



**INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA)
LIMITED**

中國工商銀行（亞洲）有限公司

(Incorporated in Hong Kong with limited liability)

DISCLOSURES IN RELATION TO REVISED PILLAR 3

2017 1ST QUARTER

OV1: Overview of RWA

		(HK\$'000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31/03/2017	31/12/2016	31/03/2017
1	Credit risk for non-securitization exposures	483,340,505	479,147,488	38,667,240
2	Of which STC approach	483,340,505	479,147,488	38,667,240
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	15,107,597	17,835,952	1,208,608
5	Of which SA-CCR	-	-	-
5a	Of which CEM	10,129,586	11,537,631	810,367
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures	232,001	232,001	18,560
9				
10				
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	29,606,525	17,297,138	2,368,522
17	Of which STM approach	29,606,525	17,297,138	2,368,522
18	Of which IMM approach	-	-	-
19	Operational risk	21,630,300	21,622,813	1,730,424
20	Of which BIA approach	21,630,300	21,622,813	1,730,424
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	6,722,610	10,007,248	537,809
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	396,831	357,543	31,746
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-

		(HK\$'000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31/03/2017	31/12/2016	31/03/2017
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	396,831	357,543	31,746
25	Total	556,242,707	545,785,097	44,499,417
N/A: Not applicable in the case of Hong Kong				

Accompanying narrative: The Group is in compliance with the Banking (Capital) Rules to calculate the risk-weighted assets (RWA). The Group adopts the standardized (credit risk) approach (STC) for the non-securitization credit risk RWA (including equity exposure and CIS exposure) calculation, the current exposure method (CEM) for the counterparty credit risk RWA calculation, the standardized (market risk) approach (STM) for the market risk RWA calculation, the basic indicator approach (BIA) for the operational risk RWA calculation. There is no settlement risk, securitization exposure RWA. There is neither regulatory reserve nor collective provision which need to be deducted from RWA. There is no RWA capital floor adjustment. When compared with the year-end of 2016, the market risk RWA as of 31 March 2017 increased by about 71%, mainly attributing to increase of back-to-back trade volume in energy, and positions in FX and HKD IR, contributing about 59%, 15% and 10% of the change respectively. The movement of amounts below the thresholds for deduction (subject to 250% RW) is due to the decrease of the credit exposure to connected company which is treated as capital investment. The other RWA items only have small fluctuations as business development.

The capital adequacy ratios and the leverage ratio for the Bank are calculated on a consolidated basis.

Key capital ratios disclosures

Consolidated

1. Capital Adequacy Ratio

	At 31st March, 2017 HK\$ '000	At 31st December, 2016 HK\$ '000
Common Equity Tier 1 capital	70,946,651	68,784,108
Total Tier 1 capital	78,705,695	76,527,076
Total capital	94,219,318	92,828,345
Total risk weighted assets	556,242,707	545,785,097

	%	%
Common Equity Tier 1 capital ratio	12.75%	12.60%
Tier 1 capital ratio	14.15%	14.02%
Total capital ratio	16.94%	17.01%

2. Leverage ratio

	At 31st March, 2017 HK\$ '000	At 31st December, 2016 HK\$ '000
Total Tier 1 capital	78,705,695	76,527,076
Exposure measure	866,914,557	924,478,014

	%	%
Leverage ratio	9.08%	8.28%