OCBC WING HANG BANK LIMITED

(Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

(1) Capital ratio and Leverage ratio

(a) Capital ratio

	31st March, 2017	31st December, 2016
Common Equity Tier 1 capital ratio	15.9%	16.0%
Tier 1 capital ratio	15.9%	16.0%
Total capital ratio	18.7%	19.0%
Common Equity Tier 1 capital	27,412,654	26,691,289
Tier 1 capital	27,412,654	26,691,289
Total capital	32,187,628	31,710,055
Risk weighted assets	172,311,627	166,751,008

The capital ratios are computed on a consolidated basis including the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules.

In view of the Capital Rules, the Group has adopted the "basic indicator approach" for the calculation of the operational risk and the "standardised (market risk) approach" for the calculation of market risk. For the calculation of the risk-weighted assets for credit risk, the Bank has adopted the "standardised (credit risk) approach" while OCBC Wing Hang Bank (China) Limited and Banco OCBC Weng Hang, S.A. have adopted "basic (credit risk) approach".

(b) Leverage ratio

	31st March, 2017	31st December, 2016
Leverage ratio	9.9%	10.0%
Exposure measure for the calculation of the leverage ratio	277,563,283	266,305,017
Tier 1 capital after deductions	27,412,654	26,691,289

(2) Overview of RWA

	Items	(a)	(b)	(c)
		RWA		Minimum capital requirements
		31st March, 2017	31st December, 2016	31st March, 2017
1	Credit risk for non-securitization exposures	149,154,335	143,897,742	11,932,347
2	Of which STC approach	91,823,270	89,417,435	7,345,862
2a	Of which BSC approach	57,331,065	54,480,307	4,586,485
3	Of which IRB approach	0	0	0
4	Counterparty credit risk	1,842,844	1,777,398	147,428
5	Of which SA-CCR	0	0	0
5a	Of which CEM	1,842,844	1,777,398	147,428
6	Of which IMM(CCR) approach	0	0	0
7	Equity positions in banking book under the market-based approach	0	0	0
8	CIS exposures - LTA	0	0	0
9	CIS exposures - MBA	0	0	0
10	CIS exposures - FBA	0	0	0
11	Settlement risk	0	0	0
12	Securitization exposures in banking book	0	0	0
13	Of which IRB(S) approach - ratings-based method	0	0	0
14	Of which IRB(S) approach - supervisory formula method	0	0	0
15	Of which STC(S) approach	0	0	0
16	Market risk	11,959,713	11,655,550	956,777
17	Of which STM approach	11,959,713	11,655,550	956,777
18	Of which IMM approach	0	0	0
19	Operational risk	10,394,788	10,582,713	831,583
20	Of which BIA approach	10,394,788	10,582,713	831,583
21	Of which STO approach	0	0	0
21a	Of which ASA approach	0	0	0
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	768,198	768,198	61,456
24	Capital floor adjustment	0	0	0
24a	Deduction to RWA	1,808,251	1,930,592	144,660
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	176,279	298,620	14,102
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	1,631,972	1,631,972	130,558
25	Total	172,311,627	166,751,009	13,784,930
N/A: Not applicable in the case of Hong Kong				

Note: There were no material changes to the risk-weighted amounts during the quarterly reporting period. The changes were due to normal business activities.