

Countercyclical Capital Buffer (CCyB) Ratio

CCyB ratio were complied in accordance with the Banking (Capital) Rules issued by the HKMA. The Company's specific CCyB rate is calculated as the weighted average of the applicable jurisdictional CCyB rates, in respect of the jurisdictions (including Hong Kong) where the Company has private sector credit exposures. The weight to be attributed to a given jurisdiction's applicable CCyB rate is the ratio of the Company's aggregate risk-weighted amounts for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction (where the location of the exposures is determined as far as possible on an ultimate risk basis) to the sum of the Company's aggregate risk-weighted amounts across all jurisdictions in which the Company has private sector credit exposure. For a credit exposure guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures, are shown as follows:

At 31 December 2016

Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio US\$	CCyB ratio	CCyB amount US\$
Hong Kong SAR	0.625%	250,948,744		
China	-	50,012,608		
Angola	-	3,750,916		
Cayman Islands	-	21,377,583		
India	-	18,442,150		
Indonesia	-	17,517,799		
Ireland	-	12,701,461		
Kuwait	-	13,665,680		
Luxembourg	-	2,500,000		
Malaysia	-	613,711		
Mexico	-	5,018,688		
Phillipines	-	13,244,534		
Singapore	-	5,028,717		
South Korea	-	217,377,264		
United Kingdom	-	2,186,676		
United States	-	9,088,495		
Total		643,475,026	0.244%	1,570,079