

# The Hongkong and Shanghai Banking Corporation Limited

Interim Disclosure Statement

prepared under the Banking (Disclosure) Rules made pursuant to section 60A of the Banking Ordinance

Supplementary Notes Appendices for the six months ended 30 June 2013

# Appendices

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### **Appendix 1: Transition Disclosures Template**

The following table sets out the detailed composition of the group's regulatory capital at 30 June 2013 using the Transition Disclosures Template as specified by the HKMA. The table also shows those items that are currently benefiting from the Basel III transitional arrangements, and are consequently subject to the pre-Basel III treatment, as set out in Schedule 4H to the Banking (Capital) Rules.

		Component of regulatory capital	Amounts subject to pre- Basel III treatment *	Cross- referenced to **
		HK\$m	HK\$m	
1 2 3 4	non equity tier 1 (CET1) capital: instruments and reserves Directly issued qualifying CET1capital instruments plus any related share premium Retained earnings Disclosed reserves Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies) Public sector capital injections grandfathered until 1 January 2018 Minority interests arising from CET1 capital instruments issued by	57,515 256,144 95,477 Not applicable Not applicable		(33) (38)+(42) (35)
	consolidated bank subsidiaries and held by third parties (amount allowed in	22 591		(42)
C	CET1 capital of the consolidated group)	23,581		(43)
0	CET1 capital before regulatory deductions	432,717		
	l <b>capital: regulatory deductions</b> Valuation adjustments	2,700		(2)+(3)+(4)+
8	Goodwill (net of associated deferred tax liability)	10,802		(7)+(21) (11)+(14)+ (17)+(27)
9	Other intangible assets (net of associated deferred tax liability)	6,166	_	(12)+(15)+ (18)+(28)
	Deferred tax assets net of deferred tax liabilities	1,945		(16)
	Cash flow hedge reserve	153		(37)
12	Excess of total EL amount over total eligible provisions under the IRB approach			
13	Gain-on-sale arising from securitization transactions	_	-	
	Gains and losses due to changes in own credit risk on fair valued liabilities	1,634	_	(20)+(22)+
	Defined benefit pension fund net assets (net of associated deferred tax	2,001		(23)+(25)
	liabilities)	78	-	(19)
16	Investments in own CET1 capital instruments (if not already netted off			
17	paid-in capital on reported balance sheet)	-	-	
	Reciprocal cross-holdings in CET1 capital instruments Insignificant capital investments in CET1 capital instruments issued by	-	-	
18	financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	_	_	
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory	521	100,236	(1)+(6)+(8)+ (10)+(13)- (47)(48)
	consolidation (amount above 10% threshold) Mortgage servicing rights (amount above 10% threshold) Deferred tax assets arising from temporary differences (amount above 10%	Not applicable		(47)-(48)
21	threshold, net of related tax liability)	Not applicable		

HKSm     HKSm       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 defered tax assets arising from temporary differences     Not applicable       26     National specific regulatory adjustments applied to CET1 capital     69.883       26     Comulatory reserve for general banking risks     21.102     (39)       27     Regulatory reserve for general banking risks     21.102     (39)       28     Total regulatory deductions to CET1 capital     104.883       29     CET1 capital     104.883       29     CET1 capital instruments     -       30     Qualifying AT1 capital instruments plus related share premium     -       31     Of which classified as labilities under applicable accounting standards     -       32     Capital instruments issued by consolidated provide and held by third held instruct and allowed in AT1 capital of the consolidated group     8,454       34     AT1 capital instruments issued by subsidiaries subject to phase out arrangements from Capital of the consolidated group     -       31     Off which classified as labilities under applicable accounting standards     -     -       32     Capital instruments issued b			Component of regulatory capital	Amounts subject to pre- Basel III treatment *	Cross- referenced to **
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     Cumulative fair value gains arising from the revaluation of land and buildings (com-use and investment properties)     48,781     (36)+(41)       26     Regulatory deductions applied to CET1 capital     69,883     (36)+(41)       27     Regulatory deductions applied to CET1 capital     48,781     (36)+(41)       28     Total regulatory deductions applied to CET1 capital     104,883       29     CET1 capital     104,883       29     CET1 capital     327,834       AT1 capital instruments     -     -       30     Qualifying AT1 capital instruments plus related share premium     -       31     Of which classified as equity under applicable accounting standards     -       32     Of which Calcasified as quity under applicable accounting standards     -       33     Capital instruments subget to phase out arrangements from AT1 capital     30,663     (31)       34     AT1 capital instruments issued by subsidiaries subject to phase out arrangements     -     -       36     AT1 capital instruments issued by subsidiaries subject to obtect to phase out arrangements     -			HK\$m	HK\$m	
24       Of which mortgage servicing rights       Not applicable         25       Of which deferred tax assets arising from temporary differences       Not applicable         26       Autonal specific regulatory adjustments applied to CETI capital       69,883         26a       Cumulative fair value gains arising from the revaluation of land and buildings (town-use and investment properties)       48,781       (36)+(41)         26b       Regulatory deductions to CETI capital due to insufficient       739       (39)         27       Regulatory deductions to CETI capital       104,883       (30)-(49)         28       Total regulatory deductions to CETI capital       104,883       (30)-(49)         28       Total regulatory deductions to CETI capital       104,883       (30)-(49)         29       CETI capital       327,834       (31)         31       Of which classified as equity under applicable accounting standards       -       -         32       Of which classified as equity under applicable accounting standards       -       -         33       Capital instruments issued by subsidiaries and held       yb third parties (amount allowed in ATI capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36       ATI capital before regulatory deductions       39,117       (49)		Of which significant investments in the common stock of financial			
buildings (own-use and investment properties)       48,781       (36)(-41)         266 Regulatory deductions applied to CET1 capital due to insufficient       21,102       (39)         27 Regulatory deductions applied to CET1 capital due to insufficient       11,001       (50)-(49)         28 Total regulatory deductions to CET1 capital       104,883       (50)-(49)         29 CET1 capital       327,834       (31)         AT1 capital: instruments       -       -         30 Qualifying AT1 capital instruments plus related share premium       -       -         31 Of which classified as liabilities under applicable accounting standards       -       -         32 Or which classified as liabilities under applicable accounting standards       -       -         31 Of which classified as liabilities under applicable accounting standards       -       -         32 Capital instruments issued by consolidated bank subsidiaries and held       by third parties (amount allowed in AT1 capital instruments issued group)       8,454       (44)+(45)         35 Of which AT1 capital instruments       -       -       -         36 AT1 capital before regulatory deductions       39,117       (49)         AT1 capital instruments issued by consolidation (amount above 10% threshold)       -       -         39 Insignificant capital investiments in AT1 capital instruments issued by financial	25 26	Of which mortgage servicing rights Of which deferred tax assets arising from temporary differences National specific regulatory adjustments applied to CET1 capital	Not applicable		
26b Regulatory reserve for general banking risks       21,102       (39)         27 Regulatory deductions applied to ETI capital due to insufficient       11,001       (50)-(49)         28 Total regulatory deductions to CET1 capital and Tier 2 capital to cover deductions       11,001       (50)-(49)         28 Total regulatory deductions to CET1 capital       104,883       (50)-(49)         29 CET1 capital       327,834       -         ATI capital: instruments       -       -         31 Of Which classified as equity under applicable accounting standards       -       -         31 Capital instruments subject to phase out arrangements from AT1 capital       30,663       (31)         34 AT1 capital instruments issued by consolidated bank subsidiaries and held       by thich AT1 capital instruments issued by subsidiaries subject to phase out arrangements from AT1 capital       6,225       (45)         35 Of Which AT1 capital instruments       -       -       -       -         37 Investments in own AT1 capital instruments       -       -       -       -         36 Capital instruments       -       -       -       -       -         37 Investments in own AT1 capital instruments       -       -       -       -       -       -       -       -       -       -       -       -       -	204		48,781		(36)+(41)
28 Total regulatory deductions to CET1 capital       104,883         29 CET1 capital       327,834         AT1 capital: instruments       -         30 Qualifying AT1 capital instruments plus related share premium       -         31 Of which classified as equity under applicable accounting standards       -         32 Capital instruments subject to phase out arrangements from AT1 capital       30,663       (31)         34 AT1 capital instruments issued by consolidated bank subsidiaries and held       by third parties (amount allowed in AT1 capital of the consolidated group)       8,454       (44)+(45)         35 Of which AT1 capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36 AT1 capital instruments issued by subsidiaries subject to phase out arrangements       -       -         37 Investments in own AT1 capital instruments       -       -         38 Reciprocal cross-holdings in AT1 capital instruments       -       -         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)       -       -         40 Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41 National specific regulatory adjustments applied to AT1 capital and supplementary capital bas		Regulatory reserve for general banking risks	21,102		
29 CET1 capital       327,834         ATI capital: instruments		Additional Tier 1 (AT1) capital and Tier 2 capital to cover deductions	11,001		(50)-(49)
ATI capital: instruments         30       Qualifying ATI capital instruments plus related share premium       -         31       Of which classified as equity under applicable accounting standards       -         32       Of which classified as liabilities under applicable accounting standards       -         33       Capital instruments subject to bhase out arrangements from ATI capital       30,663       (31)         34       ATI capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in ATI capital of the consolidated group)       8,454       (44)+(45)         35       Of which ATI capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36       ATI capital before regulatory deductions       39,117       (49)         ATI capital instruments       -       -       -         37       Investments in own ATI capital instruments       -       -         39       Insignificant capital investments in ATI capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)       -       -         41       National specific regulatory adjustments applied to ATI capital instruments, arguit and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118       -	28	Total regulatory deductions to CET1 capital	104,883		
ATI capital: instruments       -         30       Qualifying AT1 capital instruments plus related share premium       -         31       Of which classified as equity under applicable accounting standards       -         32       Of which classified as liabilities under applicable accounting standards       -         33       Capital instruments subject to bhase out arrangements from AT1 capital       30,663       (31)         34       AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidated group)       8,454       (44)+(45)         35       Of which AT1 capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36       AT1 capital before regulatory deductions       39,117       (49)         AT1 capital instruments       -       -       -         37       Investments in own AT1 capital instruments       -       -         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)       -       -         41       National specific regulatory adjustments applied to AT1 capital       50,118       -         41       National specific regulatory adjustments in CET1 capital       50,118       -	29	CET1 capital	327,834		
30       Qualifying AT1 capital instruments plus related share premium       -         31       Of which classified as liabilities under applicable accounting standards       -         32       Of which classified as liabilities under applicable accounting standards       -         33       Capital instruments subject to phase out arrangements from AT1 capital       30,663       (31)         34       AT1 capital instruments issued by consolidated bank subsidiaries and held       by third parties (amount allowed in AT1 capital of the consolidated group)       8,454       (44)+(45)         35       Of which AT1 capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36       AT1 capital before regulatory deductions       -       -       -         37       Investments in own AT1 capital instruments       -       -       -         39       Insignificant capital investments in AT1 capital instruments issued by       -       -       -         39       Insignificant capital investments in AT1 capital instruments issued by       -       -       -         40       Significant capital investments in AT1 capital instruments issued by       -       -       -         41       National specific regulatory adjustments applied to AT1 capital       50,118       -       -         41			· · · · ·		
32       Of which classified as liabilities under applicable accounting standards       -         33       Capital instruments subject to phase out arrangements from AT1 capital       30,663       (31)         34       AT1 capital instruments issued by consolidated bank subsidiaries and held       50       (44)+(45)         35       Of which AT1 capital instruments issued by subsidiaries subject to phase out arrangements       6,225       (45)         36       AT1 capital before regulatory deductions       39,117       (49)         AT1 capital regulatory deductions       -       -       -         37       Investments in own AT1 capital instruments       -       -       -         38       Reciprocal cross-holdings in AT1 capital instruments       -       -       -         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)       -       -       -         40       Significant capital investments and T1 capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deductions applied to AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       50,118       (47)	30	Qualifying AT1 capital instruments plus related share premium	_		
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36 AT1 capital before regulatory deductions       39,117       (49)         AT1 capital: regulatory deductions       -       -         37 Investments in own AT1 capital instruments       -       -         38 Reciprocal cross-holdings in AT1 capital instruments       -       -         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)       -       -         40 Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41 National specific regulatory adjustments applied to AT1 capital       50,118       -       -         41a Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118       -         vii       Of which Significant capital investments in CET1 capital instruments, AT1 capital instruments, and Tier 2 capital instruments, at outside the scope of regulatory consolidation       50,118       (47)         42 Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions applied to AT1 capital instruments       -       -         43 Total regulatory deductions to AT1 capital due to insufficient Tier 2 capital to cover deductions to AT1 capital       50,118       (47)		by third parties (amount allowed in AT1 capital of the consolidated group)	8,454		(44)+(45)
ATI capital: regulatory deductions       -       -         37       Investments in own AT1 capital instruments       -       -         38       Reciprocal cross-holdings in AT1 capital instruments       -       -         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)       -       -         40       Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41       National specific regulatory adjustments applied to AT1 capital <b>50,118</b> -         41a       Portion of deductions monophiled 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments, at Tir 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       50,118       (47)         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions       -       -         43       Total regulatory deductions to AT1 capital       50,118       (50)         44       AT1 capital		phase out arrangements	6,225		(45)
37 Investments in own AT1 capital instruments       -       -         38 Reciprocal cross-holdings in AT1 capital instruments       -       -         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)       -       -         40 Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41 National specific regulatory adjustments applied to AT1 capital       50,118       -       -         41 National specific regulator adjustments in CET1 capital instruments, AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments, Sued by financial sector entities that are outside the scope of regulatory consolidation       50,118         vii       Of which Significant capital due to insufficient Tier 2 capital instruments, AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       50,118       (47)         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions       -       -         43       Total regulat	36	AT1 capital before regulatory deductions	39,117		(49)
38       Reciprocal cross-holdings in AT1 capital instruments       -       -         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)       -       -         40       Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41       National specific regulatory adjustments applied to AT1 capital       50,118       -       -         41a       Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118       -       -         vii       Of which Significant capital investments in CET1 capital instruments, AT1 capital instruments in CET1 capital instruments, aAT1 capital instruments in CET1 capital instruments, aCT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       50,118       (47)         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions to AT1 capital	AT1	capital: regulatory deductions			
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)       -       -         40 Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41 National specific regulatory adjustments applied to AT1 capital       50,118       -         41a Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       50,118         vii       Of which Significant 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       50,118         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions			-	-	
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40 Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation       -       -         41 National specific regulatory adjustments applied to AT1 capital       50,118       -         41a Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant 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       50,118       (47)         42 Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions			_	_	
41 National specific regulatory adjustments applied to AT1 capital       50,118         41a Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant 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       50,118         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory			
41a Portion of deductions applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from Tier 1 capital       50,118         vii       Of which Significant 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       50,118       (47)         42       Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	41		50.118	-	
remain subject to deduction from Tier 1 capital 50,118 vii Of which Significant 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 50,118 (47) 42 Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions <b>to AT1 capital</b> (50) 44 AT1 capital (50)		Portion of deductions applied 50:50 to core capital and supplementary			
AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation 50,118 (47) 42 Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions <b>to AT1 capital 50,118</b> (50) 44 AT1 capital <b>50,118</b> (50)	vii	remain subject to deduction from Tier 1 capital	50,118		
capital to cover deductions43 Total regulatory deductions to AT1 capital50,11844 AT1 capital		AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	50,118		(47)
44 AT1 capital	42				
44 AT1 capital	43	Total regulatory deductions to AT1 capital	50,118		(50)
		-	327,834		

	Component of regulatory capital	Amounts subject to pre- Basel III treatment	Cross- referenced to **
	HK\$m	HK\$m	
Tier 2 capital : instruments and provisions			
46 Qualifying Tier 2 capital instruments plus any related share premium	2,327		(24)
47 Capital instruments subject to phase out arrangements from Tier 2 capital	42,399		(26)+(29)+ (32)
48 Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation			(52)
group)	4,536		(30)+(46)
49 Of which capital instruments issued by subsidiaries subject to phase out			(20)
arrangements 50 Collective impairment allowances and regulatory reserve for general	3,902		(30)
banking risks eligible for inclusion in Tier 2 capital	12,624		(5)+(40)
51 Tier 2 capital before regulatory deductions	61,886		
Tier 2 capital : regulatory deductions			
52 Investments in own Tier 2 capital instruments	_	_	
53 Reciprocal cross-holdings in Tier 2 capital instruments	-	-	
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)	-	-	
55 Significant capital investments in Tier 2 capital instruments issued by			
financial sector entities that are outside the scope of regulatory	2 0 5 5		
consolidation	2,857	-	(9)
56 National specific regulatory adjustments applied to Tier 2 capital 56a Add back of cumulative fair value gains arising from the revaluation of land	27,512		
and buildings (own-use and investment properties) eligible for inclusion in	l		[(34)+(36)+
Tier 2 capital	(22,606)		(41) x 45%
56b Portion of deductions applied 50:50 to core capital and supplementary	(22,000)		(41)] X 45/0
capital based on pre-Basel III treatment which, during transitional period,			
remain subject to deduction from Tier 2 capital	50,118		
vii Of which Significant capital investments in CET1 capital instruments,	00,110		
AT1 capital instruments and Tier 2 capital instruments issued by			
financial sector entities that are outside the scope of regulatory			
consolidation	50,118		(48)
57 Total regulatory deductions to Tier 2 capital	30,369		
58 Tier 2 capital	31,517		
59 Total capital (Total capital = Tier 1 + Tier 2)	359,351		
60 Total risk weighted assets	2,311,573		

	Component of regulatory capital	Amounts subject to pre- Basel III treatment*	Cross- referenced to **
	HK\$m	HK\$m	
<ul> <li>Capital ratios (as a percentage of risk weighted assets)</li> <li>61 CET1 capital ratio</li> <li>62 Tier 1 capital ratio</li> <li>63 Total capital ratio</li> <li>64 Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3A, or s.3B, as the case requires, of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements)</li> <li>65 Of which capital conservation buffer requirement</li> <li>66 Of which bank specific countercyclical buffer requirement</li> <li>67 Of which G-SIB or D-SIB buffer requirement</li> <li>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.3A, or s.3B, as the case requires, of the BCR</li> </ul>	14.18% 14.18% 15.55% 3.50% 0.00% 0.00% 10.68%		
<ul> <li>National minima (if different from Basel 3 minimum)</li> <li>69 National CET1 minimum ratio</li> <li>70 National Tier 1 minimum ratio</li> <li>71 National total capital minimum ratio</li> <li>Amounts below the thresholds for deduction (before risk weighting)</li> <li>72 Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities</li> </ul>	Not applicable Not applicable Not applicable		
<ul> <li>that are outside the scope of regulatory consolidation</li> <li>73 Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation</li> <li>74 Mortgage servicing rights (net of related tax liability)</li> <li>75 Deferred tax assets arising from temporary differences (net of related tax liability)</li> </ul>	15,506 32,888 Not applicable Not applicable		
<ul> <li>Applicable caps on the inclusion of provisions in Tier 2 capital</li> <li>76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardised (credit risk) approach (prior to application of cap)</li> <li>77 Cap on inclusion of provisions in Tier 2 under the basic approach and the standardised (credit risk) approach</li> <li>78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)</li> <li>79 Cap for inclusion of provisions in Tier 2 under the IRB approach</li> </ul>	3,057 2,625 14,421 9,999		
<ul> <li>Capital instruments subject to phase-out arrangements</li> <li>80 Current cap on CET1 capital instruments subject to phase out arrangements</li> <li>81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</li> <li>82 Current cap on AT1 capital instruments subject to phase out arrangements</li> <li>83 Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</li> <li>84 Current cap on Tier 2 capital instruments subject to phase out arrangements</li> <li>85 Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</li> </ul>	Not applicable Not applicable 46,413 - 49,565 -		

\* This refers to the position under the Banking (Capital) Rules in force on 31 December 2012.

\*\* Cross-referenced to Balance Sheet Reconciliation in Appendix 2b.

#### 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 HK\$m	Basel III basis HK\$m
10	Deferred tax assets net of deferred tax liabilities	1,945	297

#### Explanation

As set out in paragraph 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), Deferred Tax Assets ('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 Al 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.

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 Mortgage Servicing Rights ('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.

#### 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)

100,757 99,227

#### Explanation

For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.

Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

#### 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.

### **Appendix 2: Balance Sheet Reconciliation**

The following tables together provide a reconciliation of the group's consolidated statement of financial position, as published in the 2013 Interim Consolidated Results - Highlights, to the Transition Disclosures Template in Appendix 1 of this document.

a. The following table sets out the group's consolidated statement of financial position at 30 June 2013 based on the accounting scope of consolidation and the corresponding balances based on the regulatory scope of consolidation.

	At 30 June 2013	
	Balance sheet in	Under
	published	regulatory
	financial	scope of
	statements	consolidation
	HK\$m	HK\$m
Assets		
Cash and short-term funds	981,440	971,261
Items in the course of collection from other banks	28,035	28,035
Placings with banks maturing after one month	201,167	192,199
Certificates of deposit	100,206	88,967
Hong Kong Government certificates of indebtedness	188,334	188,334
Trading assets	366,443	331,293
Financial assets designated at fair value	80,192	1,554
Derivatives	379,128	378,907
Loans and advances to customers	2,481,588	2,478,255
Financial investments	669,952	483,566
Amounts due from Group companies	147,637	180,830
Investments in subsidiaries	, _	11,222
Interests in associates and joint ventures	101,537	99,210
Goodwill and intangible assets	39,844	12,536
Property, plant and equipment	98,813	96,868
Deferred tax assets	1,886	1,847
Other assets	114,858	98,582
Total assets	5,981,060	5,643,466

Balance sheet in publishedUnder regulatory financialLiabilities		At 30 June 2013		
financial statements         scope of consolidation           Liabilities         HK\$m         HK\$m           Hong Kong currency notes in circulation         188,334         188,334           Items in the course of transmission to other banks         48,946         48,946           Deposits by banks         235,957         235,351           Customer accounts         3,779,575         3,769,931           Trading liabilities         196,544         196,380           Perivatives         362,412         362,112           Debt securities in issue         74,789         74,575           Retirement benefit liabilities         5,028         4,940           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         85,216           Liabilities under novisions         88,318         85,216           Deferred tax liabilities         13,257         13,257           Subordinated liabilities         5,400,719         5,197,436           Perference shares         54,318         54,205           Total liabilities         5,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9		<b>Balance sheet in</b>	Under	
statements         consolidation           Habilities         HK\$m           Hong Kong currency notes in circulation         188,334         188,334           Items in the course of transmission to other banks         48,946         48,946           Deposits by banks         235,957         235,351           Customer accounts         3,779,575         3,769,931           Trading liabilities         196,544         196,530           Financial liabilities designated at fair value         45,877         9,984           Derivatives         362,412         362,132           Debt securities in issue         74,789         74,575           Retirement benefit liabilities         5,028         4,940           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         85,216           Current tax liabilities         7,768         6,922           Deferred tax liabilities         15,636         11,022           Subordinated liabilities         5,490,719         5,197,436           Teat liabilities         54,903         247,144           Proposed dividend         9,000         9,000           Other reserves         39,559         55,490		published	regulatory	
HK\$m         HK\$m           Liabilities		financial	scope of	
Liabilities           Hong Kong currency notes in circulation         188,334         188,334           Items in the course of transmission to other banks         48,946         48,946           Deposits by banks         235,957         235,351           Customer accounts         3,779,575         3,769,931           Trading liabilities         196,544         196,380           Financial liabilities designated at fair value         45,877         9,984           Derivatives         362,412         362,123         362,130           Debt securities in issue         74,789         74,575           Retirement benefit liabilities         5,028         4,940           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         88,216           Liabilities under insurance contracts issued         260,664         -           Current tax liabilities         15,636         11,022           Subordinated liabilities         13,257         13,257           Preference shares         54,318         54,205           Total liabilities         5,909,719         5,197,435           Deforce shares         54,318         54,205           Other reserves         95,5		statements	consolidation	
Hog Kong currency notes in circulation       188,334       188,334         Items in the course of transmission to other banks       48,946       48,946         Deposits by banks       235,957       235,351         Customer accounts       3,779,575       3,769,931         Trading liabilities       196,544       196,380         Financial liabilities designated at fair value       45,877       9,984         Derivatives       362,412       362,130         Dets securities in issue       74,789       74,575         Retirement benefit liabilities       5,028       4,940         Amounts due to Group companies       113,296       136,243         Other liabilities and provisions       88,318       85,216         Liabilities under insurance contracts issued       260,664       -         Current tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Other reserves		HK\$m	HK\$m	
Items in the course of transmission to other banks         48,946         48,946           Deposits by banks         235,957         235,351           Customer accounts         3,779,575         3,769,931           Trading liabilities         196,544         196,384           Derivatives         362,412         362,112           Derivatives         362,412         362,130           Det securities in issue         74,789         74,575           Retirement benefit liabilities         5,028         4,940           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         85,216           Liabilities under insurance contracts issued         260,664         -           Current tax liabilities         13,257         13,257           Deferred tax liabilities         13,257         13,257           Preference shares         54,318         54,205           Total liabilities         5,490,719         5,197,436           Equity         5,509         5,89,699         58,969           Share capital         5,50         95,571         95,520         95,477           Retained profits         287,493         247,144         Proposed dividend	Liabilities			
Deposits by banks         235,957         235,351           Customer accounts         3,779,575         3,769,931           Trading liabilities         196,544         196,380           Financial liabilities designated at fair value         45,877         9,984           Derivatives         362,412         362,112         362,130           Debt securities in issue         74,789         74,789         74,789           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         85,216           Liabilities under insurance contracts issued         260,664         -           Current tax liabilities         15,636         11,022           Subordinated liabilities         13,257         13,257           Deferred tax liabilities         13,257         13,257           Preference shares         54,318         54,205           Total liabilities         5,490,719         5,197,436           Equity         55,20         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           Other reserves         99,359         35,440           Non-controlling interests	Hong Kong currency notes in circulation	188,334	188,334	
Customer accounts $3,779,575$ $3,769,931$ Trading liabilities196,544196,380Financial liabilities designated at fair value $45,877$ $9,984$ Derivatives $362,412$ $362,130$ Debt securities in issue $74,789$ $74,575$ Retirement benefit liabilities $5,028$ $4,940$ Amounts due to Group companies $113,296$ $136,243$ Other liabilities and provisions $88,318$ $85,216$ Liabilities under insurance contracts issued $260,664$ $-$ Current tax liabilities $15,636$ $11,022$ Deferred tax liabilities $13,257$ $13,257$ Preference shares $54,318$ $54,205$ Total liabilities $5,909$ $58,969$ Share capital $58,969$ $58,969$ Other reserves $95,520$ $95,4777$ Retained profits $287,493$ $247,144$ Proposed dividend $9,000$ $9,000$ Total shareholders' equity $450,982$ $410,590$ Non-controlling interests $39,359$ $35,440$ Total equity $490,341$ $446,030$	Items in the course of transmission to other banks	48,946	48,946	
Trading liabilities       196,544       196,380         Financial liabilities designated at fair value       45,877       9,984         Derivatives       362,412       362,130         Debt securities in issue       74,789       74,575         Retirement benefit liabilities       5,028       4,940         Amounts due to Group companies       113,296       136,243         Other liabilities and provisions       88,318       85,216         Liabilities under insurance contracts issued       260,664       -         Current tas liabilities       7,768       6.922         Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       95,520       95,477         Share capital       58,969       58,969       09,471         Other reserves       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       90,000       9,000         Non-controlling interests       39,359       35,440         Total equity       490,341 <td>Deposits by banks</td> <td>235,957</td> <td>235,351</td>	Deposits by banks	235,957	235,351	
Financial liabilities designated at fair value $45,877$ $9,984$ Derivatives $362,412$ $362,130$ Debt securities in issue $74,789$ $74,575$ Retirement benefit liabilities $5,028$ $4,940$ Amounts due to Group companies $113,296$ $136,243$ Other liabilities and provisions $88,318$ $85,216$ Liabilities under insurance contracts issued $260,664$ $-$ Current tax liabilities $15,636$ $11,022$ Subordinated liabilities $13,257$ $13,257$ Preference shares $54,318$ $54,205$ Total liabilities $5,520$ $95,477$ Retained profits $287,493$ $247,144$ Proposed dividend $9,000$ $9,000$ Total shareholders' equity $450,982$ $410,590$ Non-controlling interests $39,359$ $35,440$ Total equity $490,341$ $446,030$	Customer accounts	3,779,575	3,769,931	
Derivatives $362,412$ $362,130$ Debt securities in issue $74,789$ $74,575$ Retirement benefit liabilities $5,028$ $4,940$ Amounts due to Group companies $113,296$ $136,243$ Other liabilities and provisions $88,318$ $85,216$ Liabilities under insurance contracts issued $260,664$ -Current tax liabilities $7,768$ $6,922$ Deferred tax liabilities $15,636$ $11,022$ Subordinated liabilities $13,257$ $13,257$ Preference shares $54,318$ $54,205$ Total liabilities $5,490,719$ $5,197,436$ Equity $88,369$ $58,969$ $58,969$ Share capital $58,969$ $58,969$ Other reserves $95,520$ $95,477$ Retained profits $287,493$ $247,144$ Proposed dividend $9,000$ $9,000$ Total shareholders' equity $450,982$ $410,590$ Non-controlling interests $39,359$ $35,440$ Total equity $490,341$ $446,030$	Trading liabilities	196,544	196,380	
Debt securities in issue         74,789         74,575           Retirement benefit liabilities         5,028         4,940           Amounts due to Group companies         113,296         136,243           Other liabilities and provisions         88,318         85,216           Liabilities under insurance contracts issued         260,664         -           Current tax liabilities         7,768         6,922           Deferred tax liabilities         7,768         6,922           Subordinated liabilities         13,257         13,257           Subordinated liabilities         13,257         13,257           Preference shares         54,318         54,205           Total liabilities         5,490,719         5,197,436           Equity         5         95,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           9,000         9,000         9,000         9,000           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Financial liabilities designated at fair value	45,877	9,984	
Retirement benefit liabilities       5,028       4,940         Amounts due to Group companies       113,296       136,243         Other liabilities and provisions       88,318       85,216         Liabilities under insurance contracts issued       260,664       -         Current tax liabilities       7,768       6,922         Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         9,000       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440	Derivatives	362,412	362,130	
Amounts due to Group companies       113,296       136,243         Other liabilities and provisions       88,318       85,216         Liabilities under insurance contracts issued       260,664       -         Current tax liabilities       7,768       6,922         Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440	Debt securities in issue	74,789	74,575	
Other liabilities and provisions         88,318         85,216           Liabilities under insurance contracts issued         260,664         -           Current tax liabilities         7,768         6,922           Deferred tax liabilities         15,636         11,022           Subordinated liabilities         13,257         13,257           Preference shares         54,318         54,205           Total liabilities         5,490,719         5,197,436           Equity         5,490,719         5,197,436           Equity         58,969         58,969           Share capital         58,969         58,969           Other reserves         95,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Retirement benefit liabilities	5,028	4,940	
Liabilities under insurance contracts issued       260,664       -         Current tax liabilities       7,768       6,922         Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Amounts due to Group companies	113,296	136,243	
Current tax liabilities       7,768       6,922         Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Other liabilities and provisions	88,318	85,216	
Deferred tax liabilities       15,636       11,022         Subordinated liabilities       13,257       13,257         Preference shares       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       52,20       95,477         Share capital       58,969       58,969       0ther reserves         Other reserves       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Liabilities under insurance contracts issued	260,664	-	
Subordinated liabilities       13,257         Subordinated liabilities       13,257         Preference shares       54,318         Total liabilities       5,490,719         Share capital       58,969         Other reserves       95,520         Retained profits       287,493         Proposed dividend       9,000         Total shareholders' equity       450,982         Non-controlling interests       39,359         Total equity       490,341	Current tax liabilities	7,768	6,922	
Preference shares       54,207       54,205         Total liabilities       54,318       54,205         Total liabilities       5,490,719       5,197,436         Equity       5       5,490,719       5,197,436         Share capital       58,969       58,969       58,969         Other reserves       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Deferred tax liabilities	15,636	11,022	
Total liabilities         5,490,719         5,197,436           Equity         5         5           Share capital         58,969         58,969           Other reserves         95,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Subordinated liabilities	13,257	13,257	
Equity         58,969         58,969           Share capital         58,969         58,969           Other reserves         95,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Preference shares	54,318	54,205	
Share capital       58,969       58,969         Other reserves       95,520       95,477         Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Total liabilities	5,490,719	5,197,436	
Other reserves         95,520         95,477           Retained profits         287,493         247,144           Proposed dividend         9,000         9,000           Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Equity			
Retained profits       287,493       247,144         Proposed dividend       9,000       9,000         Total shareholders' equity       450,982       410,590         Non-controlling interests       39,359       35,440         Total equity       490,341       446,030	Share capital	58,969	58,969	
Proposed dividend         9,000         9,000           Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Other reserves	95,520	95,477	
Total shareholders' equity         450,982         410,590           Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Retained profits	287,493	247,144	
Non-controlling interests         39,359         35,440           Total equity         490,341         446,030	Proposed dividend	9,000	9,000	
Total equity 490,341 446,030	Total shareholders' equity	450,982	410,590	
	Non-controlling interests	39,359	35,440	
	Total equity	490,341	446,030	
Total equity and liabilities         5,981,060         5,643,466	Total equity and liabilities	5,981,060	5,643,466	

b. The following table expands the balance sheet under the regulatory scope of consolidation to show separately the capital components that are reported in the Transition Disclosures Template in Appendix 1. The capital components in this table contain a reference which shows how these amounts are included in the Transition Disclosures Template in Appendix 1.

	At 30 June 2013			
	Balance sheet in published financial statements HK\$m	Under regulatory scope of consolidation HK\$m	Cross- referenced to Definition of Capital Components	
Assets				
Cash and short-term funds	981,440	971,261		
Items in the course of collection from other banks	28,035	28,035		
Placings with banks maturing after one month	201,167	192,199		
Certificates of deposit	100,206	88,967		
Hong Kong Government certificates of indebtedness	188,334	188,334		
Trading assets	366,443	331,293		
Of which significant capital investments in financial sector entities exceeding 10% threshold		494	(1)	
Of which valuation adjustments		350	(2)	
Financial assets designated at fair value	80,192	1,554		
Of which valuation adjustments		3	(3)	
Derivatives	379,128	378,907		
Of which valuation adjustments		1,130	(4)	
Loans and advances to customers	2,481,588	2,478,255		
Of which impairment allowances eligible for inclusion in Tier 2 capital		1,959	(5)	
Financial investments	669,952	483,566		
Of which significant capital investments in financial sector entities exceeding 10% threshold		19,542	(6)	
Of which valuation adjustments		1,216	(7)	
Amounts due from Group companies	147,637	180,830		
Of which significant capital investments in financial sector entities exceeding 10% threshold		1,530	(8)	
Of which significant capital investments in financial sector entities		2,857	(9)	
Investments in subsidiaries	-	11,222		
Of which significant capital investment in financial sector entities exceeding 10% threshold		8,461	(10)	
Interests in associates and joint ventures	101,537	99,210		
Of which goodwill		4,690	(11)	
Of which intangible assets		704	(12)	
Of which significant capital investments in financial sector entities exceeding 10% threshold		70,730	(13)	
Goodwill and intangible assets	39,844	12,536		
Of which goodwill	,	6,211	(14)	
Of which intangible assets		6,325	(15)	
Property, plant and equipment	98,813	96,868		
Deferred tax assets	1,886	1,847		
Of which deferred tax assets net of related tax liabilities		1,945	(16)	
Of which deferred tax liabilities related to goodwill		(72)	(17)	
Of which deferred tax liabilities related to intangibles		(26)	(18)	
Other assets	114,858	98,582		
Of which defined pension fund net assets		78	(19)	
Total assets	5,981,060	5,643,466		

Balance sheet in published franacial franacial scope of consolidationConsecutive regenation to Of Capital consolidationLabilitiesItemItemItemItemHong Kong currency notes in circulation188,334 (188,334188,334 (188,334ItemItemItems in the course of transmission to other banks235,597 (235,511235,517235,511ItemCustomer accounts3,779,575 (376,933)3,779,575 (376,933)1Item(100,0000000000000000000000000000000000		At 30 June 2013		
Hong Kong currency notes in circulation188,334188,334Hems in the course of transmission to other banks48,94648,946Deposits by banks235,557235,351Customer accounts3,779,5753,769,931Trading liabilities196,544196,380Of which gains and losses due to changes in own credit risk on fair valued liabilities designated at fair value45,8779984Of which gains and losses due to changes in own credit risk on fair valued liabilities designated at fair value8(2)Derivatives362,412362,130(2)Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Derivatives362,412362,130(2)Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Debt securities in issue74,78974,575(2)Retirement benefit liabilities5,0284,940(2)Of which qualifying Tier 2 capital instruments2,327(24)(2)Of which pains and losses due to changes in own credit risk on fair valued liabilities and provisions88,31885,216(2)Of which pains and losses due to changes in own credit risk on fair valued liabilities and provisions88,31885,216(2)Of which qualifying Tier 2 capital instruments, subject to phase out arrangements9,502(26)(26)Of which deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to g		published financial statements	regulatory scope of consolidation	referenced to Definition of Capital
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Of which gains and losses due to changes in own credit risk on fair valued liabilities196 (20)Of which valuation adjustments1(21)Financial liabilities designated at fair value45,877 (9,9849,984Of which gains and losses due to changes in own credit risk on fair valued liabilities8(22)Derivatives362,412 (362,130362,412(23)Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Debrivatives5,028 (4,940)4,940(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(24)Of which qualifying Tier 2 capital instruments2,327(24)Of which qualifying Tier 2 capital instruments78(25)Of which pains and losses due to changes in own credit risk on fair valued liabilities7,7686,922Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,318 (837)(28)Subordinated liabilities13,257(27)Of which deferred tax liabilities related to goodwill out arrangements(27)(27)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Peferred tax liabilities related to goodwill out arrangements(30,27)(28)Subordinated liabilities13,257(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements <t< td=""><td>Customer accounts</td><td>3,779,575</td><td>3,769,931</td><td></td></t<>	Customer accounts	3,779,575	3,769,931	
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Of which valuation adjustments1(21)Financial liabilities designated at fair value45,8779,984Of which gains and losses due to changes in own credit risk on fair valued liabilities8(22)Derivatives362,412362,130362,412Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Det securities in issue74,78974,57574,575Retirement benefit liabilities5,0284,940440Amounts due to Group companies113,296136,24301Of which qualifying Tie 2 capital instruments2,327(24)(24)Of which qualifying Tie 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216260,664-Current tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to intangibles13,25713,257(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Preference shares54,31854,205(21)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Of which portion eligible for Tier 2 capital instruments, subject to phase out	Of which gains and losses due to changes in own credit risk on fair			
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Of which gains and losses due to changes in own credit risk on fair valued liabilities8(22)Derivatives362,412362,130Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Debt securities in issue74,78974,575Retirement benefit liabilities5,0284,940Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which qualifying Tier 2 capital instruments78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities7,7686,922Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which portion eligible for Tier 2 capital instruments, subject to phase 	Of which valuation adjustments		1	(21)
valued liabilities8(22)Derivatives362,412362,130Of which gains and losses due to changes in own credit risk on fair valued liabilities1.352(23)Debt securities in issue74,78974,575(23)Retirement benefit liabilities5,0284,940(24)Amounts due to Group companies113,296136,243(24)Of which qualifying Tie 2 capital instruments2,327(24)(24)Of which pains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216(26)Liabilities under insurance contracts issued260,664-(27)Of which deferred tax liabilities related to goodwill out arrangements(27)(27)(27)Of which deferred tax liabilities related to goodwill out arrangements(27)(27)(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,21854,218(21)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31) </td <td>Financial liabilities designated at fair value</td> <td>45,877</td> <td>9,984</td> <td></td>	Financial liabilities designated at fair value	45,877	9,984	
Derivatives362,412362,130Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Debt securities in issue74,78974,575Retirement benefit liabilities5,0284,940Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216(27)Liabilities under insurance contracts issued260,664-(27)Current tax liabilities7,7686,922(28)Of which deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities3,902(30)(30)Preference shares54,31854,205(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,0,663(31)Of which portion eligible fo	Of which gains and losses due to changes in own credit risk on fair			
Of which gains and losses due to changes in own credit risk on fair valued liabilities1,352(23)Debt securities in issue74,78974,575(23)Betirement benefit liabilities5,0284,940Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216(27)Liabilities7,7686,922(27)Of which deferred tax liabilities related to goodwill of which deferred tax liabilities related to goodwill(27)(27)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements(837)(28)Subordinated liabilities13,25713,257(29)Of which deferred tax liabilities related to goodwill subject to phase9,355(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Preference shares54,31854,205(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663<	valued liabilities		8	(22)
valued liabilities1,352(23)Debt securities in issue74,78974,575Retirement benefit liabilities5,0284,940Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities under insurance contracts issued200,664Current tax liabilities7,7686,922-Deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to intangibles13,25713,257(28)Subordinated liabilities13,25713,257(29)(30)Or which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)(30)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Preference shares54,31854,205(31)Of which portion eligible for ATI capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for ATI capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrang	Derivatives	362,412	362,130	
Debt securities in issue74,78974,575Retirement benefit liabilities5,0284,940Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216Liabilities under insurance contracts issued260,664-Current tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to goodwill(27)(27)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements	Of which gains and losses due to changes in own credit risk on fair			
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Amounts due to Group companies113,296136,243Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,216110,022Liabilities under insurance contracts issued260,664Current tax liabilities7,7686,922-Deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to goodwill(27)(27)(28)Subordinated liabilities13,25713,257(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)Preference shares54,31854,205-Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements <td>Debt securities in issue</td> <td>74,789</td> <td>74,575</td> <td></td>	Debt securities in issue	74,789	74,575	
Of which qualifying Tier 2 capital instruments2,327(24)Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions <b>88,31885,216</b> (26)Liabilities under insurance contracts issued <b>260,664</b> Current tax liabilities <b>7,7686,922</b> (27)Of which deferred tax liabilities related to goodwill(27)(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)(28)Subordinated liabilities <b>13,25713,257</b> (29)(30)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902(30)(30)Preference shares <b>54,31854,205</b> (31)(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements <td>Retirement benefit liabilities</td> <td>5,028</td> <td>4,940</td> <td></td>	Retirement benefit liabilities	5,028	4,940	
Of which gains and losses due to changes in own credit risk on fair valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,2161Liabilities under insurance contracts issued260,664Current tax liabilities7,7686,922-Deferred tax liabilities15,63611,022-Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205-Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Amounts due to Group companies	113,296	136,243	
valued liabilities78(25)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502(26)Other liabilities and provisions88,31885,2161Liabilities under insurance contracts issued260,664Current tax liabilities7,7686,922-Deferred tax liabilities15,63611,022-Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205-Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Of which qualifying Tier 2 capital instruments		2,327	(24)
Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,502 (26)Other liabilities and provisions88,318 (26),66485,216Liabilities under insurance contracts issued260,664-Current tax liabilities7,768 (6,922)6,922Deferred tax liabilities15,636 (11,022)11,022Of which deferred tax liabilities related to goodwill (27)(27) (27)(27)Of which deferred tax liabilities related to intangibles(837) (28)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355 (29)(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements3,902 (30)(30)Preference shares54,318 (30,663)54,205(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663 (31)(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663 (31)(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663 (31)(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663 (31)(31)	Of which gains and losses due to changes in own credit risk on fair			
out arrangements9,502(26)Other liabilities and provisions88,31885,216Liabilities under insurance contracts issued260,664-Current tax liabilities7,7686,922Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257(29)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,20530,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	valued liabilities		78	(25)
Other liabilities and provisions88,31885,216Liabilities under insurance contracts issued260,664-Current tax liabilities7,7686,922Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Of which portion eligible for Tier 2 capital instruments, subject to phase			
Liabilities under insurance contracts issued260,664-Current tax liabilities7,7686,922Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,20530,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	out arrangements		9,502	(26)
Current tax liabilities7,7686,922Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)	Other liabilities and provisions	88,318	85,216	
Deferred tax liabilities15,63611,022Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)	Liabilities under insurance contracts issued	260,664	-	
Of which deferred tax liabilities related to goodwill(27)(27)Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares3,902(30)Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Current tax liabilities	7,768	6,922	
Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,20530,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Deferred tax liabilities	15,636	11,022	
Of which deferred tax liabilities related to intangibles(837)(28)Subordinated liabilities13,25713,25713,257Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,20530,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Of which deferred tax liabilities related to goodwill		(27)	(27)
Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)			(837)	(28)
out arrangements9,355(29)Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)	Subordinated liabilities	13,257	13,257	
Of which portion eligible for Tier 2 capital instruments issued by subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)			9 355	(29)
subsidiaries, subject to phase out arrangements3,902(30)Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)			,,555	(2))
Preference shares54,31854,205Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)			3 902	(30)
Of which portion eligible for AT1 capital instruments, subject to phase out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements23,542(32)		54 318	,	(50)
out arrangements30,663(31)Of which portion eligible for Tier 2 capital instruments, subject to phase23,542(32)		24,510	54,205	
Of which portion eligible for Tier 2 capital instruments, subject to phase out arrangements       23,542       (32)			30 663	(31)
out arrangements         23,542         (32)	-		50,005	(31)
Total liabilities         5,490,719         5,197,436			23,542	(32)
	Total liabilities	5,490,719	5,197,436	

	At 30 Ju		
	Balance sheet in published financial statements HK\$m	Under regulatory scope of consolidation HK\$m	Cross- referenced to Definition of Capital Components
Equity			
Share capital	58,969	58,969	
Of which qualifying CET1 capital instruments		57,515	(33)
Of which revaluation reserve capitalisation issue		1,454	(34)
Other reserves	95,520	95,477	(35)
Of which fair value gains arising from revaluation of land and buildings		45,170	(36)
Of which cash flow hedging reserve		153	(37)
Retained profits	287,493	247,144	(38)
Of which regulatory reserve for general banking risks		21,102	(39)
Of which regulatory reserve eligible for inclusion in Tier 2 capital		10,665	(40)
Of which fair value gains arising from revaluation of land and buildings		3,611	(41)
Proposed dividend	9,000	9,000	(42)
Total shareholders' equity	450,982	410,590	
Non-controlling interests	39,359	35,440	
Of which portion eligible for inclusion in CET1 capital		23,581	(43)
Of which portion eligible for inclusion in AT1 capital		2,229	(44)
Of which portion in AT1 capital, subject to phase out arrangements		6,225	(45)
Of which portion eligible for inclusion in Tier 2 capital		634	(46)
Total equity	490,341	446,030	
Total equity and liabilities	5,981,060	5,643,466	