Regulatory Disclosures
31 March 2018

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NCB 南洋商業銀行

Capital disclosures

Regulatory capital

	At 31 March 2018
	HK$'000
Total risk weighted assets	274,118,114
CET1 capital	34,165,305
CET1 capital ratio (as a percentage of risk weighted assets)	12.46%
Tier 1 capital	43,480,195
Tier 1 capital ratio (as a percentage of risk weighted assets)	15.86%
Total capital	48,184,932
Total capital ratio (as a percentage of risk weighted assets)	17.58%

Leverage ratio disclosures

Leverage ratio

	At 31 March 2018
	HK$'000
Capital and total exposures	
Tier 1 capital	43,480,195
Total exposures	460,951,668
Leverage ratio	
Basel III leverage ratio	**9.43%**

OV1: Overview of RWA

		RWA		Minimum capital requirements
		At 31 March 2018	At 31 December 2017	At 31 March 2018
		HK$'000	**HK$'000**	**HK$'000**
1	Credit risk for non-securitization exposures	249,210,921	239,808,105	20,969,592
2	Of which STC approach	34,061,105	39,212,502	2,724,888
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	215,149,816	200,595,603	18,244,704
4	Counterparty credit risk	716,499	431,880	59,645
5	Of which SA-CCR	-	-	-
5a	Of which CEM	399,153	166,557	33,798
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book *	590,070	3,776,502	47,206
13	Of which SEC – IRBA	-	N/A	-
14	Of which SEC – ERBA	-	N/A	-
15	Of which SEC – SA	590,070	N/A	47,206
15a	Of which SEC – FBA	-	N/A	-
16	Market risk	1,013,825	1,071,513	81,106
17	Of which STM approach	158,825	279,738	12,706
18	Of which IMM approach	855,000	791,775	68,400
19	Operational risk	13,412,438	12,940,963	1,072,995
20	Of which BIA approach	-	-	-
21	Of which STO approach	13,412,438	12,940,963	1,072,995
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)	15,250	15,250	1,220
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	3,778,949	3,634,976	302,316
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	234,698	97,543	18,776
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	3,544,251	3,537,433	283,540
25	Total	261,180,054	254,409,237	21,929,448

N/A: Not applicable in the case of Hong Kong

* The revised securitization framework has come into effect on 1 January 2018. The Group adopted the standardized (securitization) approach to calculate the credit risk for securitization exposures as at 31 December 2017.

CR8: RWA flow statements of credit risk exposures under IRB approach

		HK$'000
1	**RWA as at 31 December 2017**	200,595,603
2	Asset size	12,599,957
3	Asset quality	20,601
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	1,933,655
8	Other	-
9	**RWA as at 31 March 2018**	215,149,816

MR2: RWA flow statements of market risk exposures under IMM approach

Movement in RWA was mainly driven by foreign exchange exposures during the period.

		VaR	Stressed VaR	IRC	CRC	Other	Total RWA
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
1	**RWA as at 31 December 2017**	168,638	623,137	-	-	-	791,775
1a	Regulatory adjustment	(122,238)	(392,349)	-	-	-	(514,587)
1b	RWA as at 31 December 2017 (day-end)	46,400	230,788	-	-	-	277,188
2	Movement in risk levels	14,150	31,900	-	-	-	46,050
3	Model updates/changes	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-
7	Other	-	-	-	-	-	-
7a	RWA as at 31 March 2018 (day-end)	60,550	262,688	-	-	-	323,238
7b	Regulatory adjustment	128,750	403,012	-	-	-	531,762
8	**RWA as at 31 March 2018**	189,300	665,700	-	-	-	855,000