



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 2013

Transition Disclosures Template

Amounts
subject to
pre-Base I
treatment*

CET1 capital: instruments and reserves		
		HK\$'000
1	Directly issued qualifying CET1 capital instruments plus any related share premium	23,591,832
2	Retained earnings	14,930,389
3	Disclosed reserves	2,530,738
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	41,052,959
CET1 capital: regulatory deductions		
7	Valuation adjustments	23,471
8	Goodwill (net of associated deferred tax liability)	980,154
9	Other intangible assets (net of associated deferred tax liability)	75,030
10	Deferred tax assets net of deferred tax liabilities	0
11	Cash flow hedge reserve	169,688
12	Excess of total EL amount over total eligible provisions under the IRB approach	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
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0
17	Reciprocal cross-holdings in CET1 capital instruments	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
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
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	4,382,482	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	639,095	
26b	Regulatory reserve for general banking risks	3,743,387	
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	0	
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	5,630,825	
29	CET1 capital	35,422,134	
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)	35,422,134
Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	1,885,492
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	3,469,507
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	3,734,927
51	Tier 2 capital before regulatory deductions	9,089,926

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	(287,593)	
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	(287,593)	
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	(287,593)	
58	Tier 2 capital	9,377,519	
59	Total capital (Total capital = Tier 1 + Tier 2)	44,799,653	
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	332,828,082
Capital ratios (as a percentage of risk weighted assets)		
61	CET1 capital ratio	10.64%
62	Tier 1 capital ratio	10.64%
63	Total capital ratio	13.46%
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)	3.50%
65	<i>of which: capital conservation buffer requirement</i>	0.00%
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%
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	7.14%
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	400,393
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)	4,938,137
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	3,734,927
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>	3,469,507
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	385,501

* 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
	Other intangible assets (net of associated deferred tax liability)	75,030	75,030
9	<p><u>Explanation</u></p> <p>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>		
	Deferred tax assets net of deferred tax liabilities	0	0
10	<p><u>Explanation</u></p> <p>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>		

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
	<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>		

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
	<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.		
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0
	<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-13 HK\$'000	Under regulatory scope of consolidation 30-Jun-13 HK\$'000
Assets		
Cash and balances with banks and other financial institutions	101,801,273	101,801,364
Placements with banks and other financial institutions	20,923,339	20,923,339
Financial assets held for trading	269,116	79,311
Financial assets designated at fair value through profit or loss	418,784	418,784
Derivative financial instruments	3,480,449	3,480,449
Loans and advances to customers, banks and other financial institutions	317,425,945	317,425,945
Financial investments:	71,302,885	71,302,584
– Available-for-sale	70,138,922	70,138,621
– Held-to-maturity	1,163,963	1,163,963
Investment in an associate	238,777	132,938
Investment in subsidiaries	–	400,393
Goodwill and other intangible assets	1,076,639	1,055,184
Investment properties	56,123	56,123
Property, plant and equipment	874,602	871,500
Deferred income tax assets	18,618	18,618
Other assets	5,910,391	6,159,276
Total assets	<u>523,796,941</u>	<u>524,125,808</u>
Liabilities		
Deposits from banks and other financial institutions	109,015,962	109,015,045
Derivative financial instruments	3,663,608	3,663,608
Deposits from customers	319,873,846	320,700,425
Certificates of deposit issued at amortised cost	21,324,443	21,324,443
Debt securities in issue measured at amortised cost	16,774,216	16,774,216
Current income tax liabilities	678,602	663,165
Deferred income tax liabilities	60,426	60,426
Subordinated debts measured at amortised cost	5,740,500	5,740,500
Other liabilities	5,033,274	5,274,622
Total liabilities	<u>482,164,877</u>	<u>483,216,450</u>
Equity		
Share capital	4,129,497	4,129,497
Retained earnings	15,638,503	14,930,389
Other reserves	21,864,064	21,849,472
Total equity	<u>41,632,064</u>	<u>40,909,358</u>
Total equity and liabilities	<u>523,796,941</u>	<u>524,125,808</u>

Balance Sheet Reconciliation (Step 2)

	Balance sheet as in published financial statements 30-Jun-13 HK\$'000	Under regulatory scope of consolidation 30-Jun-13 HK\$'000	Cross reference to Definition of Capital Components
Assets			
Cash and balances with banks and other financial institutions	101,801,273	101,801,364	
Placements with banks and other financial institutions	20,923,339	20,923,339	
Financial assets held for trading	269,116	79,311	
Financial assets designated at fair value through profit or loss	418,784	418,784	
Derivative financial instruments	3,480,449	3,480,449	
Loans and advances to customers, banks and other financial institutions	317,425,945	317,425,945	
of which: collective impairment allowances reflected in regulated capital		(1,194,750)	(5)
Financial investments:	71,302,885	71,302,584	
– Available-for-sale	70,138,922	70,138,621	
– Held-to-maturity	1,163,963	1,163,963	
Investment in an associate	238,777	132,938	
Investment in subsidiaries	–	400,393	
Goodwill and other intangible assets	1,076,639	1,055,184	
of which: goodwill		980,154	(1)
other intangible asset		75,030	(2)
Investment properties	56,123	56,123	
of which: cumulative revaluation gain on investment properties		15,000	(16)
Property, plant and equipment	874,602	871,500	
Deferred income tax assets	18,618	18,618	(3)
Other assets	5,910,391	6,159,276	
Total assets	<u>523,796,941</u>	<u>524,125,808</u>	
Liabilities			
Deposits from banks and other financial institutions	109,015,962	109,015,045	
Derivative financial instruments	3,663,608	3,663,608	
of which: debit valuation adjustments in respect of derivative contracts		(23,471)	(15)
Deposits from customers	319,873,846	320,700,425	
Certificates of deposit issued at amortised cost	21,324,443	21,324,443	
Debt securities in issue measured at amortised cost	16,774,216	16,774,216	
Current income tax liabilities	678,602	663,165	
Deferred income tax liabilities	60,426	60,426	(4)
Subordinated debts measured at amortised cost	5,740,500	5,740,500	
of which: subordinate debts not eligible for inclusion in regulatory capital		3,469,507	(6)
subordinate debt eligible for inclusion in regulatory capital		1,885,492	(7)
Other liabilities	5,033,274	5,274,622	
Total liabilities	<u>482,164,877</u>	<u>483,216,450</u>	
Equity			
Share capital	4,129,497	4,129,497	(8)
Retained earnings	15,638,503	14,930,389	(9)
of which: regulatory reserve for general banking risks		3,743,387	(17)
Other Reserves	21,864,064	21,849,472	
of which: share premium		19,462,335	(18)
bank premises revaluation reserve		624,095	(10)
investment revaluation reserve		(63,410)	(11)
cash flow hedge reserve		169,688	(12)
exchange reserve		500,570	(13)
general reserve		1,299,795	(14)
Total equity	<u>41,632,064</u>	<u>40,909,358</u>	
Total equity and liabilities	<u>523,796,941</u>	<u>524,125,808</u>	

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	23,591,832		= (8) + (18)
2	Retained earnings	14,930,389		(9)
3	Disclosed reserves	2,530,738		(10) + (11) + (12) + (13) + (14)
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)	Not applicable		
	Public sector capital injections grandfathered until 1 January 2018	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	41,052,959		
CET1 capital: regulatory deductions				
7	Valuation adjustments	23,471		(15)
8	Goodwill (net of associated deferred tax liability)	980,154		(1)
9	Other intangible assets (net of associated deferred tax liability)	75,030	0	(2)
10	Deferred tax assets net of deferred tax liabilities	0		the greater of (3) - (4) or zero
11	Cash flow hedge reserve	169,688		(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	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	4,382,482		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	639,095		(19) = (10) + (16)
26b	Regulatory reserve for general banking risks	3,743,387		(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	0		
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	5,630,825		
29	CET1 capital	35,422,134		

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)	35,422,134		
Tier 2 capital: instruments and provisions				
46	Qualifying Tier 2 capital instruments plus any related share premium	1,885,492		(7)
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	3,469,507		(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	3,734,927		= (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	9,089,926		

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	(287,593)		
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	(287,593)		= (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	(287,593)		
58	Tier 2 capital	9,377,519		
59	Total capital (Total capital = Tier 1 + Tier 2)	44,799,653		

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Risk-weighted amount for credit risks amounted to HK\$298,794,193,000