

HBZ Finance Limited

Capital Disclosures Template

Expressed in HK\$'000

CET1 capital: instruments and reserves			Cross-referenced* to
1	Directly issued qualifying CET1 capital instruments plus any related share premium	300,000	(4)
2	Retained earnings	211,628	(8)
3	Disclosed reserves	27,244	(5) + (6) + (7)
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	Not applicable	
6	CET1 capital before regulatory deductions	538,872	
CET1 capital: regulatory deductions			
7	Valuation adjustments	Not applicable	
8	Goodwill (net of associated deferred tax liability)	Not applicable	
9	Other intangible assets (net of associated deferred tax liability)	Not applicable	
10	Deferred tax assets net of deferred tax liabilities	1,055	(3)
11	Cash flow hedge reserve	Not applicable	
12	Excess of total EL amount over total eligible provisions under the IRB approach	Not applicable	
13	Gain-on-sale arising from securitization transactions	Not applicable	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	Not applicable	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	Not applicable	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	Not applicable	
17	Reciprocal cross-holdings in CET1 capital instruments	Not applicable	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	Not applicable	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	Not applicable	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	27,244	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	11,244	(5)
26b	Regulatory reserve for general banking risks	16,000	(6) + (7)
26c	Securitization exposures specified in a notice given by the Monetary Authority	Not applicable	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	Not applicable	
26e	Capital shortfall of regulated non-bank subsidiaries	Not applicable	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	Not applicable	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	Not applicable	
28	Total regulatory deductions to CET1 capital	28,299	
29	CET1 capital	510,573	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	Not applicable	
31	of which: classified as equity under applicable accounting standards	Not applicable	
32	of which: classified as liabilities under applicable accounting standards	Not applicable	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	Not applicable	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	Not applicable	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	Not applicable	
36	AT1 capital before regulatory deductions	0	

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AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	Not applicable	
38	Reciprocal cross-holdings in AT1 capital instruments	Not applicable	
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	Not applicable	
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	Not applicable	
41	National specific regulatory adjustments applied to AT1 capital	Not applicable	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	Not applicable	
43	Total regulatory deductions to AT1 capital	0	
44	AT1 capital	0	
45	Tier 1 capital (Tier 1 = CET1 + AT1)	510,573	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	Not applicable	
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	Not applicable	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	Not applicable	
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	Not applicable	
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	16,158	(1) + (2) + (7)
51	Tier 2 capital before regulatory deductions	16,158	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	Not applicable	
53	Reciprocal cross-holdings in Tier 2 capital instruments	Not applicable	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	Not applicable	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	Not applicable	
56	National specific regulatory adjustments applied to Tier 2 capital	(5,060)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(5,060)	(5) x 45%
57	Total regulatory deductions to Tier 2 capital	(5,060)	
58	Tier 2 capital	21,218	
59	Total capital (Total capital = Tier 1 + Tier 2)	531,791	
60	Total risk weighted assets	1,498,316	
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	34.08%	
62	Tier 1 capital ratio	34.08%	
63	Total capital ratio	35.49%	
64	Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)	7.00%	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.00%	
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	0.00%	
68	CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR	29.58%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	
70	National Tier 1 minimum ratio	Not applicable	
71	National Total capital minimum ratio	Not applicable	

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Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	Not applicable	
73	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	Not applicable	
74	Mortgage servicing rights (net of related tax liability)	Not applicable	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable	
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	31,257	
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	16,158	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	Not applicable	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	Not applicable	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 capital instruments subject to phase out arrangements	Not applicable	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	
82	Current cap on AT1 capital instruments subject to phase out arrangements	Not applicable	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	Not applicable	
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	Not applicable	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	Not applicable	

Notes to the template:

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
	Deferred tax assets net of deferred tax liabilities	1,055	0
10	<p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>		

Remarks:

The amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

Footnote:

* Cross-referenced to Reconciliation of balance sheet and capital items and regulatory deductions

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資本披露模版

以港幣千元列示

CET1資本：票據及儲備			對照參考*
1	直接發行的合資格CET1資本票據加任何相關的股份溢價	300,000	(4)
2	保留溢利	211,628	(8)
3	已披露的儲備	27,244	(5) + (6) + (7)
4	須從CET1資本逐步遞減的直接發行資本(只適用於非合股公司)	不適用	
5	由綜合銀行附屬公司發行並由第三方持有的CET1資本票據產生的少數股東權益(可計入綜合集團的CET1資本的數額)	不適用	
6	監管扣減之前的CET1資本	538,872	
CET1資本：監管扣減			
7	估值調整	不適用	
8	商譽(已扣除相聯遞延稅項負債)	不適用	
9	其他無形資產(已扣除相聯遞延稅項負債)	不適用	
10	已扣除遞延稅項負債的遞延稅項資產	1,055	(3)
11	現金流對沖儲備	不適用	
12	在IRB計算法下EL總額超出合資格準備金總額之數	不適用	
13	由證券化交易產生的出售收益	不適用	
14	按公平價值估值的負債因本身的信用風險變動所產生的損益	不適用	
15	界定利益的退休金基金淨資產(已扣除相聯遞延稅項負債)	不適用	
16	於機構本身的CET1資本票據的投資(若並未在所報告的資產負債表中從實繳資本中扣除)	不適用	
17	互相交叉持有的CET1資本票據	不適用	
18	於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的非重大資本投資(超出10%門檻之數)	不適用	
19	於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的重大資本投資(超出10%門檻之數)	不適用	
20	按揭放款管理權(高於10%門檻之數)	不適用	
21	由暫時性差異產生的遞延稅項資產(高於10%門檻之數，已扣除相聯遞延稅項負債)	不適用	
22	超出15%門檻之數	不適用	
23	其中：於金融業實體的普通股的重大投資	不適用	
24	其中：按揭放款管理權	不適用	
25	其中：由暫時性差異產生的遞延稅項資產	不適用	
26	適用於CET1資本的司法管轄區特定監管調整	27,244	
26a	因土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益	11,244	(5)
26b	一般銀行業務風險監管儲備	16,000	(6) + (7)
26c	金融管理專員給予的通知所指明的證券化類別風險承擔	不適用	
26d	因機構持有的土地及建築物低於已折舊的成本價值而產生的任何累積虧損	不適用	
26e	受規管非銀行附屬公司的資本短欠	不適用	
26f	在屬商業實體的有連繫公司中的資本投資(超出申報機構的資本基礎的15%之數)	不適用	
27	因沒有充足的AT1資本及二級資本以供扣除而須在CET1資本扣除的監管扣減	不適用	
28	對CET1資本的監管扣減總額	28,299	
29	CET1資本	510,573	
AT1資本：票據			
30	合資格AT1資本票據加任何相關股份溢價	不適用	
31	其中：根據適用會計準則列為股本類別	不適用	
32	其中：根據適用會計準則列為負債類別	不適用	
33	須從AT1資本逐步遞減的資本票據	不適用	
34	由綜合銀行附屬公司發行並由第三方持有的AT1資本票據(可計入綜合集團的AT1資本的數額)	不適用	
35	其中：受逐步遞減安排規限的由附屬公司發行的AT1資本票據	不適用	
36	監管扣減之前的AT1資本	0	

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以港幣千元列示

AT1資本：監管扣減		
37	於機構本身的AT1資本票據的投資	不適用
38	互相交叉持有AT1資本票據	不適用
39	於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的非重大資本投資(超出10%門檻之數)	不適用
40	於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的重大資本投資	不適用
41	適用於AT1資本的司法管轄區特定監管調整	不適用
42	因沒有充足的二級資本以供扣除而須在AT1資本扣除的監管扣減	不適用
43	對AT1資本的監管扣減總額	0
44	AT1資本	0
45	一級資本(一級資本 = CET1 + AT1)	510,573
二級資本：票據及準備金		
46	合資格二級資本票據加任何相關股份溢價	不適用
47	須從二級資本逐步遞減的資本票據	不適用
48	由綜合銀行附屬公司發行並由第三方持有的二級資本票據(可計入綜合集團的二級資本的數額)	不適用
49	其中：受逐步遞減安排規限的由附屬公司發行的資本票據	不適用
50	合資格計入二級資本的集體減值備抵及一般銀行風險監管儲備	16,158
51	監管扣減之前的二級資本	16,158
二級資本：監管扣減		
52	於機構本身的二級資本票據的投資	不適用
53	互相交叉持有的二級資本票據	不適用
54	於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的非重大資本投資(超出10%門檻之數)	不適用
55	於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的重大資本投資	不適用
56	適用於二級資本的司法管轄區特定監管調整	(5,060)
56a	加回合資格計入二級資本的因對土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益	(5,060)
57	對二級資本的監管扣減總額	(5,060)
58	二級資本	21,218
59	總資本(總資本 = 一級資本 + 二級資本)	531,791
60	風險加權總資產	1,416,868
資本比率(佔風險加權總資產的百分比)		
61	CET1 資本比率	34.08%
62	一級資本比率	34.08%
63	總資本比率	35.49%
64	機構特定緩衝資本要求(《資本規則》第3B條指明的最低CET1資本要求加防護緩衝資本加反周期緩衝資本要求加環球系統重要性銀行或本地系統重要性銀行的資本要求)	7.00%
65	其中：防護緩衝資本要求	2.50%
66	其中：銀行特定反周期緩衝資本要求	0.00%
67	其中：環球系統重要性銀行或本地系統重要性銀行的要求	0.00%
68	CET1資本超出在《資本規則》第3B條下的最低CET1要求及用作符合該條下的一級資本及總資本要求的任何CET1資本	29.58%
司法管轄區最低比率(若與《巴塞爾協定三》最低要求不同)		
69	司法管轄區CET1最低比率	不適用
70	司法管轄區一級資本最低比率	不適用
71	司法管轄區總資本最低比率	不適用

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低於扣減門檻的數額(風險加權前)		
72	於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的非重大資本投資	不適用
73	於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的重大資本投資	不適用
74	按揭供款管理權(已扣除相聯稅項負債)	不適用
75	由暫時性差異產生的遞延稅項資產(已扣除相聯遞延稅項負債)	不適用
就計入二級資本的準備金的適用上限		
76	合資格計入二級資本中有關基本計算法及標準(信用風險)計算法下的準備金(應用上限前)	31,257
77	在基本計算法及標準(信用)風險計算法下可計入二級資本中的準備金上限	16,158
78	合資格計入二級資本中有關IRB計算法下的準備金(應用上限前)	不適用
79	在IRB計算法下可計入二級資本中的準備金上限	不適用
受逐步遞減安排規限的資本票據(僅在2018年1月1日至2022年1月1日期間適用)		
80	受逐步遞減安排規限的CET1資本票據的現行上限	不適用
81	由於實施上限而不計入CET1的數額(在計及贖回及到期期限後超出上限之數)	不適用
82	受逐步遞減安排規限的AT1資本票據的現行上限	不適用
83	由於實施上限而不可計入AT1資本的數額(在計及贖回及到期期限後超出上限之數)	不適用
84	受逐步遞減安排規限的二級資本票據的現行上限	不適用
85	由於實施上限而不可計入二級資本的數額(在計及贖回及到期期限後超出上限之數)	不適用

模版附註：

相對《巴塞爾協定三》資本標準所載定義，《資本規則》對以下項目賦予較保守的定義：

行數	內容	香港基準	《巴塞爾協定三》基準
	已扣除遞延稅項負債的遞延稅項資產	1,055	0
10	<p>解釋</p> <p>正如巴塞爾委員會發出的《巴塞爾協定三》文本(2010年12月)第69及87段所列表載，視乎銀行予以實現的未來或然率而定的遞延稅項資產須予扣減，而與暫時性差異有關的遞延稅項資產則可CET1資本內予以有限度確認(並因此可從CET1資本的扣減中被剔除，但以指定門檻為限)。在香港，不論有關資產的來源，認可機構須從CET1資本中全數扣減所有遞延稅項資產。因此，在第10行所填報須予扣減的數額可能會高於《巴塞爾協定三》規定須扣減的數額。在本格內的「《巴塞爾協定三》基準」項下匯報的數額為經調整的在第10行所匯報的數額(即在「香港基準」項下匯報的數額)，而調整方法是按須扣減的與暫時性差異有關的遞延稅項資產數額予以下調，並以不超過在《巴塞爾協定三》下就暫時性差異所產生的遞延稅項資產所定的10%門檻及按揭供款管理權、由暫時性差異所產生的遞延稅項資產與於金融業實體發行的CET1資本票據的重大投資(不包括屬對有連繫公司的貸款、融通或其他信用風險承擔的投資)所定的整體15%門檻為限。</p>		

註：

上述10%/15%門檻的數額的計算是以《銀行業(資本)規則》為基準。

簡稱：

CET1：普通股權一級資本

AT1：額外一級資本

附註：

* 對照參考資產負債表、資本項目和監管扣減項目的對帳