



**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 3RD QUARTER

OV1: Overview of RWA

		(HK\$'000)		
		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30/09/2017	30/06/2017	30/09/2017
1	Credit risk for non-securitization exposures	543,838,051	515,997,588	43,507,044
2	Of which STC approach	543,838,051	515,997,588	43,507,044
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	18,645,574	14,638,984	1,491,646
5	Of which SA-CCR	-	-	-
5a	Of which CEM	10,080,373	8,445,355	806,430
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8				
9	CIS exposures	350,776	232,001	28,062
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	22,270,875	21,829,363	1,781,670
17	Of which STM approach	22,270,875	21,829,363	1,781,670
18	Of which IMM approach	-	-	-
19	Operational risk	22,465,250	21,930,038	1,797,220
20	Of which BIA approach	22,465,250	21,930,038	1,797,220
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)	1,055,003	10,847,975	84,400
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	342,945	342,651	27,436
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
		30/09/2017	30/06/2017	30/09/2017
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	342,945	342,651	27,436
25	Total	608,282,584	585,133,298	48,662,606
N/A: Not applicable in the case of Hong Kong				

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 was no settlement risk, nor securitization exposure RWA on the reporting date. There was neither regulatory reserve nor collective provision which needed to be deducted from RWA. There was no RWA capital floor adjustment.

CCR RWA increased in Q3 2017 mainly due to the increase of long tenor transactions for the Equity linked products, after netted off the decrease of the exchange rate CCR RWA due to the transaction volume for exchange rate product decreased during the quarter. In addition, CVA RWA increased due to the EAD increased in Q3 2017, which also partly contributed to the increase of CCR RWA. As compared with the CIS exposures' RWA as of 30 June 2017, total CIS exposures' RWA on 30 September 2017 increase 51% was due to increased investment in fund from a consolidated subsidiary. The other RWA items only had small or moderate fluctuations as business development. The variance on amounts below the thresholds for deduction (subject to 250% RW) was mainly due to decrease in credit exposures to significant capital investment financial sector entities of which subject to report in this item.

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 30th September, 2017 HK\$ '000	At 30th June, 2017 HK\$ '000
Common Equity Tier 1 capital	74,897,416	73,168,331
Total Tier 1 capital	82,696,700	80,961,923
Total capital	98,638,042	96,595,183
Total risk weighted assets	608,282,584	585,133,298

	%	%
Common Equity Tier 1 capital ratio	12.31%	12.50%
Tier 1 capital ratio	13.60%	13.84%
Total capital ratio	16.22%	16.51%

2. Leverage ratio

	At 30th September, 2017 HK\$ '000	At 30th June, 2017 HK\$ '000
Total Tier 1 capital	82,696,700	80,961,923
Exposure measure	956,910,826	955,420,219

	%	%
Leverage ratio	8.64%	8.47%