



Standard Chartered Bank
(Hong Kong) Limited
渣打銀行(香港)有限公司

Consolidated Financial
Statements
綜合財務報表

For the year ended 31 December 2008
截至二零零八年十二月三十一日止年度

Consolidated income statement
For the year ended 31 December 2008

(Expressed in millions of Hong Kong dollars)

	2008	2007
Interest income	16,593	21,618
Interest expense	<u>(6,564)</u>	<u>(11,513)</u>
Net interest income	<u>10,029</u>	<u>10,105</u>
Fee and commission income	5,430	6,080
Fee and commission expense	(600)	(974)
Net fee and commission income	4,830	5,106
Net trading income	925	543
Net losses from financial instruments designated at fair value	(200)	(326)
Net gains from disposal of available-for-sale securities	100	238
Other operating income	<u>131</u>	<u>482</u>
	<u>5,786</u>	<u>6,043</u>
Total operating income	15,815	16,148
Staff costs	(3,960)	(3,493)
Premises and equipment expense	(956)	(890)
Others	<u>(2,669)</u>	<u>(2,665)</u>
Operating expenses	<u>(7,585)</u>	<u>(7,048)</u>
Operating profit before impairment	8,230	9,100
Impairment charges on advances to banks and customers	(1,160)	(227)
Other impairment charges	<u>(136)</u>	<u>(51)</u>
Operating profit after impairment	6,934	8,822
Share of profit of associates	<u>23</u>	<u>12</u>
Profit before taxation	6,957	8,834
Taxation	<u>(1,209)</u>	<u>(1,464)</u>
Profit after taxation	<u>5,748</u>	<u>7,370</u>
Attributable to:		
Equity shareholders of the Bank	5,743	7,368
Minority interests	<u>5</u>	<u>2</u>
Profit after taxation	<u>5,748</u>	<u>7,370</u>

Consolidated balance sheet as at 31 December 2008

(Expressed in millions of Hong Kong dollars)

	2008	2007
Assets		
Cash and balances with banks and other financial institutions	15,378	8,216
Placements with banks and other financial institutions	136,463	114,724
Hong Kong SAR Government certificates of indebtedness	24,001	22,321
Trading assets	17,241	24,616
Advances to customers	213,539	179,380
Amounts due from immediate holding company	60,996	53,331
Amounts due from fellow subsidiaries	25,278	20,126
Investment securities	90,501	45,023
Interest in associates	3,401	1,132
Fixed assets	2,946	3,173
Goodwill and intangible assets	935	783
Deferred tax assets	172	43
Other assets	7,820	8,858
	<u>598,671</u>	<u>481,726</u>
Liabilities		
Hong Kong SAR currency notes in circulation	24,001	22,321
Deposits and balances of banks and other financial institutions	6,914	8,746
Deposits from customers	476,796	365,875
Trading liabilities	15,620	16,536
Financial liabilities designated at fair value	5,306	4,439
Debt securities in issue	3,420	1,408
Amounts due to immediate holding company	7,162	7,524
Amounts due to fellow subsidiaries	4,826	2,193
Current tax liabilities	272	579
Deferred tax liabilities	37	398
Other liabilities	14,698	15,447
Subordinated liabilities	6,180	6,234
	<u>565,232</u>	<u>451,700</u>
Equity		
Share capital	97	97
Reserves	33,337	29,929
Shareholders' equity	<u>33,434</u>	<u>30,026</u>
Minority interests	5	-
	<u>33,439</u>	<u>30,026</u>
	<u>598,671</u>	<u>481,726</u>

Notes

1. Accounting policies

The accounting policies applied in preparing this news release are the same as those applied in preparing the Consolidated Financial Statements for the year ended 31 December 2007.

2. Statutory accounts

Certain financial information in this news release is extracted from the financial statements for the year ended 31 December 2008 which were approved by the Board of Directors on the 3 March 2009 and will be delivered to the Companies Registry and the Hong Kong Monetary Authority. The Auditors expressed an unqualified opinion on these financial statements in their report dated 3 March 2009.

The financial statements, together with the disclosures as required by the Banking (Disclosure) Rules of Section 60A of the Banking Ordinance, can be obtained on request from Investor Relations, Standard Chartered Bank (Hong Kong) Limited, 4-4A Des Voeux Road Central, Hong Kong or may be viewed on our website: www.standardchartered.com.hk on or after 30 April 2009.