

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

Unaudited Interim Disclosure of Financial Information

30 June 2016

**Income statement**  
**For the 6 months ended 30 June 2016**  
*(Expressed in thousands of Macau Patacas)*

	<i>Note</i>	<i>2016</i> MOP'000
Interest income	1(a)	15,635
Interest expenses	1(a)	<u>(3,984)</u>
<b>Net interest income</b>		11,651
Fee and commission income		11,599
Exchange gain		<u>3,105</u>
<b>Operating income</b>		26,355
Operating expenses	1(a)	<u>(7,148)</u>
<b>Operating profit before impairment losses</b>		19,207
Impairment release on loans and advances to customers		<u>953</u>
<b>Profit before taxation</b>		20,160
Income tax		<u>(2,429)</u>
<b>Profit for the period</b>		<u>17,731</u>
<b>Effects of additional provisions for loans and advances to customers under Autoridade Monetaria de Macau (“AMCM”) rules</b>		
Profit after taxation		17,731
Addition in provisions under AMCM rules		<u>(3,367)</u>
<b>Result for the period under AMCM rules</b>		<u>14,364</u>

## Balance sheet as at 30 June 2016

*(Expressed in thousands of Macau Patacas)*

	<i>Note</i>	<i>2016</i> MOP'000
<b>Assets</b>		
Cash, balances and placements with banks and other financial institutions		354,720
Trade bills	2(a)	5,036
Loans and advances to customers	2(a)	1,529,779
Available-for-sale securities	3	29,957
Amounts due from head office, other branches and group companies	1(b)	873,007
Other assets		495,354
		<u>3,287,853</u>
<b>Liabilities</b>		
Deposits from customers	4	923,697
Amounts due to head office, other branches and group companies	1(c)	1,747,224
Current taxation		11,662
Deferred tax liabilities		2,374
Other liabilities		500,064
		<u>3,185,021</u>
<b>Reserves</b>		<u>102,832</u>
		<u>3,287,853</u>

## Cash flow statement

### For the six months ended 30 June 2016

*(Expressed in thousands of Macau Patacas)*

	<i>Note</i>	2016 MOP'000
<b>Operating activities</b>		
Profit from ordinary activities before taxation		20,160
Adjustments for non-cash items:		
Amortisation of discount on AMCM monetary bills		(226)
Impairment release on loan and advances		(953)
Loans and advances written off		(23,023)
		(4,042)
<b>Operating profit before changes in working capital</b>		<b>(4,042)</b>
<b>(Increase)/Decrease in operating assets:</b>		
Balances with banks with original maturity beyond three months		(5,246)
Trade bills		(1,681)
Loans and advances to customers		(402,145)
Available-for-sale securities with maturity beyond three months		40,001
Amounts due from head office, other branches and group companies		1,267
Other assets		134,713
<b>(Decrease)/increase in operating liabilities:</b>		
Deposits from customers		(126,050)
Amounts due to head office, other branches and group companies		162,227
Other liabilities		(151,826)
		(352,782)
<b>Cash used in operations</b>		<b>(352,782)</b>
Macau complementary tax paid		-
<b>Net cash used in operating activities</b>		<b>(352,782)</b>

**Cash flow statement**  
**For the six months ended 30 June 2016 (continued)**  
*(Expressed in thousands of Macau Patacas)*

	<i>Note</i>	<i>2016</i>
<b>Net decrease in cash and cash equivalents</b>		(352,782)
<b>Cash and cash equivalents at 1 January, 2016</b>		<u>1,567,461</u>
<b>Cash and cash equivalents at 30 June, 2016</b>	5	<u><u>1,214,679</u></u>
<b>Cash flows from operating activities include:</b>		
Interest received		14,417
Interest paid		<u><u>(3,918)</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:

	2016 MOP'000
Interest income from placements with a group company and other branches	2,455
Interest expense on deposits from a group company and other branches	(3,449)

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 MOP3,858,000.

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

	2016 MOP'000
Balances and placements with banks	872,825
Other assets	182
	<u>873,007</u>

#### Analysed into counterparty

Head office	1,086
Other branches	79,693
Group companies	792,228
	<u>873,007</u>

**1 Related party transactions (continued)**

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

	2016 MOP'000
Balances from banks	93,758
Deposits from banks	1,642,597
Other liabilities	<u>10,869</u>
	<u>1,747,224</u>
 <b>Analysed into counterparty</b>	
Head Office	5,775
Other branches	4,935
Group companies	<u>1,736,514</u>
	<u>1,747,224</u>

**2 Advances to customers**

**(a) Advances to customers**

	2016 MOP'000
Gross loans and advances to customers	1,530,427
Trade bills	<u>5,036</u>
	1,535,463
Less: Impairment provision	
- individually assessed (note 2(d))	-
- collectively assessed (note 2(d))	<u>(648)</u>
	<u>1,534,815</u>

**2 Advances to customers (continued)**

**(b) Impaired loans and advances to customers**

	2016 MOP'000
Gross impaired advances to customers (note 2(d))	-
Impairment provision - individually assessed	-
	-
	-
 Gross impaired advances to customers as a % of gross advances to customers	 -
	 -
	 -

No collateral was held against impaired loans and advances to customers as at 30 June 2016.

**(c) Advances to customers and trade bills analysed by industry sector**

The analysis of gross advances to customers and trade bills by industry sector is based on the categories used by the returns submitted to the AMCM.

	2016 MOP'000
<b>Gross advances for use in Macau</b>	
Industrial, commercial and financial	
- Textile productions	80,366
- Leather articles	24,744
- Paper, printing and publishing	725,367
- Machinery and other electrical and electronic goods	428,600
- Other manufacturing industries	25,539
- Wholesale and retail trade	250,847
- Others	-
	-
Gross advances for use in Macau	1,535,463
Gross advances for use outside Macau	-
	-
Total gross advances to customers and trade bills	1,535,463



## 2 Advances to customers (continued)

### (d) Advances to customers analysed by industry sector

	2016					
	<i>Impaired Loans (note 2 (b)) MOP'000</i>	<i>Overdue Loans but not impaired MOP'000</i>	<i>Individually- assessed provision (note 2 (a)) MOP'000</i>	<i>Collectively- assessed provision (note 2 (a)) MOP'000</i>	<i>Additional provision under AMCM rules MOP'000</i>	<i>Write off MOP'000</i>
Textile productions	-	-	-	34	1,036	-
Leather articles	-	-	-	10	319	-
Paper, printing and publishing	-	-	-	306	9,348	-
Machinery and other electrical and electronic goods	-	-	-	181	5,523	-
Other manufacturing industries	-	-	-	11	329	-
Wholesale and retail trade	-	-	-	106	3,232	-
Others	-	-	-	-	-	23,023
	<u>-</u>	<u>-</u>	<u>-</u>	<u>648</u>	<u>19,787</u>	<u>23,023</u>

### (e) Overdue loans and advances to customers

	2016	
	<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	-	-
	<u>-</u>	<u>-</u>
Individually-assessed impairment provision	<u>-</u>	
Collateral value	<u>-</u>	

**3 Available-for-sale securities**

	<i>2016</i> MOP'000
<b>Unlisted:</b>	
AMCM monetary bills	29,957

**4 Deposits from customers**

	<i>2016</i> MOP'000
Demand deposits and current accounts	332,389
Savings deposits	537,713
Time, call and notice deposits	43,330
Other Deposits	10,265
	923,697

**5 Cash and cash equivalents**

*Composition of cash and cash equivalents in the cash flow statement*

	<i>2016</i> MOP'000
Cash, balances and placements with banks and other financial institutions with original maturity less than three months:	349,474
Amounts due from head office, other branches and group companies	
– Balances and placements with banks with original maturity less than three months	865,205
Cash and cash equivalents in the cash flow statement	1,214,679

Note: Includes minimum deposits with AMCM of MOP 31,480,000

## 6 Off-balance sheet exposures

### (a) Contractual amount of contingent liabilities and commitments

	2016 MOP'000
Trade-related contingencies	344,818
Other commitments	4,355,380
	4,700,198

### (b) Derivatives

#### (i) Notional amounts of derivatives

	2016 MOP'000
<b>Exchange rate contracts</b>	
Forwards	419,370

#### (ii) Fair values of derivatives

	2016	
	<i>Fair value assets</i> (note (ii)(a)) MOP'000	<i>Fair value liabilities</i> (note (ii)(b)) MOP'000
Exchange rate contracts	1,489	463

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

	2016 MOP'000
Exchange rate contracts	2,153

Credit risk weighted amount refers to the amount as calculated in accordance with Notice 028/B/2015-DSB/AMCM.

## 7 Foreign exchange risk

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

	<i>2016</i> MOP'000
Total net long position in foreign currencies	<u>16,007</u>

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

	<i>2016</i> MOP'000
<b>HK dollar exposure</b>	
Spot assets	1,262,621
Spot liabilities	(1,265,002)
Forward purchases	66,495
Forward sales	<u>(70,474)</u>
Net short non-structural position	<u>(6,360)</u>

### US dollar exposure

Spot assets	997,192
Spot liabilities	(989,395)
Forward purchases	78,690
Forward sales	<u>(65,479)</u>
Net long non-structural position	<u>21,008</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.

	2016							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	
<b>Assets</b>								
Cash, balances and placements with banks and other financial institutions	258,796	53,816	5,382	5,246	-	-	31,480	354,720
Trade bills	239	2,488	2,309	-	-	-	-	5,036
Loans and advances to customers	14,497	1,041,982	211,863	227,752	34,333	-	(648)	1,529,779
Available-for-sale securities	-	-	-	29,957	-	-	-	29,957
Amounts due from head office, other branches and group companies	398,096	311,665	155,581	7,638	-	-	27	873,007
Other assets	787	140,605	207,299	145,179	-	-	1,484	495,354
<b>Total assets</b>	<u>672,415</u>	<u>1,550,556</u>	<u>582,434</u>	<u>415,772</u>	<u>34,333</u>	<u>-</u>	<u>32,343</u>	<u>3,287,853</u>
<b>Liabilities</b>								
Deposits from customers	880,367	-	35,710	7,620	-	-	-	923,697
Amounts due to head office, other branches and group companies	104,164	1,062,958	304,464	240,842	34,333	-	463	1,747,224
Other liabilities	6,893	138,076	207,301	161,742	88	-	-	514,100
<b>Total liabilities</b>	<u>991,424</u>	<u>1,201,034</u>	<u>547,475</u>	<u>410,204</u>	<u>34,421</u>	<u>-</u>	<u>463</u>	<u>3,185,021</u>
<b>Net assets / (liabilities)</b>	<u>(319,009)</u>	<u>349,522</u>	<u>34,959</u>	<u>5,568</u>	<u>(88)</u>	<u>-</u>	<u>31,880</u>	<u>102,832</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.

	2016					
	<i>Loan and advances to customers</i>	<i>of which</i>		<i>Individually - assessed</i>	<i>Collectively - assessed</i>	<i>Additional provision</i>
	MOP'000	<i>Overdue loans but not impaired</i> MOP'000	<i>Impaired loans</i> MOP'000	<i>impairment provision</i> MOP'000	<i>impairment provision</i> MOP'000	<i>under AMCM rules</i> MOP'000
Macau SAR of China	1,535,463	-	-	-	648	19,787
Others	-	-	-	-	-	-
	<u>1,535,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648</u>	<u>19,787</u>

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

	2016		
	<i>Bank</i> MOP'000	<i>Corporate entities</i> MOP'000	<i>Total</i> MOP'000
Hong Kong SAR of China	3,405	-	3,405
Macau SAR of China	-	4,696,651	4,696,651
Singapore	142	-	142
	<u>3,547</u>	<u>4,696,651</u>	<u>4,700,198</u>

### (c) Geographical analysis of exposure on financial derivatives

	2016		
	<i>Bank</i> MOP'000	<i>Corporate entities</i> MOP'000	<i>Total</i> MOP'000
United Kingdom	27	-	27
Macau SAR of China	-	1,462	1,462
	<u>27</u>	<u>1,462</u>	<u>1,489</u>

## 10 Liquidity risk

	<i>Jan – Jun 2016</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>32,482</u>
Arithmetic mean of the average daily amount of cash in hand during the period (note (i))	<u>190,849</u>
Arithmetic mean of the specified liquid assets at the end of each month during the period (note (i))	<u>1,086,314</u>
	<i>Jan – Jun 2016</i>
Average ratio of specified liquid asset to total basic liabilities at the end of each month during the period (note (i))	<u>108.75%</u>
Arithmetic mean of its one-month liquidity ratio in the last week of each month during the period (note (ii))	<u>96.01%</u>
Arithmetic mean of its three-month liquidity ratio in the last week of each month during the period (note (ii))	<u>100.68%</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

June 2016

Consolidated total capital adequacy ratio	<u>19.5%</u>
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The consolidated capital adequacy ratio was computed in accordance with Basel III framework as implemented in the UK on 1 January 2014.

### (b) Other consolidated financial information of the Group

June 2016  
US\$ million

Total assets	660,989
Total liabilities	612,168
Total capital and reserves	48,821
Total loans and advances to banks and customers	340,407
Total customer deposits and deposits from banks	413,113
Pre-tax profit	<u>893</u>

### (c) Shareholders with qualifying holdings

As far as the directors are aware as at 30 June 2016, 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.



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

### **(d) *Members of the Board of Standard Chartered PLC***

The members of the board of Directors (“Board”) of Standard Chartered PLC as at 22 August, 2016 are set out below.

#### *Non-executive Chairman*

Sir John Wilfred Peace

#### *Executive Directors*

Mr William Thomas Winters, CBE (Group Chief Executive) and Mr Andrew Nigel Halford (Group Chief Financial Director).

#### *Independent Non-Executive Directors*

Mr Om Prakash Bhatt; Dr Kurt Michael Campbell; Dr Louis Chi-Yan Cheung; Mr David Philbrick Conner; Dr Byron Elmer Grote; Dr Han Seung-soo, KBE; Mrs Christine Mary Hodgson; Ms Gay Huey Evans, OBE; Mr Naguib Kheraj (Senior Independent Director) and Ms Jasmine Mary Whitbread.