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Standard Chartered Bank (Hong Kong) Limited

Unaudited Quarterly Regulatory Disclosure

For the quarter ended
30 September 2017

Standard Chartered Bank (Hong Kong) Limited
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The following are quarterly disclosures required by Banking (Disclosure) Rules under section 60A of Banking Ordinance.

1 Key capital ratios disclosures

Capital adequacy ratio and capital base

	Consolidated *As at 30 September 17*
Common equity tier 1 (CET1) capital ratio	**13.5%**
Tier 1 capital ratio	**14.5%**
Total capital ratio	**17.7%**
Leverage ratio	**5.4%**

	HK$'M
Capital base	
CET1 capital	53,734
Additional Tier 1 ("AT1") capital	3,878
Total Tier 1 capital	57,612
Tier 2 capital	12,640
Total capital base	70,252
Total Risk-weighted amount	397,498
Capital buffers	
Capital conservation buffer ratio	1.3%
Countercyclical capital buffer ratio	0.9%
Higher loss absorbency ratio	0.8%
Total capital buffers	3.0%
Leverage ratio exposure	1,072,065

2 Overview of risk management and RWA (OV1)

The following table sets out an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

		(a)	*(b)*	*(c)*
		Consolidated RWA[1]		*Minimum capital requirements*
		As at 30 September 17 HK$'M	*As at 30 June 17 HK$'M*	*As at 30 September 17 HK$'M*
1	Credit risk for non-securitization exposures	**299,165**	**299,799**	**25,238**
2	*– Of which STC approach*	*27,413*	*24,286*	*2,193*
2a	*– Of which BSC approach*	*–*	*–*	*–*
3	*– Of which IRB approach*	*271,752*	*275,513*	*23,045*
4	Counterparty credit risk	**7,293**	**6,713**	**601**
5	*– Of which SA-CCR*	*–*	*–*	*–*
5a	*– Of which CEM*	*7,293*	*6,713*	*601*
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	**–**	**2**	**–**
12	Securitization exposures in banking book	**1,387**	**1,480**	**118**
13	*– Of which IRB(S) approach – ratings-based method*	*1,387*	*1,480*	*118*
14	*– Of which IRB(S) approach – supervisory formula method*	*–*	*–*	*–*
15	*– Of which STC(S) approach*	*–*	*–*	*–*
16	Market risk	**20,446**	**17,564**	**1,636**
17	*– Of which STM approach*	*19,787*	*16,913*	*1,583*
18	*– Of which IMM approach*	*659*	*651*	*53*
19	Operational risk	**41,706**	**42,205**	**3,336**
20	*– Of which BIA approach*	*–*	*–*	*–*
21	*– Of which STO approach*	*41,706*	*42,205*	*3,336*
21	*– Of which ASA approach*	*–*	*–*	*–*
22	*– Of which AMA approach*	*N/A*	*N/A*	*N/A*

2 Overview of risk management and RWA (OV1) (continued)

		(a)	(b)	(c)
		Consolidated RWA[1]		*Minimum capital requirements*
		As at 30 September 17 HK$'M	*As at 30 June 17 HK$'M*	*As at 30 September 17 HK$'M*
23	Amounts below the thresholds for deduction (subject to 250% RW)	**11,483**	**11,492**	**919**
24	Capital floor adjustment	**–**	**–**	**–**
24a	Deduction to RWA	**597**	**538**	**48**
24b	*– Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital*	*356*	*297*	*29*
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*	*241*	*241*	*19*
25	**Total**	**380,883**	**378,717**	**31,800**

[1] RWAs in this table are before the application of the 1.06 scaling factor, where applicable.

3 RWA flow statements of credit risk exposures under IRB approach (CR8)

The following table sets out a flow statement explaining variations in the RWA for credit risk determined under the IRB approach.

		(a) *Amount* *HK$'M*
1	**RWA as at end of previous reporting period (30 June 2017)**	275,513
2	Asset size	1,883
3	Asset quality	(5,926)
4	Model updates	–
5	Methodology and policy	–
6	Acquisitions and disposals	–
7	Foreign exchange movements	282
8	Other	–
9	**RWA as at end of reporting period (30 September 2017)**	271,752

4 RWA flow statements of market risk exposures under IMM approach (MR2)

The following table sets out a flow statement explaining variations in the RWA for market risk determined under the IMM approach.

		(a) *VaR* *HK$'M*	*(b)* *Stressed VaR* *HK$'M*	*(c)* *IRC* *HK$'M*	*(d)* *CRC* *HK$'M*	*(e)* *Other* *HK$'M*	*(f)* *Total RWA* *HK$'M*
1	**RWA as at end of previous reporting period (30 June 2017)**	–	–	–	–	651	651
2	Movement in risk levels	–	–	–	–	–	–
3	Model updates/changes	–	–	–	–	–	–
4	Methodology and policy	–	–	–	–	–	–
5	Acquisitions and disposals	–	–	–	–	–	–
6	Foreign exchange movements	–	–	–	–	–	–
7	Other	–	–	–	–	8	8
8	**RWA as at end of reporting period (30 September 2017)**	–	–	–	–	659	659