



DBS BANK LTD., HONG KONG BRANCH

(Incorporated in Singapore with limited liability)

**FINANCIAL DISCLOSURE STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**

DBS BANK LTD., HONG KONG BRANCH

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INCOME STATEMENT (unaudited)

		For the year ended	
	Note	31 December 2023 <i>HK\$ million</i>	31 December 2022 <i>HK\$ million</i>
Interest income		11,347	6,622
Interest expense		(9,383)	(4,384)
Net interest income		1,964	2,238
Other operating income	1	1,505	1,723
Total operating income		3,469	3,961
Total operating expenses	2	(828)	(805)
Profit before allowances for credit and other losses		2,641	3,156
(Charge) / release of allowances for credit and other losses	3	(229)	68
Profit before income tax		2,412	3,224
Income tax expense		(394)	(515)
Profit after income tax		2,018	2,709

DBS BANK LTD., HONG KONG BRANCH

STATEMENT OF FINANCIAL POSITION (unaudited)

	Note	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
Assets			
Cash and balance with central bank	4	740	955
Government securities and treasury bills	5	8,276	4,850
Due from banks	6	65,837	47,532
Derivatives	13	33,933	49,535
Bank and corporate securities	7	47,922	46,115
Loans and advances to customers	8	135,580	145,148
Other assets	9	3,763	5,236
Total assets		<u>296,051</u>	<u>299,371</u>
Liabilities			
Due to banks	10	161,273	155,100
Deposits and balances from customers	11	72,541	58,277
Derivatives	13	34,648	48,402
Other liabilities		13,690	20,996
Issued debt securities	12	13,899	16,596
Total liabilities		<u>296,051</u>	<u>299,371</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

1. Other operating income

	For the year ended	
	31 December 2023 <i>HK\$ million</i>	31 December 2022 <i>HK\$ million</i>
Fees and commission income	458	639
Less: Fees and commission expenses	(4)	(1)
	<u>454</u>	<u>638</u>
Trading gain/(loss) arising from		
– foreign exchange	2,201	3,102
– securities held for trading purpose	(130)	(375)
– other trading activities	(1,048)	(1,631)
Others	28	(11)
	<u>1,051</u>	<u>1,085</u>
	<u><u>1,505</u></u>	<u><u>1,723</u></u>

2. Total operating expenses

	For the year ended	
	31 December 2023 <i>HK\$ million</i>	31 December 2022 <i>HK\$ million</i>
Employee benefits	374	342
Rental of premises	19	18
Brokerage	44	44
Other expenses	391	401
	<u>828</u>	<u>805</u>

3. (Charge) / release of allowances for credit and other losses

	For the year ended	
	31 December 2023 <i>HK\$ million</i>	31 December 2022 <i>HK\$ million</i>
Loans and advances to customers	(156)	73
Other provisions	(73)	(5)
	<u>(229)</u>	<u>68</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

4. Cash and balance with central bank

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Cash in hand	1	1
Balance with central bank	<u>739</u>	<u>954</u>
	<u><u>740</u></u>	<u><u>955</u></u>

5. Government securities and treasury bills

	Mandatorily at fair value through profit or loss <i>HK\$ million</i>	Fair value through other comprehensive income <i>HK\$ million</i>	Amortised cost <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 31 December 2023				
Treasury bills	–	3,675	–	3,675
Other debt securities	<u>299</u>	<u>4,147</u>	<u>155</u>	<u>4,601</u>
	<u><u>299</u></u>	<u><u>7,822</u></u>	<u><u>155</u></u>	<u><u>8,276</u></u>
As at 30 June 2023				
Treasury bills	–	3,676	–	3,676
Other debt securities	<u>85</u>	<u>933</u>	<u>156</u>	<u>1,174</u>
	<u><u>85</u></u>	<u><u>4,609</u></u>	<u><u>156</u></u>	<u><u>4,850</u></u>

As at 31 December 2023, there were no overdue government securities and treasury bills. (30 June 2023: Nil).

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

6. Due from banks

	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
(a) Balances with banks	7,594	4,038
(b) Placements with banks		
Remaining maturity		
– Within one month	2,628	5,032
– One year or less but over one month	<u>–</u>	<u>600</u>
	2,628	5,632
(c) Amount due from overseas offices	<u>55,616</u>	<u>37,862</u>
Gross amount due from banks	65,838	47,532
Allowances for credit and other losses	<u>(1)</u>	<u>–</u>
Net amount due from banks	<u>65,837</u>	<u>47,532</u>

As at 31 December 2023, there were no impaired, overdue or rescheduled placements with and advances to banks (30 June 2023: Nil).

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

7. Bank and corporate securities

	Mandatorily at fair value through profit or loss <i>HK\$ million</i>	Fair value through other comprehensive income <i>HK\$ million</i>	Amortised cost <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 31 December 2023				
Certificates of deposit held	10,500	9,304	–	19,804
Debt securities	4,879	7,945	15,177	28,001
Equity securities	121	–	–	121
	<u>15,500</u>	<u>17,249</u>	<u>15,177</u>	<u>47,926</u>
Allowances for credit and other losses*	–	–	(4)	(4)
	<u><u>15,500</u></u>	<u><u>17,249</u></u>	<u><u>15,173</u></u>	<u><u>47,922</u></u>
As at 30 June 2023				
Certificates of deposit held	12,188	6,645	–	18,833
Debt securities	4,493	8,307	13,825	26,625
Equity securities	661	–	–	661
	<u>17,342</u>	<u>14,952</u>	<u>13,825</u>	<u>46,119</u>
Allowances for credit and other losses*	–	–	(4)	(4)
	<u><u>17,342</u></u>	<u><u>14,952</u></u>	<u><u>13,821</u></u>	<u><u>46,115</u></u>

* ECL for FVOCI securities amounting to HK\$58 million (30 Jun 2023: Nil) is not shown in the table, as these securities are recorded at fair value.

As at 31 December 2023, there were no bank and corporate securities which have been overdue for more than 3 months. (30 June 2023: Nil).

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

8. Loans and advances to customers

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Gross loans and advances to customers	135,953	145,519
Reverse repurchase agreements	325	402
Allowances for credit and other losses		
– Specific allowances	(432)	(506)
– General allowances	(266)	(267)
	<u>135,580</u>	<u>145,148</u>
Comprising:		
– Trade bills	1,590	790
– Loans	133,665	143,956
– Reverse repurchase agreements	325	402
	<u>135,580</u>	<u>145,148</u>

The movement in gross loans and advances to customers included sell down of loans to DBS Bank (Hong Kong) Limited through direct sales or funded risk participation. These transactions were conducted on an arm's length basis.

Specific allowances for credit losses is established if there is evidence that DBS Bank Ltd., HK Branch (the "Branch") will be unable to collect all amounts due under a claim according to the original contractual terms or the equivalent value.

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

9. Other assets

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Acceptances	583	657
Accrued interest receivables	823	699
Deferred tax assets	150	182
Fixed assets	11	9
Others	2,196	3,689
	<u>3,763</u>	<u>5,236</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

10. Due to banks

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Deposits and balances from banks	66,052	64,359
Amounts due to overseas offices	95,221	90,741
	<u>161,273</u>	<u>155,100</u>

11. Deposits and balances from customers

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Demand deposits and current accounts	31,031	19,810
Savings deposits	23,739	17,741
Time, call and notice deposits	17,771	20,726
	<u>72,541</u>	<u>58,277</u>

12. Issued debt securities

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Liabilities designated at fair value through profit or loss	1,794	1,561
Liabilities measured at amortised cost	12,105	15,035
	<u>13,899</u>	<u>16,596</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

13. Derivatives

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

	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
Foreign exchange (FX) derivatives	1,690,494	1,686,919
Interest rate derivatives	2,542,473	2,520,565
Equity derivative contracts	1,948	1,636
Credit derivative contracts	136	69
	<u>4,235,051</u>	<u>4,209,189</u>

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

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

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

	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
Positive fair values		
FX derivatives	12,900	20,078
Interest rate derivatives	21,022	29,445
Equity derivative contracts	9	8
Credit derivative contracts	2	4
	<u>33,933</u>	<u>49,535</u>
Negative fair values		
FX derivatives	11,448	16,683
Interest rate derivatives	23,083	31,668
Equity derivative contracts	115	47
Credit derivative contracts	2	4
	<u>34,648</u>	<u>48,402</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

14. Contingent liabilities and commitments

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

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Direct credit substitutes	811	968
Transaction-related contingencies	13,148	9,810
Trade-related contingencies	11,356	5,544
Forward forward deposits placed	6,652	10,629
Other commitments with an original maturity of not more than one year or which are unconditionally cancellable	103,599	109,921
Other commitments with an original maturity of more than one year	<u>32,782</u>	<u>30,898</u>
	<u><u>168,348</u></u>	<u><u>167,770</u></u>

The above table shows the contractual amounts of the Branch's off balance sheet exposures that commit it to extend credit to customers. The above amounts represent a worse case scenario of credit risk exposure arising from these instruments, without taking into account any collateral held or other credit enhancements attached. The amounts do not represent amounts at risk at the balance sheet date.

15. Liquidity

15.1 Liquidity Ratios

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

	For the quarter ended	
	31 December 2023	31 December 2022
Average LMR	<u>42.8%</u>	<u>43.8%</u>
	For the quarter ended	
	31 December 2023	31 December 2022
Average CFR	<u>148.0%</u>	<u>148.4%</u>

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

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Liquidity (continued)

15.2 Liquidity Risk Management

15.2.1 Governance

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

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

The Policy is supported by standards and corresponding Hong Kong addendums which establish the detailed requirements for liquidity risk identification, measurement, reporting and control. All the policies, standards and addendums would be subjected to annual review and approval from various risk committees.

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

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

15.2.2 Liquidity Stress Testing

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

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Liquidity (continued)

15.2 Liquidity Risk Management (continued)

15.2.2 Liquidity Stress Testing (continued)

Stress testing is performed under the cash flow maturity mismatch analysis, and covers adverse scenarios involving shocks that are general market and/or bank-specific in nature. Stress tests assess the Branch's vulnerability when liability run-offs increase, asset drawdown and rollovers increase and / or liquid asset buffer reduces.

15.2.3 Funding Strategy

The Branch strives to develop a diversified funding base with access to funding sources across customer deposits and wholesale channels including intragroup support.

The Assets and Liabilities Committee ("ALCO") regularly reviews the composition and growth trajectories of the balance sheet and refine our funding strategy according to business momentum, competitive factors and prevailing market conditions.

15.2.4 Contingency Funding Plan

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

15.2.5 Liquidity Risk Mitigation

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

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Liquidity (continued)

15.2 Liquidity Risk Management (continued)

15.2.6 Cash Flow Maturity Mismatch Analysis*

In HK\$ millions ⁽ⁱ⁾	Less than 7 days	1 week to 1 month	1 to 3 months	3 to 12 months
2023				
Net liquidity mismatch	11,615	(12,797)	(22,771)	(37,850)
Cumulative mismatch	<u>11,615</u>	<u>(1,182)</u>	<u>(23,953)</u>	<u>(61,803)</u>
2022⁽ⁱⁱ⁾				
Net liquidity mismatch	14,836	(7,627)	(21,557)	(20,507)
Cumulative mismatch	<u>14,836</u>	<u>7,209</u>	<u>(14,349)</u>	<u>(34,856)</u>

(i) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded. The Branch's liquidity is monitored on a cumulative mismatch basis. The negative mismatch can be covered by sufficient counter-balancing capacity.

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

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

15.2.7 Sources of Funding

The Branch's source of funding is mainly from customer deposits and wholesale funding comprising intragroup borrowings and supplemented by Euro commercial paper and medium-term notes issuance if necessary.

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Liquidity (continued)

15.2 Liquidity Risk Management (continued)

15.2.8 Liquidity Gap

The table below analyses the on- and off-balance sheet items, broken down into maturity buckets of the Branch based on the completion instructions of the HKMA MA(BS)23 – Liquidity Monitoring Tools:

As at 31 December 2023

	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years	Over 5 years	Balancing amount
In HK\$ millions												
Cash and balances with central bank	740	740	-	-	-	-	-	-	-	-	-	-
Due from banks	66,219	41,489	14,745	8,424	673	612	276	-	-	-	-	-
Debt securities	55,210	15,228	234	3,138	3,187	1,644	18,481	3,890	5,822	1,980	1,485	121
Loans and advances to customers	136,417	1,493	9,982	41,370	11,370	12,880	9,348	20,333	17,842	9,163	1,429	1,207
Other assets	580,126	1,987	3,762	11,717	48,288	40,757	80,677	119,879	84,249	87,991	100,405	414
Total on-balance sheet assets	838,712	60,937	28,723	64,649	63,518	55,893	108,782	144,102	107,913	99,134	103,319	1,742
Total off-balance sheet claims	6,689	-	-	-	6,635	51	3	-	-	-	-	-
In HK\$ millions												
Deposits and balances from customers	72,615	56,384	3,595	6,211	5,441	865	119	-	-	-	-	-
Due to banks	162,268	5,874	20,331	16,456	26,319	39,787	31,206	22,295	-	-	-	-
Certificates of deposits issued	14,219	35	29	548	962	748	5,147	6,200	-	550	-	-
Other liabilities	580,570	826	3,558	13,039	48,939	40,643	80,621	119,997	84,510	87,884	100,513	40
Total on-balance sheet liabilities	829,672	63,119	27,513	36,254	81,661	82,043	117,093	148,492	84,510	88,434	100,513	40
Total off-balance sheet obligations	65,187	30,234	24,902	10,051	-	-	-	-	-	-	-	-

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

15. Liquidity (continued)

15.2 Liquidity Risk Management (continued)

15.2.8 Liquidity Gap (continued)

As at 31 December 2022

	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years	Over 5 years	Balancing amount
In HK\$ millions												
Cash and balances with central bank	3,854	3,854	-	-	-	-	-	-	-	-	-	-
Due from banks	56,109	28,656	8,313	15,154	1,302	2,598	86	-	-	-	-	-
Debt securities	38,176	16,119	785	1,793	714	1,775	3,669	3,920	3,672	3,546	2,183	-
Loans and advances to customers	155,078	2,244	4,827	39,970	15,575	13,517	10,600	25,656	16,682	23,728	1,113	1,166
Other assets	495,065	4,211	4,395	12,269	38,068	37,748	54,023	109,861	65,424	72,221	96,409	436
Total on-balance sheet assets	748,282	55,084	18,320	69,186	55,659	55,638	68,378	139,437	85,778	99,495	99,705	1,602
Total off-balance sheet claims	4,037	-	-	-	4,029	3	5	-	-	-	-	-
In HK\$ millions												
Deposits and balances from customers	69,827	47,226	4,006	5,940	9,058	3,472	125	-	-	-	-	-
Due to banks	152,217	13,056	968	17,961	19,878	16,034	23,954	45,669	14,697	-	-	-
Certificates of deposits issued	18,385	119	26	2,765	6,394	1,964	1,132	5,435	-	550	-	-
Other liabilities	492,864	2,683	4,177	14,049	36,949	37,796	54,186	109,472	65,272	71,978	96,294	8
Total on-balance sheet liabilities	733,293	63,084	9,177	40,715	72,279	59,266	79,397	160,576	79,969	72,528	96,294	8
Total off-balance sheet obligations	55,951	32,511	14,650	8,790	-	-	-	-	-	-	-	-

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

16. Foreign exchange exposures

The table summarises the Branch's non-structural foreign currency positions which are prepared in accordance with the HKMA return of "Foreign Currency Position". The net options position is calculated on the basis of the delta-weighted position of foreign exchange option contracts. The amount below are translated into equivalent HK\$ million amounts, categorized by currency.

	USD	CNY	NZD	TWD	Others	Total
In HK\$ million						
As at 31 December 2023						
Hong Kong dollar equivalents						
Spot assets	120,712	42,517	35	104	14,977	178,345
Spot liabilities	(185,493)	(15,793)	(28)	(105)	(2,366)	(203,785)
Forward purchases	894,392	380,696	5	20,664	30,714	1,326,471
Forward sales	(825,154)	(407,932)	(11)	(20,766)	(43,408)	(1,297,271)
Net options position	37	(37)	–	–	–	–
Net long/(short) non-structural position	<u>4,494</u>	<u>(549)</u>	<u>1</u>	<u>(103)</u>	<u>(83)</u>	<u>3,760</u>
As at 30 June 2023						
Hong Kong dollar equivalents						
Spot assets	101,772	30,297	103	226	17,851	150,249
Spot liabilities	(168,997)	(13,326)	(11)	–	(2,764)	(185,098)
Forward purchases	899,362	290,076	45	26,155	37,842	1,253,480
Forward sales	(831,577)	(307,008)	(98)	(26,553)	(52,920)	(1,218,156)
Net options position	–	–	–	–	–	–
Net long/(short) non-structural position	<u>560</u>	<u>39</u>	<u>39</u>	<u>(172)</u>	<u>9</u>	<u>475</u>

There were no structural position in any currency as at 31 December 2023 and 30 June 2023.

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

17. Loans and advances to customers by loan usage

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

	As at 31 December 2023		As at 30 June 2023	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
In HK\$ million				
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	33,832	12,182	29,964	10,825
– Property investment	25,063	12,319	27,068	13,012
– Financial concerns	3,607	–	3,736	–
– Stockbrokers	391	–	–	–
– Wholesale and retail trade	3,913	20	6,507	–
– Manufacturing	1,376	–	1,700	–
– Transport and transport equipment	4,349	–	5,055	–
– Recreational activities	–	–	–	–
– Information technology	3,191	–	2,785	–
– Others	18,741	1,300	22,962	1,300
Individuals				
– Loans for the purchase of other residential properties	290	290	238	238
Sub-total	94,753	26,111	100,015	25,375
Trade finance (including trade bills)	10,362	–	10,657	–
Loans for use outside Hong Kong	30,838	931	34,847	2,887
	135,953	27,042	145,519	28,262

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

18. Loans and advances to customers by geographical area

	As at 31 December 2023 <i>HK\$ million</i>	As at 30 June 2023 <i>HK\$ million</i>
Hong Kong	126,248	133,488
Mainland China	5,511	7,865
Others	4,194	4,166
	<u>135,953</u>	<u>145,519</u>

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

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SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

19. International claims

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

	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
In HK\$ million					
As at 31 December 2023					
Developed countries	1,677	5,487	493	3,550	11,207
Offshore centres, of which:	65,796	40	5,152	52,781	123,769
– Singapore	55,897	–	–	795	56,692
– Hong Kong	9,634	40	4,186	49,355	63,215
– Others	265	–	966	2,631	3,862
Developing Africa and Middle East	28	–	–	–	28
Developing Asia Pacific, of which	24,323	3,666	3,485	7,515	38,989
– China	23,756	3,666	3,485	7,473	38,380
– Others	567	–	–	42	609
International organisations	–	2,629	–	–	2,629
Total	91,824	11,822	9,130	63,846	176,622
As at 30 June 2023					
Developed countries	1,942	5,198	326	3,323	10,789
Offshore centres, of which:	48,561	40	5,387	78,013	132,001
– Singapore	38,323	–	–	650	38,973
– Hong Kong	9,932	40	4,353	76,958	91,283
– Others	306	–	1,034	405	1,745
Developing Africa and Middle East	33	–	–	–	33
Developing Asia Pacific, of which	23,996	156	3,067	9,831	37,050
– China	23,574	156	3,067	9,561	36,358
– Others	422	–	–	270	692
International organisations	–	3,143	–	–	3,143
Total	74,532	8,537	8,780	91,167	183,016

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

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

20. Impaired loans and advances

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

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

The analysis of impaired loans and advances by geographical area is as follows:

	As at 31 December 2023		As at 30 June 2023	
	HK\$ million	% of gross loans and advances to customers	HK\$ million	% of gross loans and advances to customers
Gross impaired loans and advances	1,204	0.89%	1,398	0.96%
Specific allowances made	432	0.32%	506	0.35%
Value of collateral	762	0.56%	810	0.56%

The analysis of impaired loans and advances by geographical area is as follows:

	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
Hong Kong	1,204	1,398

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

21. Overdue and rescheduled loans and advances

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

	As at 31 December 2023		As at 30 June 2023	
	HK\$ million	% of gross loans and advances to customers	HK\$ million	% of gross loans and advances to customers
More than 3 months but not more than 6 months	–	–	38	0.02%
More than 6 months but not more than 1 year	38	0.03%	–	–
More than 1 year	200	0.15%	345	0.24%
	<u>238</u>	<u>0.18%</u>	<u>383</u>	<u>0.26%</u>
Specific allowances made in respect of the above overdue loans and advances	<u>238</u>	<u>0.18%</u>	<u>383</u>	<u>0.26%</u>
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Covered portion of the above overdue loans and advances	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Uncovered portion of the above overdue loans and advances	<u>238</u>	<u>0.18%</u>	<u>383</u>	<u>0.26%</u>

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

21. Overdue and rescheduled loans and advances (continued)

The analysis in respect of the above overdue loans and advances by geographical area is as follows:

	As at 31 December 2023 HK\$ million	As at 30 June 2023 HK\$ million
Hong Kong	<u>238</u>	<u>383</u>

The rescheduled loans and advances of the Bank (excluding those which have been overdue for over three months and reported above) are analysed as follows:

	As at 31 December 2023 HK\$ million	% of gross loans and advances to customers	As at 30 June 2023 HK\$ million	% of gross loans and advances to customers
Rescheduled loans and advances	<u>762</u>	<u>0.56%</u>	<u>810</u>	<u>0.56%</u>

There were no repossessed asset as at 31 December 2023 and 30 June 2023.

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

22. Mainland activities

The table below summarises the non-bank Mainland China exposure of the Branch, categorised by types of counterparties, which are prepared in accordance with the HKMA return of “Return of Mainland Activities”:

Type of counterparties	On-balance sheet exposures HK\$ million	Off-balance sheet exposures HK\$ million	Total HK\$ million
As at 31 December 2023			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	54,350	23,696	78,046
(b) Local governments, local government-owned entities and their subsidiaries and JVs	8,911	797	9,708
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,411	5,676	13,087
(d) Other entities of central government not reported in part (a) above	10,434	2,294	12,728
(e) Other entities of local governments not reported in part (b) above	3,072	45	3,117
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,871	375	2,246
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	5,089	1,717	6,806
	<u>91,138</u>	<u>34,600</u>	<u>125,738</u>
Total assets after provisions	<u>296,353</u>		
On-balance sheet exposures as percentage of total assets	<u>30.75%</u>		

DBS BANK LTD., HONG KONG BRANCH

SUPPLEMENTARY FINANCIAL INFORMATION (unaudited)

22. Mainland activities (continued)

Type of counterparties	On-balance sheet exposures <i>HK\$ million</i>	Off-balance sheet exposures <i>HK\$ million</i>	Total <i>HK\$ million</i>
As at 30 June 2023			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	52,864	12,011	64,875
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,112	1,159	12,271
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	10,034	7,019	17,053
(d) Other entities of central government not reported in part (a) above	9,529	2,835	12,364
(e) Other entities of local governments not reported in part (b) above	4,516	184	4,700
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	2,606	332	2,938
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,923	1,825	5,748
	<u>94,584</u>	<u>25,365</u>	<u>119,949</u>
Total assets after provisions	<u>299,434</u>		
On-balance sheet exposures as percentage of total assets	<u>31.59%</u>		

Hong Kong, 22 March 2024

DBS GROUP HOLDINGS LTD

GROUP CONSOLIDATED FINANCIAL INFORMATION

1. Capital Position and Capital Adequacy Ratios

The Group's capital adequacy ratios are as follows:

	As at 31 December 2023	As at 30 June 2023
Capital Adequacy Ratios		
Common Equity Tier 1	14.6%	14.1%
Tier 1	15.3%	14.7%
Total	16.1%	15.8%

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

The Group shareholders' funds, including capital and reserves, as at 31 December 2023 were S\$62,065 million (30 June 2023: S\$58,748 million).

2. Other financial information

	For the year ended	
	31 December 2023	31 December 2022
	S\$'million	S\$'million
Pre-tax profit	11,486	9,382
	As at 31 December 2023	As at 30 June 2023
	S\$'million	S\$'million
Total assets	739,301	757,907
Total liabilities	677,054	698,972
Total loans and advances	416,163	415,713
Total customer deposits	535,103	520,071