

**DBS BANK (HONG KONG) LIMITED - MACAU BRANCH**

**INTERIM FINANCIAL DISCLOSURE STATEMENTS  
FOR THE SIX MONTHS ENDED  
30 JUNE 2014**

# 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 2014**

MOP

<b>Assets</b>	<b>Total assets</b>	<b>Provision, accumulated depreciation and impairments</b>	<b>Net total assets</b>
Cash	8,638,086.12		8,638,086.12
Deposits with AMCM	165,876,775.85		165,876,775.85
Interbank assets with local credit institutions	85,297,007.37		85,297,007.37
Interbank assets with credit institutions abroad	191,006,344.01		191,006,344.01
Loans and advances	2,932,109,474.04	15,204,776.07	2,916,904,697.97
Applications in local credit institutions	290,000,000.00		290,000,000.00
Placement abroad	6,666,886.28		6,666,886.28
Equipment	1,308,340.12	922,999.38	385,340.74
Installation expenditure	3,076,239.58	2,976,910.55	99,329.03
Other fixed assets	754,222.39	746,146.88	8,075.51
Internal and adjustment accounts	860,316,989.98		860,316,989.98
<b>Total</b>	<b>4,545,050,365.74</b>	<b>19,850,832.88</b>	<b>4,525,199,532.86</b>

**DBS BANK (HONG KONG) LIMITED - MACAU BRANCH**

**UNAUDITED BALANCE SHEET AS AT 30 JUNE 2014**

		MOP
<b>Liabilities</b>	<b>Sub-total</b>	<b>Total</b>
Demand deposits and saving accounts	1,141,528,834.24	
Call deposits	84,364.55	
Time deposits	933,021,563.75	2,074,634,762.54
Deposits from public sector entities	2,310.00	
Interbank liabilities to local credit institutions	2,044.55	
Interbank liabilities to credit institutions abroad	1,437,780,285.28	
Cheques and orders payable	51,831,393.45	
Other liabilities	825,490,409.29	2,315,106,442.57
Internal and adjustment accounts	31,600,787.01	
Exposure provisions	40,661,218.37	72,262,005.38
Results from previous financial period	33,050,017.17	
Profit & loss for the year	30,146,305.20	63,196,322.37
<b>Total</b>		<b>4,525,199,532.86</b>

	MOP
<b>Memorandum accounts</b>	<b>Total</b>
Bills for collection	17,756,277.23
Collaterals	15,618,380,076.57
Guarantees on account of customers	341,455,349.44
Letter of credit outstanding	310,399,508.86
Forward exchange contracts purchase	523,180,292.17
Forward exchange contracts sale	523,180,292.17
Other memorandum items	3,831,907,787.68

**DBS BANK (HONG KONG) LIMITED - MACAU BRANCH**

**UNAUDITED PROFIT & LOSS STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

**Operating profit & loss**

MOP

<b>Debit</b>	<b>Amount</b>	<b>Credit</b>	<b>Amount</b>
Costs of credit operations	7,133,744.05	Income from credit operations	41,885,655.98
Personnel costs		Income from banking services	13,190,912.80
Staff remuneration	7,493,586.57	Income from other banking services	4,284,121.96
Staff welfare	657,364.05	Other banking income	1,880,922.63
Other staff costs	386,706.27		
Third party supply	278,003.55		
Third party services	13,360,490.85		
Other banking costs	867,715.76		
Taxation	81,169.98		
Costs of non-banking operations	86,644.02		
Depreciation allowances	113,004.80		
Provision allowances	1,097,703.37		
Operating profit	29,685,480.10		
<b>Total</b>	<b>61,241,613.37</b>	<b>Total</b>	<b>61,241,613.37</b>

**Profit & loss account**

MOP

<b>Debit</b>	<b>Amount</b>	<b>Credit</b>	<b>Amount</b>
Operating loss	-	Operating profit	29,685,480.10
Loss related to previous year	-	Profit related to previous years	4,505,825.10
Profit tax provision	4,045,000.00	Provisions used up	-
Profit for the year	30,146,305.20	Loss for the year	-
<b>Total</b>	<b>34,191,305.20</b>	<b>Total</b>	<b>34,191,305.20</b>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED INCOME STATEMENT

	Note	For the six months ended	
		30 June 2014	30 June 2013
		MOP'000	MOP'000
Interest income		41,886	36,229
Interest expense		(7,134)	(4,184)
Net interest income		34,752	32,045
Net fee and commission income	3	15,118	11,569
Other income	3	3,475	3,025
Total income		53,345	46,639
Total expenses	4	(22,562)	(20,700)
Profit before provisions		30,783	25,939
Provision for bad and doubtful debts	10	3,408	8,024
Profit before income tax		34,191	33,963
Income tax expense	5	(4,045)	(4,059)
Profit for the period		30,146	29,904

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED BALANCE SHEET

	Note	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
<b>ASSETS</b>			
Cash and balances with banks	6	191,670	156,497
Deposits with Autoridade Monetaria de Macao ("AMCM")	7	165,877	177,164
Placement with Head Office		6,667	-
AMCM Monetary bills	8	289,975	379,970
Loan and advances to customers	9	2,876,243	3,084,253
Other assets	11	853,505	544,097
Fixed assets	12	493	616
		<b>4,384,430</b>	<b>4,342,597</b>
<b>LIABILITIES</b>			
Deposits from customers	13	2,074,639	2,973,241
Amount due to Head Office	14	1,344,509	660,790
Other liabilities	15	891,911	669,386
Current income tax liabilities		10,175	6,130
		<b>4,321,234</b>	<b>4,309,547</b>
Reserve		<b>63,196</b>	<b>33,050</b>
Total liabilities and reserve		<b>4,384,430</b>	<b>4,342,597</b>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED STATEMENT OF CHANGES IN RESERVE

	Note	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
Balance at 1 January		33,050	47,453
Profit for the period/year		30,146	33,050
Transfer to Head Office	16	-	(47,453)
Balance at 30 June/31 December		<u>63,196</u>	<u>33,050</u>



## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED CASH FLOW STATEMENT

	Note	For the six months ended	
		30 June 2014	30 June 2013
		MOP'000	MOP'000
<b>Cash flow from operating activities</b>			
Profit before income tax		34,191	33,963
Depreciation	4	113	127
Loss on disposal of fixed assets		10	-
Provision for bad and doubtful debts	10	(3,408)	(8,024)
Loans and advances to customers written off	10	(12,426)	-
Decrease in loans and advances to customers		223,844	356,502
Increase in other assets		(309,408)	(256,682)
Decrease in deposits from customers		(898,602)	(66,452)
Increase in other liabilities		222,525	319,765
Increase/(decrease) in amount due to Head Office		683,719	(251,257)
<b>Cash (outflow)/inflow from operating activities</b>		<b>(59,442)</b>	<b>127,942</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(59,442)</b>	<b>127,942</b>
<b>Cash and cash equivalents at 1 January</b>		<b>713,631</b>	<b>675,568</b>
<b>Cash and cash equivalents at 30 June</b>		<b>654,189</b>	<b>803,510</b>

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 2014	As at 30 June 2013
		MOP'000	MOP'000
Cash and balances with banks	6	191,670	176,853
Deposits with AMCM	7	165,877	162,644
Placements with Head Office with original maturity within three months		6,667	24,032
AMCM monetary bills with original maturity within one month	8	289,975	439,981
		<b>654,189</b>	<b>803,510</b>

# 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. DBS Bank Ltd. is an intermediate holding company of DBS Bank (Hong Kong) Limited. The address of the Branch's registered office is Nos. 5 a 7 E Da Rua De Santa Clara, Edif. Ribeiro, Loja C e D, Macau.

### 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 2013 as disclosed in the Financial Statements for 2013.

### 3 Net fee and commission income and other income

	For the six months ended	
	30 June 2014	30 June 2013
	MOP'000	MOP'000
Fee and commission income	15,881	12,531
Fee and commission expense	(763)	(962)
Net fee and commission income	<u>15,118</u>	<u>11,569</u>
Gains less losses arising from foreign exchange transactions	1,594	1,007
Others	1,881	2,018
Other income	<u>3,475</u>	<u>3,025</u>

### 4 Total expenses

	For the six months ended	
	30 June 2014	30 June 2013
	MOP'000	MOP'000
Salaries and other staff costs	8,325	8,002
Computer charges	7,333	2,611
Rent and rates	1,515	1,516
Management service fees	2,161	2,794
Auditor's remuneration	121	129
Depreciation	113	127
Others	2,994	5,521
	<u>22,562</u>	<u>20,700</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 5 Taxation

Current tax comprises of Macao complementary tax. According to Macao Complementary tax law, Macao complementary tax 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 2014 and 2013, a special tax incentive is provided to increase the tax free income threshold from MOP32,000 to MOP300,000 and the profit thereafter being taxed at a fixed rate of 12%. The tax on the Branch's profit before tax differs from the theoretical amount that would arise using the Macao complementary tax rate applicable to profits of the Branch and as follows:

	<b>For the six months ended</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>MOP'000</b>	<b>MOP'000</b>
Profit before income tax	<b>34,191</b>	33,963
Tax calculated at 12%	<b>4,103</b>	4,076
Effect of progressive tax rate before 12%	<b>(17)</b>	(17)
Special complementary tax incentives	<b>(19)</b>	(19)
Income not subject to tax	<b>(33)</b>	-
Expenses not deductible for taxation purposes	<b>10</b>	10
Under provision in prior years	<b>1</b>	9
Income tax expense	<b>4,045</b>	4,059

No deferred taxation has been provided as there were no significant timing differences at the balance sheet date (as at 30 June 2013: Nil).

#### 6 Cash and balance with banks

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>MOP'000</b>	<b>MOP'000</b>
Cash in hand	<b>8,638</b>	16,175
Balances with banks	<b>183,032</b>	140,322
	<b>191,670</b>	156,497

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 7 Deposits with AMCM

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Balance with AMCM	<u>165,877</u>	<u>177,164</u>

According to the statutory requirement, the Branch is required to maintain a minimum deposit balance with AMCM for liquidity purposes. The required MOP current deposit balance should not be less than 70% of the aggregate of the following amounts calculated on the average of the liabilities assessed in the preceding week:

- (a) 3% of call liabilities;
- (b) 2% of liabilities up to 3 months excluding call liabilities;
- (c) 1% of liabilities beyond 3 months.

At 30 June 2014, the minimum deposit required were MOP54,550,000 (31 December 2013: MOP 58,919,000).

#### 8 AMCM monetary bills

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Monetary bills issued by AMCM, at amortised cost	<u>289,975</u>	<u>379,970</u>

#### 9 Loans and advances to customers

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Loans and advances to customers	2,314,244	2,469,006
Trade bills	617,865	686,947
Less: Specific provision (note 10)	(15,205)	(32,124)
General provision (note 10)	(40,661)	(39,576)
	<u>2,876,243</u>	<u>3,084,253</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
<b>2014</b>			
At 1 January 2014	32,124	39,576	71,700
Charge to the income statement	(4,493)	1,085	(3,408)
Amounts written off	(12,426)	-	(12,426)
	<u>15,205</u>	<u>40,661</u>	<u>55,866</u>
At 30 June 2014 (note 9)	<u><u>15,205</u></u>	<u><u>40,661</u></u>	<u><u>55,866</u></u>
<b>2013</b>			
At 1 January 2013	42,521	35,797	78,318
Charge to the income statement	5,494	3,779	9,273
Amounts written off	(15,891)	-	(15,891)
	<u>32,124</u>	<u>39,576</u>	<u>71,700</u>
At 31 December 2013 (note 9)	<u><u>32,124</u></u>	<u><u>39,576</u></u>	<u><u>71,700</u></u>

#### 11 Other assets

	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
Accrued interest receivables	3,989	3,819
Revaluation on derivative financial instruments (note 17)	11,427	10,284
Acceptances	814,413	494,620
Other accounts	23,676	35,374
	<u>853,505</u>	<u>544,097</u>
	<u><u>853,505</u></u>	<u><u>544,097</u></u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 12 Fixed assets – Furniture, fixtures and equipment

	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
Cost:		
At 1 January	5,169	5,140
Additions	-	29
Disposals	(30)	-
At 30 June/31 December	<u>5,139</u>	<u>5,169</u>
Accumulated depreciation:		
At 1 January	4,553	4,307
Charge for the period/year	113	246
Disposals	(20)	-
At 30 June/31 December	<u>4,646</u>	<u>4,553</u>
Net book value:		
At 30 June/31 December	<u><u>493</u></u>	<u><u>616</u></u>

#### 13 Deposits from customers

	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
Demand deposits and current accounts	292,915	612,741
Savings deposits	848,618	998,169
Time and call deposits	933,106	1,362,331
	<u>2,074,639</u>	<u>2,973,241</u>

#### 14 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 and repayable on demand and bear interest rates as determined from time to time by Head Office.

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 15 Other liabilities

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Accrued interest payable	1,249	1,715
Revaluation on derivative financial instruments (note 17)	11,427	10,284
Acceptances	814,413	494,620
Other liabilities and provision	64,822	162,767
	<u>891,911</u>	<u>669,386</u>

#### 16 Repatriation of accumulated profits to Head Office

During the six months ended 30 June 2014, the Branch did not repatriate any accumulated profits (2013: MOP47,453,000) 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:

	<b>Notional amount MOP'000</b>	<u>Fair value</u>	
		<b>Assets MOP'000</b>	<b>Liabilities MOP'000</b>
<b>30 June 2014</b>			
Forwards	523,180	4,737	4,737
Exchange rate options	1,040,109	6,690	6,690
		<u>11,427</u>	<u>11,427</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 2013			
Forwards	328,058	5,592	5,592
Exchange rate options	882,053	4,692	4,692
		10,284	10,284
		10,284	10,284

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 11 and note 15, respectively to the financial statements.

#### 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 2014 MOP'000	As at 31 December 2013 MOP'000
Transaction-related contingencies	327,480	319,773
Trade-related contingencies	324,375	315,725
Other commitments which are unconditionally cancellable	2,771,745	2,907,192
	3,423,600	3,542,690

##### (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 2014 MOP'000	As at 31 December 2013 MOP'000
Within 1 year	1,078	1,062
After 1 year but within 5 years	962	1,487
	2,040	2,549



# DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 Material related party transactions

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

	<b>For the six months ended</b>	
	<b>30 June 2014</b>	<b>30 June 2013</b>
	<b>MOP'000</b>	<b>MOP'000</b>
Interest income	713	705
Interest expense	(1,285)	(1,205)
Net fee and commission income	2,270	1,652
Other income	1,219	1,391
Total expenses charged	(9,292)	(8,042)

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

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>MOP'000</b>	<b>MOP'000</b>
Placement with Head Office	6,667	-
Other assets	10	-
	<u>6,677</u>	<u>-</u>
Amount due to Head Office	1,344,509	660,790
Other liabilities	1,658	3,443
	<u>1,346,167</u>	<u>664,233</u>

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

	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>
	<b>MOP'000</b>	<b>MOP'000</b>
Forwards	264,439	166,603
Exchange rate options	514,974	435,281
	<u>779,413</u>	<u>601,884</u>

(iv) Contingent liabilities and commitments with Head Office and intermediate holding company:

As at 30 June 2014, total contingent liabilities and commitments with Head Office and intermediate holding company amounted to MOP18,049,000 (at 31 December 2013: MOP12,772,000).

## 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 Financial Risk Management

##### (a) Credit risk

##### Loans and advances to customers by credit quality

	As at 30 June 2014 MOP'000	As at 31 December 2013 MOP'000
Neither past due nor impaired	2,908,736	3,107,595
Past due but not impaired	1,517	6,790
Impaired	21,856	41,568
	<u>2,932,109</u>	<u>3,155,953</u>

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

##### Loans and advances to customers analysed by geographic area

As at 30 June 2014	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	2,602,107	1,517	21,856	15,205	36,409
Hong Kong	251,532	-	-	-	3,488
Mainland China	54,417	-	-	-	755
Others	680	-	-	-	9
	<u>2,908,736</u>	<u>1,517</u>	<u>21,856</u>	<u>15,205</u>	<u>40,661</u>

  

As at 31 December 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	2,742,944	6,790	41,568	32,124	35,003
Hong Kong	320,553	-	-	-	4,020
Others	44,098	-	-	-	553
	<u>3,107,595</u>	<u>6,790</u>	<u>41,568</u>	<u>32,124</u>	<u>39,576</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (a) Credit risk (continued)

###### Financial derivatives analysed by geographic area

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Macau	1,298,850	915,651
Hong Kong	264,439	294,460
	<u>1,563,289</u>	<u>1,210,111</u>
	<b>As at 30 June 2014 MOP'000</b>	<b>As at 31 December 2013 MOP'000</b>
Credit risk-weighted amount	26,982	13,263

###### Loans and advances to customers analysed by industry groups

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

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Manufacturing	662,981	324,501
Construction and public works	94,930	73,150
Trade (wholesale and retail)	1,189,744	955,812
Transport, warehouse and communications	6,180	748
Personal housing loans	79,095	96,040
Personal credits	16,263	36,813
Others	859,543	1,620,531
	<u>2,908,736</u>	<u>3,107,595</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (a) Credit risk (continued)

##### Loans and advances to customers analysed by industry groups (continued)

##### (ii) Loans and advances to customers that were past due but not impaired

As at 30 June 2014	Past due		
	Less than 1 month MOP'000	1-2 months MOP'000	Total MOP'000
Manufacturing	-	-	-
Construction and public works	-	-	-
Trade (wholesale and retail)	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	585	932	1,517
Personal credits	-	-	-
Others	-	-	-
	<u>585</u>	<u>932</u>	<u>1,517</u>

As at 31 December 2013	Past due		
	Less than 1 month MOP'000	1-2 months MOP'000	Total MOP'000
Manufacturing	-	-	-
Construction and public works	-	-	-
Trade (wholesale and retail)	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	993	-	993
Personal credits	-	-	-
Others	5,797	-	5,797
	<u>6,790</u>	<u>-</u>	<u>6,790</u>

# DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

## UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

### 1 Financial Risk Management (continued)

#### (a) Credit risk (continued)

#### Loans and advances to customers analysed by industry groups (continued)

##### (iii) Impaired loans and advances to customers

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
Manufacturing	-	-
Construction and public works	-	-
Trade (wholesale and retail)	<b>8,046</b>	20,071
Transport, warehouse and communications	-	-
Personal housing loans	-	-
Personal credits	-	-
Others	<b>13,810</b>	21,497
	<u><b>21,856</b></u>	<u>41,568</u>

	<b>Less than 6 months MOP'000</b>	<b>More than 6 months but not more than 1 year MOP'000</b>	<b>More than 1 year MOP'000</b>
<b>As at 30 June 2014</b>			
Gross impaired loans and advances	-	<b>14,376</b>	<b>7,480</b>
Specific provision	-	<b>(7,964)</b>	<b>(7,241)</b>
	<u>-</u>	<u><b>6,412</b></u>	<u><b>239</b></u>
Impaired loans and advances covered by collateral	<u>-</u>	<u><b>6,412</b></u>	<u><b>239</b></u>
% of gross loans and advances to customers	<u>-</u>	<u><b>0.49</b></u>	<u><b>0.26</b></u>

	<b>Less than 6 months MOP'000</b>	<b>More than 6 months but not more than 1 year MOP'000</b>	<b>More than 1 year MOP'000</b>
<b>As at 31 December 2013</b>			
Gross impaired loans and advances	21,670	-	19,898
Specific provision	(12,466)	-	(19,658)
	<u>9,204</u>	<u>-</u>	<u>240</u>
Impaired loans and advances covered by collateral	<u>9,204</u>	<u>-</u>	<u>240</u>
% of gross loans and advances to customers	<u>0.69</u>	<u>-</u>	<u>0.63</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (a) Credit risk (continued)

###### Analysis of specific provision

	As at 1 January 2014 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 30 June 2014 MOP'000
Manufacturing	-	-	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	16,221	(12,124)	180	4,277
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	15,903	(302)	(4,673)	10,928
	<u>32,124</u>	<u>(12,426)</u>	<u>(4,493)</u>	<u>15,205</u>

	As at 1 January 2013 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 31 December 2013 MOP'000
Manufacturing	-	-	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	38,339	(15,891)	(6,227)	16,221
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	4,182	-	11,721	15,903
	<u>42,521</u>	<u>(15,891)</u>	<u>5,494</u>	<u>32,124</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (a) Credit risk (continued)

##### Analysis of general provision

	As at 1 January 2014 MOP'000	Net charge to income statement MOP'000	As at 30 June 2014 MOP'000
Manufacturing	4,069	5,125	9,194
Construction and public works	917	399	1,316
Trade (wholesale and retail)	12,238	4,372	16,610
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	9	77	86
Personal housing loans	1,217	(99)	1,118
Personal credits	462	(236)	226
Others	20,664	(8,553)	12,111
	<u>39,576</u>	<u>1,085</u>	<u>40,661</u>

	As at 1 January 2013 MOP'000	Net charge to income statement MOP'000	As at 31 December 2013 MOP'000
Manufacturing	4,978	(909)	4,069
Construction and public works	75	842	917
Trade (wholesale and retail)	6,178	6,060	12,238
Restaurants, hotels and similar	20	(20)	-
Transport, warehouse and communications	12	(3)	9
Personal housing loans	1,487	(270)	1,217
Personal credits	639	(177)	462
Others	22,408	(1,744)	20,664
	<u>35,797</u>	<u>3,779</u>	<u>39,576</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (a) Credit risk (continued)

The carrying amounts of assets and liabilities analysed by the remaining period as at 30 June 2014 and 31 December 2013 to the contractual maturity dates are as follows:

As at 30 June 2014	Repayable on demand MOP'000	Less than 1 month MOP'000	3 months or less but over 1 month MOP'000	1 year or less but over 3 months MOP'000	3 years or less but over 1 year MOP'000	After 3 years MOP'000	Total MOP'000
<b>Assets</b>							
- Cash and balances with banks	191,670	-	-	-	-	-	191,670
- AMCM monetary bills	-	165,877	-	-	-	-	165,877
- Placement with Head Office	-	6,667	-	-	-	-	6,667
- Loans and advances to customers	137,655	824,408	1,028,900	192,112	188,353	504,815	2,876,243
	<u>329,325</u>	<u>996,952</u>	<u>1,028,900</u>	<u>192,112</u>	<u>188,353</u>	<u>504,815</u>	<u>3,240,457</u>
<b>Liabilities</b>							
- Deposits from public sector entities	4	-	-	-	-	-	4
- Deposits from customers	1,141,613	613,925	239,489	79,608	-	-	2,074,635
- Amount due to Head Office	1,344,509	-	-	-	-	-	1,344,509
	<u>2,486,126</u>	<u>613,925</u>	<u>239,489</u>	<u>79,608</u>	<u>-</u>	<u>-</u>	<u>3,419,148</u>



# DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

## UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

### 1 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 2013	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
<b>Assets</b>							
- Cash and balances							
with banks	156,497	-	-	-	-	-	156,497
- AMCM monetary							
bills	-	379,970	-	-	-	-	379,970
- Loans and							
advances to							
customers	133,757	751,538	1,006,037	325,172	205,218	662,531	3,084,253
	<u>290,254</u>	<u>1,131,508</u>	<u>1,006,037</u>	<u>325,172</u>	<u>205,218</u>	<u>662,531</u>	<u>3,620,720</u>
	<u><u>290,254</u></u>	<u><u>1,131,508</u></u>	<u><u>1,006,037</u></u>	<u><u>325,172</u></u>	<u><u>205,218</u></u>	<u><u>662,531</u></u>	<u><u>3,620,720</u></u>
<b>Liabilities</b>							
- Deposits from public							
sector entities	4	-	-	-	-	-	4
- Deposits from							
customers	1,610,990	1,107,982	171,736	82,529	-	-	2,973,237
- Amount due to Head							
Office	660,790	-	-	-	-	-	660,790
	<u>2,271,784</u>	<u>1,107,982</u>	<u>171,736</u>	<u>82,529</u>	<u>-</u>	<u>-</u>	<u>3,634,031</u>
	<u><u>2,271,784</u></u>	<u><u>1,107,982</u></u>	<u><u>171,736</u></u>	<u><u>82,529</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>3,634,031</u></u>

# DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

## UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

### 1 Financial Risk Management (continued)

#### (b) Foreign exchange risk

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

	USD MOP'000	HKD MOP'000	CNY MOP'000	Others MOP'000	Total MOP'000
<b>As at 30 June 2014</b>					
Macau Patacas equivalents					
Spot assets	1,968,333	1,846,194	-	216,673	4,031,200
Spot liabilities	(1,962,175)	(1,826,026)	-	(217,226)	(4,005,427)
Forward purchases	257,487	1,254	263,189	1,250	523,180
Forward sales	(257,487)	(1,254)	(263,189)	(1,250)	(523,180)
Net position	<u>6,158</u>	<u>20,168</u>	<u>-</u>	<u>(553)</u>	<u>25,773</u>

	USD MOP'000	HKD MOP'000	CNY MOP'000	Others MOP'000	Total MOP'000
<b>As at 31 December 2013</b>					
Macau Patacas equivalents					
Spot assets	1,880,375	1,803,394	-	189,758	3,873,527
Spot liabilities	(1,876,485)	(1,781,201)	-	(192,027)	(3,849,713)
Forward purchases	137,772	25,280	142,192	22,814	328,058
Forward sales	(137,772)	(25,280)	(142,192)	(22,814)	(328,058)
Net position	<u>3,890</u>	<u>22,193</u>	<u>-</u>	<u>(2,269)</u>	<u>23,814</u>

## DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

### UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

#### 1 Financial Risk Management (continued)

##### (c) Liquidity risk

	<b>As at 30 June 2014 MOP'000</b>	As at 31 December 2013 MOP'000
The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the period/year	<b>75,810</b>	80,773
The arithmetic mean of the amount of cash in hand during the period/year	<b>165,365</b>	173,796
The arithmetic mean of the specified liquid assets at the end of each month during the period/year	<b>1,405,422</b>	1,668,081
	<b>%</b>	<b>%</b>
The average ratio of specified liquid asset to total basic liabilities at the end of each month during the period/year	<b>48.4</b>	53.7
The arithmetic mean of one-month liquidity ratio in the last week of each month during the period/year	<b>295</b>	248
The arithmetic mean of three-month liquidity ratio in the last week of each month during the period/year	<b>544</b>	368

# DBS BANK (HONG KONG) LIMITED

## UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

### 1 Capital adequacy

The capital adequacy ratios as at 30 June 2014 and 31 December 2013 were compiled in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority.

	<b>As at 30 June 2014</b>	As at 31 December 2013
Capital Adequacy Ratios		
Common Equity Tier 1	<b>14.2%</b>	13.9%
Tier 1	<b>14.2%</b>	13.9%
Total	<b>16.3%</b>	16.1%

### 2 Other financial information

	<b>For the six months ended 30 June 2014 HK\$'M</b>	For the six months ended 30 June 2013 HK\$'M
Profit before income tax	<b>1,999</b>	2,471

	<b>As at 30 June 2014 HK\$'M</b>	As at 31 December 2013 HK\$'M
Total assets	<b>313,754</b>	308,341
Total liabilities	<b>282,197</b>	277,473
Gross loans and advances to customers	<b>192,372</b>	201,760
Deposits and balances from banks	<b>10,709</b>	4,751
Deposits from customers	<b>233,951</b>	238,391
Total equity	<b>31,557</b>	30,868

# **DBS BANK (HONG KONG) LIMITED**

## **UNAUDITED CONSOLIDATED INFORMATION (CONTINUED)**

### **3 Directors**

The directors during the year and up to the date of this report are:

Seah Lim Huat, Peter – Chairman  
Piyush Gupta – Vice Chairman  
J. E. Sebastian Paredes Muirragui – Chief Executive  
Alexander Reid Hamilton  
Dominic Chiu Fai Ho  
Ng Chee Siong, Robert  
Kwok Kwok Chuen  
Yip Dicky Peter