

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**INTERIM FINANCIAL DISCLOSURE STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2016**

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 2016

MOP

Assets	Total assets	Provision, accumulated depreciation and impairments	Net total assets
Cash	35,209,265.92		35,209,265.92
Deposits with AMCM	162,773,484.81		162,773,484.81
Interbank assets with local credit institutions	89,270,900.45		89,270,900.45
Interbank assets with credit institutions abroad	210,374,295.49		210,374,295.49
Loans and advances	2,328,779,386.54	-	2,328,779,386.54
Applications in local credit institutions	179,990,353.44		179,990,353.44
Equipment	1,264,040.41	1,045,242.19	218,798.22
Installation expenditure	2,827,027.43	2,649,047.24	177,980.19
Other fixed assets	754,222.39	754,222.39	-
Internal and adjustment accounts	384,968,669.08		384,968,669.08
Total	3,396,211,645.96	4,448,511.82	3,391,763,134.14

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2016

MOP

Liabilities	Sub-total	Total
Demand deposits and saving accounts	1,502,402,796.65	
Call deposits	84,441.69	
Time deposits	638,947,547.82	2,141,434,786.16
Interbank liabilities to credit institutions abroad	757,567,125.60	
Cheques and orders payable	19,324,275.64	
Other liabilities	379,786,282.78	1,156,677,684.02
Internal and adjustment accounts	16,993,715.62	
Exposure provisions	30,286,876.42	47,280,592.04
Results from previous financial period	30,771,033.05	
Profit & loss for the year	15,599,038.87	46,370,071.92
Total		3,391,763,134.14

MOP

Memorandum accounts	Total
Bills for collection	155,667,406.27
Collaterals	12,525,881,628.59
Guarantees on account of customers	363,300,665.82
Letter of credit outstanding	451,348,465.92
Forward exchange contracts purchase	61,200,592.66
Forward exchange contracts sale	61,197,454.43
Other memorandum items	4,429,405,153.60

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**UNAUDITED PROFIT & LOSS STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Operating profit & loss

MOP

Debit	Amount	Credit	Amount
Costs of credit operations	3,238,629.28	Income from credit operations	32,546,372.41
Personnel costs		Income from banking services	5,764,355.44
Staff remuneration	8,113,958.92	Income from other banking services	3,117,251.77
Staff welfare	719,009.64	Other banking income	1,420,803.85
Other staff costs	196,087.20		
Third party supply	186,744.73		
Third party services	12,577,450.90		
Other banking costs	429,997.71		
Taxation	102,691.98		
Costs of non-banking operations	86,643.41		
Depreciation allowances	110,990.53		
Provision allowances	6,266.94		
Operating profit	17,080,312.23		
Total	42,848,783.47	Total	42,848,783.47

Profit & loss account

MOP

Debit	Amount	Credit	Amount
Operating loss	-	Operating profit	17,080,312.23
Loss related to previous year	-	Profit related to previous years	564,726.64
Profit tax provision	2,046,000.00	Provisions used up	-
Profit for the year	15,599,038.87	Loss for the year	-
Total	17,645,038.87	Total	17,645,038.87

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED INCOME STATEMENT

		For the six months ended	
	Note	30 June 2016 MOP'000	30 June 2015 MOP'000
Interest income		32,546	31,575
Interest expense		(3,239)	(4,490)
Net interest income		29,307	27,085
Net fee and commission income	3	6,553	7,462
Other income	3	3,359	5,792
Total income		39,219	40,339
Total expenses	4	(22,132)	(23,473)
Profit before provisions		17,087	16,866
Provision write back/(charge) for bad and doubtful debts	10	558	(4,939)
Profit before income tax		17,645	11,927
Income tax expense	5	(2,046)	(1,398)
Profit for the period		15,599	10,529

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET

	Notes	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
ASSETS			
Cash and balances with banks	6	192,801	281,583
Deposits with Autoridade Monetaria de Macao ("AMCM")	7	162,773	166,521
AMCM Monetary bills	8	179,990	219,985
Loan and advances to customers	9	2,298,492	2,266,510
Other assets	11	380,249	511,032
Fixed assets	12	396	436
		<u>3,214,701</u>	<u>3,446,067</u>
LIABILITIES			
Deposits from customers	13	2,141,435	2,238,831
Amount due to Head Office	14	615,513	628,566
Other liabilities	15	404,793	543,355
Current income tax liabilities		6,590	4,544
		<u>3,168,331</u>	<u>3,415,296</u>
NET ASSETS		<u>46,370</u>	<u>30,771</u>
REPRESENTED BY			
Reserve		<u>46,370</u>	<u>30,771</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED STATEMENT OF CHANGES IN RESERVE

	Note	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Balance at 1 January		30,771	61,253
Profit for the period/year		15,599	30,771
Transfer to Head Office	16	-	(61,253)
Balance at 30 June/31 December		<u>46,370</u>	<u>30,771</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED CASH FLOW STATEMENT

		For the six months ended	
	Notes	30 June 2016	30 June 2015
		MOP'000	MOP'000
Cash flow from operating activities			
Profit before income tax		17,645	11,927
Depreciation	12	111	85
Provision (write back) /charge for bad and doubtful debts	10	(558)	4,939
Loans and advances to customers written off	10	(11,850)	-
Increase in loans and advances to customers		(19,574)	(184,974)
Decrease/(increase) in other assets		130,783	(318,751)
(Decrease)/increase in deposits from customers		(97,396)	68,532
(Decrease)/increase in other liabilities		(138,562)	364,155
Decrease in amount due to Head Office		(13,053)	(27,801)
Cash outflow from operating activities		(132,454)	(81,888)
Cash flow from investing activities			
Purchase of fixed assets	12	(71)	-
Decrease in cash and cash equivalents		(132,525)	(81,888)
Cash and cash equivalents at 1 January		668,089	661,064
Cash and cash equivalents at 30 June		535,564	579,176

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.

		As at	As at
	Notes	30 June 2016	30 June 2015
		MOP'000	MOP'000
Cash and balances with banks	6	192,801	194,305
Deposits with AMCM	7	162,773	167,902
Placements with Head Office with original maturity within three months		-	6,983
AMCM monetary bills with original maturity within three months	8	179,990	209,986
		535,564	579,176

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 banking and related financial services. The address of the Branch's registered office is Rua Santa Clara 5-7E, Lojas C, D, Edif. Ribeiro Macao.

The Branch's head office is DBS Bank (Hong Kong) Limited ("Head Office") and is a bank incorporated and domiciled in Hong Kong. DBS Bank Ltd is an intermediate holding company ("Intermediate Holding Company") of DBS Bank (Hong Kong) Limited. The ultimate holding company is DBS Group Holdings Ltd ("DBSH") which is listed, incorporated and domiciled in the Republic of Singapore.

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 2015 as disclosed in the Financial Statements for 2015.

3 Net fee and commission income and other income

	For the six months ended	
	30 June 2016	30 June 2015
	MOP'000	MOP'000
Fee and commission income	6,944	8,547
Less: Fee and commission expense	(391)	(1,085)
Net fee and commission income	<u>6,553</u>	<u>7,462</u>
Net trading income from foreign exchange	1,938	3,950
Others	1,421	1,842
Other income	<u>3,359</u>	<u>5,792</u>

4 Total expenses

		For the six months ended	
	Note	30 June 2016	30 June 2015
		MOP'000	MOP'000
Employee benefits		8,971	9,029
Computerisation expenses		6,494	7,059
Rental of premises		1,466	1,456
Management service fees		1,917	2,645
Auditor's remuneration		135	128
Depreciation	12	111	85
Other operating expenses		3,038	3,071
		<u>22,132</u>	<u>23,473</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Income tax expense

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 year 2016 and year 2015, the special tax incentive is provided to effect that the tax free income threshold is increased from MOP32,000 to MOP600,000 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:

	For the six months ended	
	30 June 2016	30 June 2015
	MOP'000	MOP'000
Profit before income tax	17,645	11,927
Tax calculated at 12%	2,117	1,431
Effect of progressive tax rate before 12%	(17)	(17)
Special complementary tax incentives	(55)	(19)
Expenses not deductible for taxation purposes	-	2
Under provision in prior years	1	1
Income tax expense	2,046	1,398

No deferred taxation has been provided as there were no significant timing differences at the balance sheet date (as at 30 June 2015: Nil).

6 Cash and balance with banks

	As at	As at
	30 June	31 December
	2016	2015
	MOP'000	MOP'000
Cash in hand	35,209	27,220
Balances with banks	157,592	254,363
	192,801	281,583

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Deposits with AMCM

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Balance with AMCM	<u>162,773</u>	<u>166,521</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 amount:

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

At 30 June 2016, the minimum deposit required were MOP47,759,000 (31 December 2015: MOP 51,394,000).

8 AMCM monetary bills

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Monetary bills issued by AMCM, at amortised cost	<u>179,990</u>	<u>219,985</u>

9 Loans and advances to customers

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Gross loans and advances to customers	2,231,504	2,121,324
Trade bills	97,275	187,881
Less: Specific provision (note 10)	-	(11,844)
General provision (note 10)	(30,287)	(30,851)
	<u>2,298,492</u>	<u>2,266,510</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
2016			
At 1 January 2016	11,844	30,851	42,695
Charge to/(write back) from income statement	6	(564)	(558)
Amounts written off	(11,850)	-	(11,850)
	<u>-</u>	<u>30,287</u>	<u>30,287</u>
At 30 June 2016 (note 9)	<u>-</u>	<u>30,287</u>	<u>30,287</u>
2015			
At 1 January 2015	15,104	30,155	45,259
Charge to/(write back) from income statement	(11)	696	685
Amounts written off	(3,249)	-	(3,249)
	<u>11,844</u>	<u>30,851</u>	<u>42,695</u>
At 31 December 2015 (note 9)	<u>11,844</u>	<u>30,851</u>	<u>42,695</u>

11 Other assets

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Accrued interest receivables	4,570	4,963
Derivative financial instruments (note 17)	3,396	10,845
Acceptances	368,326	481,746
Others	3,957	13,478
	<u>380,249</u>	<u>511,032</u>
	<u>380,249</u>	<u>511,032</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 2016 MOP'000	As at 31 December 2015 MOP'000
Cost:		
At 1 January	4,773	4,568
Additions	71	205
Disposals	-	-
	<hr/>	<hr/>
At 30 June/31 December	4,844	4,773
	<hr/>	<hr/>
Accumulated depreciation:		
At 1 January	4,337	4,150
Charge for the period/year	111	187
Disposals	-	-
	<hr/>	<hr/>
At 30 June/31 December	4,448	4,337
	<hr/>	<hr/>
Net book value:		
At 30 June/31 December	396	436
	<hr/> <hr/>	<hr/> <hr/>

13 Deposits from customers

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Demand deposits and current accounts	350,015	371,468
Savings deposits	1,152,388	999,575
Time and call deposits	639,032	867,788
	<hr/>	<hr/>
	2,141,435	2,238,831
	<hr/> <hr/>	<hr/> <hr/>

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

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Accrued interest payable	958	747
Derivative financial instruments (note 17)	3,393	10,831
Acceptances	368,326	481,746
Other liabilities and provisions	32,116	50,031
	<u>404,793</u>	<u>543,355</u>

16 Repatriation of accumulated profits to Head Office

During the six months ended 30 June 2016, the Branch did not repatriate any accumulated profits (2015: MOP61,253,000) to Head Office.

17 Derivative financial instruments

The following is a summary of each significant type of derivative transactions:

	Notional amount MOP'000	Positive fair values MOP'000	Negative fair values MOP'000
30 June 2016			
Foreign exchange derivatives			
- Forwards	59,856	1,678	1,675
- Options	117,334	1,718	1,718
		<u>3,396</u>	<u>3,393</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Derivative financial instruments (continued)

	Notional amount MOP'000	Positive fair values MOP'000	Negative fair values MOP'000
31 December 2015			
Foreign exchange derivatives			
- Forwards	380,388	5,247	5,233
- Options	469,397	5,598	5,598
		<u>10,845</u>	<u>10,831</u>

The Branch enters into foreign exchange forwards and options to meet customer demands and enters into offsetting derivatives with Head Office and Intermediate Holding Company. 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 2016 MOP'000	As at 31 December 2015 MOP'000
Transaction-related contingencies	350,227	322,165
Trade-related contingencies	464,422	154,852
Other commitments which are unconditionally cancellable	4,303,360	4,472,550
	<u>5,118,009</u>	<u>4,949,567</u>

(b) *Lease commitments*

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are as follows:

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Not later than one year	1,343	437
Late than one year and not later than five years	2,825	-
	<u>4,168</u>	<u>437</u>

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 Company:

	For the six months ended	
	30 June 2016	30 June 2015
	MOP'000	MOP'000
Interest income	699	556
Interest expense	(799)	(624)
Net fee and commission income	-	-
Other income	700	1,822
Total expenses charged	(8,919)	(10,011)

(ii) Balances with Head Office:

	As at	As at
	30 June	31 December
	2016	2015
	MOP'000	MOP'000
Amount due to Head Office	615,513	628,566
Other liabilities	1,816	2,239
	<u>617,329</u>	<u>630,805</u>

(iii) Contract/notional amounts of financial derivatives with Head Office and Intermediate Holding Company:

	As at	As at
	30 June	31 December
	2016	2015
	MOP'000	MOP'000
Foreign exchange derivatives		
- Forwards	29,927	188,307
- Options	58,667	230,693
	<u>88,594</u>	<u>419,000</u>

(iv) Contingent liabilities and commitments with Head Office and Intermediate Holding Company:

As at 30 June 2016, total contingent liabilities and commitments with Head Office and Intermediate Holding Companies amounted to MOP45,921,000 (31 December 2015: MOP13,966,000).

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 2016 MOP'000	As at 31 December 2015 MOP'000
Neither past due nor impaired	2,296,016	2,264,722
Past due but not impaired	1,044	858
Impaired	31,719	43,625
	<u>2,328,779</u>	<u>2,309,205</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 2016	Neither past due nor impaired MOP'000	Past due but not impaired MOP'000	Impaired MOP'000	Specific provision MOP'000	General provision MOP'000
Macau	2,274,710	1,044	31,719	-	30,010
Hong Kong	21,306	-	-	-	277
Others	-	-	-	-	-
	<u>2,296,016</u>	<u>1,044</u>	<u>31,719</u>	<u>-</u>	<u>30,287</u>
	<u>2,296,016</u>	<u>1,044</u>	<u>31,719</u>	<u>-</u>	<u>30,287</u>
As at 31 December 2015	Neither past due nor impaired MOP'000	Past due but not impaired MOP'000	Impaired MOP'000	Specific provision MOP'000	General provision MOP'000
Macau	2,228,190	858	43,625	11,844	30,363
Hong Kong	32,381	-	-	-	433
Others	4,151	-	-	-	55
	<u>2,264,722</u>	<u>858</u>	<u>43,625</u>	<u>11,844</u>	<u>30,851</u>
	<u>2,264,722</u>	<u>858</u>	<u>43,625</u>	<u>11,844</u>	<u>30,851</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

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Macau	88,596	430,785
Hong Kong	88,594	419,000
	<u>177,190</u>	<u>849,785</u>
	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Credit risk-weighted amount	<u>4,971</u>	<u>20,698</u>

Loans and advances to customers analysed by industry groups

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

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Manufacturing	591,875	501,516
Construction and public works	16,988	7,404
Trade (wholesale and retail)	1,182,654	1,216,875
Restaurants, hotel and similar	-	-
Transport, warehouse and communications	-	-
Personal housing loans	35,746	39,272
Personal credits	-	-
Others	468,753	499,655
	<u>2,296,016</u>	<u>2,264,722</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 2016	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)	269	-	269
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	154	621	775
Personal credits	-	-	-
Others	-	-	-
	<u>423</u>	<u>621</u>	<u>1,044</u>

As at 31 December 2015	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)	-	-	-
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	858	-	858
Personal credits	-	-	-
Others	-	-	-
	<u>858</u>	<u>-</u>	<u>858</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

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
Manufacturing	-	7,047
Construction and public works	-	-
Trade (wholesale and retail)	28,837	33,696
Restaurants, hotels and similar	-	-
Transport, warehouse and communications	-	-
Personal housing loans	-	-
Personal credits	-	-
Others	2,882	2,882
	31,719	43,625
	More than 6 months but not more than 1 year MOP'000	More than 1 year MOP'000
As at 30 June 2016		
Gross impaired loans and advances	-	31,719
Specific provision	-	-
	31,719	31,719
Impaired loans and advances covered by collateral	-	31,719
% of gross loans and advances to customers	-	1.36
	More than 6 months but not more than 1 year MOP'000	More than 1 year MOP'000
As at 31 December 2015		
Gross impaired loans and advances	25,366	18,259
Specific provision	-	(11,844)
	25,366	6,415
Impaired loans and advances covered by collateral	25,366	6,415
% of gross loans and advances to customers	1.10	0.79

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 2016 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 30 June 2016 MOP'000
Manufacturing	7,047	(7,053)	6	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	4,797	(4,797)	-	-
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	-	-	-	-
	<u>11,844</u>	<u>(11,850)</u>	<u>6</u>	<u>-</u>

	As at 1 January 2015 MOP'000	Amounts written off MOP'000	Write back from income statement MOP'000	As at 31 December 2015 MOP'000
Manufacturing	-	-	7,047	7,047
Construction and public works	-	-	-	-
Trade (wholesale and retail)	4,171	(3,249)	3,875	4,797
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	10,933	-	(10,933)	-
	<u>15,104</u>	<u>(3,249)</u>	<u>(11)</u>	<u>11,844</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 2016 MOP'000	Write back from income statement MOP'000	As at 30 June 2016 MOP'000
Manufacturing	6,794	904	7,698
Construction and public works	99	122	221
Trade (wholesale and retail)	16,708	(949)	15,759
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	536	(61)	475
Personal credits	-	-	-
Others	6,714	(580)	6,134
	<u>30,851</u>	<u>(564)</u>	<u>30,287</u>

	As at 1 January 2015 MOP'000	Net charge to income statement MOP'000	As at 31 December 2015 MOP'000
Manufacturing	8,455	(1,661)	6,794
Construction and public works	1,371	(1,272)	99
Trade (wholesale and retail)	12,240	4,468	16,708
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	89	(89)	-
Personal housing loans	648	(112)	536
Personal credits	215	(215)	-
Others	7,137	(423)	6,714
	<u>30,155</u>	<u>696</u>	<u>30,851</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 2016 and 31 December 2015 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 2016	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets							
- Cash and balances							
with banks	192,801	-	-	-	-	-	192,801
- AMCM monetary							
bills	-	109,996	69,994	-	-	-	179,990
- Loans and advances							
to customers	306,620	438,150	791,032	142,358	172,374	447,958	2,298,492
	<u>499,421</u>	<u>548,146</u>	<u>861,026</u>	<u>142,358</u>	<u>172,374</u>	<u>447,958</u>	<u>2,671,283</u>
Liabilities							
- Deposits from							
customers	1,502,488	209,109	259,341	152,838	17,659	-	2,141,435
- Amount due to Head							
Office	615,513	-	-	-	-	-	615,513
	<u>2,118,001</u>	<u>209,109</u>	<u>259,341</u>	<u>152,838</u>	<u>17,659</u>	<u>-</u>	<u>2,756,948</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(a) Credit risk (continued)

As at 31 December 2015	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
Assets							
- Cash and balances							
with banks	281,583	-	-	-	-	-	281,583
- AMCM monetary							
bills	-	129,996	89,989	-	-	-	219,985
- Loans and							
advances to							
customers	264,991	517,327	643,653	176,254	175,267	489,018	2,266,510
	<u>546,574</u>	<u>647,323</u>	<u>733,642</u>	<u>176,254</u>	<u>175,267</u>	<u>489,018</u>	<u>2,768,078</u>
Liabilities							
- Deposits from							
customers	1,371,128	221,887	539,372	88,785	17,659	-	2,238,831
- Amount due to Head							
Office	628,566	-	-	-	-	-	628,566
	<u>1,999,694</u>	<u>221,887</u>	<u>539,372</u>	<u>88,785</u>	<u>17,659</u>	<u>-</u>	<u>2,867,397</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(b) Foreign exchange risk

The table below summarised 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
As at 30 June 2016					
Macau Patacas equivalents					
Spot assets	1,193,324	1,618,280	-	203,246	3,014,850
Spot liabilities	(1,188,173)	(1,603,459)	-	(202,666)	(2,994,298)
Forward purchases	30,767	527	29,403	504	61,201
Forward sales	(30,767)	(524)	(29,403)	(504)	(61,198)
Net position	<u>5,151</u>	<u>14,824</u>	<u>-</u>	<u>580</u>	<u>20,555</u>

	USD MOP'000	HKD MOP'000	CNY MOP'000	Others MOP'000	Total MOP'000
As at 31 December 2015					
Macau Patacas equivalents					
Spot assets	1,358,289	1,624,253	-	188,338	3,170,880
Spot liabilities	(1,353,412)	(1,622,211)	-	(188,225)	(3,163,848)
Forward purchases	191,202	72,703	115,619	864	380,388
Forward sales	(191,202)	(72,688)	(115,619)	(864)	(380,373)
Net position	<u>4,877</u>	<u>2,057</u>	<u>-</u>	<u>113</u>	<u>7,047</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(c) Liquidity risk

	As at 30 June 2016 MOP'000	As at 31 December 2015 MOP'000
The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the period/year	66,444	76,046
The arithmetic mean of the amount of cash in hand during the period/year	187,556	180,999
The arithmetic mean of the specified liquid assets at the end of each month during the period/year	1,315,260	1,491,870
	%	%
The average ratio of specified liquid asset to total basic liabilities at the end of each month during the period/year	52.5	51.4
The arithmetic mean of one-month liquidity ratio in the last week of each month during the period/year	127.3	120.3
The arithmetic mean of three-month liquidity ratio in the last week of each month during the period/year	206.6	196.1

DBS BANK (HONG KONG) LIMITED

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1 Capital adequacy

The capital adequacy ratios as at 30 June 2016 and 31 December 2015 were compiled in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority.

	As at 30 June 2016	As at 31 December 2015
Capital Adequacy Ratios		
Common Equity Tier 1	15.6%	14.9%
Tier 1	15.6%	14.9%
Total	17.8%	17.0%

2 Other financial information

	For the six months ended 30 June 2016 HK\$'M	For the six months ended 30 June 2015 HK\$'M
Profit before income tax	1,412	2,357

	As at 30 June 2016 HK\$'M	As at 31 December 2015 HK\$'M
Total assets	324,254	307,678
Total liabilities	289,826	274,477
Gross loans and advances to customers	155,635	161,558
Due to banks	12,080	9,689
Deposits and balances from customers	242,287	241,065
Total equity	34,429	33,201

DBS BANK (HONG KONG) LIMITED

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 Directors

The directors during the period 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
Dominic Chiu Fai Ho
Ng Chee Siong, Robert
Kwok Kwok Chuen
Yip Dicky Peter
Nancy Sau Ling Tse