Regulatory Disclosures
31 March 2017

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Capital disclosures

Regulatory capital

	At 31 March 2017
	HK$'000
Total risk weighted assets	221,814,348
CET1 capital	31,526,952
CET1 capital ratio (as a percentage of risk weighted assets)	14.21%
Tier 1 capital	31,526,952
Tier 1 capital ratio (as a percentage of risk weighted assets)	14.21%
Total capital	35,708,057
Total capital ratio (as a percentage of risk weighted assets)	16.10%

Leverage ratio disclosures

Leverage ratio

	At 31 March 2017
	HK$'000
Capital and total exposures	
Tier 1 capital	31,526,952
Total exposures	414,927,644
Leverage ratio	
Basel III leverage ratio	**7.60%**

OV1: Overview of risk-weighted asset ("RWA")

		RWA		Minimum capital requirements
		31 March 2017	31 December 2016	31 March 2017
		HK$'000	HK$'000	HK$'000
1	Credit risk for non-securitisation exposures	197,571,585	194,372,239	16,624,883
2	Of which STC approach	26,914,004	21,860,991	2,153,120
2a	Of which BSC approach	0	0	0
3	Of which IRB approach	170,657,581	172,511,248	14,471,763
4	Counterparty credit risk	483,120	654,519	40,239
5	Of which SA-CCR	0	0	0
5a	Of which CEM	312,510	425,307	26,480
6	Of which IMM(CCR) approach	0	0	0
7	Equity exposures in banking book under the market-based approach	0	0	0
8	CIS exposures – LTA	0	0	0
9	CIS exposures – MBA	0	0	0
10	CIS exposures – FBA	0	0	0
11	Settlement risk	0	0	0
12	Securitisation exposures in banking book	3,483,701	3,419,061	278,696
13	Of which IRB(S) approach – ratings-based method	0	0	0
14	Of which IRB(S) approach – supervisory formula method	0	0	0
15	Of which STC(S) approach	3,483,701	3,419,061	278,696
16	Market risk	675,150	745,725	54,012
17	Of which STM approach	3,675	0	294
18	Of which IMM approach	671,475	745,725	53,718
19	Operational risk	12,712,000	12,629,713	1,016,960
20	Of which BIA approach	0	0	0
21	Of which STO approach	12,712,000	12,629,713	1,016,960
21a	Of which ASA approach	0	0	0
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	15,250	15,250	1,220
24	Capital floor adjustment	0	0	0
24a	Deduction to RWA	3,385,780	3,349,058	270,862
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	69,400	34,661	5,552
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	3,316,380	3,314,397	265,310
25	Total	211,555,026	208,487,449	17,745,148

N/A: Not applicable in the case of Hong Kong

CR8: RWA flow statements of credit risk exposures under IRB approach

		HK$'000
1	**RWA as at 31 December 2016**	172,511,248
2	Asset size	(2,550,121)
3	Asset quality	(28,817)
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	725,271
8	Other	0
9	**RWA as at 31 March 2017**	170,657,581

CCR7: RWA flow statements of default risk exposures under IMM(CCR) approach

		HK$'000
1	**RWA as at 31 December 2016**	0
2	Asset size	0
3	Credit quality of counterparties	0
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	0
8	Other	0
9	**RWA as at 31 March 2017**	0

MR2: RWA flow statements of market risk exposures under IMM approach

		VaR	Stressed VaR	IRC	CRC	Other	Total RWA
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
1	**RWA as at 31 December 2016**	221,313	524,412	0	0	0	745,725
1a	Regulatory adjustment	(151,774)	(392,875)	0	0	0	(544,649)
1b	RWA as at 31 December 2016	69,539	131,537	0	0	0	201,076
2	Movement in risk levels	(21,364)	17,251	0	0	0	(4,113)
3	Model updates/changes	0	0	0	0	0	0
4	Methodology and policy	0	0	0	0	0	0
5	Acquisitions and disposals	0	0	0	0	0	0
6	Foreign exchange movements	0	0	0	0	0	0
7	Other	0	0	0	0	0	0
7a	RWA as at 31 March 2017	48,175	148,788	0	0	0	196,963
7b	Regulatory adjustment	132,175	342,337	0	0	0	474,512
8	**RWA as at 31 March 2017**	180,350	491,125	0	0	0	671,475