

Regulatory Disclosure As at 30 June 2015

The breakdown of CET1 capital, Additional Tier 1 capital, Tier 2 capital and regulatory deductions for the company

Capital Disclosures Template

		HK\$ '000			
CET1 capital: instruments and reserves					
1	1 Directly issued qualifying CET1 capital instruments plus any related share premium				
	Retained earnings	185,799			
- 3	Disclosed reserves	7,000			
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)	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			
ϵ	CET1 capital before regulatory deductions	357,799			
	CET1 capital: regulatory deductions				
7	Valuation adjustments	0			
8	Goodwill (net of associated deferred tax liability)	0			
ç	Other intangible assets (net of associated deferred tax liability)	0			
10	Deferred tax assets net of deferred tax liabilities	1,393			
11	Cash flow hedge reserve	0			
12	Excess of total EL amount over total eligible provisions under the IRB approach	0			
13	Gain-on-sale arising from securitization transactions	0			
	Gains and losses due to changes in own credit risk on fair valued liabilities	0			
	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0			
	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)				
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			
	of which: mortgage servicing rights	Not applicable			
	of which: deferred tax assets arising from temporary differences	Not applicable			
	National specific regulatory adjustments applied to CET1 capital	23,555			
	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	23,555			
	Regulatory reserve for general banking risks	0			
	Securitization exposures specified in a notice given by the Monetary Authority				
		0			
	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0			
	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries				
	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's	0			
26e	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's	0			
26e 26i 27	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0 0			
266 266 27 28	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0 0 0			
266 266 27 28	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital	0 0 0 0 24,948			
26e 26i 27 28 29	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital	0 0 0 0 24,948			
26e 26i 27 28 29 30	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital AT1 capital: instruments	0 0 0 0 24,948 332,851			
266 261 27 28 29 30 31	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital AT1 capital: instruments Qualifying AT1 capital instruments plus any related share premium	0 0 0 0 24,948 332,851			
26e 26i 27 28 29 30 31 32	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital AT1 capital: instruments Qualifying AT1 capital instruments plus any related share premium of which: classified as equity under applicable accounting standards	0 0 0 0 24,948 332,851			
26e 26i 27 28 29 30 31 32	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital AT1 capital: instruments Qualifying AT1 capital instruments plus any related share premium of which: classified as equity under applicable accounting standards of which: classified as liabilities under applicable accounting standards Capital instruments subject to phase out arrangements from AT1 capital AT1 capital instruments (amount allowed in AT1 capital	0 0 0 0 24,948 332,851			
266 261 27 28 29 30 31 32 33 34	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions Total regulatory deductions to CET1 capital CET1 capital AT1 capital: instruments Qualifying AT1 capital instruments plus any related share premium of which: classified as equity under applicable accounting standards of which: classified as liabilities under applicable accounting standards Capital instruments subject to phase out arrangements from AT1 capital AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital	0 0 0 0 24,948 332,851 0 0 0			



	AT1 capital: regulatory deductions	
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	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
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	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	14,490
45	Tier 1 capital (Tier 1 = CET1 + AT1)	347,341
	Tier 2 capital: instruments and provisions	
46	Qualifying Tier 2 capital instruments plus any related share premium	0
47	Capital instruments subject to phase out arrangements from Tier 2 capital	0
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	of which: capital instruments issued by subsidiaries subject to phase out arrangements	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	10,997
51	Tier 2 capital before regulatory deductions	10,997
	Tier 2 capital: regulatory deductions	
52	Investments in own Tier 2 capital instruments	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	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
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
56	National specific regulatory adjustments applied to Tier 2 capital	(10,600)
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	(10,600)
57	Total regulatory deductions to Tier 2 capital	(10,600)
58	Tier 2 capital	21,597
59	Total capital (Total capital = Tier 1 + Tier 2)	368,938
60	Total risk weighted assets	1,138,810
	Capital ratios (as a percentage of risk weighted assets)	
61	CET1 capital ratio	29.2280%
62	Tier 1 capital ratio	30.5003%
63	Total capital ratio	32.3968%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	0.00%
65	of which: capital conservation buffer requirement	0.00%
66	of which: bank specific countercyclical buffer requirement	0.00%
67	of which: G-SIB or D-SIB buffer requirement	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.3B of the BCR	0.00%



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
	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
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)	0
77	77 Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)
80	Current cap on CET1 capital instruments subject to phase out arrangements	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable
82	Current cap on AT1 capital instruments subject to phase out arrangements	0
83	Amount excluded from ATI capital due to cap (excess over cap after redemptions and maturities)	0
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	0
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0



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)	0	0
9	Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, ar treatment of including MSRs as part of intangible assets reported in the Al's financial statements and to deduct MSRs in full amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the am extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from to investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other companies) under Basel III.	A AI is required to for from CET1 capital. e column "Basel III count of MSRs to be emporary differences	Illow the accounting Therefore, the basis" in this box deducted to the s and significant
	Deferred tax assets net of deferred tax liabilities	1,393	(
10	Explanation 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 realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded find 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 CET capital. Therefore, the amount to be deducted as reported in row 10 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 10 (i.e. the amoun adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and signistruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connect	the 10% threshold spiificant investment	set for DTAs arising s in CET1 capital
	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	(
	Explanation For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by fit to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where		
18	sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.	of the AI in the cap	ital instruments of

ignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the cope of regulatory consolidation (amount above 10% threshold)	0	0		
Explanation 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.				
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.				
nsignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the cope of regulatory consolidation (amount above 10% threshold)	0	0		
Explanation 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.				
nsignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the cope of regulatory consolidation (amount above 10% threshold)	0	0		
Explanation 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 Al'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.				
	Explanation or the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by fine gregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the core entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan anted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Interefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted ans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong kestignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the ope of regulatory consolidation (amount above 10% threshold) Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as upose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will railable for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may ducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "B nount reported under the column B nount reported under the column B nount reported under the column B nount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amognousers to the AI's connected companies which were subject to deduction under the Hong Kong approach. Explanation The effect of treating loans	pope of regulatory consolidation (amount above 10% threshold) Splanation or the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, gregate any amount of loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the A1 in the cape in financial sector entity, except where the A1 demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such anted, or any such other credit exposures were direct holdings, indirect holdings or synthetic holdings of the A1 in the cape infinancial sector entity, except where the A1 demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such anted, or any such other credit exposure was incurred, in the ordinary course of the A1's business. Interefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the coasis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the agings, facilities or other credit exposures to the A1's connected companies which were subject to deduction under the Hong Kong approach. Splanation ne effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instrumpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom aliable for the exemption from capital deduction of other insignificant capital investments in T1 capital instruments may be smaller. Therefore the content of the proper of the same proposed in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this nount reported in row 30 in the same part of the response of the A1's connected companies which were subject to deductio		

Abbreviations:

CET1: Common Equity Tier 1 AT1: Additional Tier 1



Regulatory Disclosure As at 31 December 2014

The breakdown of CET1 capital, Additional Tier 1 capital, Tier 2 capital and regulatory deductions for the company

Capital Disclosures Template

		HK\$ '000	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	165,000	
2	Retained earnings	174,244	
3	Disclosed reserves	7,000	
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)		
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)		
6	CET1 capital before regulatory deductions	346,244	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liability)	0	
9	Other intangible assets (net of associated deferred tax liability)	0	
10	Deferred tax assets net of deferred tax liabilities	1,393	
11	Cash flow hedge reserve	0	
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)		
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of		
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	
	of which: significant investments in the common stock of financial sector entities	Not applicable	
	of which: mortgage servicing rights	Not applicable	
	of which: deferred tax assets arising from temporary differences	Not applicable	
	National specific regulatory adjustments applied to CET1 capital	23,555	
26a		23,555	
	Regulatory reserve for general banking risks	0	
	Securitization exposures specified in a notice given by the Monetary Authority	0	
	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution):	0	
26f	capital investment in a connected company which is a commercial chirty (amount above 1370 of the reporting institution).	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	24,948	
29	CET1 capital	321,296	
	AT1 capital: instruments		
	Qualifying AT1 capital instruments plus any related share premium	0	
	of which: classified as equity under applicable accounting standards	0	
	of which: classified as liabilities under applicable accounting standards	0	
33	Capital instruments subject to phase out arrangements from ATI capital	16,560	
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	of which: ATI capital instruments issued by subsidiaries subject to phase out arrangements	0	
26	AT1 capital before regulatory deductions	16,560	

	AT1 capital: regulatory deductions	
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	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
	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
	National specific regulatory adjustments applied to AT1 capital	0
	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0
	Total regulatory deductions to AT1 capital	0
44	AT1 capital	16,560
45	Tier 1 capital (Tier 1 = CET1 + AT1)	337,856
	Tier 2 capital: instruments and provisions	
46	Qualifying Tier 2 capital instruments plus any related share premium	0
47	Capital instruments subject to phase out arrangements from Tier 2 capital	0
	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	of which: capital instruments issued by subsidiaries subject to phase out arrangements	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	10,997
51	Tier 2 capital before regulatory deductions	10,997
	Tier 2 capital: regulatory deductions	
52	Investments in own Tier 2 capital instruments	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	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
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
56	National specific regulatory adjustments applied to Tier 2 capital	(10,600)
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	(10,600)
57	Total regulatory deductions to Tier 2 capital	(10,600)
58	Tier 2 capital	21,597
59	Total capital (Total capital = Tier 1 + Tier 2)	359,453
60	Total risk weighted assets	1,168,594
	Capital ratios (as a percentage of risk weighted assets)	
61	CET1 capital ratio	27.4942%
62	Tier 1 capital ratio	28.9113%
63	Total capital ratio	30.7594%
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	0.00%
65	of which: capital conservation buffer requirement	0.00%
66	of which: bank specific countercyclical buffer requirement	0.00%
67	of which: G-SIB or D-SIB buffer requirement	0.00%
	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR	0.00%



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	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			
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation			
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)	0		
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	0		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	0		
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	0		
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80	Current cap on CET1 capital instruments subject to phase out arrangements	Not applicable		
81	Amount excluded from CETI due to cap (excess over cap after redemptions and maturities)	Not applicable		
82	Current cap on AT1 capital instruments subject to phase out arrangements	0		
83	Amount excluded from ATI capital due to cap (excess over cap after redemptions and maturities)	0		
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	0		
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	0		



Notes to the template:

Description	Hong Kong basis	Basel III basis
Other intangible assets (net of associated deferred tax liability)		0
Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage ser in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In F treatment of including MSRs as part of intangible assets reported in the Al's financial statements and to deduct amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by re extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs a investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, faci companies) under Basel III.	long Kong, an AI is required MSRs in full from CET1 cap orted under the column "Base ducing the amount of MSRs turising from temporary different column from temporary different cap the column and the column from temporary different cap the column from th	to follow the account ital. Therefore, the III basis" in this be be deducted to the nees and significant
Deferred tax assets net of deferred tax liabilities	1,3	93
Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTA realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recogn	ition in CET1 capital (and her	-

instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.

Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the

Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)

Explanation

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.

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 Al's connected companies which were subject to deduction under the Hong Kong approach.

	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
	Explanation For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by fina aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where it sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.	he connected compa s of the AI in the cap	ny is a financial pital instruments of
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 II 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 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 AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
39	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "B amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amo exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.	mean the headroom be smaller. Therefore asel III basis" in this	within the threshold ore, the amount to be s box represents the
	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
54	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments make deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate a exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.	mean the headroom by be smaller. There "Basel III basis" in	within the threshold fore, the amount to this box represents
Remarks			
ne amo	ount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the E	sanking (Capital) Ru	iles.

Abbreviations:

CET1: Common Equity Tier 1 AT1: Additional Tier 1