

**ABN AMRO Bank N.V. Hong Kong Branch**  
**2015 Annual Financial Disclosure Statements**

In compliance with the disclosure standards set out in the “Banking (Disclosure) Rules” issued by Hong Kong Monetary Authority (“HKMA”), the following key financial information has been provided. The information is also available at the branch of the Bank and the Public Registry of HKMA.

The International Financial Reporting Standards and Group Accounting Policy were applied to the Disclosure Statement. The information in the Disclosure Statement is not audited and does not constitute statutory accounts.

## SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

	<b>For the twelve months ended</b>	
<b>Profit and loss information (HKD'000)</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
Interest income	877,485	1,019,616
Interest expense	<u>426,829</u>	<u>476,464</u>
Net interest income	<u>450,656</u>	<u>543,152</u>
Other operating income		
– Gains less losses arising from trading in foreign currencies	22,857	37,025
– Gains less losses from other dealing activities	92,022	91,354
– Income from investment held for trading	381	868
– Net fees and commission income	251,758	265,803
– <i>fees and commission income</i>	264,685	289,476
– <i>fees and commission expenses</i>	12,927	23,673
– Others	<u>138,324</u>	<u>141,890</u>
	<u>505,342</u>	<u>536,940</u>
Operating income	955,998	1,080,092
Operating expenses	795,248	804,549
<i>of which</i>		
– <i>staff expenses</i>	385,591	379,371
– <i>rental expenses</i>	52,970	52,012
– <i>other expenses</i>	356,687	373,166
Net charge/(credit) for loan impairment	91,714	1,007
Gains less losses from disposal of tangible fixed assets	<u>–</u>	<u>–</u>
Profit/(loss) before taxation	69,036	274,536
Taxation	<u>12,480</u>	<u>46,326</u>
<b>Profit/(loss) after taxation</b>	<b><u>56,556</u></b>	<b><u>228,210</u></b>

<b>Balance sheet (HKD'000)</b>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
<b>Assets</b>		
Cash and balances with banks	658,392	9,222,110
Due from Exchange Fund	–	237,746
Placements with banks and other financial institutions which have a residual contractual – maturity of more than one month but not more than twelve months (except those included in amount due from overseas offices of the institution)	–	–
Amount due from overseas offices of the Institution	25,026,631	31,765,483
Trade Bills	8,427,078	8,508,491
Securities measured at fair value through profit or loss held for trading	–	–
Available-for-sale securities	5,150,805	11,091,095
Advances and other accounts	15,008,782	18,298,333
– advances to customers	15,058,245	18,252,908
– accrued interest receivable	48,026	66,234
– impairment allowances for impaired loan	(97,489)	(20,809)
– collective impairment allowances	(22,139)	(11,080)
– individual impairment allowances	(75,350)	(9,729)
Other accounts	1,409,356	1,102,363
– unrealized gains on derivative instruments	244,425	187,588
– other accounts	1,164,931	914,775
Investment in subsidiaries	–	–
Tangible fixed assets	19,646	24,411
	<u>55,700,690</u>	<u>80,250,032</u>
<b>Total assets</b>	<b><u>55,700,690</u></b>	<b><u>80,250,032</u></b>
<b>Liabilities</b>		
Deposits and balances of banks and other financial institutions (except those included in amount due to overseas offices of the institution)	997,761	1,379,941
Due to Exchange Fund	51,456	–
Deposits from customers	23,675,921	25,229,095
– demand deposits and current accounts	1,865,627	1,906,267
– savings deposits	2,688,718	3,075,837
– time, call and notice deposits	19,121,576	20,246,991
Amount due to overseas offices of the Institution	29,867,938	46,394,406
Repo	–	–
Issued debt securities	–	–
Accrued interest payable	30,781	27,308
Short positions on securities held for trading	–	–
Other accounts	1,076,833	7,219,282
– unrealized losses on derivative instruments	228,698	187,588
– provisions and others	848,135	7,031,694
	<u>55,700,690</u>	<u>80,250,032</u>
<b>Total liabilities</b>	<b><u>55,700,690</u></b>	<b><u>80,250,032</u></b>

Prior period amount has been reclassified for consistency with current period presentation. This reclassification had no effect on the reported results of the operations. For the period ended 30 June, 2015, \$237,746 ('000) is reclassified as Due from Exchange Fund, previously such amount had been classed as Cash and balance with banks.

**Balance Sheet (HKD'000) (continued)**
**Analysis of impaired loans**

As at 31 December 2015, there was no loan and advance to bank customer and therefore no impaired loans to bank customers. The analysis of impaired loans to non-bank customers are as follows:

<i>The impaired loans* to customers are as follows:-</i>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
– Gross impaired loans to customers	75,350	104,289
– Individual impairment allowances	75,350	9,729
Percentage of impaired loans to customers to total advances to customers	0.50%	0.57%
<i>The impaired loans* to banks are as follows:-</i>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
– Gross impaired loans to banks	–	–
– Individual impairment allowances	–	–
Percentage of impaired loans to banks to total balances and placements with banks (overseas offices are excluded)	0.00%	0.00%

\* Impaired loans are advances to banks and customers which have been classified as "substandard", "doubtful" and "loss" in accordance with the HKMA Return of Loans and Advances and Provisions (Form MA(BS)2A) completion instructions.

**Analysis of overdue advances to customers**

The gross amount of advances to customers which have been overdue for:	<b>31-Dec-15</b>	<b>30-Jun-15</b>
– six months or less but over three months;	75,350	–
– one year or less but over six months; and	–	–
– over one year.	–	–
	<hr/>	<hr/>
	75,350	–
(a) Individual impairment allowances for overdue advances to customers		
– Current market value of collateral held against the covered portion of overdue loans and advances	–	–
– Covered portion of overdue loans and advances	–	–
– Uncovered portion of overdue loans and advances	75,350	–
Percentage of overdue loans to customers to total advances to customers	0.50%	0.00%
The gross amount of advances to banks which have been overdue for:	<b>31-Dec-15</b>	<b>30-Jun-15</b>
– six months or less but over three months;	–	–
– one year or less but over six months; and	–	–
– over one year.	–	–
	<hr/>	<hr/>
	–	–
	<hr/>	<hr/>

**Analysis of overdue advances to customers (continued)**

	<b>31-Dec-15</b>	<b>30-Jun-15</b>
(b) Individual impairment allowances for overdue advances to banks		
– Current market value of collateral held against the covered portion of overdue loans and advances	–	–
– Covered portion of overdue loans and advances	–	–
– Uncovered portion of overdue loans and advances	–	–
Percentage of overdue loans to banks to total balances and placements with banks (overseas offices are excluded)	0.00%	0.00%

As at 31 December 2015, ABN AMRO Bank N.V. Hong Kong Branch does not have balances in the following:

1. re-scheduled loans	–	–
2. impairment allowances for loans and advances or other exposures which are maintained at overseas head office	–	–
3. trade bills and debt securities which have been overdue for over three months	–	–
4. repossessed assets	–	–

**Non-bank mainland exposures (HKD'000)**

The following Mainland exposures to non-bank counterparties are prepared in accordance with HKMA Return of Mainland Activities (Form MA(BS)20) completion instructions.

<b>As at 31 December 2015</b>	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Total</b>
Types of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	–	–	–
2. Local governments, local government-owned entities and their subsidiaries and JVs	–	191,088	191,088
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,578,889	965,734	3,544,623
4. Other entities of central government not reported in item 1 above	–	–	–
5. Other entities of local governments not reported in item 2 above	–	–	–
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	196,843	–	196,843
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	326,959	–	326,959
<b>Total</b>	<b>3,102,691</b>	<b>1,156,822</b>	<b>4,259,513</b>
Total assets after provision	<b>55,700,690</b>		
On-balance sheet exposures as percentage of total assets	<b>5.57%</b>		

**Non-bank mainland exposures (HKD'000) (continued)**

	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Total</b>
<b>As at 30 June 2015</b>			
Types of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	77,529	–	77,529
2. Local governments, local government-owned entities and their subsidiaries and JVs	–	372,483	372,483
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,956,871	1,423,985	5,380,856
4. Other entities of central government not reported in item 1 above	–	–	–
5. Other entities of local governments not reported in item 2 above	–	–	–
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	113,409	–	113,409
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	<u>378,846</u>	<u>3</u>	<u>378,849</u>
<b>Total</b>	<b><u>4,526,655</u></b>	<b><u>1,796,471</u></b>	<b><u>6,323,126</u></b>
Total assets after provision	<b>80,250,032</b>		
On-balance sheet exposures as percentage of total assets	<b>5.64%</b>		

<b>Off-balance sheet exposures (HKD'000)</b>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
(a) Contingent liabilities and commitments		
– Direct credit substitutes	1,113,442	893,984
– Transaction-related contingencies	20,212	20,224
– Trade-related contingencies	1,508,974	2,070,505
– Other commitments	<u>37,769,983</u>	<u>31,974,931</u>
	<b><u>40,412,611</u></b>	<b><u>34,959,644</u></b>

*Direct credit substitutes are mainly confirmed letters of credit and financial guarantees contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Trade-related contingencies are mainly issue of letters of credit. Transaction-related contingencies are performance guarantees. Other commitments represent the amounts at risk should contracts be fully drawn upon and clients default.*

(b) Derivatives (Notional amounts)		
– Exchange rate contracts	25,322,725	39,084,036
– Others	<u>2,010,635</u>	<u>3,413,486</u>
	<b><u>27,333,360</u></b>	<b><u>42,497,522</u></b>

*Derivative contracts were mainly entered into on a back-to-back basis to facilitate clients. The transactions carried out for the account of the Bank are primarily to manage exchange rate risk.*

(c) Total fair value of derivatives		
– Exchange rate contracts	<u>15,252</u>	<u>(14,656)</u>
(No bilateral netting arrangements)	<b><u>15,252</u></b>	<b><u>(14,656)</u></b>

As at 31 December 2015, there are no note issuance and revolving underwriting facilities.

<b>Segmental information (HKD'000)</b>	<b>31-Dec-15</b>	<b>31-Dec-15</b>	<b>30-Jun-15</b>	<b>30-Jun-15</b>
	<b>Gross loans</b>	<b>Collateral or</b>	<b>Gross loans</b>	<b>Collateral or</b>
	<b>and advances</b>	<b>other security</b>	<b>and advances</b>	<b>other security</b>
(a) Total advances to customers by industry sectors				
Loans for use in Hong Kong				
Industrial, commercial and financial:				
– Property development	13,526	13,526	21,769	21,769
– Property investment	1,027,203	1,027,203	986,035	986,035
– Financial concerns	4,328,278	4,273,132	6,008,358	5,999,645
– Stockbrokers	77,559	77,559	77,378	77,378
– Wholesale and retail trade	938,791	530,609	999,281	605,842
– Manufacturing	162,198	156,530	147,593	147,593
Individuals:				
– Other business purposes	3,290,424	3,271,305	3,702,985	3,702,944
– Other private purposes	731,676	722,770	985,640	981,696
Trade finance	2,843,857	443,317	3,414,907	478,207
Advances for use outside Hong Kong	<u>1,644,733</u>	<u>1,072,423</u>	<u>1,908,962</u>	<u>1,544,292</u>
<b>Total advances to customers</b>	<b><u>15,058,245</u></b>	<b><u>11,588,374</u></b>	<b><u>18,252,908</u></b>	<b><u>14,545,401</u></b>
Percentage of value of collateral to total advances to customers		<b>76.96%</b>		<b>79.69%</b>
Total advances to customers by geographical area of which exposures to (HKD'000):			<b>31-Dec-15</b>	<b>30-Jun-15</b>
– Hong Kong			6,064,166	6,630,329
– British Virgin Islands			3,554,440	5,664,238
– United Arab Emirates			2,178,458	2,473,436
Overdue loans for use in Hong Kong			1,721	–
Overdue loans for use outside Hong Kong			7,535	–

Advances to customers by geographical area are reported where it constitutes 10% or more of the total advances to customers and classified according to the location of the counterparties. Impaired loans and advances to customers occurred at the year end 31 December 2015 were already disclosed under the analysis of impaired loans. There was no loan and advance to bank customers at the year end 31 December 2015.

**Segmental information** (continued)

## (b) International claims (HKD millions)

The following illustrates the major country or geographical segment breakdown of international claims by types of counterparties. A major country or geographical segment is disclosed if international claims attributable to the country or segment (including Hong Kong) constitute not less than 10% of total international claims after taking into account any recognized risk transfer.

		Non-bank private sector				
		Official	Non-bank	Non-		
	Banks	Sector	financial	financial	Others	Total
			institutions	private		
				sector		
<b>As at 31 December 2015</b>						
1. Developed Countries						
<i>of which Netherlands</i>	25,262	–	–	–	–	25,262
<i>of which United States</i>	3	3,108	–	–	–	3,111
2. Offshore centres						
<i>of which Hong Kong SAR</i>	4,391	2,050	41	7,286	–	13,768
3. Developing Asia and Pacific						
<i>of which China</i>	6,034	–	–	67	–	6,101

		Non-bank private sector				
		Official	Non-bank	Non-		
	Banks	Sector	financial	financial	Others	Total
			institutions	private		
				sector		
<b>As at 30 June 2015</b>						
1. Developed Countries						
<i>of which Netherlands</i>	31,992	–	6	1	–	31,999
<i>of which United States</i>	7,563	8,666	20	77	–	16,326
2. Offshore centres						
<i>of which Hong Kong SAR</i>	1,764	2,714	875	5,533	–	10,886
3. Developing Asia and Pacific						
<i>of which China</i>	6,036	–	2	413	–	6,451

Prior period amount has been reclassified for consistency with current period presentation. This reclassification had no effect on the reported results of the operations. For the period ended 30 June, 2015, \$2,714 million of claims on Exchange Fund is reclassified as Official Sector, previously such claims had been classed as Banks.

### Currency risk (HKD'000)

The following foreign currency exposures are prepared in accordance with the HKMA Return of Foreign Currency Position (Form MA(BS)6) completion instructions. Foreign currency exposures arising from trading and structural positions with net position (in absolute terms) which constitutes 10% or more of the total net position in all foreign currencies are disclosed. The net options position is calculated using the delta-weighted approach.

#### As at 31 December 2015

	EUR	USD
In HKD'000		
Spot assets	2,905,565	41,271,151
Spot liabilities	2,912,646	43,340,845
Forward purchases	980,327	10,845,389
Forward sales	980,513	8,627,463
Net options position	—	—
<b>Net long (short) position</b>	<b><u>(7,267)</u></b>	<b><u>148,232</u></b>

#### As at 30 June 2015

	EUR	USD
In HKD'000		
Spot assets	3,774,911	61,873,960
Spot liabilities	3,791,046	64,576,512
Forward purchases	6,304,949	16,691,897
Forward sales	6,304,035	13,915,918
Net options position	—	—
<b>Net long (short) position</b>	<b><u>(15,221)</u></b>	<b><u>73,427</u></b>

As at 31 December 2015, there was no foreign currency exposures arising from structural positions.

<b>Liquidity</b>	<b>31-Dec-15</b>	<b>31-Dec-14</b>
Average liquidity ratio for the 12 months (simple average of each calendar month's average ratio)	42.74%	N/A

As the LMR takes effect from 2015 January, ABN AMRO Hong Kong is not required to disclose the comparative information.

ABN AMRO Hong Kong has a liquidity risk framework in place that matches the overall moderate risk profile of the Bank and the central and local Risk Appetite. ABN AMRO Hong Kong monitors and analyses its liquidity profile on an on-going basis and actively manages its liquidity risk exposures and (internal) funding needs through interaction with local market or Treasury Amsterdam.

### Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by the HKMA, ABN AMRO Bank N.V., Hong Kong Branch complies with the requirements and has adopted the remuneration systems of ABN AMRO, Head Office.

**ABN AMRO Group N.V.**
**Section B – Consolidated bank information (Euro million)**

<b>Capital and capital adequacy</b>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
Total Equity (EU IFRS)	17,584	15,899
Total Common Equity Tier 1 (CET1) capital	16,768	16,281
Total Tier 1 capital	18,226	16,738
Total regulatory capital	23,431	20,990
CET1 ratio	15.50%	14.20%
Tier 1 ratio	16.90%	14.60%
Total capital ratio	21.70%	18.30%
<b>Other financial information</b>	<b>31-Dec-15</b>	<b>30-Jun-15</b>
Total assets	390,317	410,661
of which total advance to customers	259,319	266,776
Total liabilities	372,733	394,762
of which total customers deposits	230,136	230,107
Total risk-weighted assets (risk exposure amount)	108,001	114,930
	<b>For the</b>	
	<b>twelve months ended</b>	
	<b>31-Dec-15</b>	<b>31-Dec-14</b>
Profit/(loss) before taxation	2,722	1,546



Hong Kong, 31 March 2016

**Maureen Saskia de Rooij**

Chief Executive, ABN AMRO Bank N.V. Hong Kong Branch