



INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

中國工商銀行（亞洲）有限公司

(Incorporated in Hong Kong with limited liability)

**STANDARD TEMPLATES FOR DISCLOSURES IN RELATION TO
REGULATORY CAPITAL**

**FOR THE SIX MONTHS ENDED
30 JUNE 2016**

Transition Disclosures Template

Amounts
subject to
pre-Basel III
treatment*

CET1 capital: instruments and reserves			
		HK\$'000	
1	Directly issued qualifying CET1 capital instruments plus any related share premium	36,379,331	
2	Retained earnings	32,349,413	
3	Disclosed reserves	4,152,086	
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	Not applicable	
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory deductions	72,880,830	
CET1 capital: regulatory deductions			
7	Valuation adjustments	84,489	
8	Goodwill (net of associated deferred tax liability)	980,154	
9	Other intangible assets (net of associated deferred tax liability)	33,701	0
10	Deferred tax assets net of deferred tax liabilities	66,071	
11	Cash flow hedge reserve	20,568	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0
13	Gain-on-sale arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	0
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0
17	Reciprocal cross-holdings in CET1 capital instruments	0	0
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	

23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	4,576,475	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	614,380	
26b	Regulatory reserve for general banking risks	3,961,825	
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	270	
26e	Capital shortfall of regulated non-bank subsidiaries	0	0
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	Total regulatory deductions to CET1 capital	5,761,458	
29	CET1 capital	67,119,372	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
36	AT1 capital before regulatory deductions	0	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	0	0
38	Reciprocal cross-holdings in AT1 capital instruments	0	0
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0
41	National specific regulatory adjustments applied to AT1 capital	0	

41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital	0
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0
iii	of which: Investments in own CET1 capital instruments	0
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0
43	Total regulatory deductions to AT1 capital	0
44	AT1 capital	0
45	Tier 1 capital (Tier 1 = CET1 + AT1)	67,119,372
Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	9,482,158
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	2,315,878
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	5,787,886
51	Tier 2 capital before regulatory deductions	17,585,922

Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0
56	National specific regulatory adjustments applied to Tier 2 capital	(276,471)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(276,471)	
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0	
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0	
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0	
iii	of which: Investments in own CET1 capital instruments	0	
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0	
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
57	Total regulatory deductions to Tier 2 capital	(276,471)	
58	Tier 2 capital	17,862,393	
59	Total capital (Total capital = Tier 1 + Tier 2)	84,981,765	
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment		

i	of which: Mortgage servicing rights	0
ii	of which: Defined benefit pension fund net assets	0
iii	of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments	0
iv	of which: Capital investment in a connected company which is a commercial entity	0
v	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
vi	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
60	Total risk weighted assets	522,374,172
Capital ratios (as a percentage of risk weighted assets)		
61	CET1 capital ratio	12.86%
62	Tier 1 capital ratio	12.86%
63	Total capital ratio	16.28%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	5.51%
65	<i>of which: capital conservation buffer requirement</i>	0.63%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.38%
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.00%
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s.3B, as the case requires, of the BCR	8.36%
National minima (if different from Basel 3 minimum)		
69	National CET1 minimum ratio	Not applicable
70	National Tier 1 minimum ratio	Not applicable
71	National Total capital minimum ratio	Not applicable

Amounts below the thresholds for deduction (before risk weighting)		
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	431,393
74	Mortgage servicing rights (net of related tax liability)	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	5,787,886
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	5,787,886
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	Not applicable
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	Not applicable
Capital instruments subject to phase-out arrangements		
80	<i>Current cap on CET1 capital instruments subject to phase out arrangements</i>	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase out arrangements</i>	0
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	0
84	<i>Current cap on Tier 2 capital instruments subject to phase out arrangements</i>	2,315,878
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	1,555,464

* This refers to the position under the Banking (Capital) Rules in force on 31 December 2012.

Notes to the template:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liability)	33,701	33,701
	<p><u>Explanation</u> As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		
10	Deferred tax assets net of deferred tax liabilities	66,071	0
	<p><u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>		

	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
18	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
39	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column “Basel III basis” in this box represents the amount reported in row 39 (i.e. the amount reported under the “Hong Kong basis”) adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI’s connected companies which were subject to deduction under the Hong Kong approach.		
	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0
54	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column “Basel III basis” in this box represents the amount reported in row 54 (i.e. the amount reported under the “Hong Kong basis”) adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI’s connected companies which were subject to deduction under the Hong Kong approach.		
Remarks: The amount of the 10%/15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.			

Abbreviations:

CET1: Common Equity Tier 1
AT1: Additional Tier 1

Balance Sheet Reconciliation (Step 1)

	Balance sheet as in published financial statements 30-Jun-16 HK\$'000	Under regulatory scope of consolidation 30-Jun-16 HK\$'000
Assets		
Cash and balances with banks and other financial institutions	164,841,175	164,810,863
Placements with banks and other financial institutions	25,593,395	25,593,395
Financial assets held for trading	1,148,335	1,091,098
Financial assets designated at fair value through profit or loss	-	-
Derivative financial instruments	12,667,426	12,667,426
Advances and other accounts	407,783,808	407,783,808
Financial investments:	161,027,048	161,020,929
– Available-for-sale	87,856,091	87,849,972
– Held-to-maturity	73,170,957	73,170,957
Interest in associates	295,784	126,938
Investment in subsidiaries	-	431,393
Goodwill and other intangible assets	1,031,930	1,013,855
Investment properties	80,919	69,977
Property, plant and equipment	941,129	940,772
Deferred income tax assets	66,071	66,071
Other assets	12,633,088	12,803,561
Total assets	788,110,108	788,431,028
Liabilities		
Deposits from banks and other financial institutions	162,221,012	162,221,012
Derivative financial instruments	12,586,462	12,586,462
Deposits from customers	450,507,201	451,789,781
Certificates of deposit issued	57,044,521	57,044,521
Debt securities in issue	3,188,451	3,188,451
– Designated at fair value through profit or loss	-	-
– At amortised cost	3,188,451	3,188,451
Current income tax liabilities	509,018	629,878
Deferred income tax liabilities	178,456	178,456
Subordinated debts measured at amortised cost	13,353,500	13,353,500
Other liabilities	14,503,590	14,558,137
Total liabilities	714,092,211	715,550,198
Equity		
Share capital	36,379,331	36,379,331
Retained earnings	33,471,889	32,349,413
Other reserves	4,166,677	4,152,086
Total equity	74,017,897	72,880,830
Total equity and liabilities	788,110,108	788,431,028

Balance Sheet Reconciliation (Step 2)

	Balance sheet as in published financial statements 30-Jun-16 HK\$'000	Under regulatory scope of consolidation 30-Jun-16 HK\$'000	Cross reference to Definition of Capital Components
Assets			
Cash and balances with banks and other financial institutions	164,841,175	164,810,863	
Placements with banks and other financial institutions	25,593,395	25,593,395	
Financial assets held for trading	1,148,335	1,091,098	
Financial assets designated at fair value through profit or loss	-	-	
Derivative financial instruments	522,374,172	12,667,426	
Advances and other accounts	407,783,808	407,783,808	
Of which: collective impairment allowances reflected in regulated capital		(1,826,061)	(5)
Financial investments:	161,027,048	161,020,929	
– Available-for-sale	87,856,091	87,849,972	
– Held-to-maturity	73,170,957	73,170,957	
Interest in associates	295,784	126,938	
Investment in subsidiaries	-	431,393	
Goodwill and other intangible assets	1,031,930	1,013,855	
Of which: goodwill		980,154	(1)
other intangible asset		33,701	(2)
Investment properties	80,919	80,919	
Of which: cumulative revaluation gain on investment properties		42,346	(16)
Property, plant and equipment	941,129	940,772	
Deferred income tax assets	66,071	66,071	(3)
Other assets	12,633,088	12,803,561	
Total assets	788,110,108	788,431,028	
Liabilities			
Deposits from banks and other financial institutions	162,221,012	162,221,012	
Derivative financial instruments	12,586,462	12,586,462	
Of which: debit valuation adjustments in respect of derivative contracts		(84,489)	(15)
Deposits from customers	450,507,201	451,789,781	
Certificates of deposit issued	57,044,521	57,044,521	
Debt securities in issue	3,188,451	3,188,451	
– Designated at fair value through profit or loss	-	-	
– At amortised cost	3,188,451	3,188,451	
Of which: gains due to changes in own credit risk on fair valued liabilities		-	(18)
Current income tax liabilities	509,018	629,878	
Deferred income tax liabilities	178,456	178,456	
Subordinated debts measured at amortised cost	13,353,500	13,353,500	
Of which: subordinate debts not eligible for inclusion in regulatory capital		2,315,878	(6)
subordinate debt eligible for inclusion in regulatory capital		9,482,158	(7)
Other liabilities	14,503,590	14,558,137	
Total liabilities	714,092,211	715,550,198	
Equity			
Share capital	36,379,331	36,379,331	(8)
Retained earnings	33,471,889	32,349,413	(9)
Of which: regulatory reserve for general banking risks		3,961,825	(17)
Other Reserves	4,166,677	4,152,086	
Of which: share premium			
bank premises revaluation reserve		572,034	(10)
investment revaluation reserve		776,714	(11)
cash flow hedge reserve		20,568	(12)
exchange reserve		(189,832)	(13)
general reserve		2,972,602	(14)
Total equity	74,017,897	72,880,830	
Total equity and liabilities	788,110,108	788,431,028	

Balance Sheet Reconciliation (Step 3)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced* to
CET1 capital: instruments and reserves				
		HK\$'000		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	36,379,331		= (4) + (8)
2	Retained earnings	32,349,413		(9)
3	Disclosed reserves	4,152,086		(10) + (11) + (12) + (13) + (14)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	Not applicable		
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0		
6	CET1 capital before regulatory deductions	72,880,830		
CET1 capital: regulatory deductions				
7	Valuation adjustments	84,489		(15)
8	Goodwill (net of associated deferred tax liability)	980,154		(1)
9	Other intangible assets (net of associated deferred tax liability)	33,701	0	(2)
10	Deferred tax assets net of deferred tax liabilities	66,071		(3)
11	Cash flow hedge reserve	20,568		(12)
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0	
13	Gain-on-sale arising from securitization transactions	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0		(18)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to CET1 capital	4,576,475		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	614,380		(19) = (10) + (16)
26b	Regulatory reserve for general banking risks	3,961,825		(17)
26c	Securitization exposures specified in a notice given by the Monetary Authority	0		
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	270		
26e	Capital shortfall of regulated non-bank subsidiaries	0	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0		
28	Total regulatory deductions to CET1 capital	5,761,458		
29	CET1 capital	67,119,372		

AT1 capital: instruments				
30	Qualifying AT1 capital instruments plus any related share premium	0		
31	of which: classified as equity under applicable accounting standards	0		
32	of which: classified as liabilities under applicable accounting standards	0		
33	Capital instruments subject to phase out arrangements from AT1 capital	0		
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0		
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0		
36	AT1 capital before regulatory deductions	0		
AT1 capital: regulatory deductions				
37	Investments in own AT1 capital instruments	0	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	0	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0	
41	National specific regulatory adjustments applied to AT1 capital	0		
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital	0		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0		
iii	of which: Investments in own CET1 capital instruments	0		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0		
43	Total regulatory deductions to AT1 capital	0		
44	AT1 capital	0		
45	Tier 1 capital (Tier 1 = CET1 + AT1)	67,119,372		
Tier 2 capital: instruments and provisions				
46	Qualifying Tier 2 capital instruments plus any related share premium	9,482,158		(7)
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	2,315,878		(6)
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0		
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0		
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	5,787,886		= (5) + (17) and limited to 1.25% of risk-weighted amount for credit risks# related to STC approach
51	Tier 2 capital before regulatory deductions	17,585,922		

Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0
56	National specific regulatory adjustments applied to Tier 2 capital	(276,471)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(276,471)	= (19) x 45%
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0	
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0	
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0	
iii	of which: Investments in own CET1 capital instruments	0	
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0	
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
57	Total regulatory deductions to Tier 2 capital	(276,471)	
58	Tier 2 capital	17,862,393	
59	Total capital (Total capital = Tier 1 + Tier 2)	84,981,765	

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Risk-weighted amount for credit risks amounted to HK\$478,285,134,000