

Bank of Shanghai (Hong Kong) Limited
Balance Sheet Reconciliation
As at 30 June 2013

Step 1

The Company's regulatory scope of consolidation and that of accounting consolidation are identical, thus the Company has prepared the reconciliation below to meet the disclosure requirement specified in section 24(1)(b) of the Banking (Disclosures) Rules.

Step 2

	Balance sheet as in published disclosure statements	Cross reference to Definition of Capital Components
	As at 30 Jun 2013	
	HK\$'000	
Assets		
Cash and balances from banks	17,848	
Placements with banks	150,000	
Loans and advances to customers	64,103	
<i>of which: loans, facilities or other credit exposures provided by it to a connected company where the connected company is a financial sector entity</i>	30,335	(1)
<i>of which: collective impairment allowances reflected in regulatory capital</i>	(232)	(2)
Fixed assets	15,066	
Intangible assets	6,431	(3)
Current tax recoverable	3,419	
Other assets	4,812	
Total assets	261,679	
Liabilities		
Deposits and balances of banks	30,335	
Deposits from customers	19,000	
Amount due to parent company	8,246	
Other liabilities	21,116	
Total liabilities	78,697	
Equity		
Share capital	200,000	(4)
Accumulated losses	(17,018)	(5)
Total equity	182,982	
Total equity and liabilities	261,679	

Step 3

		(HK\$'000)	
		Component of regulatory capital reported by bank	Cross- referenced* to
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	200,000	(4)
2	Retained earnings	(17,018)	(5)
3	Disclosed reserves	0	
4	<i>Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)</i>	Not applicable	
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	0	
6	CET1 capital before regulatory deductions	182,982	
CET1 capital: regulatory deductions			
7	Valuation adjustments	0	
8	Goodwill (net of associated deferred tax liability)	0	
9	Other intangible assets (net of associated deferred tax liability)	6,431	(3)
10	Deferred tax assets net of deferred tax liabilities	0	
11	Cash flow hedge reserve	0	
12	Excess of total EL amount over total eligible provisions under the IRB approach	0	
13	Gain-on-sale arising from securitization transactions	0	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	0	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	0	
17	Reciprocal cross-holdings in CET1 capital instruments	0	
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
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)	30,335	(1)
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	of which: significant investments in the common stock of financial sector entities	Not applicable	
24	of which: mortgage servicing rights	Not applicable	
25	of which: deferred tax assets arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	0	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	0	
26b	Regulatory reserve for general banking risks	0	
26c	Securitization exposures specified in a notice given by the Monetary Authority	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	Total regulatory deductions to CET1 capital	36,766	
29	CET1 capital	146,216	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	0	
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	0	
33	<i>Capital instruments subject to phase out arrangements from AT1 capital</i>	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements</i>	0	
36	AT1 capital before regulatory deductions	0	

AT1 capital: regulatory deductions		
37	Investments in own AT1 capital instruments	0
38	Reciprocal cross-holdings in AT1 capital instruments	0
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)	0
40	Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
41	National specific regulatory adjustments applied to AT1 capital	0
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0
43	Total regulatory deductions to AT1 capital	0
44	AT1 capital	0
45	Tier 1 capital (Tier 1 = CET1 + AT1)	146,216
Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	0
47	<i>Capital instruments subject to phase out arrangements from Tier 2 capital</i>	0
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	0
49	<i>of which: capital instruments issued by subsidiaries subject to phase out arrangements</i>	0
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	232
51	Tier 2 capital before regulatory deductions	232
Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	0
53	Reciprocal cross-holdings in Tier 2 capital instruments	0
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)	0
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0
56	National specific regulatory adjustments applied to Tier 2 capital	0
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	0
57	Total regulatory deductions to Tier 2 capital	0
58	Tier 2 capital	232
59	Total capital (Total capital = Tier 1 + Tier 2)	146,448

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

*

Footnote:

Cross-referenced to Consolidated Balance Sheet in Step 2