

ABN AMRO Bank N.V. Hong Kong Branch
2018 Annual Financial Disclosure Statements

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

The information is available at the registered offices of ABN AMRO Bank N.V. Hong Kong Branch and the Public Registry of HKMA. The statement can also be found on ABN AMRO Bank's website at <https://www.abnamro.com/en/investor-relations/financial-disclosures/index.html>

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

Profit and loss information (HKD'000)	For the twelve months ended	
	31-Dec-18	31-Dec-17
Interest income	1,300,910	888,359
Interest expenses	966,490	534,643
Net interest income	<u>334,420</u>	<u>353,716</u>
Other operating income		
– Gains less losses arising from foreign exchange operations	7,965	(4,906)
– Gains less losses from other dealing activities	374	218
– Income from investment held for trading purposes	11,215	20,003
– Net fees and commission income	100,140	72,669
– <i>fees and commission income</i>	106,575	85,266
– <i>fees and commission expenses</i>	6,435	12,597
– Other	40,262	141,402
	<u>159,956</u>	<u>229,386</u>
Operating income	494,376	583,102
Operating expenses	297,502	324,393
of which		
– <i>staff expenses</i>	147,550	184,645
– <i>rental expenses</i>	35,104	41,359
– <i>other expenses</i>	114,848	98,389
Net charge for loan impairments	539,656	159,187
Net credit for other provisions	(301)	–
(Loss)/profit before taxation	(342,481)	99,522
Taxation (credit)/charge	(63,641)	18,748
Extraordinary loss (net of tax)	Note 1 (15,322)	–
(Loss)/profit after taxation in respect of continuing operations	(294,162)	80,774
Profit after taxation in respect of discontinuing operations	Note 2 –	1,080,097
(Loss)/profit for the period	(294,162)	1,160,871

Note 1 – Staff restructuring costs and other expenses arising from the re-organisation of Diamond and Jewelry business.

Note 2 – In 2017, ABN AMRO Bank N.V. Hong Kong Branch has disposed of its Private Banking Business. This sale was part of the divestment of the non-core segment of ABN AMRO Group N.V. and was completed on 30th April 2017.

The results in respect of discontinuing operations are as follows (HKD'000):

	For the twelve months ended	
	31-Dec-18	31-Dec-17
Operating income	–	15,892
Operating expenses	–	123,912
Loss before taxation	–	(108,020)
Taxation credit	–	15,674
Loss after taxation	–	(92,346)
Gain on disposal of discontinuing operations after tax	–	1,172,443
Profit after tax from discontinuing operations	–	1,080,097

Balance sheet (HKD'000)	31-Dec-18	30-Jun-18
Assets		
Cash and balances with banks <i>(except those included in amount due from overseas offices of the institution)</i>	673,844	245,612
Due from Exchange Fund	18,865	27,973
Amount due from overseas offices of the Institution	23,501,215	23,492,737
Trade bills	3,977,821	7,368,310
Available-for-sale securities	3,453,158	3,404,668
Advances and other accounts	10,472,112	9,903,637
– advances to customers	10,960,319	10,300,969
– accrued interest receivable	75,285	69,242
– impairment allowances for impaired loans and other receivables	(563,492)	(466,574)
– <i>collective impairment allowances</i>	(22,407)	(11,911)
– <i>individual impairment allowances</i>	(541,085)	(454,663)
Other accounts	184,763	159,869
– unrealized gains on derivative instruments	42,973	31,794
– other accounts	141,790	128,075
Tangible fixed assets	10,360	10,400
Total assets	42,292,138	44,613,206
Liabilities		
Deposits and balances of banks and other financial institutions <i>(except those included in amount due to overseas offices of the institution)</i>	1,009,112	96,480
Deposits from customers	1,561,866	2,434,036
– demand deposits and current accounts	1,297,877	1,637,324
– savings deposits	26,907	48,006
– time, call and notice deposits	237,082	748,706
Amount due to overseas offices of the Institution	39,476,571	41,637,017
Accrued interest payable	55,483	48,077
Other accounts	189,106	397,596
– unrealized losses on derivative instruments	44,542	21,174
– provisions and others	144,564	376,422
Total liabilities	42,292,138	44,613,206

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

As at 31 December 2018, there was no loan and advance to bank customers and therefore no impaired loan to bank customers. The analysis of impaired loans to non-bank customers are as follows:

The impaired loans* to customers by geographical area are as follows:	31-Dec-18			30-Jun-18		
	Gross Impaired Loans	Individual impairment allowances	Current market value of collateral	Gross Impaired Loans	Individual impairment allowances	Current market value of collateral
– United Arab Emirates	536,728	509,760	22,354	529,208	407,802	15,692
– Hong Kong	31,325	31,325	7,688	60,404	46,861	7,703
	<u>568,053</u>	<u>541,085</u>	<u>30,042</u>	<u>589,612</u>	<u>454,663</u>	<u>23,395</u>

Percentage of impaired loans to customers to total advances to customers

5.18%

5.72%

* Impaired loans are advances to banks and customers that 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
31-Dec-18

The gross value of advances to customers by geographical area that have been overdue for:	Less than one month	more than one month	more than three months	more than six months	over one year	Total	Individual impairment allowances	Current market value of collateral
		and up to three months	and up to six months	and up to one year				
– United Arab Emirates	135,120	74,158	102,870	242,387	–	554,535	464,872	22,354
– Hong Kong	–	–	–	3,582	27,743	31,325	31,325	7,688
	<u>135,120</u>	<u>74,158</u>	<u>102,870</u>	<u>245,969</u>	<u>27,743</u>	<u>585,860</u>	<u>496,197</u>	<u>30,042</u>

Percentage of overdue loans to customers to total advances to customers

1.23%

0.68%

0.94%

2.24%

0.25%

5.35%

Balance Sheet (HKD'000) (continued)
30-Jun-18

The gross value of advances to customers by geographical area that have been overdue:	Less than one month	more than one month	more than three months	more than six months	over one year	Total	Individual impairment allowances	Current market value of collateral
		and up to three months	and up to six months	and up to one year				
- United Arab Emirates	101,810	146,623	50,166	173,055	57,554	529,208	407,802	15,692
- Hong Kong	-	-	56,774	3,630	-	60,404	46,861	7,703
	<u>101,810</u>	<u>146,623</u>	<u>106,940</u>	<u>176,685</u>	<u>57,554</u>	<u>589,612</u>	<u>454,663</u>	<u>23,395</u>

Percentage of overdue loans to customers to total advances to customers

0.99% 1.42% 1.04% 1.71% 0.56% 5.72%

Value of collateral held against overdue advances to customers	31-Dec-18	30-Jun-18
- Current market value of collateral held against overdue loans and advances	30,042	23,395
- Covered portion of overdue loans and advances	30,042	23,395
- Uncovered portion of overdue loans and advances	555,818	566,217

As at 31 December 2018, 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.

As at 31 December 2018	On-balance sheet exposure	Off-balance sheet exposure	Total
Types of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,669,818	–	2,669,818
2. Local governments, local government-owned entities and their subsidiaries and JVs	969,888	514,802	1,484,690
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,728,767	2,650,777	6,379,544
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	–	–	–
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	480,588	–	480,588
Total	7,849,061	3,165,579	11,014,640
Total assets after provision	42,292,138		
On-balance sheet exposures as percentage of total assets after provision	18.56%		

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

As at 30 June 2018	On-balance sheet exposure	Off-balance sheet exposure	Total
Types of Counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,264,121	–	2,264,121
2. Local governments, local government-owned entities and their subsidiaries and JVs	775,648	1,272,705	2,048,353
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,190,463	3,177,872	5,368,335
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	–	–	–
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	700,399	–	700,399
Total	5,930,631	4,450,577	10,381,208
Total assets after provision	44,613,206		
On-balance sheet exposures as percentage of total assets after provision	13.29%		

Off-balance sheet exposures (HKD'000)	31-Dec-18	30-Jun-18
(a) Contingent liabilities and commitments		
– Direct credit substitutes	–	15,692
– Transaction-related contingencies	33,156	29,272
– Trade-related contingencies	3,146,702	5,360,296
– Forward asset purchases	–	96,875
– Forward forward deposits taken	8,614,925	20,874
– Forward forward deposits placed	3,132,700	–
– Other commitments	13,612,394	14,060,320
	28,539,877	19,583,329

Direct credit substitutes are mainly 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. Transaction-related contingencies are performance guarantees. Trade-related contingencies are mainly issue of letters of credit and confirmed letters of credit. Other commitments represent the amounts at risk should contracts be fully drawn upon and clients default.

(b) Derivatives (Notional amounts)		
– Exchange rate contracts	14,328,244	17,072,132
	14,328,244	17,072,132

Derivative contracts were mainly entered into on a back-to-back basis to facilitate clients. The transactions carried out for the account of ABN AMRO Bank N.V. Hong Kong Branch are primarily to manage exchange rate risk.

(c) Total fair value of derivatives		
– Exchange rate contracts	(1,569)	10,619
(No bilateral netting arrangements)	(1,569)	10,619

As at 31 December 2018, there are no note issuance and revolving underwriting facilities.

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		
As at 31 December 2018						
1. Developed Countries						
<i>of which Netherlands</i>	23,845	–	59	–	–	23,904
2. Offshore centres						
<i>of which Hong Kong SAR</i>	7	2,698	25	6,602	–	9,332
3. Developing Asia and Pacific						
<i>of which China</i>	4,037	–	–	976	–	5,013
As at 30 June 2018						
1. Developed Countries						
<i>of which Netherlands</i>	23,621	–	–	–	–	23,621
2. Offshore centres						
<i>of which Hong Kong SAR</i>	32	2,650	32	5,499	–	8,213
3. Developing Asia and Pacific						
<i>of which China</i>	7,249	–	–	1,132	–	8,381

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.

	USD	
	31-Dec-18	30-Jun-18
Spot assets	38,377,534	40,858,988
Spot liabilities	41,096,029	44,277,987
Forward purchases	8,581,898	10,341,266
Forward sales	<u>5,721,300</u>	<u>6,749,349</u>
Net long position	<u>142,103</u>	<u>172,918</u>

As at 31 December 2018, there was no foreign currency exposures arising from structural positions.

Liquidity

Principles of Liquidity Risk Management

ABN AMRO Bank N.V. Hong Kong Branch (ABN AMRO HK) acts as a branch and funding centre for Asia Pacific and is within the core perimeter of the ABN AMRO Group N.V. (ABN AMRO Group) Liquidity Risk Management structure. ABN AMRO HK's liquidity management is subject to the governance and principles outlined in the ABN AMRO Group Liquidity Policy. These are based on and in accordance with the principles set by De Nederlandsche Bank (DNB, the Dutch Central Bank) defining the Internal Liquidity Adequacy Assessment Process (ILAAP). ABN AMRO Group sets its liquidity management in compliance with the standards of the BASEL Committee, including but not limited to full compliance with the Liquidity Coverage Ratio, the Net Stable Funds Ratio and the Leverage Ratio.

Certain elements in the ABN AMRO Group Liquidity Policy are primarily executed centrally, and apply to the local situation only indirectly, or in a global governance context. To align the local Asset and Liability Management and Treasury (ALM/T) operating model with respect to liquidity management, international governance principles have been created in line with ABN AMRO Group liquidity principles.

Liquidity *(continued)*

Assets and Liabilities Committee (ALCO)

The Hong Kong Assets and Liabilities Committee (ALCO) defines ABN AMRO HK's Risk Appetite that matches the overall moderate risk profile of ABN AMRO Group. Limits and checkpoints are set relative to ABN AMRO HK's regulatory and internal ratios, and Intercompany Funding and Counter Balancing Capacity after Stress, to measure, monitor and manage remaining ABN AMRO HK's liquidity risk. ALCO holds a meeting on a monthly basis; amongst others, to discuss and monitor liquidity topics.

Assets and Liabilities Management and Treasury (ALM/T)

ABN AMRO HK Assets & Liabilities Management and Treasury's (ALM/T) responsibilities centre on identifying, monitoring and managing balance sheet risks within internal and external requirements. ALM/T is responsible for setting up the local liquidity risk framework and the local liquidity strategy. The framework and strategy have to be aligned with the annual Local Risk Appetite Statement process and updated accordingly by HK ALM/T. Any adjustment to the framework have to be approved by HK ALCO and relevant global business risk committees.

Liquidity Risk Monitoring and Reporting

Reporting to HK ALCO and Group ALM on liquidity indicators is performed according to the requirements formulated by Hong Kong ALCO and Group ALM. Liquidity indicators, reports and dashboards are used to monitor the liquidity position. Internal reporting is performed on the Liquidity Risk Appetite Indicators, Early Warning Indicators, liquidity buffer and overall liquidity profile. The liquidity reports aim to provide adequate insight in the overall funding position. The checkpoints and Early Warning indicators act as a trigger, to ensure mitigation actions are taken before they exceed the defined limit or Appetite.

Diversification in funding sources and tenors of funding

ABN AMRO HK maintains a diversified funding profile and sustains its proven market access. ABN AMRO HK relies on ABN AMRO Group's central funding strategy and market access to adhere to the regulatory liquidity management principle of effective diversification in sources and tenor of funding, as well as maintaining an on going presence in its chosen funding markets and strong relationships with liquidity providers to promote effective diversification of funding sources.

All positions over 12 months are matched funded with Head Office. ABN AMRO HK manages short term liquidity up to 12 months. The maximum liquidity mismatch (contractual gap) is monitored and reported to the Group ALCO and HK ALCO via the HK ALCO Dashboard. ABN AMRO HK also manages its intraday liquidity positions and risks, meeting payment and settlement obligation when under both normal and stressed conditions. As part of its own liquidity management strategy, ABN AMRO HK holds a liquidity buffer to withstand a period of limited funding access. A contingency funding plan is in place to guide on governance in liquidity stress situation.

Liquidity *(continued)*

Liquidity Buffer

In accordance with the central funding and liquidity model of ABN AMRO Group, ABN AMRO HK maintains a regulatory portfolio/liquidity buffer. ABN AMRO HK's mandatory regulatory liquid assets comprise of Hong Kong Monetary Authority Bills and debt securities issued by a sovereign or central bank assigned a credit rating of at least AA-S&P, Fitch or Aa3 Moody's.

Fund Transfer Pricing

ABN AMRO HK recognises and applies the cost of funding based on the principle of matched opportunity rate. Interest rate risk and liquidity risk is transferred out of the business segments to the Assets and Liabilities Management (ALM) segment by applying the Global Funds Transfer Pricing (FTP) principles.

Liquidity Stress Testing

Liquidity stress testing plays an important part in obtaining a comprehensive view of ABN AMRO HK's liquidity risk profile. Stress tests for ABN AMRO HK are well designed and implemented, stress outcomes provide valuable information on ABN AMRO HK's liquidity profile that cannot be generated from a limited set of standardised liquidity metrics alone. Stress Testing is used to predict and illustrate the current and prospective (potential) liquidity risk impact of ABN AMRO HK of local and/or global events and development. Stress tests and scenario analyses are run regularly to understand the impact of liquidity stress on cash flows. The results are used to assess the:

- Risk Appetite
- Contingency Funding Plan (CFP)
- Liquidity Management Policy
- The required size of the counter balancing capacity which consists of available Head Office funding and the liquidity buffer.

Liquidity *(continued)*
Contingency Funding Plan (CFP)

ABN AMRO HK defines a CFP to respond efficiently and effectively to severe disruption to ABN AMRO HK's ability to fund its activities. The CFP ensures quick identification of a (potential) liquidity crisis and action taking. The CFP clearly sets out the strategies for addressing possible liquidity shortfalls in emergency situations, to ensure quick identification and action taking. The CFP outline policies to manage a range of stress environments, establish clear lines of responsibility, include clear invocation and escalation procedures, mitigation actions and is regularly tested and updated to ensure that it is operationally fit.

	2018	2017
	Oct – Dec	Jan – Dec
Average liquidity maintenance ratio (LMR)	47.20%	53.36%

LMR disclosed in 2018 is 3-month simple average for the latest quarter while 2017 was 12-month simple average for the year.

Liquidity Buffer (HKD'000)	31-Dec-18	30-Jun-18
US Treasury Bills	774,445	782,142
The HKSAR Exchange Fund Bills	<u>2,678,713</u>	<u>2,622,526</u>
	<u>3,453,158</u>	<u>3,404,668</u>

Contractual maturity of assets and liabilities (HKD'000)
As at 31 December 2018

	On demand	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and three years	Between three and five years	Maturity not applicable	Total
Assets:										
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	555,315	118,529	-	-	-	-	-	-	-	673,844
Due from Exchange Fund	18,865	-	-	-	-	-	-	-	-	18,865
Amount due from overseas offices of the institution	260,098	15,135,256	7,831,750	-	274,111	-	-	-	-	23,501,215
Trade Bills	-	1,539,039	1,429,607	917,066	92,109	-	-	-	-	3,977,821
Available-for-sale-securities	-	831,631	2,457,791	163,736	-	-	-	-	-	3,453,158
Advances to customers	-	2,616,269	1,852,511	1,034,811	798,062	833,997	2,619,856	618,953	585,860	10,960,319
Accrued interest receivable	-	35,617	33,389	2,813	3,466	-	-	-	-	75,285
Unrealized gains on derivative instruments	-	33,996	2,387	3,607	2,983	-	-	-	-	42,973
Others	-	7	26,121	-	-	-	-	-	115,662	141,790
Impairment allowances	-	-	-	-	-	-	-	-	(563,492)	(563,492)
Fixed assets	-	-	-	-	-	-	-	-	10,360	10,360
Total assets	834,278	20,310,344	13,633,556	2,122,033	1,170,731	833,997	2,619,856	618,953	148,390	42,292,138
Liabilities:										
Deposits and balances of bank and other financial institutions (except those included in amount due to overseas offices of the institution)	-	1,009,112	-	-	-	-	-	-	-	1,009,112
Deposit from customers	1,324,784	58,619	41,811	136,652	-	-	-	-	-	1,561,866
Amount due to overseas office of the institution	39,252	25,333,996	8,813,843	364,292	852,382	833,997	2,619,856	618,953	-	39,476,571
Accrued interest payable	-	26,758	23,372	1,887	3,466	-	-	-	-	55,483
Unrealized losses on derivative instruments	-	40,252	649	20	3,621	-	-	-	-	44,542
Provisions and other	10,884	5,531	79,307	-	(289,790)	-	-	-	338,632	144,564
Total Liabilities	1,374,920	26,474,268	8,958,982	502,851	569,679	833,997	2,619,856	618,953	338,632	42,292,138
Off-balance sheet exposures – claims										
Forward forward deposits taken	-	8,614,925	-	-	-	-	-	-	-	8,614,925
Other claims	-	-	3,149,645	-	-	-	-	-	-	3,149,645
Total off-balance sheet exposures – claims	-	8,614,925	3,149,645	-	-	-	-	-	-	11,764,570
Off-balance sheet exposures – obligations										
Direct credit substitutes	-	-	-	-	-	-	-	-	-	-
Transaction-related contingencies	33,156	-	-	-	-	-	-	-	-	33,156
Trade-related contingencies	3,146,702	-	-	-	-	-	-	-	-	3,146,702
Forward asset purchases	-	-	-	-	-	-	-	-	-	-
Forward forward deposits placed	-	3,132,700	-	-	-	-	-	-	-	3,132,700
Other commitments	13,025,013	195,794	195,794	195,794	-	-	-	-	-	13,612,394
Other obligations	-	2,349,691	4,722,342	1,580,834	-	-	-	-	-	8,652,827
Total off-balance sheet exposures – obligations	16,204,871	5,678,185	4,918,136	1,776,628	-	-	-	-	-	28,577,819
Net Liquidity Gap	(16,745,513)	(3,227,184)	2,900,083	(157,446)	601,052	-	-	-	(190,242)	(16,813,249)

Contractual maturity of assets and liabilities (HKD'000) (continued)
As at 30 June 2018

	On demand	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and two years	Between two and three years	Between three and five years	Maturity not applicable	Total
Assets:										
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	245,612	-	-	-	-	-	-	-	-	245,612
Due from Exchange Fund	27,973	-	-	-	-	-	-	-	-	27,973
Amount due from overseas offices of the institution	204,711	10,528,265	12,562,778	196,983	-	-	-	-	-	23,492,737
Trade Bills	-	2,243,724	3,462,084	1,662,502	-	-	-	-	-	7,368,310
Available-for-sale-securities	-	3,404,668	-	-	-	-	-	-	-	3,404,668
Advances to customers	-	1,896,207	2,302,536	1,370,294	601,721	836,212	1,748,016	620,091	925,892	10,300,969
Accrued interest receivable	-	30,697	34,014	4,531	-	-	-	-	-	69,242
Unrealized gains on derivative instruments	-	20,265	2,059	5,707	3,763	-	-	-	-	31,794
Others	-	207	34,451	-	-	-	-	-	93,417	128,075
Impairment allowances	-	-	-	-	-	-	-	-	(466,574)	(466,574)
Fixed assets	-	-	-	-	-	-	-	-	10,400	10,400
Total assets	478,296	18,124,033	18,397,922	3,240,017	605,484	836,212	1,748,016	620,091	563,135	44,613,206
Liabilities:										
Deposits and balances of bank and other financial institutions (except those included in amount due to overseas offices of the institution)	11,480	85,000	-	-	-	-	-	-	-	96,480
Deposit from customers	1,637,324	392,764	99,681	215,180	89,087	-	-	-	-	2,434,036
Amount due to overseas office of the institution	1,081	10,526,098	26,616,147	818,370	471,004	836,212	1,748,014	620,091	-	41,637,017
Accrued interest payable	-	12,642	31,820	3,331	284	-	-	-	-	48,077
Unrealized losses on derivative instruments	-	20,047	1,101	26	-	-	-	-	-	21,174
Provisions and other	-	9,300	37,193	-	108,993	-	-	-	220,936	376,422
Total Liabilities	1,649,885	11,045,851	26,785,942	1,036,907	669,368	836,212	1,748,014	620,091	220,936	44,613,206
Off-balance sheet exposures – claims										
Forward forward deposits taken	-	20,875	-	-	-	-	-	-	-	20,875
Total off-balance sheet exposures – claims	-	20,875	-	-	-	-	-	-	-	20,875
Off-balance sheet exposures – obligations										
Direct credit substitutes	15,692	-	-	-	-	-	-	-	-	15,692
Transaction-related contingencies	29,272	-	-	-	-	-	-	-	-	29,272
Trade-related contingencies	5,360,296	-	-	-	-	-	-	-	-	5,360,296
Forward asset purchases	-	96,875	-	-	-	-	-	-	-	96,875
Forward forward deposits placed	-	-	-	-	-	-	-	-	-	-
Other commitments	13,668,012	392,308	-	-	-	-	-	-	-	14,060,320
Total off-balance sheet exposures – obligations	19,073,272	489,183	-	-	-	-	-	-	-	19,562,455
Net Liquidity Gap	(20,244,861)	6,609,874	(8,388,020)	2,203,110	(63,884)	-	2	-	342,199	(19,541,580)

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 HK complies with the requirements and has adopted the remuneration systems of ABN AMRO Group.

ABN AMRO Group N.V.

Section B – Consolidated bank information (Euro million)

Capital and capital adequacy	31-Dec-18	30-Jun-18
Total Common Equity Tier 1 (CET1) capital	19,346	19,159
Total Tier 1 capital	20,296	20,106
Total regulatory capital	23,386	23,211
CET1 ratio	18.40%	18.30%
Tier 1 ratio	19.30%	19.20%
Total capital ratio	22.20%	22.20%

Shareholders' fund

	31-Dec-18	30-Jun-18
Total Shareholders' fund	21,360	21,288

Other financial information

	31-Dec-18	30-Jun-18
Total assets	381,295	395,365
of which total advance to customers	270,886	277,817
Total liabilities	359,935	374,077
of which total customers deposits	236,123	238,058
Total risk-weighted assets (risk exposure amount)	105,391	104,490

For the twelve months ended

	31-Dec-18	31-Dec-17
Profit before taxation	3,086	3,771

Declaration of Compliance

We confirm that the information in these financial disclosure statements for the period ended 31 December 2018 complies with the Banking (Disclosure) Rules issued by Hong Kong Monetary Authority and, to the best of our knowledge and belief, it is not false or misleading.

Hong Kong, 29 April 2019

Simon Dodd

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

Dirk van der Merwe

Head of Accounting and Reporting,
ABN AMRO Bank N.V. Hong Kong Branch