



創興銀行有限公司
Chong Hing Bank Limited
(Incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURES

FOR THE SECOND QUARTER ENDED
30 June 2018

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Part I : Key prudential ratios and overview of RWA
KM1: Key prudential ratios

In HK\$'000		(a)	(b)	(c)	(d)	(e)
		As at 30 June 2018	As at 31 March 2018	As at 31 December 2017	As at 30 September 2017	As at 30 June 2017
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	13,291,047	13,425,003	13,127,134	12,643,973	12,067,439
2	Tier 1	15,603,077	15,737,033	15,439,164	14,956,003	14,379,469
3	Total Capital	20,521,443	20,577,680	20,435,557	19,953,822	16,273,109
RWA (amount)						
4	Total RWA	117,977,847	116,104,572	116,122,468	113,589,391	103,151,815
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	11.27%	11.56%	11.30%	11.13%	11.70%
6	Tier 1 ratio (%)	13.23%	13.55%	13.30%	13.17%	13.94%
7	Total capital ratio (%)	17.39%	17.72%	17.60%	17.57%	15.78%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	1.875%	1.875%	1.250%	1.250%	1.250%
9	Countercyclical capital buffer requirement (%)	1.334%	1.357%	0.910%	0.917%	0.951%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.209%	3.232%	2.160%	2.167%	2.201%
12	CET1 available after meeting the AI's minimum capital requirements (%)	6.77%	7.06%	6.80%	6.63%	7.20%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	167,735,008	167,701,624	174,405,580	173,721,127	156,351,833
14	LR (%)	9.30%	9.38%	8.85%	8.61%	9.20%
Liquidity Maintenance Ratio (LMR)						
17a	LMR (%)	43.55%	43.61%	40.41%	42.69%	40.91%
Core Funding Ratio (CFR)						
20a	CFR (%)	156.39%	148.59%	N/A	N/A	N/A

Part I : Key prudential ratios and overview of RWA
OV1: Overview of RWA

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA.

In HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2018	As at 31 March 2018	As at 30 June 2018
1	Credit risk for non-securitization exposures	107,226,932	106,976,241	8,578,155
2	<i>Of which STC approach</i>	107,226,932	106,976,241	8,578,155
2a	<i>Of which BSC approach</i>	-	-	-
3	<i>Of which foundation IRB approach</i>	-	-	-
4	<i>Of which supervisory slotting criteria approach</i>	-	-	-
5	<i>Of which advanced IRB approach</i>	-	-	-
6	Counterparty default risk and default fund contributions	1,445,261	1,309,172	115,621
7	<i>Of which SA-CCR*</i>	Not applicable	Not applicable	Not applicable
7a	<i>Of which CEM</i>	1,166,018	1,167,826	93,281
8	<i>Of which IMM(CCR) approach</i>	-	-	-
9	<i>Of which others</i>	279,243	141,346	22,340
10	CVA risk	652,775	629,100	52,222
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	<i>Of which SEC-IRBA</i>	-	-	-
18	<i>Of which SEC-ERBA</i>	-	-	-
19	<i>Of which SEC-SA</i>	-	-	-
19a	<i>Of which SEC-FBA</i>	-	-	-
20	Market risk	3,056,788	1,835,400	244,543
21	<i>Of which STM approach</i>	3,056,788	1,835,400	244,543
22	<i>Of which IMM approach</i>	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	Not applicable	Not applicable	Not applicable
24	Operational risk	5,195,638	4,944,963	415,651
25	Amounts below the thresholds for deduction (subject to 250% RW)	535,173	535,173	42,814
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	134,720	125,477	10,778
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	-	-	-
26c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	134,720	125,477	10,778
27	Total	117,977,847	116,104,572	9,438,228

Total RWAs increased by HK\$1.9bn since last quarter. RWA for market risk was the main contributor and the key driver for the increase was the increase in RMB position.

Part IIA : Composition of regulatory capital
CC1: Composition of regulatory capital
As at 30 June 2018

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
In HK\$'000			
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	5,435,904	(7)
2	Retained earnings	6,655,830	(9)
3	Disclosed reserves	2,654,218	(11)
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (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)	-	
6	CET1 capital before regulatory adjustments	14,745,952	
CET1 capital: regulatory deductions			
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liability)	-	
9	Other intangible assets (net of associated deferred tax liability)	366,687	(4)
10	Deferred tax assets (net of associated deferred tax liabilities)	-	(3)
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	23,273	(2) - (6)
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
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)	-	
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 liability)	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	1,064,945	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	244,945	(10) + (12)
26b	Regulatory reserve for general banking risks	820,000	(13)
26c	Securitization exposures specified in a notice given by the Monetary Authority	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	1,454,905	
29	CET1 capital	13,291,047	
AT1 capital: instruments			
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	-	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements	-	
36	AT1 capital before regulatory deductions	2,312,030	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
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)	-	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	2,312,030	
45	Tier 1 capital (Tier 1 = CET1 + AT1)	15,603,077	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	2,986,994	
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	620,368	(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)	-	

Part IIA : Composition of regulatory capital
 CC1: Composition of regulatory capital

As at 30 June 2018

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
In HK\$'000			
49	<i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,200,778	
51	Tier 2 capital before regulatory deductions	4,808,140	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	-	
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)	-	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	(110,226)	
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	(110,226)	- [(10) + (12)] x 45%
57	Total regulatory adjustments to Tier 2 capital	(110,226)	
58	Tier 2 capital (T2)	4,918,366	
59	Total regulatory capital (TC = T1 + T2)	20,521,443	
60	Total RWA	117,977,847	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	11.27%	
62	Tier 1 capital ratio	13.23%	
63	Total capital ratio	17.39%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.209%	
65	of which: capital conservation buffer requirement	1.875%	
66	of which: bank specific countercyclical capital buffer requirement	1.334%	
67	of which: higher loss absorbency requirement	0.000%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	6.77%	
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 capital investments in CET1, AT1 and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	38,099	
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	214,069	
74	Mortgage servicing rights (net of associated deferred tax liability)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	Not applicable	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 BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,200,778	
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	1,364,924	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	Not applicable	Not applicable
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	Not applicable	Not applicable
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	<i>Current cap on CET1 capital instruments subject to phase-out arrangements</i>	Not applicable	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase-out arrangements</i>	Not applicable	Not applicable
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
84	<i>Current cap on Tier 2 capital instruments subject to phase-out arrangements</i>	620,368	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	857,376	

Part IIA : Composition of regulatory capital
CC1: Composition of regulatory capital
As at 30 June 2018
Notes to the template:
In HK\$'000

Row No.	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liability) Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") 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 follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 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 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs 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 or other credit exposures to connected companies) under Basel III.	366,687	366,687
10	Deferred tax assets (net of associated deferred tax liabilities) Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs 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. 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 or other credit exposures to connected companies) under Basel III.	-	-
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) 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 MA 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 AI's connected companies which were subject to deduction under the Hong Kong approach.	-	-
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) 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 MA 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.	-	-
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) 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.	-	-
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) 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 AI's connected companies which were subject to deduction under the Hong Kong approach.	-	-
Remarks: 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.			

Part IIA : Composition of regulatory capital
CC2: Reconciliation of regulatory capital to balance sheet

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
In HK\$'000	As at 30 June 2018	As at 30 June 2018	
Assets			
Cash and short-term funds	12,884,061	12,872,708	
Placements with banks maturing between one to twelve months	3,599,847	3,575,466	
Derivative financial instruments	1,136,557	1,136,557	
Investment in securities	42,113,827	42,051,013	
Advances and other accounts	96,992,581	96,575,310	
of which: Impairment allowances eligible for inclusion in Tier 2 capital	-	(380,778)	(1)
Defined benefit pension fund net assets	-	27,696	(2)
Investments in subsidiaries	-	192,569	
Amounts due from subsidiaries	-	1,988	
Interests in associates	314,010	20,000	
Investment properties	312,424	312,424	
Property and equipment	562,542	557,991	
Prepaid lease payments for land	2,107	2,107	
Deferred tax assets	-	-	(3)
Intangible assets	437,196	366,687	
of which: Internally developed software	-	366,687	(4)
Total assets	158,355,152	157,664,820	
Liabilities			
Deposits and balances of banks	3,334,640	3,334,640	
Financial assets sold under repurchase agreements	5,829,952	5,829,952	
Deposits from customers	121,084,229	121,149,455	
Amounts due to subsidiaries	-	405,083	
Certificates of deposit	1,241,499	1,241,499	
Derivative financial instruments	870,447	870,447	
Other accounts and accruals	1,815,421	1,351,359	
Current tax liabilities	158,502	143,867	
Debt securities issued	1,773,581	1,773,581	
Loan capital	4,464,738	4,464,738	
of which: Portion eligible for Tier 2 capital subject to phase out arrangement	-	620,368	(5)
Deferred tax liabilities	44,678	42,217	
of which: Deferred tax liabilities related to defined benefit pension fund	-	4,423	(6)
Total liabilities	140,617,687	140,606,838	
Equity attributable to owners of the Bank			
Share capital	5,435,904	5,435,904	(7)
Additional equity instruments	2,312,030	2,312,030	(8)
Reserves	9,989,531	9,310,048	
of which: Retained profits	-	6,655,830	(9)
of which: Cumulative fair value gains arising from revaluation of investment properties	-	65,313	(10)
of which: Disclosed reserves	-	2,654,218	(11)
of which: Land and building revaluation reserve	-	179,632	(12)
of which: Regulatory reserve	-	820,000	(13)
Total equity	17,737,465	17,057,982	
Total liabilities and equity	158,355,152	157,664,820	

As at 30 June 2018

	Ordinary shares	USD300 million Undated Non-Cumulative Subordinated Additional Tier 1 Capital Securities	USD204.024 million 6% Subordinated Notes due 2020	USD382.903 million 3.876% Tier 2 Subordinated Notes due 2027
1 Issuer	Chong Hing Bank Limited	Chong Hing Bank Limited	Chong Hing Bank Limited	Chong Hing Bank Limited
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	The Stock Exchange of Hong Kong Limited's Stock Code : 01111	ISIN : XS1107229582	ISIN : XS0556302163	ISIN : XS1649885974
3 Governing law(s) of the instrument	Hong Kong law	English law / Hong Kong law	English law / Hong Kong law	English law / Hong Kong law
<i>Regulatory treatment</i>				
4 Transitional Basel III rules [#]	Common Equity Tier 1	NA	Tier 2	NA
5 Post-transitional Basel III rules [#]	Common Equity Tier 1	Additional Tier 1	Ineligible	Tier 2
6 Eligible at solo*/group/group & solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7 Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Undated Non-Cumulative Subordinated Capital Securities	Other Tier 2 instruments	Other Tier 2 instruments
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	(HKD million) 5,435.9	(HKD million) 2,312.0	(HKD million) 620.4	(HKD million) 2,987.0
9 Par value of instrument	NA	USD300 million	The subordinated notes with total face value of USD 204.024 million issued in registered form in denominations of USD100,000 each and integral multiples of USD1,000 in excess thereof	The subordinated notes with total face value of USD 382.903 million issued in registered form in denominations of USD200,000 each and integral multiples of USD1,000 in excess thereof
10 Accounting classification	Shareholders' equity	Equity	Liability - amortised cost	Liability - amortised cost
11 Original date of issuance	Since incorporation	25 September 2014	4 November 2010	26 July 2017
12 Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13 Original maturity date	No maturity	No maturity	4 November 2020	26 July 2027
14 Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	The First Call Date is on 25 September 2019. The Capital Securities have no fixed redemption date. Optional Redemption (on a designated date in 2019 or on any Distribution Payment Date thereafter), Tax Redemption and Regulatory Redemption are all subject to prior written consent of the Hong Kong Monetary Authority. Redemption amount will be the then prevailing principal amount.	The notes will be redeemable at the option of the Bank in whole but not in part, at a redemption price equal to their principal amount together with accrued and unpaid interest to the date fixed for redemption, upon the occurrence of certain changes in taxation in Hong Kong requiring the payment of additional amounts. The Bank may at its option, having given not less than 30 nor more than 60 days' notice to the noteholders, redeem all the notes.	The bank may redeem all, but not some only, of the Notes then outstanding on 26 July 2022, at their outstanding principal amount together with interest accrued to (but excluding) the date of redemption, subject to adjustments following the occurrence of a Non-Viability Event and prior written consent of the Hong Kong Monetary Authority. The notes will be redeemable at the option of the Bank in whole but not in part, at a redemption price equal to their principal amount together with interest accrued to (but excluding) the date fixed for redemption, upon the occurrence of a Capital Event (Regulatory Redemption), a Tax Deduction Event (Tax Deduction Redemption) or upon the occurrence of certain changes in taxation in Hong Kong requiring the payment of additional amounts (Tax Redemption). Tax Redemption, Tax Deduction Redemption and Regulatory Redemption are all subject to prior written consent of the Hong Kong Monetary Authority.
16 Subsequent call dates, if applicable	NA	NA	NA	NA
<i>Coupons / dividends</i>				
17 Fixed or floating dividend/coupon	Floating	Fixed	Fixed	Fixed
18 Coupon rate and any related index	The final dividend is proposed by the board of directors of the Bank and is subject to approval by the shareholders of the Bank in the annual general meeting. The interim dividend is declared by the board of directors of the Bank.	At a fixed rate of 6.5% per annum until 25 September 2019. Thereafter reset at: five years U.S. Treasury Rate + 4.628%	6%	At a fixed rate of 3.876% per annum until 25 July 2022. At a Reset Interest Rate from 26 July 2022 to (but excluding) 26 July 2027 (the "Maturity Date")
19 Existence of a dividend stopper	No	Yes	No	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No	No	No	No
22 Noncumulative or cumulative	Noncumulative	Noncumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Convertible	Convertible
24 If convertible, conversion trigger (s)	NA	NA	If at any time (on or after 1 January 2013), the note no longer fully qualifies as term subordinated debt for inclusion in Category III - Tier 2 capital of the Bank upon changes to regulatory requirements, the Bank may, at its option and subject to the prior written approval of the HKMA, exercise a change of the status of the note by serving the "Change in Status Notice" to the noteholders. Upon a "Change in Status Notice" becoming effective, the note shall thereafter constitute unsubordinated obligations and the rate of interest on the note shall be reduced from 6% per annum to 5.5% per annum. As the "Change in Status Notice" has not been served, the rate of interest on the note remains at 6% per annum.	Each Noteholder shall be subject to having the Notes being written off, cancelled, converted or modified, or to having the form of the Notes changed, in the exercise of any Hong Kong Resolution Authority Power by the relevant Hong Kong Resolution Authority without prior notice which may include (without limitation) the conversion of all or a part of the principal amount of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes.
25 If convertible, fully or partially	NA	NA	Fully	Full or partial
26 If convertible, conversion rate	NA	NA	1 : 1	NA
27 If convertible, mandatory or optional conversion	NA	NA	Optional	Mandatory
28 If convertible, specify instrument type convertible into	NA	NA	Other : Senior note	Shares or other securities or other obligations
29 If convertible, specify issuer of instrument it converts into	NA	NA	Chong Hing Bank Limited	Chong Hing Bank Limited or another person
30 Write-down feature	No	Yes	No	Yes
31 If write-down, write-down trigger(s)	NA	If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid Distribution in respect of, each Capital Security (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Capital Security. "Non-Viability Event" means the earlier of: (i) the Hong Kong Monetary Authority notifying the Bank in writing that the Hong Kong Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Bank would become non-viable; and (ii) the Hong Kong Monetary Authority notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.	NA	If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event Notice, irrevocably reduce the then principal amount of, and cancel any accrued but unpaid interest in respect of, each Note (in each case in whole or in part) by an amount equal to the Non-Viability Event Write-off Amount per Note. "Non-Viability Event" means the earlier of: (i) the Hong Kong Monetary Authority notifying the Bank in writing that the Hong Kong Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Bank would become non-viable; and (ii) the Hong Kong Monetary Authority notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.
32 If write-down, full or partial	NA	Full or partial	NA	Full or partial
33 If write-down, permanent or temporary	NA	Permanent	NA	Permanent
34 If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Subordinated to additional tier 1 capital securities	Subordinated to all claims of: (i) all unsubordinated creditors of the Bank (including depositors), (ii) creditors in respect of Tier 2 Capital Securities of the Bank, and (iii) all other Subordinated Creditors of the Bank whose claims are stated to rank senior to the Capital Securities or rank senior to the Capital Securities by operations of law or contract.	Certificates of deposit	In the event of a winding-up, the rights of the Noteholders to payment of principal and interest, and any other obligations in respect of the Notes, shall rank : (a) Subordinate and junior in right of payment to, and of all claims of, (i) all unsubordinated creditors of the Bank (including depositors), and (ii) all other Subordinated Creditors of the Bank whose claims are stated to rank senior to the Notes or rank senior to the Notes by operations of law or contract (b) Pari passu in right of payment to and of all claims of the holders of Tier 2 Capital Instruments (or its equivalent) under applicable Capital Regulations or any instrument or other obligation issued, entered into, or guaranteed by the Bank that ranks or is expressed to rank pari passu with the Notes by operation of law or contract, excludes any Junior Obligations of the Bank. (c) Senior in right of payment to and of all claims of, (i) the holders of Junior Obligations, and (ii) the holders of Tier 1 Capital Instruments of the Bank, in each case in the manner provided in the Trust Deed.
36 Non-compliant transitioned features	No	No	Yes	No
37 If yes, specify non-compliant features	NA	NA	No loss absorption provision at the point of non-viability	NA

Footnote:

- [#] 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

The full terms and conditions of all capital instruments are available on the Bank's website: www.chbank.com/en/regulatory-disclosures/capital-instrument/terms-and-conditions-of/index.shtml

Part IIB : Macroprudential supervisory measures
CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer

Geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures with a non-zero applicable JCCyB ratio

In HK\$'000		As at 30 June 2018			
		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong SAR	1.875%	69,065,720		
2	United Kingdom	0.500%	323,175		
	Sum		69,388,895		
	Total		97,200,577	1.334%	1,573,824

The jurisdiction in which the Group has private sector credit exposure is determined on an "ultimate risk basis". Exposures are allocated to the jurisdiction where the risk ultimately lies, defined as the location where the "ultimate obligor" resides.

The CCyB ratio of United Kingdom has increased from 0% to 0.5% since 27 June 2018.

Part IIC : Leverage ratio
LR1: Summary comparison of accounting assets against leverage ratio exposure measure

In HK\$'000		(a)
		As at 30 June 2018
	Item	Value under the LR framework
1	Total consolidated assets as per published financial statements□	158,355,152
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(690,332)
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 contracts	2,692,348
5	Adjustment for SFTs (i.e. repos and similar secured lending)	462,655
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	8,397,383
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(25,493)
7	Other adjustments□	(1,456,705)
8	Leverage ratio exposure measure	167,735,008

Difference between the total balance sheet assets (net of on-balance sheet derivative exposures and securities financing transaction exposures) as reported in published financial statements and on-balance sheets exposures as stated in LR2 was due to investments in entities that are consolidated for accounting purpose but outside the scope of regulatory consolidation.

Part IIC : Leverage ratio
LR2: Leverage ratio

		(a)	(b)
		As at 30 June 2018	As at 31 March 2018
In HK\$'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	150,712,204	151,734,859
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,459,329)	(1,389,453)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	149,252,875	150,345,406
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)	1,139,180	1,029,154
5	Add-on amounts for PFE associated with all derivative contracts	2,692,348	2,420,648
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	-	-
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	3,831,528	3,449,802
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	6,384,339	5,610,386
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	462,655	840,783
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	6,846,994	6,451,169
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	39,131,846	37,730,500
18	Less: Adjustments for conversion to credit equivalent amounts	(30,734,464)	(29,510,653)
19	Off-balance sheet items	8,397,382	8,219,847
Capital and total exposures			
20	Tier 1 capital	15,603,077	15,737,033
20a	Total exposures before adjustments for specific and collective provisions	168,328,779	168,466,224
20b	Adjustments for specific and collective provisions	(593,771)	(764,600)
21	Total exposures after adjustments for specific and collective provisions	167,735,008	167,701,624
Leverage ratio			
22	Leverage ratio	9.30%	9.38%

Part III : Credit risk for non-securitization exposures
CR1: Credit quality of exposures

		As at 30 June 2018			
		(a)	(b)	(c)	(d)
		Gross carrying amounts of		Allowances / impairments	Net values
Defaulted exposures	Non-defaulted exposures				
In HK\$'000					
1	Loans	293,386	109,841,971	568,278	109,567,079
2	Debt securities	-	42,000,758	60,644	41,940,114
3	Off-balance sheet exposures	-	14,593,428	23,666	14,569,762
4	Total	293,386	166,436,157	652,588	166,076,955

The Group identifies the exposures as "default" if the exposure is past due for more than 90 days or has been rescheduled.

Loans included balances with banks, loans and advances to customers and balances with central banks.

Debt securities included available-for-sale securities, held-to-maturity securities, exchange fund bills, retail bonds and loan and receivable securities.

Off-balance sheet exposures included direct credit substitutes, trade-related contingencies, forward asset purchases and irrecoverable loans commitment.

Part III : Credit risk for non-securitization exposures
CR2: Changes in defaulted loans and debt securities

In HK\$'000		As at 30 June 2018
		(a) Amount
1	Defaulted loans and debt securities at end of the previous reporting period (31 Dec 2017)	512,271
2	Loans and debt securities that have defaulted since the last reporting period	32,651
3	Returned to non-defaulted status	(26,053)
4	Amounts written off	(200,140)
5	Other changes	(25,343)
6	Defaulted loans and debt securities at end of the current reporting period (30 Jun 2018)	293,386

Part III : Credit risk for non-securitization exposures
CR3: Overview of recognized credit risk mitigation

		As at 30 June 2018				
		(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
In HK\$'000						
1	Loans	102,428,795	7,138,284	5,839,673	1,298,611	-
2	Debt securities	41,940,114	-	-	-	-
3	Total	144,368,909	7,138,284	5,839,673	1,298,611	-
4	Of which defaulted	192,239	101,147	101,147	-	-

Part III : Credit risk for non-securitization exposures
CR4: Credit risk exposures and effects of recognized credit risk mitigation - for STC approach

In HK\$'000		As at 30 June 2018					
		(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	12,706,025	-	12,706,025	-	599	0.00%
2	PSE exposures	999,832	-	1,531,994	-	306,399	20.00%
2a	Of which: domestic PSEs	999,832	-	1,531,994	-	306,399	20.00%
2b	Of which: foreign PSEs	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Bank exposures	29,564,713	-	29,880,150	-	10,058,016	33.66%
5	Securities firm exposures	1,775,258	3,460,906	1,770,501	197,202	983,852	50.00%
6	Corporate exposures	88,562,496	32,439,537	82,686,362	5,075,186	82,775,291	94.32%
7	CIS exposures	62,607	-	62,607	-	62,607	100.00%
8	Cash items	452,838	-	6,191,243	528,001	548,401	8.16%
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	325,324	502,457	301,448	12,212	235,242	75.00%
11	Residential mortgage loans	13,791,957	-	13,227,434	-	5,307,047	40.12%
12	Other exposures which are not past due exposures	6,806,801	2,723,469	6,690,087	130,940	6,821,027	100.00%
13	Past due exposures	120,792	5,477	120,792	-	128,451	106.34%
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	155,168,643	39,131,846	155,168,643	5,943,541	107,226,932	66.55%

Part III : Credit risk for non-securitization exposures
CR5: Credit risk exposures by asset classes and by risk weights - for STC approach

In HK\$'000		As at 30 June 2018										
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	(j)
Risk Weight		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
Exposure class												
1	Sovereign exposures	12,703,031	-	2,994	-	-	-	-	-	-	-	12,706,025
2	PSE exposures	-	-	1,531,994	-	-	-	-	-	-	-	1,531,994
2a	Of which: domestic PSEs	-	-	1,531,994	-	-	-	-	-	-	-	1,531,994
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	16,273,533	-	13,606,617	-	-	-	-	-	29,880,150
5	Securities firm exposures	-	-	-	-	1,967,703	-	-	-	-	-	1,967,703
6	Corporate exposures	-	-	-	-	10,661,616	-	76,410,838	689,094	-	-	87,761,548
7	CIS exposures	-	-	-	-	-	-	62,607	-	-	-	62,607
8	Cash items	3,977,942	-	2,741,125	-	-	-	177	-	-	-	6,719,244
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	-	-	-	-	-	313,660	-	-	-	-	313,660
11	Residential mortgage loans	-	-	-	12,169,376	-	41,172	1,016,886	-	-	-	13,227,434
12	Other exposures which are not past due exposures	-	-	-	-	-	-	6,821,027	-	-	-	6,821,027
13	Past due exposures	823	-	1,600	-	-	-	98,845	19,524	-	-	120,792
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	16,681,796	-	20,551,246	12,169,376	26,235,936	354,832	84,410,380	708,618	-	-	161,112,184

Part IV : Counterparty credit risk

CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

		As at 30 June 2018					
		(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
In HK\$'000							
1	CEM	895,995	2,572,083		N/A	3,468,077	1,166,018
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					6,384,339	265,806
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						1,431,824

Part IV : Counterparty credit risk
CCR2: CVA capital charge

In HK\$'000		As at 30 June 2018	
		(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	3,468,078	652,775
4	Total	3,468,078	652,775

Part IV : Counterparty credit risk
CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights - for STC approach

In HK\$'000		As at 30 June 2018										
		(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	(i)
Exposure class	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
	1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	819	-	-	-	-	-	-	-	819
2a	Of which: domestic PSEs	-	-	819	-	-	-	-	-	-	-	819
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	5,405,865	-	2,852,965	-	1,035,878	-	-	-	-	-	9,294,708
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	427,522	-	129,367	-	-	-	556,889
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	5,405,865	-	2,853,784	-	1,463,400	-	129,367	-	-	-	9,852,416

0 10 20 35 50 75 100 150 250

Part IV : Counterparty credit risk

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

As at 30 June 2018						
	(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 HK\$'000						
Cash - domestic currency	-	157,030	-	323,519	-	-
Cash - other currencies	-	204,171	-	219,080	5,133,865	995,409
Other sovereign debt	-	-	-	-	361,990	-
Foreign PSE debt	-	-	-	-	116,582	-
Bank bonds	-	-	-	-	500,414	118,524
Corporate bonds	-	-	-	-	-	5,269,190
Total	-	361,201	-	542,599	6,112,851	6,383,123

Part IV : Counterparty credit risk
CCR8: Exposures to CCPs

In HK\$'000		As at 30 June 2018	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		13,437
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	363,453	7,269
3	(i) OTC derivative transactions	363,453	7,269
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	308,375	6,168
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Part VI : Market risk

MR1: Market risk under STM approach

In HK\$'000		As at 30 June 2018
		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	1,126,775
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	1,930,013
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	3,056,788

Regulatory Disclosures

Abbreviations

<u>Abbreviations</u>	<u>Brief Description</u>
AI	Authorized Institution
AT1	Additional Tier 1
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CIS	Collective Investment Scheme
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
EAD	Exposure At Default
EPE	Expected Positive Exposure
LR	Leverage Ratio
OTC	Over-The-Counter
PFE	Potential Future Exposure
PSE	Public Sector Entity
RW	Risk-Weight
RWA	Risk-Weighted Asset/ Risk-Weighted Amount
SFT	Securities Financing Transaction
STC	Standardised (Credit Risk) Approach
STM	Standardised (Market Risk) Approach
VaR	Value At Risk