



Habib Bank Zurich (Hong Kong) Limited

Regulatory Disclosures

31 March 2019

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Note 1: Templates relating to Market risk are not disclosed as the Bank has been exempted under section 22(1) of the Banking (Capital) Rules from the calculation of market risk under section 17.

Note 2: Templates CR8, CCR7 and LIQ1 are not applicable to the Bank.

Template KM1: Key prudential ratios

(HK\$'000)

		(a)	(b)	(c)	(d)	(e)
		31-Mar- 2019	31-Dec- 2018	30-Sep- 2018	30-Jun- 2018	31-Mar- 2018
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	514,166	523,440	510,661	512,591	506,999
2	Tier 1	514,166	523,440	510,661	512,591	506,999
3	Total capital	536,946	547,453	535,075	536,869	530,427
	RWA (amount)					
4	Total RWA	1,586,339	1,684,733	1,706,585	1,699,308	1,629,669
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	32.41%	31.07%	29.92%	30.16%	31.11%
6	Tier 1 ratio (%)	32.41%	31.07%	29.92%	30.16%	31.11%
7	Total capital ratio (%)	33.85%	32.50%	31.35%	31.59%	32.55%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	1.875%	1.875%	1.875%	1.875%
9	Countercyclical capital buffer requirement (%)	2.096%	1.639%	1.593%	1.589%	1.603%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	4.596%	3.514%	3.468%	3.464%	3.478%
12	CET1 available after meeting the AI's minimum capital requirements (%)	20.598%	19.245%	18.104%	18.343%	19.298%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	2,317,431	2,372,016	2,442,567	2,398,161	2,376,684
14	LR (%)	22.19%	22.07%	20.91%	21.37%	21.33%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institution only:					
17a	LMR (%)	110.78%	93.90%	82.15%	87.76%	79.89%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

Template OV1: Overview of RWA

(HK\$'000)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Mar-2019	31-Dec-2018	31-Mar-2019
1	Credit risk for non-securitization exposures	1,417,457	1,516,019	113,396
2	Of which STC approach			
2a	Of which BSC approach	1,417,457	1,516,019	113,396
3	Of which foundation IRB approach			
4	Of which supervisory slotting criteria approach			
5	Of which advanced IRB approach			
6	Counterparty default risk and default fund contributions	147	229	12
7	Of which SA-CCR*			
7a	Of which CEM	147	229	12
8	Of which IMM(CCR) approach			
9	Of which others			
10	CVA risk	0	0	0
11	Equity positions in banking book under the simple risk-weight method and internal models method			
12	Collective investment scheme ("CIS") exposures – LTA*			
13	CIS exposures – MBA*			
14	CIS exposures – FBA*			
14a	CIS exposures – combination of approaches*			
15	Settlement risk			
16	Securitization exposures in banking book			
17	Of which SEC-IRBA			
18	Of which SEC-ERBA			
19	Of which SEC-SA			
19a	Of which SEC-FBA			
20	Market risk			
21	Of which STM approach			
22	Of which IMM approach			
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*			
24	Operational risk	190,763	188,550	15,261
25	Amounts below the thresholds for deduction (subject to 250% RW)			
26	Capital floor adjustment			
26a	Deduction to RWA	22,028	20,065	1,762
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	15,844	13,881	1,267
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	6,184	6,184	495
27	Total	1,586,339	1,684,733	126,907

Template LR2: Leverage ratio ("LR")

		(a)	(b)
		HK\$'000 equivalent	
		31-Mar-2019	31-Dec-2018
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	2,110,335	2,175,415
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,907)	(3,133)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	2,107,428	2,172,282
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	20	48
5	Add-on amounts for PFE associated with all derivative contracts	717	1,096
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	737	1,144
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	-	-
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1,769,735	1,702,861
18	Less: Adjustments for conversion to credit equivalent amounts	(1,560,469)	(1,504,271)
19	Off-balance sheet items	209,266	198,590
Capital and total exposures			
20	Tier 1 capital	514,166	523,440
20a	Total exposures before adjustments for specific and collective provisions	2,317,431	2,372,016
20b	Adjustments for specific and collective provisions	-	-
21	Total exposures after adjustments for specific and collective provisions	2,317,431	2,372,016
Leverage ratio			
22	Leverage ratio	22.19%	22.07%