

Standard Chartered Bank
(Hong Kong) Limited

Supplementary Notes to
Interim Financial Information
Disclosure Statements

For the period ended
30 June 2016

STANDARD CHARTERED BANK (HONG KONG) LIMITED

Supplementary notes to interim financial information disclosure statements

These notes are supplementary to and should be read in conjunction with the 2016 interim financial information disclosure statements. The interim financial statements and this unaudited supplementary financial information (“supplementary notes”) taken together comply with the Banking (Disclosure) Rules (“Rules”) under section 60A of the Banking Ordinance.

Capital and liquidity disclosures as required by the Banking (Disclosure) Rules will be available on our website: www.sc.com/hk on or before 30 September 2016.

STANDARD CHARTERED BANK (HONG KONG) LIMITED

1. Mainland Activities

<i>Figures in HK\$m</i>	<i>On-balance sheet exposure HK\$'M</i>	<i>Off-balance sheet exposure HK\$'M</i>	<i>Total HK\$'M</i>
<u>As at 30 June 2016</u>			
(i) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	20,598	369	20,967
(ii) Local governments, local government-owned entities and their subsidiaries and JVs	1,109	247	1,356
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	19,485	2,511	21,996
(iv) Other entities of central government not reported in item (i) above	1,993	123	2,116
(v) Other entities of local governments not reported in item (ii) above	772	–	772
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	19,497	3,604	23,101
(vii) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	14,325	3,587	17,912
Total	<u>77,779</u>	<u>10,441</u>	<u>88,220</u>
Total assets after provision	<u>977,934</u>		
On-balance sheet exposures as percentage of total assets	<u>7.95%</u>		

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1. Mainland Activities (cont'd)

Figures in HK\$m

	<i>On-balance sheet exposure HK\$'M</i>	<i>Off-balance sheet exposure HK\$'M</i>	<i>Total HK\$'M</i>
<u>As at 31 December 2015</u>			
(i) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	24,280	511	24,791
(ii) Local governments, local government-owned entities and their subsidiaries and JVs	1,990	100	2,090
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	16,961	2,536	19,497
(iv) Other entities of central government not reported in item (i) above	1,538	71	1,609
(v) Other entities of local governments not reported in item (ii) above	1,055	9	1,064
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	16,364	2,858	19,222
(vii) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7,396	353	7,749
Total	<u>69,584</u>	<u>6,438</u>	<u>76,022</u>
Total assets after provision	<u>955,569</u>		
On-balance sheet exposures as percentage of total assets	<u>7.28%</u>		

The off-balance sheet exposure represents the amount at risk should the contract be fully drawn upon and the client defaults. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

STANDARD CHARTERED BANK (HONG KONG) LIMITED

2. International Claims

International claims are on-balance sheet exposures of counterparties based on the location of those counterparties after taking into account the transfer of risk. Recognized risk transfer refers to the reduction of exposure to a particular country by an effective transfer of credit risk to a different country. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated.

International claims on individual countries or segments, after risk transfer, amounting to 10% or more of the aggregated international claims are shown as below:

As at 30 June 2016	<i>Banks</i>	<i>Official Sector</i>	<i>Non-bank Financial institution</i>	<i>Non-financial private sector</i>	<i>Total</i>
	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Developed countries, of which	79,923	62,659	9,855	23,843	176,280
United Kingdom	16,715	294	4,352	5,185	26,546
Japan	15,493	33,129	–	614	49,236
Others	47,715	29,236	5,503	18,044	100,498
Offshore centres, of which	6,168	1,278	14,332	73,342	95,120
Hong Kong SAR	2,692	1,278	14,129	56,425	74,524
Others	3,476	–	203	16,917	20,596
Developing Asia and Pacific, of which	158,354	7,214	4,880	27,573	198,021
China	124,792	4,948	2,342	17,006	149,088
Others	33,562	2,266	2,538	10,567	48,933

As at 31 December 2015 (Restated)	<i>Banks</i>	<i>Official Sector</i>	<i>Non-bank Financial institution</i>	<i>Non-financial private sector</i>	<i>Total</i>
	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Developed countries, of which	78,971	49,575	13,879	23,786	166,211
United Kingdom	24,940	339	7,178	4,744	37,201
Japan	9,947	21,281	2	836	32,066
Others	44,084	27,955	6,699	18,206	96,944
Offshore centres, of which	7,600	1,242	9,166	56,738	74,746
Hong Kong SAR	1,771	1,242	9,040	40,178	52,231
Others	5,829	–	126	16,560	22,515
Developing Asia and Pacific, of which	118,041	13,263	6,080	34,876	172,260
China	101,122	10,156	2,452	23,078	136,808
Others	16,919	3,107	3,628	11,798	35,452

3. Restatement of prior periods

Certain comparative figures have been restated to conform with the current period's presentation.