



Citibank (Hong Kong) Limited

Regulatory Disclosures

**For the Period ended
June 30, 2019**

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Template KM1: Key prudential ratios

The following table provides an overview of the key prudential ratios of Citibank (Hong Kong) Limited (the "Company").

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)
		At June 30, 2019	At March 31, 2019	At December 31, 2018	At September 30, 2018	At June 30, 2018
Regulatory Capital						
1	Common Equity Tier 1 (CET1)	23,474,764	22,997,769	22,081,496	21,935,593	21,881,327
2	Tier 1	23,474,764	22,997,769	22,081,496	21,935,593	21,881,327
3	Total capital	24,303,770	23,808,085	22,890,771	22,730,932	22,645,869
Risk-Weighted Assets (RWA)						
4	Total RWA	77,618,029	76,250,942	75,766,112	74,588,719	71,373,474
Capital Adequacy Ratios						
5	CET1 ratio (%)	30.24%	30.16%	29.14%	29.41%	30.66%
6	Tier 1 ratio (%)	30.24%	30.16%	29.14%	29.41%	30.66%
7	Total capital ratio (%)	31.31%	31.22%	30.21%	30.48%	31.73%
Additional CET1 buffer requirements						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	1.875%	1.875%	1.875%
9	Countercyclical capital buffer requirement (%)	2.415%	2.404%	1.801%	1.800%	1.806%
10	Higher loss absorbency requirements (%) (applicable only to GSIBs or DSIBs)	0.000%	0.000%	0.000%	0.000%	0.000%
11	Total AI specific CET1 buffer requirements (%)	4.915%	4.904%	3.676%	3.675%	3.681%
12	CET1 available after meeting the AI's minimum capital requirements (%)	23.31%	23.22%	22.21%	22.48%	23.73%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	247,772,431	242,158,003	232,151,552	209,827,455	199,893,624
14	LR (%)	9.47%	9.50%	9.51%	10.45%	10.95%
Liquidity Maintenance Ratio (LMR)						
17a	LMR (%)	55.06%	55.38%	51.65%	47.09%	45.82%
Core Funding Ratio (CFR)						
20a	CFR (%)	150.43%	150.32%	149.07%	147.63%	145.16%

Template OV1: Overview of Risk-Weighted Assets

The following table provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

In thousands of Hong Kong dollar		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at June 30, 2019	As at March 31, 2019	As at June 30, 2019
1	Credit risk for non-securitization exposures	65,864,760	64,438,289	5,269,181
2	Of which STC approach	65,864,760	64,438,289	5,269,181
6	Counterparty default risk and default fund contributions	72,906	53,347	5,832
7a	Of which CEM	72,906	53,347	5,832
10	CVA risk	44,913	33,338	3,593
16	Securitization exposures in banking book	382,835	333,682	30,627
18	Of which SEC-ERBA (including IAA)	382,835	333,682	30,627
20	Market risk	382,488	588,938	30,599
21	Of which STM approach	382,488	588,938	30,599
24	Operational risk	10,956,388	10,861,100	876,511
26a	Deduction to RWA	86,261	57,752	6,901
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	86,261	57,752	6,901
27	Total	77,618,029	76,250,942	6,209,442

The Company has adopted the “standardized approach” for the calculation of the risk-weighted assets for credit risk, market risk, and operational risk.

Template CC1: Composition of regulatory capital

		In thousands of Hong Kong dollar	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	7,348,440	(6)
2	Retained earnings	16,873,929	(7)
3	Disclosed reserves	(25,046)	(8)+(9)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	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	24,197,323	
	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)	44,918	(2) + (4)
10	Deferred tax assets net of deferred tax liabilities	49,324	(3) - (4)
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Credit-enhancing interest only strip, and any gain on sale and other increase in the CET1 capital 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)	8,109	(5)
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 LAC 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 LAC 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 (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	620,208	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	0	
26b	Regulatory reserve for general banking risks	620,208	
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	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	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	722,559	
29	CET1 capital	23,474,764	
	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	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	

Template CC1: Composition of regulatory capital (continued)

		In thousands of Hong Kong dollar	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
40	Significant LAC 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	0	
45	Tier 1 capital (T1 = CET1 + AT1)	23,474,764	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	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	<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	829,006	Note (i)
51	Tier 2 capital before regulatory deductions	829,006	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	0	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	0	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions)(for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	0	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
56	National specific regulatory adjustments applied to Tier 2 capital	0	
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	0	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	0	
57	Total regulatory deductions to Tier 2 capital	0	
58	Tier 2 capital (T2)	829,006	
59	Total capital (TC = T1 + T2)	24,303,770	
60	Total risk weighted assets	77,618,029	
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	30.24%	
62	Tier 1 capital ratio	30.24%	
63	Total capital ratio	31.31%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	9.415%	
65	<i>of which: capital conservation buffer requirement</i>	2.500%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	2.415%	
67	<i>of which: higher loss absorbency requirement</i>	0.000%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	23.31%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	0	
73	Significant LAC 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	Not applicable
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable	Not applicable

Template CC1: Composition of regulatory capital (continued)

		In thousands of Hong Kong dollar	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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 BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	0	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	0	
78	Provisions eligible for inclusion in Tier 2 in respect of exposure	0	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	0	
Capital instruments subject to phase-out arrangements			
80	Current cap on CET1 capital instruments subject to phase-out arrangements	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
82	Current cap on AT1 capital instruments subject to phase-out arrangements	0	
83	Amount excluded from AT1 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	

Note (i):

The amount is the sum of regulatory reserve for general banking risks and collective impairment allowances, limited to 1.25% of risk-weighted assets for credit risks under standardized approach.

Notes to the Template

Row No.	Description	Hong Kong basis	Basel III basis
	Deferred tax assets net of deferred tax liabilities	49,324	49,324
10	<p>Explanation</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>		
<p>Remarks:</p> <p>The amount of the 10% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.</p>			

Template CC2: Reconciliation of regulatory capital to balance sheet

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components
In thousands of Hong Kong dollar	As at June 30, 2019	As at June 30, 2019	
Assets			
Cash and balances with banks and other financial institutions	11,724,584	4,946,292	
Placements with banks and other financial institutions	8,490,746	49,179,952	
Loans and advances			
- Gross loans and advances to customers	91,461,262	92,451,227	
- Gross loans and advances to banks	33,910,569	-	
Financial assets at fair value through profit or loss	58,949,696	58,888,279	
Financial assets at fair value through other comprehensive income	31,066,830	31,066,830	
Fixed assets	398,173	398,173	
Intangible assets	53,465	53,465	(2)
Deferred tax assets	40,777	40,777	(3)
<i>of which : deferred tax liabilities related to intangibles</i>		(8,547)	(4)
<i>Other assets</i>	3,012,206	3,073,639	
<i>of which: defined benefit pension fund net assets</i>		8,109	(5)
<i>Less: Impairment allowances</i>		(320,798)	
<i>of which: collective impairment allowances reflected in regulatory capital</i>		(295,059)	(1)
Total Assets	239,108,308	239,777,836	
Liabilities			
Deposits and balances from banks and other financial institutions	27,013,584	27,013,584	
Deposits from customers	182,367,336	183,036,864	
Trading financial liabilities	80,472	80,472	
Current taxation	291,729	291,729	
Other liabilities	5,157,864	5,157,864	
Total liabilities	214,910,985	215,580,513	
Shareholders' Equity			
Share capital	7,348,440	7,348,440	
<i>of which: paid-in share capital</i>		7,348,440	(6)
Reserves	16,848,883	16,848,883	
<i>of which: retained profits</i>		16,873,929	(7)
<i>Investment revaluation reserve</i>		(14,476)	(8)
<i>capital reserves</i>		(10,570)	(9)
Total shareholders' equity	24,197,323	24,197,323	
Total liabilities and shareholders' equity	239,108,308	239,777,836	

Table CCA: Main features of regulatory capital instruments

1	Issuer	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA	NA	NA	NA	NA
3	Governing law(s) of the instrument	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong
	<i>Regulatory treatment</i>							
4	Transitional Basel III rules ^a	NA	NA	NA	NA	NA	NA	NA
5	Post-transitional Basel III rules ^a	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
8	Amount recognised in regulatory capital (as of most recent reporting date)	HKD 200 (Class A)	HKD 299,800 (Class A)	HKD 170,800 (Class A)	HKD 29,200 (Class A)	HKD 50,000 (Class A)	HKD 4,450,000 (Class A)	HKD 5,000,000 (Class A)
9	Par value of instrument	NA	NA	NA	NA	NA	NA	NA
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	5 July 1965	22 July 1965	11 October 1965	30 December 1965	16 January 1967	7 April 1976	3 February 1983
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	no maturity	no maturity	no maturity	no maturity	no maturity	no maturity	no maturity
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA	NA	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA	NA	NA
	<i>Coupons / dividends</i>							
17	Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	NA	NA	NA	NA	NA	NA	NA
19	Existence of a dividend stopper	No	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	NA	NA	NA	NA	NA	NA
36	Non-compliant transitioned features	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA	NA	NA	NA

Footnote:

^a Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^{*} Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^{*} Include solo-consolidated

Table CCA: Main features of regulatory capital instruments

1	Issuer	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited	Citibank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA	NA	NA	NA
3	Governing law(s) of the instrument	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong	Hong Kong
<i>Regulatory treatment</i>							
4	Transitional Basel III rules ^a	NA	NA	NA	NA	NA	NA
5	Post-transitional Basel III rules ^a	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo ^b /group/group & solo	Solo	Solo	Solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
8	Amount recognised in regulatory capital (as of most recent reporting date)	HKD 585,000,000 (Class A)	HKD 78,000,000 (Class B)	HKD 2,722,440,000 (Class A)	HKD 78,000,000 (Class A)	HKD 3,787,983,000 (Class A)	HKD 87,017,000 (Class B)
9	Par value of instrument	NA	NA	NA	NA	NA	NA
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	21 May 2004	1 July 2004	13 June 2005	1 July 2005	15 December 2009	15 December 2009
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	no maturity	no maturity	no maturity	no maturity	no maturity	no maturity
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	NA	NA	NA	NA	NA	NA
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA	NA
<i>Coupons / dividends</i>							
17	Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	NA	NA	NA	NA	NA	NA
19	Existence of a dividend stopper	No	No	No	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA	NA	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA	NA	NA
30	Write-down feature	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	NA	NA	NA	NA	NA	NA
32	If write-down, full or partial	NA	NA	NA	NA	NA	NA
33	If write-down, permanent or temporary	NA	NA	NA	NA	NA	NA
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA	NA	NA	NA	NA	NA
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA	NA	NA

Footnote:

^a Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^b Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

^c Include solo-consolidated

Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer (“CCyB”)

The following table provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Company’s CCyB ratio at June 30, 2019.

	(a)	(c)	(d)	(e)
Geographical breakdown by Jurisdiction (J)	Applicable JCCyb ratio in effect (%)	RWA used in computation of CCyB ratio (in thousands of Hong Kong dollar)	AI-specific CCyB ratio (%)	CCyB amount
1 Hong Kong SAR	2.500%	41,426,810		
2 Norway	2.000%	78		
3 United Kingdom	1.000%	4,674		
4 Sum		41,431,562		
5 Total		42,880,734	2.415%	1,035,719

Template LR1: Summary comparison of accounting assets against leverage ratio (“LR”) exposure measure

The following table reconciles the total assets in the published financial statements of the Company to the LR exposure measure.

		(a)
	Item	Value under LR framework (in thousands of Hong Kong dollar)
1	Total consolidated assets as per published financial statements	239,108,308
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative financial instruments	219,084
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	8,559,487
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(320,798)
7	Other adjustments	206,350
8	Leverage ratio exposure measure	247,772,431

Template LR2: Leverage ratio (“LR”)

The following table provides a detailed breakdown of the components of the Company's LR denominator.

		(a)	(b)
		In thousands of Hong Kong dollar	
		As at June 30, 2019	As at March 31, 2019
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	240,037,217	234,635,821
2	Less: Asset amounts deducted in determining Tier 1 capital	(722,559)	(689,619)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	239,314,658	233,946,202
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	61,417	48,370
5	Add-on amounts for PFE associated with all derivative contracts	208,983	157,534
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(51,316)	(19,541)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	219,084	186,363
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	80,339,238	78,997,207
18	Less: Adjustments for conversion to credit equivalent amounts	(71,779,751)	(70,643,928)
19	Off-balance sheet items	8,559,487	8,353,279
Capital and total exposures			
20	Tier 1 capital	23,474,764	22,997,769
20a	Total exposures before adjustments for specific and collective provisions	248,093,229	242,485,844
20b	Adjustments for specific and collective provisions	(320,798)	(327,841)
21	Total exposures after adjustments for specific and collective provisions	247,772,431	242,158,003
Leverage ratio			
22	Basel III leverage ratio	9.47%	9.50%

Template CR1: Credit quality of exposures

The following table provides an overview of credit quality of on- and off-balance exposures as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Of which ECL accounting provisions for credit losses on exposures calculated under the STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
1	Loans	72,128	126,741,954	320,600	25,378	295,222	-	126,493,482
2	Debt securities	-	87,385,274	-	-	-	-	87,385,274
3	Off-balance sheet exposures	-	3,101,895	-	-	-	-	3,101,895
4	Total	72,128	217,229,123	320,600	25,378	295,222	-	216,980,651

Loans included, Trade Bills, Placement with banks and other financial institutions with residual maturities greater than one year, Loans and advances to customers and related accrued interest receivables.

Commitment included Trade-related contingencies, Forward deposits placed, and Other commitments with an original maturity of not more than one year and with an original maturity of more than one year.

Template CR2: Changes in defaulted loans and debt securities

The following table provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at June 30, 2019 and December 31, 2018 respectively.

In thousands of Hong Kong dollar		(a)
		Amount
1	Defaulted loans and debt securities at end of the previous reporting period	74,855
2	Loans and debt securities that have defaulted since the last reporting period	120,912
3	Returned to non-defaulted status	(288)
4	Amounts written off	(116,660)
5	Other changes	(6,691)
6	Defaulted loans and debt securities at end of the current reporting period	72,128

Template CR3: Overview of recognized credit risk mitigation

The following table presents the extent of credit risk exposures covered by different types of recognized CRM as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	109,022,037	17,471,445	16,584,852	886,593	-
2	Debt securities	87,385,274	-	-	-	-
3	Total	196,407,311	17,471,445	16,584,852	886,593	-
4	Of which defaulted	41,185	-	-	-	-

Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

The following table illustrates the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements under STC approach as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereign exposures	89,902,008	-	89,922,880	-	-	0%
2	PSE exposures	-	-	865,721	-	173,144	20%
2a	Of which: domestic PSEs	-	-	865,721	-	173,144	20%
2b	Of which: foreign PSEs	-	-	-	-	-	0%
3	Multilateral development bank exposures	-	-	-	-	-	0%
4	Bank exposures	51,494,049	3,521	51,494,049	3,521	23,214,529	45%
5	Securities firm exposures	-	-	-	-	-	0%
6	Corporate exposures	41,797	-	36,569	-	36,569	100%
7	CIS exposures	-	-	-	-	-	0%
8	Cash items	483,639	-	483,639	-	929	0%
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	0%
10	Regulatory retail exposures	28,818,785	76,196,102	19,838,356	218	14,878,986	75%
11	Residential mortgage loans	54,077,713	3,096,558	53,212,969	832,014	22,913,179	42%
12	Other exposures which are not past due exposures	12,193,756	1,043,057	4,568,324	-	4,568,324	100%
13	Past due exposures	52,733	-	52,733	-	79,100	150%
14	Significant exposures to commercial entities	-	-	-	-	-	0%
15	Total	237,064,480	80,339,238	220,475,240	835,753	65,864,760	30%

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach

The following table presents a breakdown of credit risk exposures under STC approach by asset classes and by risk weights as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	(j)
Exposure Class	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
	1	Sovereign exposures	89,922,880	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	865,721	-	-	-	-	-	-	-	865,721
2a	Of which: domestic PSEs	-	-	865,721	-	-	-	-	-	-	-	865,721
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	8,447,521	-	43,050,049	-	-	-	-	-	51,497,570
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-	36,569	-	-	-	36,569
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	480,872	-	2,298	-	-	-	469	-	-	-	483,639
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	19,838,356	218	-	-	-	19,838,574
11	Residential mortgage loans	-	-	-	47,451,616	-	1,153,015	5,440,352	-	-	-	54,044,983
12	Other exposures which are not past due exposures	-	-	-	-	-	-	4,568,324	-	-	-	4,568,324
13	Past due exposures	-	-	-	-	-	-	-	52,733	-	-	52,733
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	90,403,752	-	9,315,540	47,451,616	43,050,049	20,991,371	10,045,932	52,733	-	-	221,310,993

Template CCRI: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

The following table presents a comprehensive breakdown of default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	61,417	208,983		N/A	203,231	72,906
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						72,906

Template CCR2: CVA capital charge

The following table provide information on portfolio subject to the CVA capital charge and the CVA calculations based on standardized CVA method and advanced CVA method as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)
		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	270,401	44,913
4	Total	270,401	44,913

Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach

The following table presents a breakdown of default risk exposures, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by asset classes and risk-weights (the latter representing the riskiness attributed to the exposure according to the respective approaches), irrespective of the approach used to determine the amount of default risk exposures as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	(i)
Risk Weight		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
Exposure Class												
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	122,556	-	53,307	-	-	-	-	-	175,863
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-	-	-	-	-	-
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	22,510	-	-	-	-	22,510
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	4,858	-	-	-	4,858
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	122,556	-	53,307	22,510	4,858	-	-	-	203,231

**Template CCR5: Composition of collateral for counterparty default risk exposures
(including those for contracts or transactions cleared through CCPs)**

The following table presents a breakdown of all types of collateral posted or recognized collateral received to support or reduce the exposures to counterparty default risk exposures as at June 30, 2019 in respect of derivative contracts or SFTs entered into, including contracts or transactions cleared through a CCP:

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
In thousands of Hong Kong dollar						
Cash - domestic currency	-	155,557	-	-	-	-
Cash - other currencies	-	2,293,335	-	51,316	-	-
Debt securities	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	2,448,892	-	51,316	-	-

Template SEC1: Securitization exposures in banking book

The following table presents a breakdown of securitization exposures in the banking book (regardless of whether the exposures arising from securitization transactions satisfy all the requirements under Schedule 9 or 10 of the BCR) as at June 30, 2019.

In thousands of Hong Kong dollar		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	-	-	-	-	-	-	2,187,628	-	2,187,628
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	2,187,628	-	2,187,628
4	other retail exposures	-	-	-	-	-	-	-	-	-
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Template SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

The following table presents securitization exposures in the banking book where an AI acts as an investing institution of securitization transactions and the associated capital requirements as at June 30, 2019.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charges after cap			
		<20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-SA	SEC-IRBA	SEC-ERBA (incl IAA)	SEC-FBA	SEC-SA	SEC-IRBA	SEC-ERBA (incl IAA)	SEC-FBA	SEC-SA	SEC-IRBA	SEC-ERBA (incl IAA)	SEC-FBA
In thousands of Hong Kong dollar																		
1	Total exposures	2,187,628	-	-	-	-	-	-	2,187,628	-	-	-	382,835	-	-	-	30,627	-
2	Traditional securitization	2,187,628	-	-	-	-	-	-	2,187,628	-	-	-	382,835	-	-	-	30,627	-
3	Of which securitization	2,187,628	-	-	-	-	-	-	2,187,628	-	-	-	382,835	-	-	-	30,627	-
4	Of which retail	2,187,628	-	-	-	-	-	-	2,187,628	-	-	-	382,835	-	-	-	30,627	-
5	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Template MR1: Market risk under Standardized (market risk) approach (STM approach)

The following table provide components of market risk capital requirement calculated using Standardized (market risk) approach (STM approach) as at June 30, 2019.

In thousands of Hong Kong dollar		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	-
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	382,488
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	382,488