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UBS AG  
Hong Kong Branch  
*(Incorporated in Switzerland with Limited Liability)*

Key Financial Information Disclosure Statements  
As at 30 June 2022

UBS AG HONG KONG BRANCH

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENTS

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Note: The disclosure statements for the current period and prior periods are available in the following UBS website.

<https://www.ubs.com/global/en/legalinfo2/hongkong/disclosure-statements.html>

UBS AG HONG KONG BRANCH

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENTS

30 June 2022

**Chief Executive's Declaration**

The key financial information disclosure statements as at 30 June 2022 are set out on pages 2 to 12.

Information is disclosed in accordance with the Banking (Disclosure) Rules and the guidance notes for overseas incorporated authorized institutions issued by the Hong Kong Monetary Authority.

This disclosure complies with the Hong Kong Monetary Authority's recommendations and is not false or misleading in any material aspects.



Amy Lo  
Chief Executive  
UBS AG Hong Kong Branch  
28th September 2022

UBS AG HONG KONG BRANCH

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022

	Notes	6 months ended 30 Jun 2022 HKD million	6 months ended 30 Jun 2021 HKD million
Interest income		1,648	1,720
Interest expense		386	183
Net interest income		<u>1,262</u>	<u>1,537</u>
Other operating income	2	8,141	10,809
Total operating income		<u>9,403</u>	<u>12,346</u>
Operating expenses	3	5,940	5,961
Impairment losses and provisions for impaired loans and receivables		(216)	(2)
Profit before taxation		<u>3,679</u>	<u>6,387</u>
Tax expense		690	1,065
Profit after taxation		<u><u>2,989</u></u>	<u><u>5,322</u></u>

UBS AG HONG KONG BRANCH

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	30 Jun 2022 HKD million	31 Dec 2021 HKD million
<b>ASSETS</b>			
Cash and balances with banks (except those included in amount due from overseas offices)		9,117	8,082
Amount receivable under reverse repos		5,975	6,405
Amount due from overseas offices		39,494	48,385
Securities held for trading purposes		22,865	15,929
Investment securities		9,516	7,915
Loans and receivables	4	148,889	180,571
Other investments		3,456	4,258
Property, plant and equipment and investment properties		2,862	3,007
Total assets		<u>242,174</u>	<u>274,552</u>
<b>LIABILITIES</b>			
Deposits and balances from banks (except those included in amount due to overseas offices)		798	1,167
Amount payable under repos		3,288	-
Deposits from customers	8	160,271	174,843
Amount due to overseas offices		32,644	57,004
Certificates of deposit issued		200	2,729
Issued debt securities		29,910	25,313
Other liabilities		14,675	12,849
Provisions		388	647
Total liabilities		<u>242,174</u>	<u>274,552</u>

## NOTES TO THE FINANCIAL STATEMENTS

**1 Business activities**

UBS AG Hong Kong Branch ("the Branch") is a branch of UBS AG, a bank incorporated in Switzerland. The Branch provides a broad range of financial services including wealth management, advisory services, underwriting, financing, brokerage and asset management.

**2 Other operating income**

Notes	6 months ended 30 Jun 2022 HKD million	6 months ended 30 Jun 2021 HKD million
Net trading income		
Profit on dealing in foreign currencies	202	192
(Loss)/profit on trading securities	(60)	32
Profit from other trading activities	110	127
	<u>252</u>	<u>351</u>
Net fee and commission income		
Fee and commission income	4,041	5,758
Less: Fee and commission expenses	(877)	(850)
	<u>3,164</u>	<u>4,908</u>
Other income	4,725	5,550
	<u>8,141</u>	<u>10,809</u>

**3 Operating expenses**

	6 months ended 30 Jun 2022 HKD million	6 months ended 30 Jun 2021 HKD million
Staff costs	3,422	3,638
Rental expenses	272	289
Net service fee to other UBS entities	1,546	1,402
Other operating expenses	700	632
	<u>5,940</u>	<u>5,961</u>

**4 Loans and receivables**

	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Loans and advances to customers	136,541	171,148
Accrued interest and other receivables	12,348	9,423
	<u>148,889</u>	<u>180,571</u>
Less: Collective provisions	35	31
Specific provisions		
- loans and advances to customers	352	616
	<u>148,502</u>	<u>179,924</u>

**5 Analysis of gross amounts of loans and advances to customers****a. Loans and advances to customers - by industry sectors**

The analysis of gross loans and advances to customers and the percentages of secured loans and advances by industry sectors are based on the categories and definitions used by the Hong Kong Monetary Authority.

	30 Jun 2022	
	HKD million	
	Gross loans and advances	Collateral or other security *
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Manufacturing	80	0%
Property development	104	0%
Property investment	106	100%
Wholesale and retail trade	4	0%
Financial concerns	2,699	100%
Stockbrokers	800	0%
Others	993	100%
	<u>4,786</u>	<u>79%</u>
Individuals		
For the purchase of other residential properties	592	100%
Others	34,091	100%
	<u>34,683</u>	<u>100%</u>
Loans and advances for use outside Hong Kong	97,072	98%
Total loans and advances to customers	<u><u>136,541</u></u>	<u><u>98%</u></u>
	31 Dec 2021	
	HKD million	
	Gross loans and advances	Collateral or other security *
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Manufacturing	75	0%
Property development	198	0%
Property investment	121	100%
Wholesale and retail trade	5	0%
Financial concerns	6,604	100%
Stockbrokers	402	0%
Others	78	65%
	<u>7,483</u>	<u>90%</u>
Individuals		
For the purchase of other residential properties	575	100%
Others	38,498	100%
	<u>39,073</u>	<u>100%</u>
Loans and advances for use outside Hong Kong	124,592	96%
Total loans and advances to customers	<u><u>171,148</u></u>	<u><u>97%</u></u>

\*Where collateral values are greater than gross loans and advances, only the amount of collateral up to the gross loans and advances is included.

**5 Analysis of gross amounts of loans and advances to customers (Cont'd)****b. Loans and advances to customers - by geographical areas**

The gross amounts of loans and advances to customers by geographical areas are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when a loan or advance is guaranteed by a party in a country which is different from that of the counterparty. The basis of the country classification is in accordance with the guidance notes from the Hong Kong Monetary Authority.

	30 Jun 2022	
	HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	39,833	-
British Virgin Islands	55,918	-
Others	40,790	1,866
	<u>136,541</u>	<u>1,866</u>

	31 Dec 2021	
	HKD million	
	Loans and advances to customers	Overdue / Impaired loans and advances to customers
Hong Kong	43,752	-
British Virgin Islands	75,223	-
Others	52,173	1,910
	<u>171,148</u>	<u>1,910</u>

**6 Impaired loans and advances**

	30 Jun 2022	31 Dec 2021
	HKD million	HKD million
Gross impaired loans and advances to customers (Percentage of total loans and advances to customers)	1,866 (1.37%)	1,910 (1.12%)
Covered portion	1,514	1,294
Uncovered portion	352	616
Specific provisions	352	616
Value of the collateral in respect of such loans and advances to which the specific provisions have been made	1,514*	1,294*

\* Securities suspended for trading were included as collateral but considered to have zero market value.

There were no impaired advances to banks and other financial institutions as at 30 June 2022 and 31 December 2021.

Country provision, if required, is booked at head office level. The bank may establish and maintain Collective Loan Loss Provisions for country risk in case an event (or various events) in one or several countries has been identified that is likely to cause an impairment of assets, while there is not sufficient information as to which counterparties are actually affected, thus preventing the establishment of individual counterparty provisions or allowances in a timely fashion.



**7 Overdue, rescheduled and repossessed assets****a. Overdue and rescheduled loans and advances**

	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Loans and advances to customers overdue for		
- more than 3 months but not more than 6 months	-	-
- more than 6 months but not more than 1 year	-	-
- more than 1 year	-	-
(% to total loans and advances to customers)		
Rescheduled loans and advances to customers excluding those which have been overdue for more than 3 months	1,866	1,910
Total overdue and rescheduled loans and advances to customers (% to total loans and advances to customers)	<u>1,866 (1.37%)</u>	<u>1,910 (1.12%)</u>
Specific provisions on the overdue and rescheduled loans and advances to customers	352	616
Fair value of the collateral held in respect of the overdue loans and advances to customers	-*	-*

The Branch did not have any overdue or rescheduled advances to banks as at 30 June 2022 and 31 December 2021.

\* Securities suspended for trading were included as collateral but considered to have zero market value.

**b. Other overdue and repossessed assets**

The Branch did not have any other overdue and repossessed assets as at 30 June 2022 and 31 December 2021.

**8 Deposits from customers**

	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Demand deposits and current accounts	80,806	120,006
Savings deposits	2,426	2,930
Time, call and notice deposits	<u>77,039</u>	<u>51,907</u>
	<u>160,271</u>	<u>174,843</u>

**9 International claims**

International claims are classified by the types and the locations of the counterparties after taking into account the transfer of risk. In general, such transfer of risk refers to the reduction of the Branch's exposure to a particular country by an effective transfer of credit risk to a different country with the use of credit risk mitigants which include guarantees, collaterals and credit derivatives. The basis of the country and geographical segment classification is in accordance with the guidance notes from the Hong Kong Monetary Authority.

**9 International claims (Cont'd)**

30 Jun 2022 HKD million						
	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
International organisations	-	228	-	-	-	228
Developed countries	46,647	1,245	199	767	-	48,858
Switzerland	42,603	-	-	87	-	42,690
Others	4,044	1,245	199	680	-	6,168
Offshore centres	3,679	17,303	2,221	104,534	-	127,737
British Virgin Islands	-	-	-	55,796	-	55,796
Hong Kong	3,368	690	241	24,342	-	28,641
Singapore	311	16,613	1,980	3,518	-	22,422
Others	-	-	-	20,878	-	20,878
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	166	-	166
Developing Africa and Middle East	-	-	-	457	-	457
Developing Asia Pacific	6,384	870	3,504	16,887	-	27,645
	<u>56,710</u>	<u>19,646</u>	<u>5,924</u>	<u>122,811</u>	<u>-</u>	<u>205,091</u>

31 Dec 2021 HKD million						
	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
International organisations	-	101	-	-	-	101
Developed countries	57,676	1,496	137	513	-	59,822
Switzerland	49,809	-	-	136	-	49,945
Others	7,867	1,496	137	377	-	9,877
Offshore centres	644	9,748	2,273	133,999	-	146,664
British Virgin Islands	-	-	-	75,156	-	75,156
Hong Kong	160	660	248	28,255	-	29,323
Singapore	484	9,088	2,025	4,075	-	15,672
Others	-	-	-	26,513	-	26,513
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	152	-	152
Developing Africa and Middle East	-	-	-	541	-	541
Developing Asia Pacific	2,958	1,098	3,898	20,419	-	28,373
	<u>61,278</u>	<u>12,443</u>	<u>6,308</u>	<u>155,624</u>	<u>-</u>	<u>235,653</u>

**10 Non-bank Mainland exposures**

The total direct non-bank Mainland exposures and the specific provision were as follow:

	30 Jun 2022 HKD million			
	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total</u>	<u>Specific provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	705	-	705	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,863	96	9,959	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	5,548	63	5,611	-
<b>Total</b>	<b>16,116</b>	<b>159</b>	<b>16,275</b>	<b>-</b>
Total assets after provision	<b>241,786</b>			
On-balance sheet exposures as percentage of total assets	6.67%			
	31 Dec 2021 HKD million			
	<u>On-balance sheet exposures</u>	<u>Off-balance sheet exposures</u>	<u>Total</u>	<u>Specific provision</u>
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	886	-	886	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	10,683	229	10,912	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	6,061	75	6,136	-
<b>Total</b>	<b>17,630</b>	<b>304</b>	<b>17,934</b>	<b>-</b>
Total assets after provision	<b>273,905</b>			
On-balance sheet exposures as percentage of total assets	6.44%			

**11 Currency Risk**

(HKD million)

The net position in a particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	30 Jun 2022										
	USD	CNY*	EUR	CHF*	PHP	IDR*	JPY	MYR*	KRW*	Others	Total
Spot assets	107,199	7,657	12,375	2,858	167	136	5,845	36	-	26,879	163,152
Spot liabilities	(158,450)	(6,768)	(4,558)	(1,130)	(11)	(89)	(2,854)	(5)	-	(15,699)	(189,564)
Forward purchases	161,589	21,538	35,560	3,526	206	41	8,476	-	643	40,186	271,765
Forward sales	(110,067)	(22,473)	(43,081)	(5,226)	(206)	(41)	(11,386)	-	(643)	(51,438)	(244,561)
Net options position	-	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	271	(46)	296	28	156	47	81	31	-	(72)	792
Net structural position	-	-	-	-	-	-	-	-	-	-	-

	31 Dec 2021										
	USD	CNY	EUR	CHF	PHP	IDR	JPY	MYR	KRW	Others	Total
Spot assets	146,039	3,699	12,658	3,436	180	91	11,891	46	-	18,929	196,969
Spot liabilities	(185,407)	(8,475)	(5,753)	(1,470)	(3)	(36)	(3,705)	(14)	-	(16,104)	(220,967)
Forward purchases	132,269	28,645	17,013	3,379	230	-	7,035	-	951	38,370	227,892
Forward sales	(92,929)	(23,944)	(23,946)	(5,303)	(230)	-	(15,203)	-	(1,044)	(41,209)	(203,808)
Net options position	-	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	(28)	(75)	(28)	42	177	55	18	32	(93)	(14)	86
Net structural position	-	-	-	-	-	-	-	-	-	-	-

The above figures represent the Hong Kong dollar equivalent values of the individual currencies.

\* The foreign currency which constitutes less than 10% of the total net position in all foreign currencies is presented for comparative purpose only.

## OFF BALANCE SHEET EXPOSURES AND LIQUIDITY INFORMATION

As at 30 June 2022

	30 Jun 2022 HKD million		31 Dec 2021 HKD million			
<b>1 Contingent liabilities and commitments</b> (contractual amounts)						
Direct credit substitutes		9,613		11,894		
Transaction-related contingent items		2,462		2,462		
Other commitments		-		494		
<b>2 Derivatives transactions</b> (HKD million)	30 Jun 2022			31 Dec 2021		
	Fair value		Total	Fair value		Total
	Positive	Negative	Notional Amount	Positive	Negative	Notional Amount
Exchange rate-related derivative contracts	3,490	3,256	376,383	2,531	2,217	308,252
Interest rate derivative contracts	629	1,071	82,579	468	397	45,470
Equity derivative contracts	1,253	1,248	5,757	2,056	2,051	9,716
Precious metals other than gold contracts	25	25	1,896	11	10	934

At branch level, the above exposures do not take into account the effects of bilateral netting agreements. Such netting is effected at UBS Group AG consolidated level.

**3 Liquidity information****a. Liquidity Maintenance Ratio**

	3 months ended 30 Jun 2022	3 months ended 30 Jun 2021
Average Liquidity Maintenance Ratio for the financial period	77.9%	64.4%

The average Liquidity Maintenance Ratio for the 3-month period is the simple average of each calendar month's average Liquidity Maintenance Ratio, which is computed as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Hong Kong Banking Ordinance.

**b. Core Funding Ratio**

	3 months ended 30 Jun 2022	3 months ended 30 Jun 2021
Average Core Funding Ratio for the financial period	714.0%	518.5%

The average Core Funding Ratio for the 3-month period is the simple average of each calendar month's average Core Funding Ratio, which is computed as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Hong Kong Banking Ordinance.

UBS GROUP AG

CONSOLIDATED FINANCIAL INFORMATION

As at 30 June 2022

	30 Jun 2022 USD million	31 Dec 2021 USD million
Total shareholders' equity attributable to UBS shareholders	56,845	60,662
Common equity tier 1 capital ratio	14.2%	15.0%
Other financial information		
Statement of financial position:		
Total assets	1,113,193	1,117,182
Total liabilities	1,056,010	1,056,180
Total loans and advances	383,898	397,761
Total customer deposits	512,216	542,007
	6 months ended 30 Jun 2022 USD million	6 months ended 30 Jun 2021 USD million
Statement of comprehensive income:		
Pre-tax profit	5,344	4,891

Notes :

- (1) For further details on UBS Group AG financial information, please refer to the UBS Group AG 2021 Annual Report and press release issued on 26 July 2022 for June 2022 half-year results which may be viewed on our website: [www.ubs.com](http://www.ubs.com).