

Approach to Balance Sheet Reconciliation in accordance with the requirements issued by Hong Kong Monetary Authority on 19 August 2013

Step 1

Consolidated Statement Of Financial Position

HK\$'000	Balance sheet as in	Under regulatory scope
	published financial statements	of consolidation
	At 30 June 2017	At 30 June 2017
<b>Assets</b>		
Cash and short-term funds	30,560,824	30,553,439
Placements with banks maturing between one to twelve months	2,058,549	2,046,927
Derivative financial instruments	314,603	314,603
Financial assets at fair value through profit or loss	213	0
Available-for-sale securities	27,823,765	27,777,287
Held-to-maturity securities	4,575,839	4,545,828
Advances and other accounts	80,888,057	80,491,563
Investments in subsidiaries		192,569
Amounts due from subsidiaries		50,483
Assets held for sale	0	0
Interests in associates	294,833	21,500
Investment properties	290,083	290,083
Property and equipment	701,669	695,474
Prepaid lease payments for land	2,238	2,238
Deferred tax assets	4,816	4,816
Intangible assets	278,502	238,896
Tax recoverable	3,010	0
<b>Total assets</b>	<b>147,797,001</b>	<b>147,225,706</b>
<b>Liabilities</b>		
Deposits and balances of banks	4,823,878	4,823,878
Financial assets sold under repurchase agreements	8,635,658	8,635,658
Deposits from customers	111,030,607	111,112,607
Amounts due to subsidiaries		581,273
Certificates of deposit	933,162	933,162
Derivative financial instruments	721,762	721,762
Other accounts and accruals	1,424,977	940,629
Current tax liabilities	426,765	420,277
Debt securities issued	1,722,758	1,722,758
Loan capital	1,799,411	1,799,411
Deferred tax liabilities	23,651	20,825
<b>Total liabilities</b>	<b>131,542,629</b>	<b>131,712,240</b>
<b>Equity attributable to owners of the Bank</b>		
Share capital	5,435,904	5,435,904
Additional equity instruments	2,312,030	2,312,030
Reserves	8,506,438	7,765,532
<b>Total equity</b>	<b>16,254,372</b>	<b>15,513,466</b>
<b>Total liabilities and equity</b>	<b>147,797,001</b>	<b>147,225,706</b>

Approach to Balance Sheet Reconciliation in accordance with the requirements issued by Hong Kong Monetary Authority on 19 August 2013

Step 2

Consolidated Statement Of Financial Position

HK\$'000	Balance sheet as in	Under regulatory scope	Cross reference to
	published financial	of consolidation	
	statements	of consolidation	Definition of Capital
	At 30 June 2017	At 30 June 2017	Components
<b>Assets</b>			
Cash and short-term funds	30,560,824	30,553,439	
Placements with banks maturing between one to twelve months	2,058,549	2,046,927	
Derivative financial instruments	314,603	314,603	
Financial assets at fair value through profit or loss	213	0	
Available-for-sale securities	27,823,765	27,777,287	
Held-to-maturity securities	4,575,839	4,545,828	
Advances and other accounts	80,888,057	80,491,563	
of which: Impairment allowances eligible for inclusion in Tier 2 capital		(277,815)	(1)
Defined benefit pension fund net assets		21,726	(2)
Assets held for sale	0	0	
Investments in subsidiaries		192,569	
Amounts due from subsidiaries		50,483	
Interests in associates	294,833	21,500	
Investment properties	290,083	290,083	
Property and equipment	701,669	695,474	
Prepaid lease payments for land	2,238	2,238	
Deferred tax assets	4,816	4,816	(3)
Intangible assets	278,502	238,896	
of which: Internally developed software		238,896	(4)
Tax recoverable	3,010	-	
<b>Total assets</b>	<b>147,797,001</b>	<b>147,225,706</b>	
<b>Liabilities</b>			
Deposits and balances of banks	4,823,878	4,823,878	
Financial assets sold under repurchase agreements	8,635,658	8,635,658	
Deposits from customers	111,030,607	111,112,607	
Amounts due to subsidiaries		581,273	
Certificates of deposit	933,162	933,162	
Derivative financial instruments	721,762	721,762	
Other accounts and accruals	1,424,977	940,629	
Current tax liabilities	426,765	420,277	
Debt securities issued	1,722,758	1,722,758	
Loan capital	1,799,411	1,799,411	
of which: Portion eligible for Tier 2 capital subject to phase out arrangement		865,352	(5)
Deferred tax liabilities	23,651	20,825	
of which: Deferred tax liabilities related to defined benefit pension fund		3,492	(6)
<b>Total liabilities</b>	<b>131,542,629</b>	<b>131,712,240</b>	
<b>Equity attributable to owners of the Bank</b>			
Share capital	5,435,904	5,435,904	(7)
Additional equity instruments	2,312,030	2,312,030	(8)
Reserves	8,506,438	7,765,532	
of which: Retained profits		5,448,593	(9)
of which: Cumulative fair value gains arising from revaluation of investment properties		46,804	(10)
of which: Disclosed reserves		2,316,939	(11)
of which: Land and building revaluation reserve		174,247	(12)
of which: Regulatory reserve		651,000	(13)
<b>Total equity</b>	<b>16,254,372</b>	<b>15,513,466</b>	
<b>Total liabilities and equity</b>	<b>147,797,001</b>	<b>147,225,706</b>	

Approach to Balance Sheet Reconciliation in accordance with the requirements issued by Hong Kong Monetary Authority on 19 August 2013

Step 3

As At 30 June 2017

(HK\$'000)

Transition Disclosures Template		Component of regulatory capital	Amounts subject to pre-BaseI III treatment	Cross-referenced to Consolidated Balance Sheet
<b>CET1 capital: instruments and reserves</b>				
1	Directly issued qualifying CET1 capital instruments plus any related share premium	5,435,904		(7)
2	Retained earnings	5,448,593		(9)
3	Disclosed reserves	2,316,939		(11)
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)	Not applicable		
	Public sector capital injections grandfathered until 1 January 2018	Not applicable		
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0		
6	<b>CET1 capital before regulatory deductions</b>	13,201,436		
<b>CET1 capital: regulatory deductions</b>				
7	Valuation adjustments	0		
8	Goodwill (net of associated deferred tax liability)	0		
9	Other intangible assets (net of associated deferred tax liability)	238,896	0	(4)
10	Deferred tax assets net of deferred tax liabilities	4,816		(3)
11	Cash flow hedge reserve	0		
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0	
13	Gain-on-sale arising from securitization transactions	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	18,234	0	(2) - (6)
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to CET1 capital	872,051		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	221,051		(10) + (12)
26b	Regulatory reserve for general banking risks	651,000		(13)
26c	Securitization exposures specified in a notice given by the Monetary Authority	0		
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0		
26e	Capital shortfall of regulated non-bank subsidiaries	0	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0		
28	<b>Total regulatory deductions to CET1 capital</b>	1,133,997		
29	<b>CET1 capital</b>	12,067,439		
<b>AT1 capital: instruments</b>				
30	Qualifying AT1 capital instruments plus any related share premium	2,312,030		(8)
31	of which: classified as equity under applicable accounting standards	2,312,030		
32	of which: classified as liabilities under applicable accounting standards	0		
33	Capital instruments subject to phase out arrangements from AT1 capital	0		
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0		
35	of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements	0		
36	<b>AT1 capital before regulatory deductions</b>	2,312,030		
<b>AT1 capital: regulatory deductions</b>				
37	Investments in own AT1 capital instruments	0	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	0	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0	
41	National specific regulatory adjustments applied to AT1 capital	0		
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from Tier1 capital	0		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0		
iii	of which: Investments in own CET1 capital instruments	0		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0		
43	<b>Total regulatory deductions to AT1 capital</b>	0		
44	<b>AT1 capital</b>	2,312,030		
45	<b>Tier 1 capital (Tier 1 = CET1 + AT1)</b>	14,379,469		

Transition Disclosures Template		Component of regulatory capital	Amounts subject to pre-BaseI III treatment	Cross-referenced to Consolidated Balance Sheet
<b>Tier 2 capital: instruments and provisions</b>				
46	Qualifying Tier 2 capital instruments plus any related share premium	0		
47	Capital instruments subject to phase out arrangements from Tier 2 capital	865,352		(5)
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	928,815		-(1) + (13)
51	<b>Tier 2 capital before regulatory deductions</b>	1,794,167		
<b>Tier 2 capital: regulatory deductions</b>				
52	Investments in own Tier 2 capital instruments	0	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(99,473)		
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	(99,473)		- [(10) + (12)] x 45%
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0		
iii	of which: Investments in own CET1 capital instruments	0		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation			
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
57	<b>Total regulatory deductions to Tier 2 capital</b>	(99,473)		
58	<b>Tier 2 capital</b>	1,893,640		
59	<b>Total capital (Total capital = Tier 1 + Tier 2)</b>	16,273,109		

**Abbreviations:**

CET1: Common Equity Tier 1

AT1: Additional Tier 1

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	published financial statements	of consolidation
	At 31 December 2016	At 31 December 2016
<b>Assets</b>		
Cash and short-term funds	30,521,281	30,510,777
Placements with banks maturing between one to twelve months	1,616,540	1,604,971
Derivative financial instruments	424,845	424,845
Financial assets at fair value through profit or loss	241	0
Available-for-sale securities	24,164,028	24,110,434
Held-to-maturity securities	5,563,683	5,533,547
Advances and other accounts	74,081,605	73,802,578
Investments in subsidiaries		192,569
Amounts due from subsidiaries		111
Assets held for sale	2	2
Interests in associates	262,565	21,500
Investment properties	282,927	282,927
Property and equipment	633,604	617,172
Prepaid lease payments for land	2,201	2,201
Deferred tax assets	4,672	4,672
Intangible assets	210,729	171,123
Tax recoverable	3,128	0
<b>Total assets</b>	<b>137,772,051</b>	<b>137,279,429</b>
<b>Liabilities</b>		
Deposits and balances of banks	2,696,681	2,696,681
Financial assets sold under repurchase agreements	9,845,753	9,845,753
Deposits from customers	102,880,629	102,880,629
Amounts due to subsidiaries		607,498
Certificates of deposit	812,329	812,329
Derivative financial instruments	553,614	553,614
Other accounts and accruals	1,243,889	977,118
Current tax liabilities	356,298	354,314
Debt securities issued	1,663,774	1,663,774
Loan capital	1,792,267	1,792,267
Deferred tax liabilities	13,245	10,955
<b>Total liabilities</b>	<b>121,858,479</b>	<b>122,194,932</b>
<b>Equity attributable to owners of the Bank</b>		
Share capital	5,435,904	5,435,904
Additional equity instruments	2,312,030	2,312,030
Reserves	8,165,638	7,336,563
<b>Total equity</b>	<b>15,913,572</b>	<b>15,084,497</b>
<b>Total liabilities and equity</b>	<b>137,772,051</b>	<b>137,279,429</b>

Approach to Balance Sheet Reconciliation in accordance with the requirements issued by Hong Kong Monetary Authority on 19 August 2013

Step 2

Consolidated Statement Of Financial Position

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	published financial	of consolidation	
	statements		Definition of Capital
	At 31 December 2016	At 31 December 2016	Components
<b>Assets</b>			
Cash and short-term funds	30,521,281	30,510,777	
Placements with banks maturing between one to twelve months	1,616,540	1,604,971	
Derivative financial instruments	424,845	424,845	
Financial assets at fair value through profit or loss	241	0	
Available-for-sale securities	24,164,028	24,110,434	
Held-to-maturity securities	5,563,683	5,533,547	
Advances and other accounts	74,081,605	73,802,578	
of which: Impairment allowances eligible for inclusion in Tier 2 capital		(251,219)	(1)
Defined benefit pension fund net assets		21,726	(2)
Assets held for sale	2	2	
Investments in subsidiaries		192,569	
Amounts due from subsidiaries		111	
Interests in associates	262,565	21,500	
Investment properties	282,927	282,927	
Property and equipment	633,604	617,172	
Prepaid lease payments for land	2,201	2,201	
Deferred tax assets	4,672	4,672	(3)
Intangible assets	210,729	171,123	
of which: Internally developed software		171,123	(4)
Tax recoverable	3,128	-	
<b>Total assets</b>	<b>137,772,051</b>	<b>137,279,429</b>	
<b>Liabilities</b>			
Deposits and balances of banks	2,696,681	2,696,681	
Financial assets sold under repurchase agreements	9,845,753	9,845,753	
Deposits from customers	102,880,629	102,880,629	
Amounts due to subsidiaries		607,498	
Certificates of deposit	812,329	812,329	
Derivative financial instruments	553,614	553,614	
Other accounts and accruals	1,243,889	977,118	
Current tax liabilities	356,298	354,314	
Debt securities issued	1,663,774	1,663,774	
Loan capital	1,792,267	1,792,267	
of which: Portion eligible for Tier 2 capital subject to phase out arrangement		1,038,423	(5)
Deferred tax liabilities	13,245	10,955	
of which: Deferred tax liabilities related to defined benefit pension fund		3,492	(6)
<b>Total liabilities</b>	<b>121,858,479</b>	<b>122,194,932</b>	
<b>Equity attributable to owners of the Bank</b>			
Share capital	5,435,904	5,435,904	(7)
Additional equity instruments	2,312,030	2,312,030	(8)
Reserves	8,165,638	7,336,563	
of which: Retained profits		5,081,724	(9)
of which: Cumulative fair value gains arising from revaluation of investment properties		44,012	(10)
of which: Disclosed reserves		2,254,839	(11)
of which: Land and building revaluation reserve		174,247	(12)
of which: Regulatory reserve		739,000	(13)
<b>Total equity</b>	<b>15,913,572</b>	<b>15,084,497</b>	
<b>Total liabilities and equity</b>	<b>137,772,051</b>	<b>137,279,429</b>	

Transition Disclosures Template		Component of regulatory capital	Amounts subject to pre-BaseI III treatment	Cross-referenced to Consolidated Balance Sheet
<b>CET1 capital: instruments and reserves</b>				
1	Directly issued qualifying CET1 capital instruments plus any related share premium	5,435,904		(7)
2	Retained earnings	5,081,724		(9)
3	Disclosed reserves	2,254,839		(11)
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)	Not applicable		
	Public sector capital injections grandfathered until 1 January 2018	Not applicable		
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0		
6	<b>CET1 capital before regulatory deductions</b>	12,772,467		
<b>CET1 capital: regulatory deductions</b>				
7	Valuation adjustments	0		
8	Goodwill (net of associated deferred tax liability)	0		
9	Other intangible assets (net of associated deferred tax liability)	171,123	0	(4)
10	Deferred tax assets net of deferred tax liabilities	4,672		(3) - (14)
11	Cash flow hedge reserve	0		
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	0	
13	Gain-on-sale arising from securitization transactions	0		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	18,234	0	(2) - (6)
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to CET1 capital	957,259		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	218,259		(10) + (12)
26b	Regulatory reserve for general banking risks	739,000		(13)
26c	Securitization exposures specified in a notice given by the Monetary Authority	0		
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0		
26e	Capital shortfall of regulated non-bank subsidiaries	0	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0		
28	<b>Total regulatory deductions to CET1 capital</b>	1,151,288		
29	<b>CET1 capital</b>	11,621,179		
<b>AT1 capital: instruments</b>				
30	Qualifying AT1 capital instruments plus any related share premium	2,312,030		(8)
31	of which: classified as equity under applicable accounting standards	2,312,030		
32	of which: classified as liabilities under applicable accounting standards	0		
33	Capital instruments subject to phase out arrangements from AT1 capital	0		
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0		
35	of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements	0		
36	<b>AT1 capital before regulatory deductions</b>	2,312,030		
<b>AT1 capital: regulatory deductions</b>				
37	Investments in own AT1 capital instruments	0	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	0	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0	
41	National specific regulatory adjustments applied to AT1 capital	0		
41a	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from Tier1 capital	0		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0		
iii	of which: Investments in own CET1 capital instruments	0		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0		
43	<b>Total regulatory deductions to AT1 capital</b>	0		
44	<b>AT1 capital</b>	2,312,030		
45	<b>Tier 1 capital (Tier 1 = CET1 + AT1)</b>	13,933,209		

Transition Disclosures Template		Component of regulatory capital	Amounts subject to pre-BaseI III treatment	Cross-referenced to Consolidated Balance Sheet
<b>Tier 2 capital: instruments and provisions</b>				
46	Qualifying Tier 2 capital instruments plus any related share premium	0		
47	Capital instruments subject to phase out arrangements from Tier 2 capital	1,038,423		(5)
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	990,219		-(1) + (13)
51	<b>Tier 2 capital before regulatory deductions</b>	<b>2,028,642</b>		
<b>Tier 2 capital: regulatory deductions</b>				
52	Investments in own Tier 2 capital instruments	0	0	
53	Reciprocal cross-holdings in Tier 2 capital instruments	0	0	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	0	
56	National specific regulatory adjustments applied to Tier 2 capital	(98,217)		
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	(98,217)		- [(10) + (12)] x 45%
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0		
i	of which: Excess of total EL amount over total eligible provisions under the IRB approach	0		
ii	of which: Capital shortfall of regulated non-bank subsidiaries	0		
iii	of which: Investments in own CET1 capital instruments	0		
iv	of which: Reciprocal cross holdings in CET1 capital instruments issued by financial sector entities	0		
v	of which: Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0		
vi	of which: Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation			
vii	of which: Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0		
57	<b>Total regulatory deductions to Tier 2 capital</b>	<b>(98,217)</b>		
58	<b>Tier 2 capital</b>	<b>2,126,859</b>		
59	<b>Total capital (Total capital = Tier 1 + Tier 2)</b>	<b>16,060,068</b>		

**Abbreviations:**

CET1: Common Equity Tier 1

AT1: Additional Tier 1