

Standard Chartered Bank
Macau Branch
渣打銀行澳門分行

Unaudited Interim Disclosure of Financial Information

30 June 2015

Income statement
for the 6 months ended 30 June 2015
(Expressed in thousands of Macau Patacas)

	<i>Note</i>	<i>2015</i> MOP'000
Interest income	1(a)	23,872
Interest expenses	1(a)	<u>(5,157)</u>
Net interest income		18,715
Fee and commission income		12,417
Exchange gain		<u>2,680</u>
Operating income		33,812
Operating expenses	1(a)	<u>(7,866)</u>
Operating profit before impairment losses		25,946
Impairment charge on loans and advances to customers		<u>(194)</u>
Profit before taxation		25,752
Income tax		<u>(3,077)</u>
Profit for the period		<u>22,675</u>
Effects of additional provisions for loans and advances to customers under Autoridade Monetaria de Macau (“AMCM”) rules		
Profit after taxation		22,675
Reduction in provisions under AMCM rules		<u>1,825</u>
Result for the period under AMCM rules		<u>24,500</u>

Balance sheet at 30 June 2015

(Expressed in thousands of Macau Patacas)

	<i>Note</i>	<i>2015</i> MOP'000
Assets		
Cash, balances and placements with banks and other financial institutions		301,720
Trade bills	2(a)	8,618
Loans and advances to customers	2(a)	1,551,586
Available-for-sale securities	3	69,718
Amounts due from head office, other branches and group companies	1(b)	1,339,495
Other assets		<u>755,851</u>
		<u><u>4,026,988</u></u>
Liabilities		
Deposits from customers	4	1,196,118
Amounts due to head office, other branches and group companies	1(c)	1,969,482
Current taxation		9,433
Deferred tax liabilities		2,567
Other liabilities		<u>761,414</u>
		3,939,014
Reserves		<u>87,974</u>
		<u><u>4,026,988</u></u>

Cash flow statement for the six months ended 30 June 2015 (Expressed in thousands of Macau Patacas)

	<i>Note</i>	2015 MOP'000
Operating activities		
Profit from ordinary activities before taxation		25,752
Adjustments for non-cash items:		
Amortisation of discount on AMCM monetary bills		(230)
Impairment charge on loan and advances		194
		25,716
Decrease/(increase) in operating assets:		
Balances with banks with original maturity beyond three months		163,298
Trade bills		(373)
Loans and advances to customers		213,062
Available-for-sale securities with maturity beyond three months		273
Amounts due from head office, other branches and group companies		31,819
Other assets		(31,866)
(Decrease)/increase in operating liabilities:		
Deposits from customers		(33,303)
Amounts due to head office, other branches and group companies		(301,398)
Other liabilities		35,381
		102,609
Cash generated from operations		102,609
Macau complementary tax paid		-
Net cash generated from operating activities		102,609

Cash flow statement
for the six months ended 30 June 2015 (continued)
(Expressed in thousands of Macau Patacas)

	<i>Note</i>	<i>2015</i>
Net increase in cash and cash equivalents		102,609
Cash and cash equivalents at 1 January, 2015		<u>1,375,379</u>
Cash and cash equivalents at 30 June, 2015	5	<u><u>1,477,988</u></u>
Cash flows from operating activities include:		
Interest received		17,253
Interest paid		<u><u>2,008</u></u>

Notes on the financial statements

(Expressed in thousands of Macau Patacas)

1 Related party transactions

During the period, the Branch entered into transactions with the head office, other branches and group companies in the ordinary course of its banking business and on substantially the same terms as for comparable transactions with third-party counterparties.

(a) Income statement items

Transactions with related parties recognised in the income statement included:

	2015 MOP'000
Interest income from placements with a group company and other branches	2,056
Interest expense on deposits from a group company and other branches	(4,564)

Staff costs have been borne by a group company, Standard Chartered Bank (Hong Kong) Limited. These costs are then recharged through a management fee.

Other operating expenses include recharges from head office, subsidiary, and other branches of MOP4,804,979.

(b) Amounts due from head office, other branches and group companies

	2015 MOP'000
Balances and placements with banks	1,337,862
Other assets	1,633
	1,339,495

Analysed into counterparty

Head office	1,387
Other branches	618,682
Group companies	719,426
	1,339,495

1 Related party transactions (continued)

(c) Amounts due to head office, other branches and group companies

	2015 MOP'000
Balances from banks	86,349
Deposits from banks	1,876,135
Other liabilities	6,998
	1,969,482
 Analysed into counterparty	
Head Office	2,952
Other branches	3,979
Group companies	1,962,551
	1,969,482

2 Advances to customers

(a) Advances to customers

	2015 MOP'000
Gross loans and advances to customers	1,610,770
Trade bills	8,618
	1,619,388
Less: Impairment provision	
- individually assessed (note 2(d))	(57,913)
- collectively assessed (note 2(d))	(1,271)
	1,560,204

2 Advances to customers (continued)

(d) Advances to customers analysed by industry sector

	2015					
	<i>Impaired Loans (note 2 (b)) MOP'000</i>	<i>Overdue Loans but not impaired MOP'000</i>	<i>Individually- assessed impairment provision (note 2 (a)) MOP'000</i>	<i>Collectively- assessed impairment provision (note 2 (a)) MOP'000</i>	<i>Additional provision under AMCM rules MOP'000</i>	<i>Write off MOP'000</i>
Textile productions	42,775	-	-	82	1,390	-
Paper, printing and publishing	-	-	-	474	8,026	-
Machinery and other electrical and electronic goods	-	-	-	166	2,810	-
Other manufacturing industries	-	-	-	27	456	-
Wholesale and retail trade	17,697	-	17,697	421	7,141	-
Others	40,216	-	40,216	101	1,710	10,731
	100,688	-	57,913	1,271	21,533	10,731

(e) Overdue loans and advances to customers

	2015	
	<i>Amount MOP'000</i>	<i>% of total loans</i>
Loans and advances to customers that have been past due for periods of		
– six months or less but over three months	-	-
– one year or less but over six months	-	-
– over one year	100,688	6.22
	100,688	6.22
Individually-assessed impairment provision	57,913	
Collateral value	43,831	

3 Available-for-sale securities

	2015 MOP'000
Unlisted:	
AMCM monetary bills	<u>69,718</u>

4 Deposits from customers

	2015 MOP'000
Demand deposits and current accounts	328,763
Savings deposits	822,728
Time, call and notice deposits	<u>44,627</u>
	<u>1,196,118</u>

5 Cash and cash equivalents

Composition of cash and cash equivalents in the cash flow statement

	2015 MOP'000
Cash, balances and placements with banks and other financial institutions with original maturity less than three months:	293,489
Amounts due from head office, other branches and group companies	
– Balances and placements with banks with original maturity less than three months	<u>1,184,499</u>
Cash and cash equivalents in the cash flow statement	<u>1,477,988</u>

Note: Includes minimum deposits with AMCM of MOP 36,389,900

6 Off-balance sheet exposures

(a) Contractual amount of contingent liabilities and commitments

	2015 MOP'000
Trade-related contingencies	440,098
Other commitments	4,569,941
	5,010,039

(b) Derivatives

(i) Notional amounts of derivatives

	2015 MOP'000
Exchange rate contracts	
Forwards	316,934

(ii) Fair values of derivatives

	2015	
	<i>Fair value</i> <i>assets</i>	<i>Fair value</i> <i>liabilities</i>
	(note (ii)(a))	(note (ii)(b))
	MOP'000	MOP'000
Exchange rate contracts	1,975	2,005

Note (ii) (a) the amount is included in other assets and amounts due from head office, other branches and group companies.

Note (ii) (b) the amount is included in other liabilities and amounts due to head office, other branches and group companies.

(iii) Credit risk weighted amounts of derivatives

	2015 MOP'000
Exchange rate contracts	1,912

Credit risk weighted amount refers to the amount as calculated in accordance with Notice 013/93-AMCM.

7 Foreign exchange risk

The foreign exchange positions of the branch arise from commercial banking operations.

	2015 MOP'000
Total net long position in foreign currencies	<u>30,688</u>

Significant foreign currency exposures which exceeded 10% of the net position in all foreign currencies are as follows:

	2015 MOP'000
HK dollar exposure	
Spot assets	1,037,211
Spot liabilities	(1,030,272)
Forward purchases	104,406
Forward sales	<u>(104,260)</u>
Net long non-structural position	<u>7,085</u>
 US dollar exposure	
Spot assets	2,416,917
Spot liabilities	(2,399,640)
Forward purchases	105,916
Forward sales	<u>(105,869)</u>
Net long non-structural position	<u>17,324</u>
 Chinese Renminbi exposure	
Spot assets	92,249
Spot liabilities	(87,479)
Forward purchases	-
Forward sales	<u>-</u>
Net long non-structural position	<u>4,770</u>

8 Analysis of assets and liabilities by remaining maturity

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date. The disclosure does not imply that the assets will be held to maturity or that the liabilities will be withdrawn on maturity.

	2015							Total MOP'000
	Repayable on demand MOP'000	Within one month MOP'000	Between one to three months MOP'000	Between three months to one year MOP'000	Between one year to three years MOP'000	More than three years MOP'000	Undated or overdue more than one month MOP'000	
Assets								
Cash, balances and placements with banks and other financial institutions	248,636	16,694	-	-	-	-	36,390	301,720
Trade bills	338	6,049	2,231	-	-	-	-	8,618
Loans and advances to customers	39	751,722	464,711	139,110	154,500	-	41,504	1,551,586
Available-for-sale securities	-	-	-	69,718	-	-	-	69,718
Amounts due from head office, other branches and group companies	934,208	162,731	233,645	7,635	-	-	1,276	1,339,495
Other assets	9,029	356,575	238,834	150,682	-	-	731	755,851
Total assets	<u>1,192,250</u>	<u>1,293,771</u>	<u>939,421</u>	<u>367,145</u>	<u>154,500</u>	<u>-</u>	<u>79,901</u>	<u>4,026,988</u>
Liabilities								
Deposits from customers	1,151,491	34,925	2,082	7,620	-	-	-	1,196,118
Amounts due to head office, other branches and group companies	92,011	974,839	635,465	111,978	154,500	-	689	1,969,482
Other liabilities	14,232	354,305	238,877	164,227	457	-	1,316	773,414
Total liabilities	<u>1,257,734</u>	<u>1,364,069</u>	<u>876,424</u>	<u>283,825</u>	<u>154,957</u>	<u>-</u>	<u>2,005</u>	<u>3,939,014</u>
Net assets / (liabilities)	<u>(65,484)</u>	<u>(70,298)</u>	<u>62,997</u>	<u>83,320</u>	<u>(457)</u>	<u>-</u>	<u>77,896</u>	<u>87,974</u>

9 Segmental information

The following geographical analyses are classified by the location of the counterparties.

(a) Geographical analysis of loans and advances to customers

Except for Macau SAR of China, none of the remaining geographical segments represents more than 10% of the Branch's gross loans and advances to customers.

All the loans and advances to customers are granted to corporate entities.

	2015					Additional provision under AMCM rules MOP'000
	Loan and advances to customers MOP'000	of which		Individually - assessed	Collectively - assessed	
		Overdue loans but not impaired MOP'000	Impaired loans MOP'000	impairment provision MOP'000	impairment provision MOP'000	
Macau SAR of China	1,579,172	-	60,472	17,697	1,271	21,533
Others	40,216	-	40,216	40,216	-	-
	1,619,388	-	100,688	57,913	1,271	21,533

(b) Geographical analysis of notional amounts of contingent liabilities and commitments

	2015		
	Bank MOP'000	Corporate entities MOP'000	Total MOP'000
Hong Kong SAR of China	3,405	-	3,405
Macau SAR of China	-	5,003,328	5,003,328
Singapore	142	-	142
Taiwan, Province of China	3,164	-	3,164
	6,711	5,003,328	5,010,039

(c) Geographical analysis of exposure on financial derivatives

	2015		
	Bank MOP'000	Corporate entities MOP'000	Total MOP'000
United Kingdom	1,276	-	1,276
Macau SAR of China	-	699	699
	1,276	699	1,975

10 Liquidity risk

	<i>Jan – Jun 2015</i> MOP'000
Arithmetic mean of the minimum daily amount of cash in hand in each week that is required to be held during the period (note (i))	<u>41,181</u>
Arithmetic mean of the average daily amount of cash in hand during the period (note (i))	<u>219,890</u>
Arithmetic mean of the specified liquid assets at the end of each month during the period (note (i))	<u>1,189,615</u>
	<i>Jan – Jun 2015</i>
Average ratio of specified liquid asset to total basic liabilities at the end of each month during the period (note (i))	<u>82.88%</u>
Arithmetic mean of its one-month liquidity ratio in the last week of each month during the period (note (ii))	<u>79.24%</u>
Arithmetic mean of its three-month liquidity ratio in the last week of each month during the period (note (ii))	<u>92.18%</u>

Notes:

- (i) The arithmetic means are computed as the simple average of the following amounts as defined in the Notice no. 002/2013-AMCM.
- minimum daily amount of cash in hand in each week
 - daily amount of cash in hand
 - specified liquid assets
 - specified liquid assets to total basic liabilities
- (ii) The arithmetic means are computed as the simple average of the following ratios as reported in the Reporting of Liquidity Position for submission to the AMCM.
- one-month liquidity ratio
 - three-month liquidity ratio

11 Information of Standard Chartered PLC Group (“the Group”)

(a) Consolidated capital adequacy ratio of the Group

	2015
Consolidated total capital adequacy ratio	<u>18.2%</u>

The Group complies with the Basel III framework as implemented in the UK on 1 January 2014.

Since 1 January 2008, the Group has been using the IRB approach for the calculation of credit risk capital requirements with the approval of our relevant regulators.

For a market risk internal model approach (IMA), where IMA permission has been granted by the Group’s relevant regulators, the Group uses VaR for the calculation of market risk capital requirements. Where market risk exposures are not included in a regulatory IMA permission the Group applies the standardised approach as specified by the relevant regulator. The Group applies the standardised approach for determining the capital requirements for operational risk.

(b) Other consolidated financial information of the Group

	2015
	US\$ million
Total assets	694,956
Total liabilities	645,612
Total capital and reserves	49,344
Total loans and advances to banks and customers	365,521
Total customer deposits and deposits from banks	439,369
Pre-tax profit	<u>2,098</u>

11 Information of Standard Chartered PLC Group (“the Group”) (continued)

(c) Shareholders with qualifying holdings

As far as the directors are aware as at 30 June 2015, Temasek Holdings (Private) Limited (Temasek) is the only shareholder that had an interest of more than 10 per cent in Standard Chartered PLC’s issued ordinary share capital carrying a right to vote at any general meeting.

(d) Members of the Board of Standard Chartered PLC

The members of the board of Directors (“Board”) of Standard Chartered PLC as at 30 June 2015 are set out below.

Non-executive Chairman

Sir John Wilfred Peace

Executive Directors

Mr William Thomas Winters (Group Chief Executive); Mr Andrew Nigel Halford (Group Finance Director); Mr Alun Michael Guest Rees

Independent Non-Executive Directors

Mr Om Prakash Bhatt; Dr Kurt Michael Campbell; Dr Louis Chi-Yan Cheung; Dr Han Seung-soo, KBE; Mr Naguib Kheraj (Senior Independent Director); Mr Simon Jonathan Lowth; Ms Ruth Markland; Mr Paul David Skinner, CBE; Dr Lars Henrik Thunell; Dr Byron Elmer Grote; Mrs Christine Mary Hodgson; Ms Gay Huey Evans and Ms Jasmine Whitebread