# **Regulatory Disclosures**

# 30 June 2015





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## Regulatory capital

Component of regulatory capital reported by back         reference (capital reported by back         reference (capital reported by back         regulatory (capital reported by back           1         Directly issued qualitying CET1 capital instruments plus any related share premium			At	30 June 2015	
CET1 capital: Instruments and reserves			regulatory capital reported by bank	subject to pre-Basel III treatment*	Cross reference to regulatory scope combined balance sheet
premium         300,000           Retained earnings         4.633,839           3         Disclosed reserves         1.454,930           4         Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)         Not applicable           9         Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)         Not applicable           6         Monoty interests arising from CET1 capital instruments issued by consolidated bank subschares and held by third parties (amount allowed in CET1 capital of the consolidation group)         0           6         CET1 capital before regulatory deductions         6,388,769           7         Valuation adjustments         0           8         CootAwill (net of associated deferred tax liability)         0           9         Dither intangible assest (net of defend tax liability)         0         0           10         Cash flow hedge reserve         0         0           12         Excess of total EL amount over total aliabilities         19         0         0           12         Excess of total EL amount over total stack in the or topatal instruments (not aliaready netted of paid-in capital on tapet total aliano the asset is not of capital instruments issued by financial and losses due to changes in cervic and instruments issued by financial above 10% threshold)         0         0<		CET1 capital: instruments and reserves			
2       Retained earnings       4.633.839         3       Disclosed reserves       1.454.930         4       Directly issued capital subject to phase out from CET1 capital (only applicable to morphint stock companies)       Not applicable         7       Directly issued capital subject to phase out from CET1 capital (only applicable on phone)       Not applicable         6       Minority interests arising from CET1 capital instruments issued by consolidated the consolidation (anout)       0         6       CET1 capital before regulatory deductions       6,388,769         7       Valuation adjustments       0       applicable         8       Coodwill (net of associated deferred tax liability)       0       0         9       Other intangible associated deferred tax liability)       0       0         9       Coodwill (net of associated capital instruments issued by consolidated for a capital instruments issued by consolidated for a capital instruments issued by consolidated in applicable on the conses in own credit risk on far valued liabilities       1       1         10       Defered tax assets red of deferred tax liability       0       0       0         12       Excess of total EL amount over total eligible provisions under the IRB approach       0       0       0         12       Excess of total EL amount over total set of regulatary consolidation (amount applicable on coshed and p	1	Directly issued qualifying CET1 capital instruments plus any related share			
3       Disclosed reserves       1,454,930         4       Directly issued capital subject to phase out from CET1 capital (only applicable to applicable opplicable oppli					(4)
Image: Intervent interv		÷	4,633,839		(5)
d) Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)         applicable           Public sector capital injections grandfathered until 1 January 2018         Not           5         Minority interests arising from CET1 capital instruments issued by consolidated the consolidation group)         0           6         CET1 capital before regulatory deductions         6,388,769           7         Valuation adjustments         0           8         Goodwill (net of associated deferred tax liability)         0           9         Other intangible assets net of deferred tax liability)         0         0           10         Deferred tax assets net of deferred tax liability)         0         0           11         Cash flow hedge reserve         0         0           12         Excess of total EL amount over cital eligible provisions under the IRB approach         0         0           13         Gain-on-alse arising from ceT1 capital instruments (in a ready netted off paid-in capital instruments (in cl aready netted off paid-in capital instruments in own credit risk on fair valued liabilities         0         0           16         Insignificant capital investments in CET1 capital instruments issued by financial sector entiles that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0           10         Deferred tax assets a	3	Disclosed reserves			(7)+(8)+
Inon-joint stock companies)         applicable           Public sector capital injections grandfathered until 1 January 2018         Not applicable           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           S CET1 capital before regulatory deductions         6,388,769           Valuation adjustments         0           S Goodwill (net of associated deferred tax liability)         0           9 Other intangible assets (net of associated deferred tax liability)         0           10 Deferred tax assets net of dassociated deferred tax liabilities         74,774           11 Cash flow hedge reserve         0           12 Excess of total EL amount over total eligible provisions under the IRB approach         0           13 Gain-on-sale arising from securitization transactions         0           14 Gains and losses due to changes in own credit risk on fair valued liabilities         19         0           15 Befined benefit pension fund net assets (net of associated deferred tax liabilities)         0         0           16 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	_				(9)+(10)
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Importive 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)         applicable           6         CET1 capital before regulatory deductions         6,388,769           7         Valuation adjustments         0           8         Goodwill (net of associated deferred tax liability)         0           9         Other intangible assets (net of associated deferred tax liability)         0         0           10         Deferred tax assets not of deferred tax liabilities         74,774         0           11         Cash flow hedge reserve         0         0           12         Excess of total EL amount over total eligible provisions under the IRB approach         0         0           13         Gain-on-ale arising from securitization transactions         0         0         0           14         Gain and losses due to changes in own credit risk on fair valued liabilities         19         0         (1)+           15         Defined benefit pension fund net assets in cet of associated deferred tax liability)         0         0         0           16         Investments in own CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0           19					
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         6,388,769           7         Valuation adjustments         0           8         Goodwill (net of associated deferred tax liability)         0           9         Other intagible assets (net of associated deferred tax liability)         0           10         Deferred tax assets net of deferred tax liabilities         74,774           11         Cash (hw hedge reserve         0           12         Excess of total EL amount over total eligible provisions under the IRB approach         0           13         Gain-on-sale arising from securitization transactions         0           14         Stocess of total EL amount over total eligible provisions under the IRB approach         0         0           15         Befined benefit pension frund net assets (net of associated deferred tax liabilities)         0         0         0           16         Toepfined benefit pension frund net assets in CET1 capital instruments (stotal instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0           18         Significant capital investments in CET1 capital instruments issued		Public sector capital injections granulatilered until 1 January 2016			
bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)         0           6         CET1 capital before regulatory deductions         6,388,769           7         Valuation adjustments         0           8         Goodwill (net of associated deferred tax liability)         0           9         Other intangible assets (net of associated deferred tax liability)         0         0           10         Deferred tax assets not of deferred tax liabilities         74,774         0           11         Cash flow hedge reserve         0         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         0         0           14         Gains and losses due to changes in own credit risk on fair valued liabilities         19         0         (1)+           15         Defined benefit pension fund net assets (ref of associated deferred tax liabilities)         0         0         0           16         Investments in own CET1 capital instruments issued by financial solutor work that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0           18         Insignificant capital investments in CET1 capital instruments issued by financia	5	Minority interests arising from CET1 capital instruments issued by consolidated	applicable		
Ite consolidation group)         0           6         CET1 capital before regulatory deductions         6,388,769           7         Valuation adjustments         0         application           8         Goodwill (net of associated deferred tax liability)         0         0           9         Other intangible assets (net of associated deferred tax liabilities         74,774         0           10         Deferred tax assets net of deferred tax liabilities         74,774         0         0           11         Cash flow hedge reserve         0         0         0         0         0           11         Cash flow hedge reserve         0         0         0         0         0           12         Excess of total EL amount over total eligible provisions under the IRB approach         0         0         0           13         Gain-on-sale arising from securitization transactions         0         0         0         0           14         Gains and losses due to changes in own credit risk on fair valued liabilities         19         0         0         0           15         Defined benefit pension fund net assets (net of associated deferred tax liability)         0         0         0         0         0         0         0         0         0	5				
6         CET1 capital before regulatory deductions         6,388,769           CET1 capital: regulatory deductions         0         applica           7         Valuation adjustments         0         applica           8         Goodwill (net of associated deferred tax liability)         0         0           9         Other intangible assets (net of associated deferred tax liabilities         74,774         0           10         Deferred tax assets net of deferred tax liabilities         74,774         0         0           12         Excess of total EL amount over total eligible provisions under the IRB approach         0         0         0           12         Excess of total EL amount over total eligible provisions under the IRB approach         0         0         0           14         Gain-on-sale arising from securitization transactions         0         0         0         0           15         Defined benefit persion fund net assets (net of associated deferred tax liabilities)         0         0         0         0           16         Insignificant capital instruments insued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0         0         0           18         Insignificant capital instruments in CET1 capital instruments isued by financial secto			0		
CET1 capital: regulatory deductions         applica           7         Valuation adjustments         0         applica           8         Goodwill (net of associated deferred tax liability)         0         0           9         Other intargible assets (net of associated deferred tax liability)         0         0           10         Deferred tax assets net of deferred tax liability)         0         0           11         Cash flow hedge reserve         0         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         0         0           14         Gains and losses due to changes in own credit risk on fair valued liabilities         19         0         (1)+           15         Defined benefit pension fund net assets (net of associated deferred tax liability)         0         0         0           16         Investments in own CET1 capital instruments (in teady network)         0         0         0         0           17         Reciprocal cross-holdings 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 in	6		6,388,769		
7       Valuation adjustments       0       applica         8       Goodwill (net of associated deferred tax liability)       0       0         9       Other intangible assets (net of associated deferred tax liabilities       74,774         11       Cash flow hedge reserve       0       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       0       0         14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0       (1)+         15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0       0         16       Investments in own 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         21       Deferred tax assets arising from temporary differences (amount above 10% Not applicable       Not applicable       0         22       Amount exceeding the 15% threshold       applicable       Not applicable		CET1 capital: regulatory deductions	, , ,		
8       Goodwill (net of associated deferred tax liability)       0         9       Other intangible assets (net of associated deferred tax liabilities       74,774         10       Deferred tax assets net of deferred tax liabilities       74,774         11       Cash flow hedge reserve       0         12       Excess of total EL amount over total eligible provisions under the IRB approach       0         13       Gain-on-sale arising from securitization transactions       0         14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0         15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0         16       Investments in own CET1 capital instruments       0       0       0         17       Reciprocal cross-holdings in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)       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         20       Mortgage servicing rights (amount above 10% threshold)       Not applicable       0         21       Deferred tax assets arising from temporary differences       Not applic	7				Not
9         Other intangible assets (net of associated deforred tax liability)         0         0           10         Deferred tax assets net of deferred tax liabilities         74,774           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         0         0           13         Gain-on-sale arising from securitization transactions         0         0         0           14         Gains and losses due to changes in own credit risk on fair valued liabilities         19         0         (1)4           15         Defined benefit pension fund net assets (net of associated deferred tax liabilities)         0         0         0           16         Investments in own CET1 capital instruments         0         0         0         0           17         Reciprocal cross-holdings in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)         0         0         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)         Not applicable <t< td=""><td></td><td></td><td>0</td><td></td><td>applicable</td></t<>			0		applicable
10       Deferred tax assets net of deferred tax liabilities       74,774         11       Cash flow hedge reserve       0         12       Excess of total EL amount over total eligible provisions under the IRB approach       0         13       Gain-on-sale arising from securitization transactions       0         14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0         15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0         16       Investments in own CET1 capital instruments (if not already netted off paid-in capital ind resorted balance sheet)       0       0         17       Reciprocal cross-holdings 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         10       Mortgage servicing rights (amount above 10% threshold)       Not applicable       0         21       Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)       applicable         22       of which: significant investments in the common stock of financial sector entities applicable <td>8</td> <td>Goodwill (net of associated deferred tax liability)</td> <td>0</td> <td></td> <td></td>	8	Goodwill (net of associated deferred tax liability)	0		
11       Cash flow hedge reserve       0       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       0         14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0       (1)+         15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0       0         16       Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)       0       0       0       0         17       Reciprocal cross-holdings in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)       0       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       0         20       Mortgage servicing rights (amount above 10% threshold)       Not applicable       0       0         21       Deferred tax assets arising from temporary differences       Not applicable       0       0         22       Amount exceeding the 15% threshold       applicable	9	Other intangible assets (net of associated deferred tax liability)	0	0	
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13       Gain-on-sale arising from securitization transactions       0       0         14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0       (1)+         15       Defined benefit pension fund net associated deferred tax liabilities)       0       0       0         16       Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)       0       0       0         17       Reciprocal cross-holdings in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)       0       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       0         20       Mortgage servicing rights (amount above 10% threshold)       Not applicable       0       0         21       Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)       applicable       Not applicable         22       of which: significant investments in the common stock of financial sector entities       Not applicable       0         23       of which: signific ant investment properties)       1,309,430       (6)+       24       242,742	11	Cash flow hedge reserve	0		
14       Gains and losses due to changes in own credit risk on fair valued liabilities       19       0       (1)+         15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0       0         16       Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)       0       0       0         17       Reciprocal cross-holdings in CET1 capital instruments       0       0       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       0       0         19       Significant capital (amount above 10% threshold)       Not applicable       0       1       1       1       1 <td></td> <td></td> <td>0</td> <td>0</td> <td></td>			0	0	
15       Defined benefit pension fund net assets (net of associated deferred tax liabilities)       0       0         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       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       0       0         21       Deferred tax assets arising from temporary differences (amount above 10%       Not applicable       0       0         22       Amount exceeding the 15% threshold       Not applicable       0       0         23       of which: significant investments in the common stock of financial sector entities       Not applicable       0         24       of which: deferred tax assets arising from temporary differences       Not applicable       0       0         26       National specific regulatory adjustments applied to CET1 capi			-		
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       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       0       0         21       Deferred tax assets arising from temporary differences (amount above 10%       Not applicable       0       0         22       Armount exceeding the 15% threshold       Not applicable       Not applicable       0         23       of which: significant investments in the common stock of financial sector entities       Not applicable       0       0         24       of which: deferred tax assets arising from temporary differences       Not applicable       0       0       0         25       of which: deferred tax assets arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430       (6)+       0       0       0		*	19	0	(1)+(3)
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         0         0           21         Deferred tax assets arising from temporary differences (amount above 10% threshold)         Not threshold, net of related tax liability)         applicable         0           22         Amount exceeding the 15% threshold         Not applicable         0         0           23         of which: significant investments in the common stock of financial sector entities         Not applicable         0         0           24         of which: deferred tax assets arising from temporary differences         Not applicable         0         0           25         of which: deferred tax assets arising from the revaluation of land and buildings (own-use and investment properties)         1,309,430         (6)+           266			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       0       0         21       Deferred tax assets arising from temporary differences (amount above 10% Not threshold, net of related tax liability)       applicable       0       0         22       Amount exceeding the 15% threshold       Not applicable       0       0         23       of which: significant investments in the common stock of financial sector entities       Not applicable       0       0         24       of which: deferred tax assets arising from temporary differences       Not applicable       0       0       0         25       of which: deferred tax assets arising from temporary differences       Not applicable       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0	16		_	_	
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       0       0         21       Deferred tax assets arising from temporary differences (amount above 10% threshold)       Not applicable       0       0         22       Amount exceeding the 15% threshold       Not applicable       0       0         23       of which: significant investments in the common stock of financial sector entities applicable       Not applicable       0       0         24       of which: mortgage servicing rights       Not applicable       0 <td></td> <td></td> <td></td> <td>-</td> <td></td>				-	
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         0         0           21         Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)         Not applicable         0         0           22         Amount exceeding the 15% threshold         Not applicable         0         0           23         of which: significant investments in the common stock of financial sector entities         Not applicable         0           24         of which: deferred tax assets arising from temporary differences         Not applicable         0         0           25         of which: deferred tax assets arising from the revaluation of land and buildings (own-use and investment properties)         1,309,430         (6)4           26         Regulatory reserve for general banking risks         242,742         2         2           26c         Securitization exposures specified in a notice given by the Monetary Authority         0         0         0           26c         Capital inve			0	0	
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         0         0           21         Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)         Not applicable         Not           22         Amount exceeding the 15% threshold         Not applicable         Not           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         1,552,172           26a         Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)         1,309,430           26b         Regulatory reserve for general banking risks         242,742           26c         Capital investment in a connected cost arising from the institution's holdings of land and buildings         0           26e         Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)         0         0		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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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         26f       Capital shortfall of regulated non-bank subsidiaries       0       0         26f       Capital shortfall of regulated non-bank subsidiaries       0       0         26f       Capital shortfall of regulated non-bank subsidiaries	19	sector entities that are outside the scope of regulatory consolidation (amount	0	0	
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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 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	20				
threshold, net of related tax liability)       applicable         22       Amount exceeding the 15% threshold       Not         23       of which: significant investments in the common stock of financial sector entities       Not         24       of which: mortgage servicing rights       Not         25       of which: deferred tax assets arising from temporary differences       Not         26       National specific regulatory adjustments applied to CET1 capital       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings       (6)4         26b       Regulatory reserve for general banking risks       242,742         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 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       0					
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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 Tire 2 capital to cover deductions       0       0	21	Deferred tax assets arising from temporary differences (amount above 10%	Not		
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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 Tire 2 capital to cover deductions       0       0			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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 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       0	22	Amount exceeding the 15% threshold	Not		
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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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         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       0					
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       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 Tir 2 capital to cover deductions       0       0	23	of which: significant investments in the common stock of financial sector entities			
25       of which: deferred tax assets arising from temporary differences       Not applicable         26       National specific regulatory adjustments applied to CET1 capital       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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					
25       of which: deferred tax assets arising from temporary differences       Not applicable         26       National specific regulatory adjustments applied to CET1 capital       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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 Tire 2 capital to cover deductions       0       0	24	or which: mortgage servicing rights			
applicable         26       National specific regulatory adjustments applied to CET1 capital       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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	2F	of which: deforred tay accets arising from temporary differences			
26       National specific regulatory adjustments applied to CET1 capital       1,552,172         26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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	20	or which, defended tax assets ansing nom temporary differences			
26a       Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)       1,309,430         26b       Regulatory reserve for general banking risks       242,742         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	26	National specific regulatory adjustments applied to CET1 capital			
(own-use and investment properties)       1,309,430       (6)4         26b       Regulatory reserve for general banking risks       242,742         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			1,002,172		
26b       Regulatory reserve for general banking risks       242,742         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       0	_04		1,309,430		(6)+(7)
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         26e       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       0		Regulatory reserve for general banking risks	, ,		(9)
Iand 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       0	26c	Securitization exposures specified in a notice given by the Monetary Authority			
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       0	26d				
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       0					
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			0	0	
27       Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions       0	26f			-	
Tier 2 capital to cover deductions 0	07		0	0	
	27		0		
	28	Total regulatory deductions to CET1 capital	1,626,965		
29 CET1 capital 4.761,804					



## Regulatory capital (continued)

		At	30 June 2015	
		Component of regulatory capital reported by bank HK\$'000	Amounts subject to pre-Basel III treatment* HK\$'000	Cross reference to regulatory scope combined balance sheet
00	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 Capital instruments subject to phase out arrangements from AT1 capital	0		
33 34	AT1 capital instruments issued by consolidated bank subsidiaries and held by	0		
34	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	AT1 capital before regulatory deductions	0		
	AT1 capital: regulatory deductions			
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	0	0	
40	above 10% threshold) Significant capital investments in AT1 capital instruments issued by financial	0	0	
40	sector entities that are outside the scope of regulatory consolidation	0	0	
41	National specific regulatory adjustments applied to AT1 capital	0		
	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 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	Total regulatory deductions to AT1 capital	0		
44	AT1 capital	0		
45	Tier 1 capital (Tier 1 = CET1 + AT1)	4,761,804		
	Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	0		
47 48	Capital instruments subject to phase out arrangements from Tier 2 capital Tier 2 capital instruments issued by consolidated bank subsidiaries and held by	0		
49	third parties (amount allowed in Tier 2 capital of the consolidation group) of which: capital instruments issued by subsidiaries subject to phase out	0		
50	arrangements	0		<b>.</b>
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	165,113		Not applicable
51	Tier 2 capital before regulatory deductions	165,113		



## Regulatory capital (continued)

		At	30 June 2015	
		Component of regulatory capital reported by bank HK\$'000	Amounts subject to pre-Basel III treatment* HK\$'000	Cross reference to regulatory scope combined balance sheet
	Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	0	0	
	Reciprocal cross-holdings in Tier 2 capital instruments	0	0	
	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	(589,243)		
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	(589,243)		[(6)+(7)] *45%
56b	Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 2 capital	0		
1	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		
57	Total regulatory deductions to Tier 2 capital	(589,243)		
58	Tier 2 capital	754,356		
59	Total capital (Total capital = Tier 1 + Tier 2)	5,516,160		



### Regulatory capital (continued)

Second construction         Component of regulator capital reported by bank           59a         Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment         http://www.new.org/action.com/documents/action/com/docum/documents/action	/ Amounts I subject to / pre-Basel III
59a       Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment       Image: Stress of the stress o	
i       of which: Mortgage servicing rights         ii       of which: Defined benefit pension fund net assets         iii       of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments         iv       of which: Capital investment in a connected company which is a commercial entity         v       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         vi       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         60       Total risk weighted assets         28,327,30         Capital ratios (as a percentage of risk weighted assets)         61       CET1 capital ratio         62       Tier 1 capital ratio         63       Total capital ratio         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: bank specific countercyclical buffer requirement       0.009	
ii       of which: Defined benefit pension fund net assets         iii       of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments         iv       of which: Capital investment in a connected company which is a commercial entity         v       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         vi       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         60       Total risk weighted assets         28,327,30         Capital ratio       16.819         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       16.819         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements       4.509         65       of which: bank specific countercyclical buffer requirement       0.009	)
iii       of which: Investments in own CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments         iv       of which: Capital investment in a connected company which is a commercial entity         v       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         vi       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         vi       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         60       Total risk weighted assets       28,327,30         Capital ratios (as a percentage of risk weighted assets)       16.819         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements)       4.509         65       of which: bank specific countercyclical buffer requirement       0.009 </td <td>)</td>	)
instruments       instruments         iv       of which: Capital investment in a connected company which is a commercial entity         v       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         vi       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         60       Total risk weighted assets       28,327,300         Capital ratios (as a percentage of risk weighted assets)       16.819         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: bank specific countercyclical buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	)
iv       of which: Capital investment in a connected company which is a commercial entity         v       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         vi       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         60       Total risk weighted assets       28,327,30         61       CET1 capital ratios (as a percentage of risk weighted assets)       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: bank specific countercyclical buffer requirement       0.009	<b>`</b>
v       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         vi       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         vi       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         60       Total risk weighted assets       28,327,30         Capital ratios (as a percentage of risk weighted assets)       16.819         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: bank specific countercyclical buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	)
vi       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         60       Total risk weighted assets       28,327,30         Capital ratios (as a percentage of risk weighted assets)         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: capital conservation buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	
Capital ratios (as a percentage of risk weighted assets)       16.819         61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements)       4.509         65       of which: capital conservation buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	)
61       CET1 capital ratio       16.819         62       Tier 1 capital ratio       16.819         63       Total capital ratio       16.819         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: capital conservation buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	5
62       Tier 1 capital ratio       16.819         63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: capital conservation buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	
63       Total capital ratio       19.479         64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.509         65       of which: capital conservation buffer requirement       0.009         66       of which: bank specific countercyclical buffer requirement       0.009	2
64       Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.50%         65       of which: capital conservation buffer requirement       0.00%         66       of which: bank specific countercyclical buffer requirement       0.00%	2
s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)       4.50%         65       of which: capital conservation buffer requirement       0.00%         66       of which: bank specific countercyclical buffer requirement       0.00%	2
65         of which: capital conservation buffer requirement         0.00%           66         of which: bank specific countercyclical buffer requirement         0.00%	
	2
67 of which: G-SIB or D-SIB buffer requirement 0.009	- 5
	- 2
68 CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s.3B, as the case requires, of the BCR 10.819	- - 
National minima (if different from Basel 3 minimum)	_
69 National CET1 minimum ratio Not applicable	
70 National Tier 1 minimum ratio Not applicable	
71 National Total capital minimum ratio Not applicable	<u>'</u>
Amounts below the thresholds for deduction (before risk weighting)           72         Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	)
74 Mortgage servicing rights (net of related tax liability) Not applicable	
75 Deferred tax assets arising from temporary differences (net of related tax liability) Not applicable	<u>)</u>
Applicable caps on the inclusion of provisions in Tier 2 capital           76         Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)         7,72.	- +
77 Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach 7,56	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap) 163,33	-
79 Cap for inclusion of provisions in Tier 2 under the IRB approach         157,55	3
Capital instruments subject to phase-out arrangements	
80 Current cap on CET1 capital instruments subject to phase out arrangements Not applicable	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) Not applicable	<b>;</b>
	) )
85 Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	) )

\* This refers to the position under the Banking (Capital) Rules in force on 31 December 2012.



### Regulatory capital (continued)

#### Notes to the template:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liability)	HK\$'000 0	HK\$'000
	Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 20 (MSRs) may be given limited recognition in CET1 capital (and hence be excluded from dedu the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment intangible assets reported in the AI's financial statements and to deduct MSRs in full from amount to be deducted as reported in row 9 may be greater than that required under Basel I the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amo Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in ex for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from tempora investments in CET1 capital instruments issued by financial sector entities (excluding those th credit exposures to connected companies) under Basel III.	action from CET1 cof including MS CET1 capital. II. The amount reported un access of the 10% ry differences a	I capital up to SRs as part of Fherefore, the eported under der the "Hong threshold set nd significant
10	Deferred tax assets net of deferred tax liabilities	74,774	0
	Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (Dece future profitability of the bank to be realized are to be deducted, whereas DTAs which relate be given limited recognition in CET1 capital (and hence be excluded from deduction from CI threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of th Therefore, the amount to be deducted as reported in row 10 may be greater than that required The amount reported under the column "Basel III basis" in this box represents the amount amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs t temporary differences to the extent not in excess of the 10% threshold set for DTAs arising fr the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and si capital instruments issued by financial sector entities (excluding those that are loans, facilities connected companies) under Basel III.	to temporary dif ET1 capital up to eir origin, from I under Basel III. Int reported in ro o be deducted w om temporary di gnificant investm	ferences may the specified CET1 capital. w 10 (i.e. the which relate to fferences and nents in CET1
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
	Explanation For the purpose of determining the total amount of insignificant capital investments in CET <sup>4</sup> financial sector entities, an AI is required to aggregate any amount of loans, facilities or other to any of its connected companies, where the connected company is a financial sector entit other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI i financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary A made, any such facility was granted, or any such other credit exposure was incurred, in t business. Therefore, the amount to be deducted as reported in row 18 may be greater than that require reported under the column "Basel III basis" in this box represents the amount reported in row under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilitie the AI's connected companies which were subject to deduction under the Hong Kong approac	I capital instrum credit exposures y, as if such loa n the capital inst uthority that any he ordinary cou ed under Basel II w 18 (i.e. the am s or other credit	ents issued by provided by it ns, facilities or ruments of the such loan was rse of the Al's I. The amount nount reported



### Regulatory capital (continued)

Row No.	Description	Hong Kong basis HK\$'000	Basel III basis HK\$'000
	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	0
	Explanation For the purpose of determining the total amount of significant capital investments in CET1 financial sector entities, an AI is required to aggregate any amount of loans, facilities or other to any of its connected companies, where the connected company is a financial sector entit other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary A made, any such facility was granted, or any such other credit exposure was incurred, in t business.	credit exposures y, as if such loa n the capital inst uthority that any	s provided by i ns, facilities o ruments of the such loan was
	Therefore, the amount to be deducted as reported in row 19 may be greater than that require reported under the column "Basel III basis" in this box represents the amount reported in row under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilitie the AI's connected companies which were subject to deduction under the Hong Kong approact.	w 19 (i.e. the am s or other credit	nount reported
	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
	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which CET1 capital instruments for the purpose of considering deductions to be made in calculating row 18 to the template above) will mean the headroom within the threshold available for deduction of other insignificant capital investments in AT1 capital instruments may be smalle deducted as reported in row 39 may be greater than that required under Basel III. The amount "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the which were subject to deduction under the Hong Kong approach.	the capital base or the exemption r. Therefore, the unt reported und under the "Hong	e (see note re from capital amount to be er the column g Kong basis")
	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
	Explanation The effect of treating loans, facilities or other credit exposures to connected companies which CET1 capital instruments for the purpose of considering deductions to be made in calculating row 18 to the template above) will mean the headroom within the threshold available for deduction of other insignificant capital investments in Tier 2 capital instruments may be smalled deducted as reported in row 54 may be greater than that required under Basel III. The amount "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to which were subject to deduction under the Hong Kong approach.	the capital base or the exemption r. Therefore, the unt reported und under the "Hong	e (see note re from capital amount to be er the column g Kong basis")
	rks: amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CE ing (Capital) Rules.	T1 capital determ	nined under the

#### Abbreviations:

CET1: Common Equity Tier 1 AT1: Additional Tier 1



### Regulatory capital (continued)

Reconciliation of regulatory scope combined balance sheet to capital components

	A	t 30 June 2015	
	Balance sheet		Cross
	as in	Under	reference
	published financial	regulatory scope of	to definition of capital
	statements	combination	components
	HK\$'000	HK\$'000	<u>compendito</u>
ASSETS	11100 000	111.000	
Cash and balances with banks and other financial institutions	9,077,710	9,077,710	
Placements with banks and other financial institutions maturing between		, ,	
one and twelve months	2,498,115	2,498,115	
Financial assets designated at fair value through profit or loss	1,089,040	1,089,040	
Derivative financial instruments	110,611	110,611	
- of which: debit valuation adjustments in respect of derivative contracts		2	(1)
Advances and other accounts	28,425,272	28,425,272	
Investment in securities	10,962,508	10,879,676	
Investment in subsidiaries Investment properties	241,310	3,913 241,310	
Properties, plant and equipment	1,466,208	1,447,608	
Deferred tax assets	74,774	74,774	(2)
Other assets	610,879	611,204	(2)
	010,010	011,201	
Total assets	54,556,427	54,459,233	
LIABILITIES			
Deposits and balances from banks and other financial institutions	1,985,474	1,985,474	
Derivative financial instruments	41,067	41,067	
- of which: debit valuation adjustments in respect of derivative contracts		(17)	(3)
Deposits from customers	44,627,339	44,649,151	
Amounts due to subsidiaries	-	37,956	
Other accounts and provisions	1,078,273	1,078,273	
Current tax liabilities	82,515	82,515	
Deferred tax liabilities	198,802	196,028	
Total liabilities	48,013,470	48,070,464	

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### Regulatory capital (continued)

Reconciliation of regulatory scope combined balance sheet to capital components (continued)

	Α	t 30 June 2015	
	Balance sheet		Cross
	as in	Under	reference
	published financial	regulatory	to definition
	statements	scope of combination	of capital components
	HK\$'000	HK\$'000	
EQUITY			
Share capital	300,000	300,000	(4)
Reserves	6,242,957	6,088,769	
- Retained earnings	4,700,790	4,633,839	(5)
<ul> <li>of which: cumulative fair value gains arising from the revaluation of</li> </ul>			(-)
investment properties		201,835	(6)
- Premises revaluation reserve	1,122,939	1,107,595	(7)
<ul> <li>Reserve for fair value changes of available-for-sale securities</li> </ul>	112,363	40,470	(8)
- Regulatory reserve	242,742	242,742	(9)
- Translation reserve	64,123	64,123	(10)
Total equity	6,542,957	6,388,769	
Total liabilities and equity	54,556,427	54,459,233	



#### Main features of issued capital instruments

		CET1 Capital Ordinary shares
1	Issuer	Chiyu Banking Corporation
1	155001	Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong law
	Regulatory treatment	Thong Hong law
4	Transitional Basel III rules <sup>#</sup>	Not applicable
5	Post-transitional Basel III rules <sup>+</sup>	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent	HK\$300m
0	reporting date)	(as of 30 June 2015)
9	Par value of instrument	No par value (refer to Note
Ŭ		1 for details)
10	Accounting classification	Shareholders' equity
11	Original date of issuance	10 July 1947 (refer to Note
		2 for details)
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately	Not applicable
	senior to instrument)	- · ·······
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Footnote:

<sup>#</sup> 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

Note 1: Pursuant to the Hong Kong Companies Ordinance (Chapter 622) which has commenced operation on 3 March 2014, all shares issued by a company incorporated in Hong Kong before, on and after that commencement date shall have no par value and the relevant concept of authorised share capital is abolished.

Note 2:

- Several issuance of ordinary share had been made since the first issuance. Last issuance was on 31 December 1986.

- The concepts of par value for shares and authorised share capital have been abolished following the commencement of the

Hong Kong Companies Ordinance (Chapter 622) as mentioned in Note 1.



# Leverage ratio disclosures

### Leverage ratio

		At 30 June 2015
		HK\$'000
	On-balance sheet exposures	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	54,448,953
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital	(1,626,948)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	52,822,005
	Derivative exposures	
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash	
	variation margin)	110,611
5	Add-on amounts for PFE associated with all derivatives transactions	51,129
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets	
	pursuant to the operative accounting framework	0
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives	
	transactions	0
8	Less: Exempted CCP leg of client-cleared trade exposures	0
9	Adjusted effective notional amount of written credit derivatives	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives	0
11	Total derivative exposures	161,740
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting	
	transactions	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures	0
	Other off-balance sheet exposures	
17	Off-balance sheet exposure at gross notional amount	5,814,202
18	Less: Adjustments for conversion to credit equivalent amounts	(4,671,502)
19	Off-balance sheet items	1,142,700
	Capital and total exposures	
20	Tier 1 capital	4,761,804
21	Total exposures	54,126,445
	Leverage ratio	
22	Basel III leverage ratio	8.80%

# Summary comparison table

		At 30 June 2015
		HK\$'000
1	Total consolidated assets as per published financial statements	54,556,427
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(97,194)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	100,331
4	Adjustments for derivative financial instruments	51,129
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	1,142,700
7	Other adjustments	(1,626,948)
8	Leverage ratio exposure	54,126,445



# Liquidity information disclosures

### Liquidity coverage ratio

Number of data points used in calculating the average value of the Liquidity Coverage Ratio (LCR) and related components set out in this table	For the quarter ended 31 March 2015: 73 data points		For the quarter ended 30 June 2015: 72 data points	
Basis of disclosure: unconsolidated	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
A. HIGH QUALITY LIQUID ASSETS				
1 Total high quality liquid assets (HQLA)		4,492,213		4,030,064
B. CASH OUTFLOWS				
2 Retail deposits and small business funding, of which:	27,321,281	1,846,725	28,610,586	1,956,628
3 Stable retail deposits and stable small business funding	10,264,398	513,220	10,368,989	518,450
4 Less stable retail deposits and less stable small business funding	9,330,671	933,067	10,265,403	1,026,540
5 Retail term deposits and small business term funding	7,726,212	400,438	7,976,194	411,638
6 Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	9,640,158	5,861,358	9,273,059	5,485,389
7 Operational deposits	1,530,463	317,220	1,429,868	292,213
8 Unsecured wholesale funding (other than small business funding) not covered in Row 7	8,109,695	5,544,138	7,843,191	5,193,176
9 Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period	0	0	0	0
10 Secured funding transactions (including securities swap transactions)		2,242		3,313
11 Additional requirements, of which:	965,963	241,214	811,842	289,954
12 Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collaterals requirements	166,132	166,132	183,764	183,764
13 Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	0	0	0	0
14 Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	799,831	75,082	628,078	106,190
15 Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	338,397	338,397	350,060	350,060
16 Other contingent funding obligations (whether contractual or non-contractual)	6,097,229	72,926	5,742,756	74,941
17 TOTAL CASH OUTFLOWS		8,362,862		8,160,285
C. CASH INFLOWS				
18 Secured lending transactions (including securities swap transactions)	0	0	0	0
19 Secured and unsecured loans (other than secured lending transactions covered in Row 18) and operational deposits placed at other financial institutions	6,025,313	4,363,947	7,174,653	5,429,209
20 Other cash inflows	474.281	465.534	1.014.449	1.011.809
21 TOTAL CASH INFLOWS	6,499,594	4,829,481	8,189,102	6,441,018
D. LIQUIDITY COVERAGE RATIO	ADJUSTED VALUE		ADJUSTED VALUE	
22 TOTAL HQLA		4,492,213		4,030,064
23 TOTAL NET CASH OUTFLOWS		3,568,243		2,256,083
24 LCR (%)		146.69%		186.18%



### Liquidity information disclosures

#### Liquidity coverage ratio (continued)

Notes:

- The weighted amount of HQLA is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principal amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

In the first half of 2015, the first quarter average LCR was 146.69% and the second quarter average LCR was 186.18%. The average HKD level 1 HQLA to HKD net cash outflow ratio in the first half of 2015 was 71.45%, well above the regulatory requirement of 20%. The ratios have maintained at stable and healthy levels.

The HQLA consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks and non-financial corporate debt securities. In the first half of 2015, the majority of the HQLA was composed of Level 1 HQLA.

The net cash outflow was mainly from retail and corporate customer deposit which are the Bank's primary source of funds, together with deposit and balance from bank and other financial institution. To ensure stable, sufficient and diversified source of funds, the Bank actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, were minimal to the LCR.