Regulatory Disclosures

31 March 2017

中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

CONTENTS PAGE

中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

Key ratio

Capital ratio

	At 31 March 2017
	HK$'m
Total risk-weighted assets	893,013
CET1 capital	165,223
CET1 capital ratio (as a percentage of risk-weighted assets)	**18.50%**
Tier 1 capital	165,223
Tier 1 capital ratio (as a percentage of risk-weighted assets)	**18.50%**
Total capital	202,627
Total capital ratio (as a percentage of risk-weighted assets)	**22.69%**

Leverage ratio

	At 31 March 2017
	HK$'m
Tier 1 capital	165,223
Leverage ratio exposure	2,276,478
Leverage ratio	**7.26%**

Overview of RWA

		RWA		Minimum capital requirements
		At 31 March 2017	At 31 December 2016	At 31 March 2017
		HK$'m	HK$'m	HK$'m
1	Credit risk for non-securitization exposures	802,873	805,431	64,230
2	Of which STC approach	57,955	59,392	4,636
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	744,918	746,039	59,594
4	Counterparty credit risk	17,304	25,377	1,384
5	Of which SA-CCR	-	-	-
5a	Of which CEM	17,304	25,377	1,384
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	17	24	1
13	Of which IRB(S) approach – ratings-based method	17	24	1
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	22,673	20,653	1,814
17	Of which STM approach	3,359	3,094	269
18	Of which IMM approach	19,314	17,559	1,545
19	Operational risk	71,807	70,933	5,745
20	Of which BIA approach	-	-	-
21	Of which STO approach	71,807	70,933	5,745
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	3,586	3,548	287
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	25,247	25,678	2,020
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	172	134	14
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	25,075	25,544	2,006
25	**Total**	**893,013**	**900,288**	**71,441**

Credit risk

RWA flow statements of credit risk exposures under IRB approach

		HK$'m
1	**RWA as at 31 December 2016**	**746,039**
2	Asset size	27,327
3	Asset quality	(3,085)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	(27,463)
7	Foreign exchange movements	2,100
8	Other	-
9	**RWA as at 31 March 2017**	**744,918**

Counterparty credit risk

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

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

Market risk

RWA flow statements of market risk exposures under IMM approach

		VaR	Stressed VaR	IRC	CRC	Other	Total RWA
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
1	**RWA as at 31 December 2016**	**3,752**	**13,807**	**-**	**-**	**-**	**17,559**
1a	*Regulatory adjustment*	*(2,208)*	*(9,606)*	-	-	-	*(11,814)*
1b	***RWA as at day-end of 31 December 2016***	***1,544***	***4,201***	**-**	**-**	**-**	***5,745***
2	Movement in risk levels	12	46	-	-	-	58
3	Model updates/changes	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-
5	Acquisitions and disposals	(1)	3	-	-	-	2
6	Foreign exchange movements	5	11	-	-	-	16
7	Other	35	(578)	-	-	-	(543)
7a	***RWA as at day-end of 31 March 2017***	***1,595***	***3,683***	**-**	**-**	**-**	***5,278***
7b	*Regulatory adjustment*	*3,578*	*10,458*	-	-	-	*14,036*
8	**RWA as at 31 March 2017**	**5,173**	**14,141**	**-**	**-**	**-**	**19,314**