

BANK OF SHANGHAI (HONG KONG) LIMITED

INTERIM FINANCIAL INFORMATION
DISCLOSURE STATEMENT FOR THE
SIX MONTHS ENDED 30 JUNE 2016

**BANK OF SHANGHAI (HONG KONG) LIMITED
UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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**BANK OF SHANGHAI (HONG KONG) LIMITED
UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Bank of Shanghai (Hong Kong) Limited (the “Company”) is pleased to present the interim financial disclosure statement of the Company and its subsidiary (the “Group”) for the first half ended 30 June 2016. The consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in equity for the six months ended 30 June 2016, and the consolidated statement of financial position as at 30 June 2016 of the Group, (all of which are unaudited) along with the explanatory notes are illustrated on pages 2 to 26 of this interim financial disclosure statement.

Financial Review

The Group’s profit for the period was HK\$63,532,000, which declined by 17% as compared with the same period of 2015. It should be noted that the Group’s operating results included a foreign exchange translation loss of HK\$16,586,000 (2015: gain of HK\$2,177,000) on the capital denominated in Renminbi (“RMB”) due to depreciation of RMB against HK Dollar during the period. Should this foreign exchange translation loss be excluded, the Group’s operating profit before taxation would have been HK\$94,322,000, or 5% higher than the same period of 2015.

Total loans and advances to customers were up by 27% to HK\$10,132 million from 2015 year end, while customer deposits rose by 10% to HK\$8,657 million as the Group continued to expand its customer and deposit base. The assets quality remained satisfactory.

The Group’s financial position remained sound. Total capital adequacy ratio was maintained at a comfortable level at 20.8%, and the average liquidity maintenance ratio (“LMR”) at 43.8%. Both ratios adequately met the requirements of the Hong Kong Monetary Authority.

In June 2016, Bank of Shanghai Co., Ltd., the Company’s parent company, injected new capital of HK\$ 400,000,000 into the Company to further strengthen its capital position. Details of the share capital of the Company are provided in note 21(a) of this interim financial disclosure statement.

BANK OF SHANGHAI (HONG KONG) LIMITED
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Interest income		212,296	175,702
Interest expense		(86,937)	(79,661)
Net interest income	5	125,359	96,041
Net fees and commission income	6	33,375	36,567
Net trading (loss)/gain	7	(7,327)	13,466
Other operating income		48	11
Total operating income		151,455	146,085
Operating expenses	8	(67,838)	(47,873)
Operating profit before impairment losses		83,617	98,212
Loan impairment charges	9	(5,881)	(6,176)
Profit before taxation		77,736	92,036
Taxation	10	(14,204)	(15,290)
Profit for the period		63,532	76,746
Other comprehensive income for the period net of tax			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Net movement in available-for-sale fair value reserve	11	1,320	681
Total comprehensive income for the period		64,852	77,427

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Assets			
Cash and balances with banks and central bank			
	12	803,026	60,405
Placements with and advances to banks	13	6,059,168	7,086,084
Derivative financial assets	22	5,948	9,690
Loans and advances to customers	14	10,132,395	7,954,493
Available-for-sale financial assets	15	553,835	204,293
Property and equipment	16	27,197	22,229
Intangible assets		5,881	6,368
Deferred tax assets		7,437	5,500
Other assets	17	104,212	113,201
Total assets		<u>17,699,099</u>	<u>15,462,263</u>
Liabilities			
Deposits from customers	18	8,656,679	7,853,990
Deposits from banks		3,272,115	2,200,372
Derivative financial liabilities	22	7,867	9,514
Certificates of deposit issued	19	3,064,365	3,114,197
Current tax payable		16,653	754
Deferred tax liabilities		308	308
Other liabilities	20	106,557	173,425
Total liabilities		<u>15,124,544</u>	<u>13,352,560</u>
Equity			
Share capital	21	2,400,000	2,000,000
Retained profits		105,225	57,546
Other reserves		69,330	52,157
Total equity		<u>2,574,555</u>	<u>2,109,703</u>
Total equity and liabilities		<u>17,699,099</u>	<u>15,462,263</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Available- for-sale fair value reserve/ (deficit) HK\$'000	Regulatory reserve HK\$'000	Total HK\$'000
Balance at 1 January 2015		2,000,000	5,990	(988)	27,517	2,032,519
Changes in equity for the six months ended 30 June 2015:						
Profit for the period		-	76,746	-	-	76,746
Other comprehensive income	11	-	-	681	-	681
Total comprehensive income		-	76,746	681	-	77,427
Transfer to regulatory reserve		-	(12,394)	-	12,394	-
Balance at 30 June 2015 and 1 July 2015		2,000,000	70,342	(307)	39,911	2,109,946
Changes in equity for the six months ended 31 December 2015:						
Profit for the period		-	1,314	-	-	1,314
Other comprehensive loss		-	-	(1,557)	-	(1,557)
Total comprehensive income/(loss)		-	1,314	(1,557)	-	(243)
Transfer to regulatory reserve		-	(14,110)	-	14,110	-
Balance at 31 December 2015 and 1 January 2016		2,000,000	57,546	(1,864)	54,021	2,109,703
Changes in equity for the six months ended 30 June 2016:						
Profit for the period		-	63,532	-	-	63,532
Other comprehensive income	11	-	-	1,320	-	1,320
Total comprehensive income		-	63,532	1,320	-	64,852
Issue of ordinary shares		400,000	-	-	-	400,000
Transfer to regulatory reserve		-	(15,853)	-	15,853	-
Balance at 30 June 2016		2,400,000	105,225	(544)	69,874	2,574,555

**BANK OF SHANGHAI (HONG KONG) LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Net cash (outflow)/inflow from operating activities	23(a)	(47,903)	2,783,107
Investing activities			
Purchase of available-for-sale financial assets		(352,399)	-
Purchases of property and equipment and intangible assets		(10,792)	(1,499)
Interest received from available-for-sale financial assets		3,717	3,871
Net cash (outflow)/inflow from investing activities		(359,474)	2,372
Financing activities			
Issuance of share capital		400,000	-
Net cash inflow from financing activities		400,000	-
(Decrease)/increase in cash and cash equivalents		(7,377)	2,785,479
Cash and cash equivalents at 1 January		5,287,312	2,793,758
Cash and cash equivalents at 30 June	23(b)	5,279,935	5,579,237

**BANK OF SHANGHAI (HONG KONG) LIMITED
UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT

(1) BASIS OF PREPARATION

This interim financial information disclosure statement was authorised for issuance on 30 September 2016 and has been prepared in accordance with the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("HKMA").

(2) ACCOUNTING POLICY

The accounting policies applied in preparing this interim financial information disclosure statement are consistent with those used and described in the Group's audited annual financial statements for the year ended 31 December 2015.

(3) BASIS OF CONSOLIDATION

The interim financial information disclosure statement covers the consolidated positions of the Company and its subsidiary.

For regulatory reporting purposes, the Company is required to compute its capital adequacy ratios and leverage ratio on a combined basis that is different from the basis of consolidation for accounting purposes. The basis is illustrated in the Note 1 of the Supplementary Financial Information.

(4) STATEMENT OF COMPLIANCE

In preparing the unaudited interim financial information disclosure statement for the first half of 2016, the Company has fully complied with the disclosure provisions of the Banking (Disclosure) Rules.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(5) NET INTEREST INCOME

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Interest income		
Interest income arising from financial assets that is not measured at fair value through profit or loss		
- Placements with and advances to banks	38,648	92,829
- Loans and advances to customers	171,116	80,926
- Listed available-for-sale financial assets	2,499	1,909
- Unlisted available-for-sale financial assets	33	38
	<u>212,296</u>	<u>175,702</u>
	-----	-----
Interest expense		
Interest expense arising from financial liabilities that is not measured at fair value through profit or loss		
- Deposits from banks	(9,681)	(13,009)
- Deposits from customers	(53,711)	(52,656)
- Certificates of deposit issued	(23,543)	(13,993)
- Others	(2)	(3)
	<u>(86,937)</u>	<u>(79,661)</u>
	-----	-----
Net interest income	<u><u>125,359</u></u>	<u><u>96,041</u></u>

There was no interest income accrued on impaired financial assets and on unwinding of discount on loan impairment allowances for the six months ended 30 June 2016 and 30 June 2015.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(6) NET FEES AND COMMISSION INCOME

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Fees and commission income		
- Credit facilities	21,771	24,822
- Investment banking business	8,945	11,213
- Trade services	497	519
- Others	2,543	254
	<u>33,756</u>	<u>36,808</u>
Fees and commission expenses	(381)	(241)
Net fees and commission income	<u>33,375</u>	<u>36,567</u>

All the fees and commission income of HK\$33,756,000 (2015: HK\$36,808,000) and fees and commission expenses of HK\$381,000 (2015: HK\$241,000) for the six months ended 30 June 2016 were arising from financial assets and financial liabilities that were not measured at fair value through profit or loss.

No fees and commission income nor fees and commission expenses were arising from trust or other fiduciary activities where the Group might hold or invest on behalf of its customers for the six months ended 30 June 2016 and 30 June 2015.

(7) NET TRADING GAIN/(LOSS)

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Foreign exchange (loss)/gain	(7,327)	13,718
Other derivatives	-	(252)
	<u>(7,327)</u>	<u>13,466</u>

“Net trading gain/loss” mainly consisted of foreign exchange gains or losses on spot and forward contracts, as well as from revaluation of assets and liabilities in foreign currencies. There was a foreign exchange translation loss of HK\$16,586,000 (2015: gain of HK\$2,177,000) for the Group on the Company’s capital denominated in RMB due to depreciation of RMB against HK Dollar during the period. Should this translation loss be excluded, the Group would have recorded a net trading gain of HK\$9,259,000 (2015: HK\$11,289,000) during the period.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(8) OPERATING EXPENSES

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Staff costs		
- Salaries and other benefits	36,655	28,000
- Pension and provident funds	2,478	1,827
	<u>39,133</u>	<u>29,827</u>
	-----	-----
Premises and equipment expenses excluding depreciation		
- Rental of premises	11,655	5,123
- Maintenance and office facility expenses	1,600	797
- Others	875	416
	<u>14,130</u>	<u>6,336</u>
	-----	-----
Auditors' remuneration	326	305
Depreciation of property and equipment	4,699	3,944
Amortisation of intangible assets	1,612	1,032
Legal and professional fees	1,960	1,802
IT and systems expenses	2,734	2,306
Other operating expenses	3,244	2,321
	<u>14,575</u>	<u>11,710</u>
	-----	-----
	<u><u>67,838</u></u>	<u><u>47,873</u></u>

(9) LOAN IMPAIRMENT CHARGES

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Loan impairment charges	<u>5,881</u>	<u>6,176</u>
	=====	=====
Represented by:		
New provision	<u>5,881</u>	<u>6,176</u>
	=====	=====

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(10) TAXATION

Taxation in the consolidated statement of comprehensive income is illustrated below:

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Current tax		
Hong Kong profits tax		
Provision for the period	15,974	13,716
	-----	-----
Taxation outside Hong Kong		
Withholding tax in the People's Republic of China	164	3,387
	-----	-----
	16,138	17,103
	=====	=====
Deferred tax		
Origination and reversal of temporary differences	(1,934)	(1,813)
	-----	-----
	14,204	15,290
	=====	=====

The provision for Hong Kong profits tax was calculated at 16.5% (2015: 16.5%) on the estimated assessable profits for the period.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(11) OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to each component of other comprehensive income

	<i>6 months ended 30 Jun 2016</i>			<i>6 months ended 30 Jun 2015</i>		
	<i>Before tax</i>	<i>Tax</i>	<i>Net-of-tax</i>	<i>Before tax</i>	<i>Tax</i>	<i>Net-of-tax</i>
	<i>amount</i>	<i>expense</i>	<i>amount</i>	<i>amount</i>	<i>expense</i>	<i>amount</i>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Available-for-sale financial assets: net movement in available-for-sale fair value reserve	1,320	-	1,320	681	-	681
Other comprehensive income	1,320	-	1,320	681	-	681

(b) Components of other comprehensive income

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Available-for-sale investment reserve		
- fair value changes taken to equity	1,320	681

(12) CASH AND BALANCES WITH BANKS AND CENTRAL BANK

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Balances with banks	787,870	57,105
Balances with central bank	15,156	3,300
	803,026	60,405

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(13) PLACEMENTS WITH AND ADVANCES TO BANKS

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Placements with banks		
- maturing within one month	4,244,138	3,795,631
- maturing between one and twelve months	1,357,834	3,290,453
Advances to banks		
- maturing of more than one year	457,196	-
	<u>6,059,168</u>	<u>7,086,084</u>

There were no overdue, impaired or rescheduled placements with and advances to banks for the periods indicated.

(14) LOANS AND ADVANCES TO CUSTOMERS

(a) Loans and advances to customers

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Gross loans and advances to customers	10,164,309	7,980,526
Less: loan impairment allowances		
- individually assessed	(122)	(249)
- collectively assessed	(31,792)	(25,784)
	<u>10,132,395</u>	<u>7,954,493</u>
Value of collateral for loans and advances which are individually assessed to be impaired	<u>-</u>	<u>-</u>
Gross loans and advances which are individually assessed to be impaired	<u>487</u>	<u>994</u>
Percentage of loans and advances which are individually assessed to be impaired to gross loans and advances	<u>0.00%</u>	<u>0.01%</u>

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(14) LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Loans and advances overdue for more than 3 months

(i) Gross amount of overdue loans and advances

	30 Jun 2016		31 Dec 2015	
	HK\$'000	% of gross loans and advances to customers	HK\$'000	% of gross loans and advances to customers
Gross loans and advances which have been overdue for:				
- more than three months but not more than six months	-	-	994	0.01
- more than six months but not more than one year	487	0.00	-	-

(ii) Value of collateral held and impairment allowances against overdue loans and advances

	30 Jun 2016	31 Dec 2015
	HK\$'000	HK\$'000
Overdue loans and advances	487	994
Current market value of collateral	-	-
Individually assessed impairment allowances	122	249

(c) Rescheduled loans and advances

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or the inability of the borrower to meet the original repayment schedule and for which the revised payment terms are inferior to the original payment terms. The rescheduled loans and advances are stated net of any loans and advances that have subsequently become overdue for over three months and reported as overdue loans and advances as above.

The overdue loans stated in Note 14(b)(i) above amounting to HK\$487,000 and HK\$994,000 were rescheduled as at 30 June 2016 and 31 December 2015 respectively. There was no collateral held, but had personal and corporate guarantees for the overdue loan as at 30 June 2016 and 31 December 2015.

(d) Other overdue and rescheduled assets

As at 30 June 2016 and 31 December 2015, there were no other overdue and rescheduled assets.

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(CONTINUED)

(14) LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Loan impairment allowances against loans and advances to customers

	Individually assessed HK\$'000	Collectively assessed HK\$'000	Total HK\$'000
At 1 January 2015	-	(8,161)	(8,161)
Charges of impairment losses	(249)	(17,623)	(17,872)
At 31 December 2015	(249)	(25,784)	(26,033)
Write-back/(charges) of impairment losses	127	(6,008)	(5,881)
At 30 June 2016	(122)	(31,792)	(31,914)

(f) Gross loans and advances to customers by industry sector

	30 Jun 2016		31 Dec 2015	
	HK\$'000	% of gross advances covered by collateral	HK\$'000	% of gross advances covered by collateral
Gross loans and advances to customers for use in Hong Kong				
Industrial, commercial and financial sectors				
– property development	870,605	30.3	804,155	68.3
– property investment	44,523	100.0	22,788	100.0
– financial concerns	1,033,753	30.1	466,293	8.4
– wholesale and retail trade	548,429	8.7	463,338	36.1
– manufacturing	1,166,467	0.8	881,504	6.1
– electricity and gas	33,700	100	126,700	100
– stockbrokers	292,363	-	275,243	-
– recreational activities	51,442	31.2	52,978	-
– transport and transport equipment	278,968	1.9	241,855	2.2
– others	209,817	0.4	193,756	-
	4,530,067	16.2	3,528,610	27.3
Individuals	114,600	1.5	240,600	0.7
Total gross loans and advances for use in Hong Kong	4,644,667	15.8	3,769,210	25.6
Trade finance	500,891	2.5	483,753	3.0
Gross loans and advances for use outside Hong Kong	5,018,751	7.1	3,727,563	21.7
Gross loans and advances to customers	10,164,309	10.9	7,980,526	22.4

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(14) LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(g) Segmental analysis of loans and advances to customers by geographical area

Loans and advances to customers by geographical area are classified according to the location of the borrower after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party located in an area that is different from that of the borrower.

	Gross loans and advances HK\$'000	Individually impaired loans and advances HK\$'000	Overdue loans and advances HK\$'000	Individually assessed allowances HK\$'000	Collectively assessed allowances HK\$'000
At 30 June 2016					
China	6,410,451	-	-	-	(18,280)
Hong Kong	3,729,677	487	487	(122)	(13,425)
Singapore	24,181	-	-	-	(87)
	<u>10,164,309</u>	<u>487</u>	<u>487</u>	<u>(122)</u>	<u>(31,792)</u>
At 31 December 2015					
China	4,337,129	-	-	-	(12,893)
Hong Kong	3,643,397	994	994	(249)	(12,891)
	<u>7,980,526</u>	<u>994</u>	<u>994</u>	<u>(249)</u>	<u>(25,784)</u>

(15) AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Exchange fund bills	99,956	99,917
Debt securities	453,879	104,376
	<u>553,835</u>	<u>204,293</u>
Issued by:		
- Sovereigns	99,956	99,917
- Banks	453,879	104,376
	<u>553,835</u>	<u>204,293</u>
Analysed by listing status:		
- Listed	235,507	104,376
- Unlisted	318,328	99,917
	<u>553,835</u>	<u>204,293</u>

There were no available-for-sale debt securities individually determined to be impaired as at 30 June 2016 and 31 December 2015.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(16) PROPERTY AND EQUIPMENT

Details of movement of property and equipment are as follows:

	<i>Leasehold improvements</i> HK\$'000	<i>Furniture, computer and other equipment</i> HK\$'000	<i>Motor vehicles</i> HK\$'000	<i>Total</i> HK\$'000
Cost:				
At 1 January 2015	9,316	12,151	1,007	22,474
Additions	14,478	2,101	-	16,579
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	23,794	14,252	1,007	39,053
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2016	23,794	14,252	1,007	39,053
Additions	6,656	3,011	-	9,667
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2016	30,450	17,263	1,007	48,720
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation:				
At 1 January 2015	(4,109)	(4,370)	(399)	(8,878)
Charge for the year	(4,474)	(3,220)	(252)	(7,946)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	(8,583)	(7,590)	(651)	(16,824)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2016	(8,583)	(7,590)	(651)	(16,824)
Charge for the period	(2,225)	(2,349)	(125)	(4,699)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2016	(10,808)	(9,939)	(776)	(21,523)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 30 June 2016	19,642	7,324	231	27,197
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	15,211	6,662	356	22,229
	<hr/>	<hr/>	<hr/>	<hr/>

The Group had leased equipment under finance lease expiring in 5 years. None of these leases contained contingent rentals.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(17) OTHER ASSETS

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Interest receivable	80,144	63,812
Fee receivable	2,615	20,261
Customer liability under acceptances	4,778	4,823
Account receivable	6,006	7,170
Prepaid expenses	2,009	6,767
Others	8,660	10,368
	<u>104,212</u>	<u>113,201</u>
	=====	=====

(18) DEPOSITS FROM CUSTOMERS

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Deposits from customers - time, call and notice deposits	8,656,679	7,853,990
	<u>8,656,679</u>	<u>7,853,990</u>
	=====	=====

(19) CERTIFICATES OF DEPOSIT ISSUED

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Certificates of deposit issued - measured at amortised cost	3,064,365	3,114,197
	<u>3,064,365</u>	<u>3,114,197</u>
	=====	=====

(20) OTHER LIABILITIES

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Interest payable	52,119	59,473
Account payable	578	664
Accrued expenses	9,690	4,539
Provision for short term employee benefits	10,932	17,784
Obligations under finance leases	48	61
Acceptances outstanding	4,777	4,823
Others	28,413	86,081
	<u>106,557</u>	<u>173,425</u>
	=====	=====

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
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(21) EQUITY

(a) Share Capital

	2016		2015	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Ordinary shares, issued and fully paid:				
At 1 January	160,439	2,000,000	160,439	2,000,000
Allotment of new shares	40,000	400,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2016 / 31 December 2015	<u>200,439</u>	<u>2,400,000</u>	<u>160,439</u>	<u>2,000,000</u>

In June 2016, the Company issued 40,000,000 shares of HK\$10.00 each to its holding company at par.

(b) Nature and purpose of reserves

(i) Available-for-sale fair value reserve

This comprises the cumulative net change in the fair value of available-for-sale financial assets until the financial assets are derecognised and is dealt with in accordance with the accounting policies adopted for the measurement of the available-for-sale financial assets at fair value.

(ii) Retained profits

The Company is required to maintain minimum capital adequacy ratio set by the HKMA. The aforesaid minimum capital requirement may therefore potentially restrict the amount of retained profits available for distribution to shareholders.

(iii) Regulatory reserve

The regulatory reserve is maintained in accordance with Hong Kong Banking regulations. At 30 June 2016, a regulatory reserve of HK\$69,874,000 (2015: HK\$54,021,000) was maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movement in this reserve was made directly through retained profits and the HKMA was consulted. The regulatory reserve is non-distributable.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(22) DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives entered into by the Group included foreign exchange forward and swap contracts. The Group used these derivatives in its own assets and liabilities management and also provided these products to customers as normal banking activities. For those transactions with customers, they were closely managed by entering into offsetting transactions with external parties to ensure the Group's net exposures were within acceptable level of risk. No significant proprietary trading positions were maintained by the Group at 30 June 2016 and 31 December 2015 respectively.

(a) Notional amounts of derivatives

Derivatives refer to financial contracts, the value of which depends on the value of one or more underlying assets or indices. The notional amount of such instrument indicates the volume of the transaction and does not represent the amount at risk.

	<i>Qualifying for hedge accounting HK\$'000</i>	<i>Managed in conjunction with financial instruments designated at fair value through profit or loss HK\$'000</i>	<i>Others, including held for trading HK\$'000</i>	<i>Total HK\$'000</i>
At 30 June 2016				
Exchange rate contracts				
– Spot and forwards	-	-	726,036	726,036
– Swaps	-	-	633,993	633,993
	-----	-----	-----	-----
	-	-	1,360,029	1,360,029
	=====	=====	=====	=====
At 31 December 2015				
Exchange rate contracts				
– Forwards	-	-	659,962	659,962
– Swaps	-	-	221,031	221,031
	-----	-----	-----	-----
	-	-	880,993	880,993
	=====	=====	=====	=====

All these derivatives had residual maturity of one year or less.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(22) DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values and credit risk-weighted amounts of derivatives

Credit risk-weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules (the “Capital Rules”) and based on the status and the credit standing of the counterparty and the residual maturity of the transaction.

	Derivative financial assets HK\$'000	Derivative financial liabilities HK\$'000	Credit risk-weighted amount HK\$'000
At 30 June 2016			
Exchange rate contracts			
– Spot and forwards	4,324	4,387	2,317
– Swaps	1,624	3,480	2,551
	5,948	7,867	4,868
	5,948	7,867	4,868
At 31 December 2015			
Exchange rate contracts			
– Forwards	9,649	9,510	8,124
– Swaps	41	4	16
	9,690	9,514	8,140
	9,690	9,514	8,140

Derivative financial instruments are presented in net when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle them on a net basis or realise the asset and settle the liability simultaneously. As at 30 June 2016, no derivative financial instruments fulfilled the above criteria, and therefore no derivative financial instruments were offset in the statement of financial position (2015: Nil).

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(23) NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit before taxation to net cash outflow from the operating activities

	6 months ended 30 Jun 2016 HK\$'000	6 months ended 30 Jun 2015 HK\$'000
Profit before taxation	77,736	92,036
Adjustments for:		
Interest income	(212,296)	(175,702)
Interest expense	86,937	79,661
Depreciation of property and equipment	4,699	3,944
Amortisation of intangible assets	1,612	1,032
Impairment charges	5,881	6,176
Interest received	192,215	187,411
Interest paid	(94,292)	(90,034)
Operating profit before changes in working capital	62,492	104,524
Change in placements with and advances to banks with original maturity beyond three months	276,919	965,602
Change in gross loans and advances to customers	(2,183,783)	(1,851,472)
Change in other assets	25,038	(7,492)
Change in deposits from banks	1,071,743	(771,224)
Change in deposits from customers	802,690	2,676,603
Change in certificates of deposit issued	(52,904)	1,677,435
Change in other liabilities	(59,467)	(981)
Elimination of exchange differences and other non-cash items	9,611	(3,508)
Cash generated (used in)/from operating activities	(47,661)	2,789,487
Hong Kong profits tax paid	-	-
Withholding tax in the People's Republic of China paid	(242)	(6,380)
Net cash (outflow)/inflow from operating activities	(47,903)	2,783,107

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(CONTINUED)

(23) NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Cash and cash equivalents in the consolidated statement of cash flows

	30 Jun 2016 HK\$'000	30 Jun 2015 HK\$'000
Cash and balances with banks and central bank	803,026	33,030
Placements with banks with original maturity within three months	4,476,909	5,546,207
	<u>5,279,935</u>	<u>5,579,237</u>

(c) Reconciliation with the consolidated statement of financial position

	30 Jun 2016 HK\$'000	30 Jun 2015 HK\$'000
Cash and balances with banks and central bank	803,026	33,030
Placements with and advances to banks	6,059,168	7,009,321
	<u>6,862,194</u>	<u>7,042,351</u>
Amounts shown in the consolidated statement of financial position	6,862,194	7,042,351
Less: Placements with and advances to banks with an original maturity beyond three months	1,582,259	1,463,114
	<u>5,279,935</u>	<u>5,579,237</u>

(24) CONTINGENT LIABILITIES AND COMMITMENTS

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
Contract amounts		
– Direct credit substitutes	140,787	90,990
– Transaction-related contingencies	336	1,478
– Trade-related contingencies	29,413	170,845
– Other commitments:		
– which are unconditionally cancellable	1,492,471	1,260,536
– with an original maturity under one year	-	463,691
– with an original maturity over one year	342,821	262,944
	<u>2,005,828</u>	<u>2,250,484</u>
Credit risk weighted amount	<u>174,357</u>	<u>255,591</u>

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**NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)**

(25) FAIR VALUE OF FINANCIAL INSTRUMENT

(a) Financial assets and liabilities measured at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: fair value measured using quoted market prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: fair value measured using valuation techniques based on observable inputs, either directly or indirectly. This category includes quoted prices in active markets for similar financial instruments, or quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: fair value measured using significant unobservable inputs. This category includes inputs to valuation techniques not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect difference between the instruments.

Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for most of the unlisted securities and over-the-counter derivatives, direct market prices of these financial instruments may not be available. The fair values of such instruments are therefore calculated based on established valuation techniques using current market parameters or market prices provided by counterparties.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the reporting date. For other derivative financial instruments, the Group uses estimated discounted cash flows to determine their fair value and the discount rate used is a discount rate at the end of reporting period applicable for an instrument with similar terms and conditions.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(25) FAIR VALUE OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

The table below analyses financial instruments, measured at fair value as at 30 June 2016 and 31 December 2015, by the level in the fair value hierarchy into which the fair value treatment is categorised

At 30 June 2016

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurements				
Assets				
Derivative financial assets	-	5,948	-	5,948
Available-for-sale financial assets	335,463	218,372	-	553,835
	=====	=====	=====	=====
Liabilities				
Derivative financial liabilities	-	7,867	-	7,867
	=====	=====	=====	=====

At 31 December 2015 (restated)

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurements				
Assets				
Derivative financial assets	-	9,690	-	9,690
Available-for-sale financial assets	204,293	-	-	204,293
	=====	=====	=====	=====
Liabilities				
Derivative financial liabilities	-	9,514	-	9,514
	=====	=====	=====	=====

During the six months ended 30 June 2016 and the year of 2015, there were no transfers of financial instruments between Level 1 and Level 2. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)

(25) FAIR VALUE OF FINANCIAL INSTRUMENT (CONTINUED)

(a) Financial assets and liabilities measured at fair value (continued)

Valuation of financial instruments with significant unobservable inputs

The following table shows a reconciliation from the beginning balance to the ending balance for fair value measurements in Level 3 of the fair value hierarchy:

	<i>Derivative financial assets</i>	
	2016 HK\$'000	2015 HK\$'000
At 1 January	-	254
Purchases/initiation	-	-
Sales	-	-
Settlements	-	-
Transfer in	-	-
Transfer out	-	-
Changes in fair value recognised in the profit or loss:		
– Net trading loss	-	(254)
	<hr/>	<hr/>
At 30 June 2016 / 31 December 2015	-	-
	<hr/> <hr/>	<hr/> <hr/>
Total gains or losses for the year included in the profit or loss for assets held at the end of the reporting period recorded in:		
– Net trading loss	-	(254)
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO INTERIM FINANCIAL INFORMATION DISCLOSURE STATEMENT
(CONTINUED)**

(25) FAIR VALUE OF FINANCIAL INSTRUMENT (CONTINUED)

(b) Financial assets and liabilities not measured at fair value

Financial assets and liabilities that were presented not at their fair value on the consolidated statement of financial position mainly represented cash and balances with banks, placements with and advances to banks, and loans and advances to customers. These financial assets were measured at amortised cost less impairment. Financial liabilities not presented at their fair value on the consolidated statement of financial position mainly represented deposits from banks, deposits from customers and certificates of deposit issued. These financial liabilities were measured at amortised cost.

The Group assessed that the differences between the fair values and the carrying amounts of those financial assets and liabilities not presented in the Group's consolidated statement of financial position at their fair values were insignificant as most of the Group's financial assets and liabilities were either short-term or priced at floating rates.

(c) Transfers of financial assets

The Group enters into transactions in the normal course of business which transfers recognised financial assets directly to third party. During the period ended 30 June 2016, all these transfers resulted in full derecognition of the financial assets concerned as the Group transferred its contractual right to receive cash flows from these financial assets, or retained the rights but assumed an obligation to pass on the cash flows from these financial assets, and transferred substantially all the risks and rewards of ownership. The risks included credit, interest rate, currency, prepayment and other price risks.

As at 30 June 2016 and 31 December 2015, there were no outstanding transferred financial assets in which the Group had a continuing involvement.

(26) RESTATEMENT OF PRIOR PERIODS

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

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SUPPLEMENTARY FINANCIAL INFORMATION

(1) CAPITAL ADEQUACY RATIO AND CAPITAL MANAGEMENT

(a) Capital ratio

The capital ratios as of 30 June 2016 and 31 December 2015 were as follows:

	30 Jun 2016	31 Dec 2015
Common Equity Tier 1("CET1") capital ratio	20.0%	19.4%
Tier 1 capital ratio	20.0%	19.4%
Total capital ratio	20.8%	20.1%

The capital ratios of the Group were computed on the basis as required by the HKMA. For accounting purpose, the consolidated financial statements would include the Company and the subsidiary, BOSC International Company Limited. However, under the regulatory guideline, this subsidiary is not required to be consolidated for regulatory purpose. Details of the subsidiary not being consolidated for regulatory purpose are as follows:

		As at 30 Jun 2016	
<u>Name of company</u>	<u>Principal activities</u>	<u>Total assets</u>	<u>Total equity</u>
		HK\$'000	HK\$'000
BOSC International Company Limited	Corporate finance/ Stock brokerage services/ Assets Management	101,717	80,111

In calculating the risk-weighted amount, the Group adopted the Standardised (Credit Risk) Approach for credit risk and the Standardised (Market Risk) Approach for market risk. For operational risk, the capital requirement was determined by using the Basic Indicator Approach.

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(1) CAPITAL ADEQUACY RATIO AND CAPITAL MANAGEMENT (CONTINUED)

(b) Capital structure

The capital base after all required deductions for calculation of capital adequacy ratio purpose as of 30 June 2016 and 31 December 2015 are shown below:

	30 Jun 2016 HK\$'000	31 Dec 2015 HK\$'000
CET1 Capital		
Shareholder's equity		
Regulatory deductions from CET1 capital	2,582,550	2,107,496
- Deferred tax assets in excess of deferred tax liabilities	(6,517)	(4,687)
- Intangible assets	(4,682)	(5,070)
- Regulatory reserve	(69,874)	(54,021)
Total CET1 Capital	<u>2,501,477</u>	<u>2,043,718</u>
Additional Tier 1 ("AT1") Capital		
Total AT1 capital before regulatory deductions	-	-
Regulatory deductions from AT1 capital	-	-
Total AT1 Capital	<u>-</u>	<u>-</u>
Total Tier 1 ("T1") Capital	<u>2,501,477</u>	<u>2,043,718</u>
Tier 2 ("T2") Capital		
Total T2 capital before regulatory deductions		
- Collective provisions	31,792	25,784
- Regulatory reserve	69,874	54,021
Regulatory deductions from T2 capital	-	-
Total T2 capital	<u>101,666</u>	<u>79,805</u>
Total Capital	<u>2,603,143</u>	<u>2,123,523</u>

(c) Capital buffers

With effect from 1 January 2016, the following capital buffers are phased-in and the applicable ratios to the Group on a consolidated basis are as follows:

	30 Jun 2016
Capital conservation buffer ratio	0.625%
Higher loss absorbency ratio	0%
Countercyclical capital buffer ("CCyB") ratio	0.276%
Total	<u>0.901%</u>

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(1) CAPITAL ADEQUACY RATIO AND CAPITAL MANAGEMENT (CONTINUED)

(d) Additional capital disclosures

The following items are included in the “Regulatory Disclosure” section in the Company’s website at www.bankofshanghai.com.hk :

- A detailed breakdown of the Group’s CET1 capital, AT1 capital, T2 capital and regulatory deductions, by following the standard template as specified by the HKMA.
- A full reconciliation between the Group’s CET1 capital, AT1 capital, T2 capital and regulatory deductions and the Group’s balance sheet in this interim financial information disclosure statement.
- A description of the main feature and full terms and conditions of the Group’s capital instruments.
- A geographical breakdown of risk-weighted assets in relation to private sector credit exposures and the applicable CCyB ratio for each jurisdiction using the standard template as specified by the HKMA.

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(2) LEVERAGE RATIO

The Company is required under section 24A (6) of the Banking (Disclosure) Rules to disclose its Leverage Ratio effective from 31 March 2015. The Leverage Ratio as at 30 June 2016 and 31 December 2015 was computed in accordance with the Leverage Ratio Framework document issued by the HKMA.

	30 Jun 2016	31 Dec 2015
Leverage Ratio	13.8%	12.8%
	HK\$'000	HK\$'000
T1 capital	2,501,477	2,041,456
Exposure measure	18,145,156	15,953,163

Detailed breakdown of the Company's exposure measure and a summary comparison table reconciling the assets on the Group's balance sheet with the leverage exposure measure using the standard templates as specified by the HKMA are available in the "Regulatory Disclosure" section at the Company's website www.bankofshanghai.com.hk.

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(3) LIQUIDITY DISCLOSURES

The Company has complied with the LMR requirement in accordance with Banking (Liquidity) Rules starting from 1 January 2015 which set a minimum requirement of 25%. The average liquidity ratio for the six-month period represented the simple average of each calendar month's average LMR, which was computed on a "single company" basis as required by the HKMA for regulatory reporting purposes and was in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

	30 Jun 2016	30 Jun 2015
Average liquidity ratio for the six-month period ended	43.8%	74.9%

Approach to Liquidity Risk Management

Objectives, framework and process are in place for risk governance, measurement and monitoring of the Group's liquidity risk. Details of the Group's liquidity risk management approach are delineated in the 2015 annual financial statements.

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(5) NON-BANK MAINLAND EXPOSURES

The analysis of non-bank Mainland exposures is based on the categories of non-bank entities and the types of direct exposures defined by the HKMA under the Disclosure Rules and also with reference to the HKMA Return in Mainland Activities.

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
At 30 June 2016			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	781,260	103,583	884,843
2. Local government, local government-owned entities and their subsidiaries and JVs	419,112	-	419,112
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,717,501	121,725	2,839,226
4. Other entities of central government not reported in item 1 above	124,088	-	124,088
5. Other entities of local governments not reported in item 2 above	211,923	49,500	261,423
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,621,201	208,800	1,830,001
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,564,807	16,926	3,581,733
Total	<u>9,439,892</u>	<u>500,534</u>	<u>9,940,426</u>
Total assets after provision	<u>17,713,679</u>		
On-balance sheet exposures as percentage of total assets	<u>53.29%</u>		

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(5) NON-BANK MAINLAND EXPOSURES (CONTINUED)

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
At 31 December 2015			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	202,715	65,000	267,715
2. Local government, local government-owned entities and their subsidiaries and JVs	469,549	7,835	477,384
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,072,007	86,071	2,158,078
4. Other entities of central government not reported in item 1 above	240,196	-	240,196
5. Other entities of local governments not reported in item 2 above	273,437	87,750	361,187
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,348,317	266,116	1,614,433
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,088,577	274,393	3,362,970
Total	<u>7,694,798</u>	<u>787,165</u>	<u>8,481,963</u>
Total assets after provision	<u>15,509,155</u>		
On-balance sheet exposures as percentage of total assets	<u>49.61%</u>		

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SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(6) CURRENCY CONCENTRATION

The Group had the following net foreign currency exposed by currencies which exceeded 10% of the net foreign currency exposure in all currencies:

	USD HK\$'000 equivalent	RMB HK\$'000 equivalent	EUR HK\$'000 equivalent	Other Foreign currencies HK\$'000 equivalent	Total foreign currencies HK\$'000 equivalent
At 30 June 2016					
Spot assets	9,702,546	2,698,616	609,450	164	13,010,776
Spot liabilities	(8,832,611)	(3,479,650)	(495,642)	-	(12,807,903)
Forward purchases	67,962	626,016	12,594	-	706,572
Forward sales	(451,183)	(360,855)	(122,149)	-	(934,187)
Net long/(short) non-structural position	486,714	(515,873)	4,253	164	(24,742)
	=====	=====	=====	=====	=====
	USD HK\$'000 equivalent	RMB HK\$'000 equivalent	EUR HK\$'000 equivalent	Other Foreign currencies HK\$'000 equivalent	Total foreign currencies HK\$'000 equivalent
At 31 December 2015					
Spot assets	8,993,366	3,131,734	53,594	195	12,178,889
Spot liabilities	(8,782,707)	(3,594,640)	(15,077)	-	(12,392,424)
Forward purchases	550,350	327,045	-	-	877,395
Forward sales	(332,926)	(326,900)	(3,977)	-	(663,803)
Net long/(short) non-structural position	428,083	(462,761)	34,540	195	57
	=====	=====	=====	=====	=====

As at 30 June 2016 and 31 December 2015, there was no net structural position.

BANK OF SHANGHAI (HONG KONG) LIMITED
UNAUDITED CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2016

SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

(7) ANALYSIS OF GROSS LOANS AND ADVANCES TO CUSTOMERS BASED ON INTERNAL CLASSIFICATION USED BY THE GROUP

Gross loans and advances, individually impaired loans and advances, overdue loans and advances, individually assessed and collectively assessed loan impairment allowances, the amount of new impairment allowances charged to profit or loss, and the amount of impaired loans and advances written off during the year by industry sectors accounting for not less than 10 per cent of aggregate gross loans and advances to customers are analysed as follows:

	<i>At 30 June 2016</i>						
	<i>Gross loans and advances</i> HK\$'000	<i>Overdue loans and advances</i> HK\$'000	<i>Individually impaired loans and advances</i> HK\$'000	<i>Individually assessed loan impairment allowances</i> HK\$'000	<i>Collectively assessed loan impairment allowances</i> HK\$'000	<i>New impairment allowances</i> HK\$'000	<i>Loans and advances written off during the year</i> HK\$'000
Financial concerns	1,562,918	-	-	-	(4,996)	2,048	-
Wholesale and retail trade	2,289,465	-	-	-	(8,007)	2,063	-
Property development	1,811,283	-	-	-	(5,053)	(51)	-
Manufacturing	1,609,210	487	487	(122)	(5,090)	433	-
	<i>At 31 December 2015</i>						
	<i>Gross loans and advances</i> HK\$'000	<i>Overdue loans and advances</i> HK\$'000	<i>Individually impaired loans and advances</i> HK\$'000	<i>Individually assessed loan impairment allowances</i> HK\$'000	<i>Collectively assessed loan impairment allowances</i> HK\$'000	<i>New impairment allowances</i> HK\$'000	<i>Loans and advances written off during the year</i> HK\$'000
Financial concerns	993,720	-	-	-	(2,948)	666	-
Wholesale and retail trade	1,732,560	-	-	-	(5,944)	3,760	-
Property development	1,623,632	-	-	-	(5,104)	3,939	-
Manufacturing	1,453,614	994	994	(249)	(4,657)	4,105	-