796	61,565
Restaurants, hotels and similar	-	-
Transport, warehouse and communications	-	-
Personal housing loans	-	-
Personal credits	-	-
Others	4,182	4,182
	<u>34,978</u>	<u>65,747</u>

As at 30 June 2013	More than 6 months but not more than 1 year MOP'000	% of gross advances to customers	More than 1 year MOP'000	% of gross advances to customers
Gross impaired advances	-	-	34,978	1.30
Specific provision	-		(34,618)	
	<u>-</u>		<u>360</u>	
Impaired advances covered by collateral	<u>-</u>		<u>360</u>	

As at 31 December 2012	More than 6 months but not more than 1 year MOP'000	% of gross advances to customers	More than 1 year MOP'000	% of gross advances to customers
Gross impaired advances	302	0.01	65,445	2.14
Specific provision	(302)		(42,219)	
	<u>-</u>		<u>23,226</u>	
Impaired advances covered by collateral	<u>-</u>		<u>23,226</u>	

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

Analysis of specific provision

	As at 1 January 2013 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 30 June 2013 MOP'000
Manufacturing	-	-	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	38,339	-	(7,903)	30,436
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	4,182	-	-	4,182
	<u>42,521</u>	<u>-</u>	<u>(7,903)</u>	<u>34,618</u>

	As at 1 January 2012 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 31 December 2012 MOP'000
Manufacturing	481	(481)	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	34,086	(1,647)	5,900	38,339
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	3,880	-	302	4,182
	<u>38,447</u>	<u>(2,128)</u>	<u>6,202</u>	<u>42,521</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

Analysis of general provision

	As at 1 January 2013 MOP'000	Net charge to income statement MOP'000	As at 30 June 2013 MOP'000
Manufacturing	4,978	(947)	4,031
Construction and public works	75	753	828
Trade (wholesale and retail)	6,178	920	7,098
Restaurants, hotels and similar	20	1	21
Transport, warehouse and communications	12	-	12
Personal housing loans	1,487	(24)	1,463
Personal credits	639	(142)	497
Others	22,408	(682)	21,726
	<u>35,797</u>	<u>(121)</u>	<u>35,676</u>

	As at 1 January 2012 MOP'000	Net charge to income statement MOP'000	As at 31 December 2012 MOP'000
Manufacturing	5,474	(496)	4,978
Construction and public works	-	75	75
Trade (wholesale and retail)	5,562	616	6,178
Restaurants, hotels and similar	-	20	20
Transport, warehouse and communications	19	(7)	12
Personal housing loans	1,524	(37)	1,487
Personal credits	1,323	(684)	639
Others	24,287	(1,879)	22,408
	<u>38,189</u>	<u>(2,392)</u>	<u>35,797</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

The carrying amounts of assets and liabilities analysed by the remaining period as at 30 June 2013 and 31 December 2012 to the contractual maturity dates are as follows:

As at	Repayable on demand	Less than 1 month	3 months or less but over 1 month	1 year or less but over 3 months	3 years or less but over 1 year	After 3 years	Total
30 June 2013	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
- Cash and balances							
with banks	176,853	-	-	-	-	-	176,853
- Placement with Head Office	-	24,032	-	-	-	-	24,032
- AMCM monetary bills	-	439,981	-	-	-	-	439,981
- Loans and advances to customers	108,879	861,889	763,924	153,823	185,569	554,027	2,628,111
	<u>285,732</u>	<u>1,325,902</u>	<u>763,924</u>	<u>153,823</u>	<u>185,569</u>	<u>554,027</u>	<u>3,268,977</u>
Liabilities							
- Deposits from public sector entities	6	-	-	-	-	-	6
- Deposits from customers	1,482,074	504,790	201,030	78,893	-	-	2,266,787
- Amount due to Head Office	961,732	-	-	-	-	-	961,732
	<u>2,443,812</u>	<u>504,790</u>	<u>201,030</u>	<u>78,893</u>	<u>-</u>	<u>-</u>	<u>3,228,525</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(a) Credit risk (continued)

As at	Repayable on demand	Less than 1 month	3 months or less but over 1 month	1 year or less but over 3 months	3 years or less but over 1 year	After 3 years	Total
31 December 2012	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
- Cash and balances							
with banks	124,413	-	-	-	-	-	124,413
- AMCM monetary							
bills	-	419,972	-	-	-	-	419,972
- Loans and							
advances to							
customers	145,995	671,591	1,277,567	163,614	203,370	514,452	2,976,589
	<u>270,408</u>	<u>1,091,563</u>	<u>1,277,567</u>	<u>163,614</u>	<u>203,370</u>	<u>514,452</u>	<u>3,520,974</u>
	<u><u>270,408</u></u>	<u><u>1,091,563</u></u>	<u><u>1,277,567</u></u>	<u><u>163,614</u></u>	<u><u>203,370</u></u>	<u><u>514,452</u></u>	<u><u>3,520,974</u></u>
Liabilities							
- Deposits from public							
sector entities	6	-	-	-	-	-	6
- Deposits from							
customers	1,556,452	476,717	197,198	102,872	-	-	2,333,239
- Amount due to Head							
Office	1,212,989	-	-	-	-	-	1,212,989
	<u>2,769,447</u>	<u>476,717</u>	<u>197,198</u>	<u>102,872</u>	<u>-</u>	<u>-</u>	<u>3,546,234</u>
	<u><u>2,769,447</u></u>	<u><u>476,717</u></u>	<u><u>197,198</u></u>	<u><u>102,872</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,546,234</u></u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(b) Foreign exchange risk

The table below summarizes the Branch's assets and liabilities at carrying amounts, categorized by currency:

	USD MOP'000	HKD MOP'000	Others MOP'000	Total MOP'000
As at 30 June 2013				
Macau Patacas equivalents				
Spot assets	1,855,029	1,517,378	187,647	3,560,054
Spot liabilities	(1,850,776)	(1,478,824)	(187,366)	(3,516,966)
Forward purchases	210,129	11,938	222,569	444,636
Forward sales	(210,129)	(11,938)	(222,569)	(444,636)
Net position	<u>4,253</u>	<u>38,554</u>	<u>281</u>	<u>43,088</u>

	USD MOP'000	HKD MOP'000	Others MOP'000	Total MOP'000
As at 31 December 2012				
Macau Patacas equivalents				
Spot assets	1,770,908	1,652,974	113,567	3,537,449
Spot liabilities	(1,765,336)	(1,628,795)	(114,023)	(3,508,154)
Forward purchases	209,181	117,912	103,886	430,979
Forward sales	(209,181)	(117,912)	(103,886)	(430,979)
Net position	<u>5,572</u>	<u>24,179</u>	<u>(456)</u>	<u>29,295</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

2 Financial Risk Management (continued)

(c) Liquidity risk

	As at 30 June 2013 MOP'000	As at 31 December 2012 MOP'000
The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the period/year	81,010	77,908
The arithmetic mean of the average weekly amount of cash in hand during the period/year	173,019	159,320
The arithmetic mean of the specified liquid assets at the end of each month during the period/year	1,507,559	1,568,438
	%	%
The average ratio of specified liquid asset to total basic liabilities at the end of each month during the period/year	49.6	53.3
The arithmetic mean of one-month liquidity ratio in the last week of each month during the period/year	279.1	211.8
The arithmetic mean of three-month liquidity ratio in the last week of each month during the period/year	311.5	361.0

DBS BANK (HONG KONG) LIMITED

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1 Capital adequacy

Head Office is required to compute its capital adequacy ratios on a combined basis that includes Head Office and the Branch. The capital adequacy ratios as at 30 June 2013 and 31 December 2012 were compiled in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority.

	As at 30 June 2013	As at 31 December 2012
Capital Adequacy Ratios		
Common Equity Tier 1	12.9%	NA
Tier 1	12.9%	14.3%
Total	14.9%	16.7%

The Hong Kong Monetary Authority implemented Basel III capital adequacy requirements in the Banking (Capital) Rules with effect from 1 January 2013. Capital Adequacy disclosures related to dates prior to 1 January 2013 were calculated in accordance with the then prevailing capital adequacy requirements and are thus not directly comparable to those pertaining to dates from 1 January 2013.

2 Other financial information

	For the six months ended 30 June 2013 HK\$'M	For the six months ended 30 June 2012 HK\$'M
Profit before income tax	2,471	1,985

	As at 30 June 2013 HK\$'M	As at 31 December 2012 HK\$'M
Total assets	296,198	285,332
Total liabilities	266,739	256,729
Total loans and advances	194,071	177,152
Deposits and balances from banks	14,364	9,356
Deposits from customers	210,568	214,104
Total equity	29,459	28,603