

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**INTERIM FINANCIAL DISCLOSURE STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2018**

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 2018

MOP

Assets	Total assets	Provision, accumulated depreciation and impairments	Net total assets
Cash	48,674,516.20		48,674,516.20
Deposits with AMCM	130,367,579.41		130,367,579.41
Interbank assets with local credit institutions	94,689,530.56		94,689,530.56
Interbank assets with credit institutions abroad	904,238,732.61		904,238,732.61
Loans and advances	2,572,403,504.03	-	2,572,403,504.03
Applications in local credit institutions	409,818,742.88		409,818,742.88
Equipment	1,283,981.21	1,193,209.39	90,771.82
Installation expenditure	2,662,341.33	2,584,146.36	78,194.97
Other fixed assets	580,165.97	580,165.97	-
Internal and adjustment accounts	169,658,558.44		169,658,558.44
Total	4,334,377,652.64	4,357,521.72	4,330,020,130.92

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2018

		MOP
Liabilities	Sub-total	Total
Demand deposits and saving accounts	1,685,885,929.95	
Call deposits	85,418.04	
Time deposits	1,130,565,832.30	2,816,537,180.29
Interbank liabilities to credit institutions abroad	1,192,987,658.09	
Cheques and orders payable	38,146,524.14	
Other liabilities	151,577,844.52	1,382,712,026.75
Internal and adjustment accounts	32,159,323.39	
Exposure provisions	26,914,598.52	59,073,921.91
Results from previous financial period	47,029,722.57	
Profit & loss for the period	24,667,279.40	71,697,001.97
Total		4,330,020,130.92

		MOP
Memorandum accounts		Total
Bills for collection		7,621,040.14
Collaterals		11,441,917,239.00
Guarantees on account of customers		31,540,068.80
Letter of credit outstanding		266,673,967.35
Forward exchange contracts purchase		6,979,279.89
Forward exchange contracts sale		6,979,279.89
Other memorandum items		4,304,668,802.91

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

**UNAUDITED PROFIT & LOSS STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

Operating profit & loss

MOP

Debit	Amount	Credit	Amount
Costs of credit operations	10,566,877.18	Income from credit operations	40,864,328.88
Personnel costs		Income from banking services	5,316,864.53
Staff remuneration	8,140,184.09	Income from other banking services	1,929,900.19
Staff welfare	591,705.26	Other banking income	1,285,388.86
Other staff costs	188,949.48	Provision write back	-
Third party supply	322,251.25		
Third party services	12,262,079.63		
Other banking costs	374,915.47		
Taxation	81,169.98		
Costs of non-banking operations	86,643.47		
Depreciation allowances	71,600.58		
Operating profit	16,710,106.07		
Total	49,396,482.46	Total	49,396,482.46

Profit & loss account

MOP

Debit	Amount	Credit	Amount
Operating loss	-	Operating profit	16,710,106.07
Loss related to previous year	-	Profit related to previous years	11,247,173.33
Profit tax provision	3,290,000.00	Provisions used up	-
Profit for the period	24,667,279.40	Loss for the period	-
Total	27,957,279.40	Total	27,957,279.40

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED INCOME STATEMENT

		For the six months ended	
	Note	30 June 2018 MOP'000	30 June 2017 MOP'000
Interest income		40,864	43,649
Interest expense		(10,567)	(7,704)
Net interest income		30,297	35,945
Net fee and commission income	3	5,196	7,579
Other income	3	2,993	2,877
Total income		38,486	46,401
Total expenses	4	(21,776)	(23,084)
Profit before provisions		16,710	23,317
Provision release for bad and doubtful debts	10	11,247	4,928
Profit before income tax		27,957	28,245
Income tax expense	5	(3,290)	(3,320)
Profit for the period		24,667	24,925

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED BALANCE SHEET

	Notes	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
ASSETS			
Cash and balances with banks	6	191,706	178,176
Deposits with Autoridade Monetaria de Macao ("AMCM")	7	130,368	146,225
Amount due from Head Office		855,897	166,595
AMCM Monetary bills	8	409,819	359,921
Loan and advances to customers	9	2,545,489	3,295,482
Other assets	11	158,403	531,890
Fixed assets	12	168	240
		4,291,850	4,678,529
LIABILITIES			
Deposits from customers	13	2,816,537	2,253,332
Amount due to Head Office		1,192,988	1,854,140
Other liabilities	15	200,967	517,656
Current income tax liabilities		9,661	6,371
		4,220,153	4,631,499
NET ASSETS		71,697	47,030
REPRESENTED BY			
Reserve		71,697	47,030

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED STATEMENT OF CHANGES IN RESERVE

	Note	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Balance at 1 January		47,030	28,954
Profit for the period/year		24,667	47,030
Transfer to Head Office	16	-	(28,954)
Balance at 30 June/31 December		<u>71,697</u>	<u>47,030</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED CASH FLOW STATEMENT

		For the six months ended	
	Notes	30 June 2018	30 June 2017
		MOP'000	MOP'000
Cash flow from operating activities			
Profit before income tax		27,957	28,245
Depreciation	12	72	124
Provision release for bad and doubtful debts	10	(11,247)	(4,928)
Decrease in loans and advances to customers		761,240	50,541
Increase in minimum deposits with AMCM	7	(1,011)	(5,242)
Decrease in other assets		373,487	175,092
Increase in deposits from customers		563,205	107,132
Decrease in amount due to Head Office		(661,152)	(54,590)
Decrease in other liabilities		(316,689)	(181,888)
		<hr/>	<hr/>
Cash inflow from operating activities before income tax		735,862	114,486
Macao complementary tax paid		-	(28)
		<hr/>	<hr/>
Cash inflow from investing activities		735,862	114,458
Purchase of fixed assets	12	-	(27)
		<hr/>	<hr/>
Increase in cash and cash equivalents		735,862	114,431
Cash and cash equivalents at 1 January		797,627	627,796
		<hr/>	<hr/>
Cash and cash equivalents at 30 June		1,533,489	742,227
		<hr/> <hr/>	<hr/> <hr/>

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 2018	30 June 2017
		MOP'000	MOP'000
Cash and balances with banks	6	191,706	202,236
Minimum deposits in excess of AMCM requirement	7	76,067	93,830
Amount due from Head Office		855,897	266,178
AMCM monetary bills with original maturity within three months	8	409,819	179,983
		<hr/>	<hr/>
		1,533,489	742,227
		<hr/> <hr/>	<hr/> <hr/>

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") which is a bank incorporated and domiciled in Hong Kong. DBS Bank Ltd is the 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 2017 as disclosed in the Annual Report for 2017.

3 Net fee and commission income and other income

	For the six months ended	
	30 June 2018	30 June 2017
	MOP'000	MOP'000
Fee and commission income	5,539	7,822
Less: Fee and commission expense	(343)	(243)
Net fee and commission income	5,196	7,579
Net trading income from foreign exchange	1,708	1,375
Others	1,285	1,502
Other income	2,993	2,877

4 Total expenses

		For the six months ended	
	Note	30 June 2018	30 June 2017
		MOP'000	MOP'000
Employee benefits		8,858	9,162
Computerisation expenses		5,649	5,833
Management service fees		2,177	2,684
Rental of premises		1,630	1,609
Auditor's remuneration		135	135
Depreciation	12	72	124
Other operating expenses		3,255	3,537
		21,776	23,084

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 2018 and year 2017, 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 2018	30 June 2017
	MOP'000	MOP'000
Profit before income tax	<u>27,957</u>	<u>28,245</u>
Tax calculated at 12%	3,355	3,389
Effect of progressive tax rate before 12%	(17)	(17)
Special complementary tax incentives	(55)	(55)
Others	<u>7</u>	<u>3</u>
Income tax expense	<u><u>3,290</u></u>	<u><u>3,320</u></u>

No deferred taxation has been provided as there were no significant temporary differences at the balance sheet date (as at 30 June 2017: Nil).

6 Cash and balance with banks

	As at	As at
	30 June	31 December
	2018	2017
	MOP'000	MOP'000
Cash in hand	48,675	15,586
Balances with banks	<u>143,031</u>	<u>162,590</u>
	<u><u>191,706</u></u>	<u><u>178,176</u></u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Deposits with AMCM

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Balance with AMCM	<u>130,368</u>	<u>146,225</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 2018, the minimum deposit required were MOP54,301,000 (31 December 2017: MOP 53,290,000).

8 AMCM monetary bills

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Monetary bills issued by AMCM, at amortised cost	<u>409,819</u>	<u>359,921</u>

9 Loans and advances to customers

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Gross loans and advances to customers	2,377,645	3,159,683
Trade bills	194,758	173,960
Less: Specific provision (note 10)	-	(554)
General provision (note 10)	(26,914)	(37,607)
	<u>2,545,489</u>	<u>3,295,482</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
2018			
At 1 January 2018	554	37,607	38,161
Net release to income statement	(554)	(10,693)	(11,247)
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2018 (note 9)	<u> </u>	<u>26,914</u>	<u>26,914</u>
2017			
At 1 January 2017	-	41,834	41,834
Net (release)/charge to income statement	554	(4,227)	(3,673)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017 (note 9)	<u>554</u>	<u>37,607</u>	<u>38,161</u>

11 Other assets

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Accrued interest receivables	3,120	5,380
Derivative financial instruments (note 17)	30	-
Acceptances	144,871	469,471
Others	10,382	57,039
	<u> </u>	<u> </u>
	<u>158,403</u>	<u>531,890</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 2018 MOP'000	As at 31 December 2017 MOP'000
Cost:		
At 1 January	4,526	4,499
Additions	-	27
	<hr/>	<hr/>
At 30 June/31 December	4,526	4,526
	<hr/>	<hr/>
Accumulated depreciation:		
At 1 January	4,286	4,047
Charge for the period/year	72	239
	<hr/>	<hr/>
At 30 June/31 December	4,358	4,286
	<hr/>	<hr/>
Net book value:		
At 30 June/31 December	<u>168</u>	<u>240</u>

13 Deposits from customers

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Demand deposits and current accounts	681,517	676,934
Savings deposits	1,004,369	910,777
Time and call deposits	1,130,651	665,621
	<hr/>	<hr/>
	2,816,537	2,253,332
	<hr/>	<hr/>

14 Amount due from/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 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 2018 MOP'000	As at 31 December 2017 MOP'000
Accrued interest payable	2,136	3,325
Derivative financial instruments (note 17)	6	-
Acceptances	144,871	469,471
Other liabilities and provisions	53,954	44,860
	<u>200,967</u>	<u>517,656</u>

16 Transfer to Head Office

During the six months ended 30 June 2018, the Branch did not transfer any retained earnings (2017: MOP28,954,000) to Head Office.

17 Derivative financial instruments

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. As at 31 December 2017, there were no such transactions entered.

	Contract/ Notional amount MOP'000	Positive fair values MOP'000	Negative fair values MOP'000
30 June 2018			
Foreign exchange derivatives			
- Forwards	6,979	30	6
		<u>30</u>	<u>6</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 2018 MOP'000	As at 31 December 2017 MOP'000
Transaction-related contingencies	28,211	24,125
Trade-related contingencies	270,003	394,667
Other commitments which are unconditionally cancellable	4,298,692	4,031,764
	<u>4,596,906</u>	<u>4,450,556</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 2018 MOP'000	As at 31 December 2017 MOP'000
Not later than one year	1,462	1,490
Late than one year and not later than five years	-	664
	<u>1,462</u>	<u>2,154</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 2018	30 June 2017
	MOP'000	MOP'000
Interest income	1,209	633
Interest expense	(6,185)	(4,718)
Other income	716	698
Total expenses charged	(8,749)	(9,356)

(ii) Balances with Head Office:

	As at	As at
	30 June	31 December
	2018	2017
	MOP'000	MOP'000
Amount due from Head Office	855,897	166,595
	<u>855,897</u>	<u>166,595</u>
Amount due to Head Office	1,192,988	1,854,140
Other liabilities	2,797	4,018
	<u>1,195,785</u>	<u>1,858,158</u>

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

	As at	As at
	30 June	31 December
	2018	2017
	MOP'000	MOP'000
Foreign exchange derivatives		
- Forwards	3,476	-
	<u>3,476</u>	<u>-</u>

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

As at 30 June 2018, total contingent liabilities and commitments with Head Office and Intermediate Holding Companies amounted to MOP18,438,000 (31 December 2017: MOP18,538,000).

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 2018 MOP'000	As at 31 December 2017 MOP'000
Neither past due nor impaired	2,514,629	3,257,524
Past due but not impaired	419	1,780
Impaired	57,355	74,339
	<u>2,572,403</u>	<u>3,333,643</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 2018	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	2,415,755	419	57,355	-	25,856
Hong Kong	98,874	-	-	-	1,058
	<u>2,514,629</u>	<u>419</u>	<u>57,355</u>	<u>-</u>	<u>26,914</u>

As at 31 December 2017	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	3,062,233	1,780	74,339	554	35,354
Hong Kong	100,877	-	-	-	1,164
Others	94,414	-	-	-	1,089
	<u>3,257,524</u>	<u>1,780</u>	<u>74,339</u>	<u>554</u>	<u>37,607</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 2018 MOP'000	As at 31 December 2017 MOP'000
Macau	3,503	-
Hong Kong	3,476	-
	<u>6,979</u>	<u>-</u>
	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
Credit risk-weighted amount	<u>71</u>	<u>-</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 2018 MOP'000	As at 31 December 2017 MOP'000
Manufacturing	1,122,931	1,722,080
Construction and public works	27,373	27,239
Trade (wholesale and retail)	893,237	1,029,515
Restaurants, hotel and similar	-	-
Transport, warehouse and communications	-	-
Personal housing loans	23,907	28,610
Personal credits	13,342	13,305
Others	433,839	436,775
	<u>2,514,629</u>	<u>3,257,524</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 2018	Past due		
	Less than 1 month MOP'000	1-3 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	419	-	419
Personal credits	-	-	-
Others	-	-	-
	419	-	419
	419	-	419

As at 31 December 2017	Past due		
	Less than 1 month MOP'000	1-3 months MOP'000	Total MOP'000
Manufacturing	610	659	1,269
Construction and public works	-	-	-
Trade (wholesale and retail)	-	-	-
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	511	-	511
Personal credits	-	-	-
Others	-	-	-
	1,121	659	1,780
	1,121	659	1,780

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 2018 MOP'000	As at 31 December 2017 MOP'000
Manufacturing	-	-
Construction and public works	-	-
Trade (wholesale and retail)	54,473	71,457
Restaurants, hotels and similar	-	-
Transport, warehouse and communications	-	-
Personal housing loans	-	-
Personal credits	-	-
Others	2,882	2,882
	<u>57,355</u>	<u>74,339</u>
	<u>57,355</u>	<u>74,339</u>
	More than 6 months but not more than 1 year MOP'000	More than 1 year MOP'000
As at 30 June 2018		
Gross impaired loans and advances	31,530	25,825
Specific provision	-	-
	<u>31,530</u>	<u>25,825</u>
	<u>31,530</u>	<u>25,825</u>
Impaired loans and advances covered by collateral	31,530	25,825
	<u>31,530</u>	<u>25,825</u>
% of gross loans and advances to customers	1.23	1.00
	Less than 3 months MOP'000	More than 1 year MOP'000
As at 31 December 2017		
Gross impaired loans and advances	48,604	25,735
Specific provision	(554)	-
	<u>48,050</u>	<u>25,735</u>
	<u>48,050</u>	<u>25,735</u>
Impaired loans and advances covered by collateral	48,050	25,735
	<u>48,050</u>	<u>25,735</u>
% of gross loans and advances to customers	1.46	0.77

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 2018 MOP'000	Amounts written off MOP'000	Net release to income statement MOP'000	As at 30 June 2018 MOP'000
Manufacturing	-	-	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	554	-	(554)	-
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	-	-	-	-
	<u>554</u>	<u>-</u>	<u>(554)</u>	<u>-</u>
	<u><u>554</u></u>	<u><u>-</u></u>	<u><u>(554)</u></u>	<u><u>-</u></u>

	As at 1 January 2017 MOP'000	Amounts written off MOP'000	Net charge to income statement MOP'000	As at 31 December 2017 MOP'000
Manufacturing	-	-	-	-
Construction and public works	-	-	-	-
Trade (wholesale and retail)	-	-	554	554
Restaurants, hotels and similar	-	-	-	-
Transport, warehouse and communications	-	-	-	-
Personal housing loans	-	-	-	-
Personal credits	-	-	-	-
Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>554</u>	<u>554</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>554</u></u>	<u><u>554</u></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 2018 MOP'000	Net release to income statement MOP'000	As at 30 June 2018 MOP'000
Manufacturing	19,885	(7,869)	12,016
Construction and public works	314	(21)	293
Trade (wholesale and retail)	11,879	(2,320)	9,559
Restaurants, hotels and similar	-	-	-
Transport, warehouse and communications	-	-	-
Personal housing loans	336	(76)	260
Personal credits	154	(11)	143
Others	5,039	(396)	4,643
	<u>37,607</u>	<u>(10,693)</u>	<u>26,914</u>

	As at 1 January 2017 MOP'000	Net release to income statement MOP'000	As at 31 December 2017 MOP'000
Manufacturing	19,765	120	19,885
Construction and public works	221	93	314
Trade (wholesale and retail)	15,849	(3,970)	11,879
Restaurants, hotels and similar	84	(84)	-
Transport, warehouse and communications	-	-	-
Personal housing loans	437	(101)	336
Personal credits	-	154	154
Others	5,478	(439)	5,039
	<u>41,834</u>	<u>(4,227)</u>	<u>37,607</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 2018 and 31 December 2017 to the contractual maturity dates are as follows:

2018	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	Balancing MOP'000	Total MOP'000
Assets								
- Cash and balances with banks	191,706	-	-	-	-	-	-	191,706
- Amount due from Head Office	855,897	-	-	-	-	-	-	855,897
- AMCM monetary bills	-	409,819	-	-	-	-	-	409,819
- Loans and advances to customers	145,723	1,305,941	178,486	249,729	202,577	405,238	57,795	2,545,489
	<u>1,193,326</u>	<u>1,715,760</u>	<u>178,486</u>	<u>249,729</u>	<u>202,577</u>	<u>405,238</u>	<u>57,795</u>	<u>4,002,911</u>
Liabilities								
- Deposits from customers	1,685,971	763,439	261,277	105,850	-	-	-	2,816,537
- Amount due to Head Office	59,988	721,000	412,000	-	-	-	-	1,192,988
	<u>1,745,959</u>	<u>1,484,439</u>	<u>673,277</u>	<u>105,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,009,525</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(a) Credit risk (continued)

2017	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	Balancing	Total
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets								
- Cash and balances								
with banks	178,176	-	-	-	-	-	-	178,176
- Amount due from								
Head Office	166,595	-	-	-	-	-	-	166,595
- AMCM monetary								
bills	-	359,921	-	-	-	-	-	359,921
- Loans and								
advances to								
customers	448,167	804,254	602,653	204,547	709,047	448,133	78,681	3,295,482
	<u>792,938</u>	<u>1,164,175</u>	<u>602,653</u>	<u>204,547</u>	<u>709,047</u>	<u>448,133</u>	<u>78,681</u>	<u>4,000,174</u>
Liabilities								
- Deposits from								
customers	1,587,796	242,242	298,286	125,008	-	-	-	2,253,332
- Amount due to								
Head Office	1,133,140	309,000	206,000	206,000	-	-	-	1,854,140
	<u>2,720,936</u>	<u>551,242</u>	<u>504,286</u>	<u>331,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,107,472</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(a) Foreign exchange risk

	USD MOP'000	HKD MOP'000	CNY MOP'000	Others MOP'000	Total MOP'000
As at 30 June 2018					
Macau Patacas equivalents					
Spot assets	863,420	2,655,826	1,808	216,653	3,737,707
Spot liabilities	(857,493)	(2,730,080)	(603)	(216,015)	(3,804,191)
Forward purchases	-	3,503	-	3,476	6,979
Forward sales	-	(3,479)	-	(3,476)	(6,955)
Net position	<u>5,927</u>	<u>(74,230)</u>	<u>1,205</u>	<u>638</u>	<u>(66,460)</u>
As at 31 December 2017					
Macau Patacas equivalents					
Spot assets	1,605,255	2,287,089	1,798	249,168	4,143,310
Spot liabilities	(1,598,199)	(2,282,233)	(572)	(248,643)	(4,129,647)
Forward purchases	-	-	-	-	-
Forward sales	-	-	-	-	-
Net position	<u>7,056</u>	<u>4,856</u>	<u>1,226</u>	<u>525</u>	<u>13,663</u>

DBS BANK (HONG KONG) LIMITED - MACAU BRANCH

UNAUDITED SUPPLEMENTARY INFORMATION (CONTINUED)

1 Financial Risk Management (continued)

(c) Liquidity risk

	As at 30 June 2018 MOP'000	As at 31 December 2017 MOP'000
The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held during the period/year	73,192	79,441
The arithmetic mean of the amount of cash in hand during the period/year	176,888	187,853
The arithmetic mean of the specified liquid assets at the end of each month during the period/year	1,674,805	1,239,601
	%	%
The average ratio of specified liquid asset to total basic liabilities at the end of each month during the period/year	62.3	42.2
The arithmetic mean of one-month liquidity ratio in the last week of each month during the period/year	235.4	275.0
The arithmetic mean of three-month liquidity ratio in the last week of each month during the period/year	125.8	141.8

DBS BANK (HONG KONG) LIMITED

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

1 Capital adequacy

The capital adequacy ratios as at 30 June 2018 and 31 December 2017 were compiled in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority.

	As at 30 June 2018	As at 31 December 2017
Capital Adequacy Ratios		
Common Equity Tier 1	16.2%	16.1%
Tier 1	16.8%	16.7%
Total	18.8%	18.8%

2 Other financial information

	For the six months ended 30 June 2018 HK\$'M	For the six months ended 30 June 2017 HK\$'M
Profit before income tax	3,428	2,218

	As at 30 June 2018 HK\$ millions	As at 31 December 2017 HK\$ millions
Total assets	434,927	396,819
Total liabilities	395,244	358,149
Gross loans and advances to customers	162,835	154,829
Due to banks	12,094	7,666
Deposits and balances from customers	345,556	327,483
Total equity	39,683	38,670

DBS BANK (HONG KONG) LIMITED

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3 Directors

The directors, including Executive Director (“ED”), non-executive directors (“NED”) and independent non-executive directors (“INED”) of the Bank during the period/year and up to the date of this report are:

Seah Lim Huat, Peter (NED) – Chairman

Piyush Gupta (NED) – Vice Chairman

J. E. Sebastian Paredes Muirragui (ED) – Chief Executive

Dominic Chiu Fai Ho (INED)

Kwok Kwok Chuen (INED)

Yip Dicky Peter (INED)

Nancy Sau Ling Tse (INED)

Ng Chee Siong, Robert (INED) (resigned with effect from 29 June 2018)

Liu Chee Ming (INED) (appointed with effect from 29 June 2018)