



**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)

DISCLOSURES IN RELATION TO REVISED PILLAR 3

2018 1ST QUARTER

OV1: Overview of RWA

		(HK\$'000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31/03/2018	31/12/2017	31/03/2018
1	Credit risk for non-securitization exposures	585,521,838	544,630,670	46,841,747
2	Of which STC approach	585,521,838	544,630,670	46,841,747
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	22,300,489	21,479,531	1,784,039
5	Of which SA-CCR	-	-	-
5a	Of which CEM	12,093,716	12,448,495	967,497
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8				
9	CIS exposures	232,001	352,566	18,560
10				
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	17,316,213	17,068,200	1,385,297
17	Of which STM approach	17,316,213	17,068,200	1,385,297
18	Of which IMM approach	-	-	-
19	Operational risk	23,738,788	22,998,675	1,899,103
20	Of which BIA approach	23,738,788	22,998,675	1,899,103
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	1,148,218	1,114,768	91,857
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	334,512	333,155	26,761
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-

		(HK\$'000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31/03/2018	31/12/2017	31/03/2018
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	334,512	333,155	26,761
25	Total	649,923,035	607,311,255	51,993,842
N/A: Not applicable in the case of Hong Kong				

The Group is in compliance with the Banking (Capital) Rules to calculate the risk-weighted assets (RWA). The Group adopts the standardized (credit risk) approach (STC) for the non-securitization credit risk RWA (including equity exposure and CIS exposure) calculation, the current exposure method (CEM) for the counterparty credit risk RWA calculation, the standardized (market risk) approach (STM) for the market risk RWA calculation, the basic indicator approach (BIA) for the operational risk RWA calculation. There was no settlement risk, nor securitization exposure RWA on the reporting date. There was neither regulatory reserve nor collective provision which needed to be deducted from RWA. There was no RWA capital floor adjustment. The decrease in the CIS exposure in Q1 2018 was mainly due to the revaluation of the fund investment. The other RWA items only had small or moderate fluctuations as business development.

The capital adequacy ratios and the leverage ratio for the Bank are calculated on a consolidated basis.

Key capital ratios disclosures Consolidated

1. Capital Adequacy Ratio

	At 31st March, 2018 HK\$ '000	At 31st December, 2017 HK\$ '000
Common Equity Tier 1 capital	78,997,582	76,986,941
Total Tier 1 capital	106,738,577	84,789,320
Total capital	121,982,515	100,642,230
Total risk weighted assets	649,923,035	607,311,255

	%	%
Common Equity Tier 1 capital ratio	12.15%	12.68%
Tier 1 capital ratio	16.42%	13.96%
Total capital ratio	18.77%	16.57%

2. Leverage ratio

	At 31st March, 2018 HK\$ '000	At 31st December, 2017 HK\$ '000
Total Tier 1 capital	106,738,577	84,789,320
Exposure measure	979,721,132	1,002,966,737

	%	%
Leverage ratio	10.89%	8.45%