



**The Royal Bank of Scotland N.V., (Hong Kong) Branch**

**Financial Disclosure Statements**

**30 June 2014**

**The Royal Bank of Scotland N.V., (Hong Kong) Branch**  
**Financial Disclosure Statements for the six months ended 30 June 2014**

In compliance with the disclosure standards set out in the “Banking (Disclosure) Rules” issued by the Hong Kong Monetary Authority (“HKMA”), the following key financial information has been provided. The information is also available at the branch of the Bank (7/F, Lincoln House, Taikoo Place, 979 King’s Road, Quarry Bay) and the Public Registry of the HKMA.

<b>Profit and Loss Information</b>	<b>6 months ended 30 Jun 2014 HK\$'000</b>	<b>6 months ended 30 Jun 2013 HK\$'000</b>
Interest income	12,887	32,467
Interest expense	(3,768)	(27,626)
Net interest income	<u>9,119</u>	<u>4,841</u>
Other operating income		
Net losses arising from trading in foreign currencies	-	(485)
Net losses from other trading activities	-	(18)
Net fees and commission income	881	20,698
Others	(32,316)	79,278
<i>Total operating (loss)/ income</i>	<u>(22,316)</u>	<u>104,314</u>
Operating expenses	16,973	(47,540)
Net release for impairment losses and provisions for impaired loans and receivables	3,222	410
<i>(Loss)/profit before taxation</i>	<u>(2,121)</u>	<u>57,184</u>
Tax income	-	2,732
<b>(Loss)/profit for the period</b>	<b><u>(2,121)</u></b>	<b><u>59,916</u></b>
<b>Balance Sheet Information</b>	<b>30 Jun 2014 HK\$'000</b>	<b>31 Dec 2013 HK\$'000</b>
<i>Assets</i>		
Cash and balances with banks	216,580	236,092
Advances and other accounts	1,549,044	1,713,526
Investment securities	141,986	150,430
Other investments	1,858	1,297
<b>Total assets</b>	<b><u>1,909,468</u></b>	<b><u>2,101,345</u></b>
<i>Liabilities</i>		
Deposits and balances of banks	17,456	61,339
Deposits from customers	6,295	11,425
Amount due to overseas offices of the institution	1,457,150	1,566,268
Issued investment securities	141,986	150,430
Other accounts and provisions	286,581	311,883
<b>Total liabilities</b>	<b><u>1,909,468</u></b>	<b><u>2,101,345</u></b>

**Additional Profit and Loss Information**

	<b>6 months ended 30 Jun 2014 HK\$'000</b>	<b>6 months ended 30 Jun 2013 HK\$'000</b>
<b><i>Net fees and commission income</i></b>		
Fees and commission income	1,615	21,773
Fees and commission expense	(734)	(1,075)
	<u>881</u>	<u>20,698</u>
<b><i>Other operating income - Others</i></b>		
Investment (loss)/gain	(32,872)	37,254
Regional recharges income	-	40,521
Others	556	1,503
	<u>(32,316)</u>	<u>79,278</u>
<b><i>Operating expenses</i></b>		
Staff expenses	(2,236)	(2,926)
Rental expenses	(13)	(3)
Recoveries of prior year provision	22,124	-
Others	(2,902)	(44,611)
	<u>16,973</u>	<u>(47,540)</u>

**Additional Balance Sheet Information**

	<b>30 Jun 2014 HK\$'000</b>	<b>31 Dec 2013 HK\$'000</b>
<b><i>Advances and other accounts</i></b>		
Advances to customers	1,342,830	1,478,068
Impairment allowances		
Collective impairment allowances <sup>#</sup>	-	-
Individual impairment allowances	(40,418)	(43,670)
	<u>1,302,412</u>	<u>1,434,398</u>
Other accounts		
Accrued interest receivable	4,230	4,876
Other accounts and receivables	242,402	274,252
	<u>246,632</u>	<u>279,128</u>
	<u>1,549,044</u>	<u>1,713,526</u>
<b><i>Trade bills</i></b>		
Trade bills	1,025	1,026
Impairment allowances		
Collective impairment allowances <sup>#</sup>	-	-
Individual impairment allowances	(1,025)	(1,026)
	<u>-</u>	<u>-</u>

<sup>#</sup> Collective impairment allowances for impaired assets are made at Group level for the Royal Bank of Scotland N.V. None of these allowances have been assigned to the Hong Kong Branch.

***Deposits from customers***

Demand deposits and current accounts	6,055	5,878
Savings deposits	240	5,547
Time, call and notice deposits	-	-
	<u>6,295</u>	<u>11,425</u>

***Other accounts and provisions***

Accrued interest payable	27	139
Other accounts and payables	286,554	311,744
	<u>286,581</u>	<u>311,883</u>

### ***Analysis of impaired loans***

Upon adoption of HKAS39, the concept of suspended interest and non-performing advances are no longer relevant as interest is recognized on the recoverable element of impaired advances. Impaired advances are incurred if there is objective evidence of impairment resulting from loss event and the loss event has an impact on the estimated future cash flows of the advances that can be reliably estimated.

	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Gross impaired advances to customers which are individually determined to be impaired	40,418	43,670
Individual impairment allowances	(40,418)	(43,670)
	-	-
Percentage of impaired advances to total advances to customers	3.0%	3.0%
Current market value of collateral related to impaired advances to customers	-	-
Covered portion of impaired advances to customers	-	-
Uncovered portion of impaired advances to customers	40,418	43,670

As at 30 June 2014 and 31 December 2013, there were no impaired advances to banks.

### ***Analysis of overdue advances to customers***

	<b>30 Jun 2014</b>	*	<b>31 Dec 2013</b>	*
	<b>HK\$'000</b>	<b>%</b>	<b>HK\$'000</b>	<b>%</b>
<b><i>Gross advances to customers which have been overdue with respect to either principal or interest for periods of:</i></b>				
Six months or less but over three months	-	-	-	-
One year or less but over six months	-	-	-	-
Over one year	40,418	3.0	43,670	3.0
	40,418	3.0	43,670	3.0
Current market value of collateral held against the covered portion of overdue advances to customers	-		-	
Covered portion of overdue advances to customers	-		-	
Uncovered portion of overdue advances to customers	40,418		43,670	
Individual impairment allowances against overdue advances to customers	40,418		43,670	

As at 30 June 2014 and 31 December 2013, there were no overdue advances to banks.

*\*as a percentage of total advances to customers*

### ***Analysis of rescheduled advances to customers***

There were no rescheduled advances to customers which have been overdue for more than 3 months included in the above "Analysis of overdue advances to customers" as at 30 June 2014 and 31 December 2013.

As at 30 June 2014 and 31 December 2013, there were no rescheduled advances to banks.

### ***Analysis of overdue other assets – trade bills***

	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b><i>Other assets which have been overdue with respect to either principal or interest for periods of:</i></b>		
Six months or less but over three months	-	-
One year or less but over six months	-	-
Over one year	1,025	1,026
	1,025	1,026

### ***Repossessed assets***

As at 30 June 2014 and 31 December 2013, there were no repossessed assets.

**Off-balance sheet exposures**

*Contractual/ Notional amounts of each of the following class of off-balance sheet exposures outstanding:*

**Contingent liabilities and commitments**

	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Transaction-related contingencies	131,393	151,579
Other commitments	-	68,825
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	131,393	220,404
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**Derivatives**

	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Exchange rate contracts	-	-
Interest rate contracts	-	-
Others	-	-
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	-	-
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*The contract amount of these instruments indicates the volume of transactions outstanding as at the balance sheet date. They do not represent the value at risk.*

	<b>30 Jun 2014</b>		<b>31 Dec 2013</b>	
	<b>HK\$'000</b>		<b>HK\$'000</b>	
	Fair value	Fair value	Fair value	Fair value
	assets	liabilities	assets	liabilities
Exchange rate contracts	-	-	-	-
Interest rate contracts	-	-	-	-
Others	-	-	-	-
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	-	-	-	-
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*The contractual amount and fair value above do not take into account the effect of bilateral netting arrangements.*

**Advances to customers by industry sectors**

	30 Jun 2014		31 Dec 2013	
	Gross loans and advances	% of gross loans covered by collateral	Gross loans and advances	% of gross loans covered by collateral
	HK\$'000	%	HK\$'000	%
<i>Loan for use in Hong Kong</i>				
Industrial, commercial and financial :				
Property development	-	-	-	-
Financial concerns	-	-	-	-
Wholesale and retail trade	-	-	-	-
<i>Loans for use in Hong Kong</i>	-	-	-	-
<i>Trade finance</i>	38,739	-	38,752	-
<i>Loans for use outside Hong Kong</i>	1,304,091	27.47	1,439,316	26.29
	1,342,830	26.68	1,478,068	25.60

**Analysis of advances to customers by significant geographical area**

	Gross advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowances
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b><u>As at 30 Jun 2014</u></b>				
Chile	449,100	-	-	-
US	334,289	-	-	-
Pakistan	358,298	-	-	-
<b><u>As at 31 Dec 2013</u></b>				
Chile	460,727	-	-	-
US	380,798	-	-	-
Pakistan	378,350	-	-	-

*Significant geographical area constitutes 10% or more of the aggregate gross amount of advances to customers after taking into consideration of transfers of risks. Figures of the previous period have been adjusted as for the comparison with figures of the current period.*

**Analysis of cross-border claims by significant geographical area (excluding claims against head office, branches or subsidiaries)**

	<b>Banks and other financial institutions</b>	<b>Public sector Entities</b>	<b>Others</b>	<b>Total</b>
	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>
<b>As at 30 Jun 2014</b>				
Asia Pacific excluding Hong Kong	23	-	359	382
<i>of which Pakistan</i>	-	-	358	358
North America	-	-	335	335
<i>of which United States</i>	-	-	335	335
Latin America	-	-	451	451
<i>of which Chile</i>	-	-	451	451
Western Europe	233	-	35	268
<i>of which UK</i>	233	-	-	233
<b>As at 31 Dec 2013</b>				
Asia Pacific excluding Hong Kong	-	-	405	405
<i>of which Pakistan</i>	-	-	380	380
North America	-	-	382	382
<i>of which United States</i>	-	-	382	382
Latin America	-	-	463	463
<i>of which Chile</i>	-	-	463	463
Western Europe	282	-	52	334
<i>of which UK</i>	280	-	-	280

*Significant geographical area constitutes 10% or more of the aggregate cross-border claims after taking into consideration of transfers of risks. Figures of the previous period have been adjusted as for the comparison with figures of the current period.*

**Non-bank Mainland Exposures**

**As at 30 Jun 2014**

	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Total exposures</b>	<b>Individual impairment allowances</b>
	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>
Companies and individuals outside Mainland where the credit is granted for use in Mainland	6	-	6	6
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland exposures	161	-	161	-
Total	167	-	167	6

**As at 31 Dec 2013**

	<b>On-balance sheet exposure</b>	<b>Off-balance sheet exposure</b>	<b>Total exposures</b>	<b>Individual impairment allowances</b>
	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>	<b>HK\$m</b>
Companies and individuals outside Mainland where the credit is granted for use in Mainland	6	-	6	6
Other counterparties where the exposures are considered by the Bank to be non-bank Mainland exposures	195	-	195	3
Total	201	-	201	9

## Currency risks

Foreign currency exposures arising from trading, non-trading and structural positions with net position (in absolute terms) in a particular foreign currency constituting not less than 10% of the total net position in all foreign currencies are disclosed as follows:

### As at 30 Jun 2014

Equivalent in millions of HK\$	USD	GBP	CNY	Total
Spot assets	1,625	79	175	1,879
Spot liabilities	(1,615)	(80)	(173)	(1,868)
Forward purchases	-	-	-	
Forward sales	-	-	-	
Net option position *	-	-	-	
Net long position	10	(1)	2	11
Net structural position	-	-	-	-

### As at 31 Dec 2013

Equivalent in millions of HK\$	USD	GBP	CNY	Total
Spot assets	1,713	80	173	1,966
Spot liabilities	(1,730)	(99)	(172)	(2,001)
Forward purchases	-	-	-	
Forward sales	-	-	-	
Net option position *	-	-	-	
Net (short) position	(17)	(19)	1	(35)
Net structural position	-	-	-	-

\* The delta equivalent approach was used for calculating the net position in options.

	6 months ended 30 Jun 2014	6 months ended 30 Jun 2013
Average liquidity ratio for the financial period	116.05%	249.21%

## RBS Holdings N.V.

### Group Information (consolidated basis)

	30 Jun 2014 (in EUR million)	31 Dec 2013 (in EUR million)
<b>Capital and capital adequacy</b>		
Shareholders equity	3,430	2,942
Capital adequacy ratio		
Tier 1 capital ratio	19.8%	23.2%
Total capital ratio	19.8%	26.1%
The risk-based capital ratios have been calculated in accordance with the Basel Capital Accord and the European Community's Capital Adequacy Directive. An allowance for market risk has been incorporated in the calculation.		
<b>Other financial information</b>		
	30 Jun 2014 (in EUR million)	31 Dec 2013 (in EUR million)
Total assets	35,914	39,808
Total liabilities (excluding subordinated liabilities)	27,891	31,915
Total loans and advances	3,024	3,784
Total customer deposits	1,655	4,151
	6 months ended 30 Jun 2014 (in EUR million)	6 months ended 30 Jun 2013 (in EUR million)
Group profit / (loss) before tax	61	(56)

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