

BASEL III Pillar 3 - Capital Adequacy and Risk Disclosures

Quarterly Update As At 31 March 2017

Capital Adequacy (Table 3)

| | 31 Mar 2017 | 31 Dec 2016 |
|---|----------------|----------------|
| | \$M | \$M |
| Risk Weighted Assets | | |
| Subject to Standardised approach | | |
| Residential mortgages | 5,813.4 | 5,473.1 |
| Other retail loans | 337.6 | 325.2 |
| Bank | 269.1 | 223.1 |
| Corporate | 352.5 | 355.5 |
| Other | 2.7 | 3.4 |
| Securitisation | 42.5 | 47.1 |
| Total risk weighted assets for credit risk exposures | 6,817.8 | 6,427.4 |
| Operational risk | 834.6 | 834.6 |
| Total risk weighted assets | 7,652.4 | 7,262.0 |
| Capital Ratio (%) | | |
| Common Equity Tier 1 ratio | 8.0% | 8.2% |
| Tier 1 capital ratio | 9.8% | 10.2% |
| Total capital ratio | 11.8% | 12.6% |

Credit Risk (Table 4)

Table 4 (a)

| | 31 Mar 2017 | | 31 Dec 2016 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | As At | Average | As At | Average |
| | \$M | \$M | \$M | \$M |
| Credit exposures by types | | | | |
| Cash and balances with central banks | 0.0 | 0.2 | 0.0 | 0.6 |
| Loans and advances to banks | 269.2 | 305.9 | 300.5 | 288.5 |
| Equity securities | 0.2 | 0.2 | 0.2 | 0.2 |
| Debt securities | 1,875.1 | 1,674.2 | 1,233.2 | 1,276.3 |
| Derivative financial assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Loans and advances to customers | 15,316.2 | 14,952.7 | 14,344.2 | 14,029.6 |
| Other assets | 14.4 | 15.6 | 11.1 | 14.8 |
| Total gross credit risk | 17,475.1 | 16,948.8 | 15,889.2 | 15,610.0 |
| Securitisation Exposures - RMBS Investments | 174.1 | 178.0 | 187.9 | 192.6 |
| Securitisation Exposures - Other | 33.1 | 28.8 | 27.2 | 27.9 |
| Non market-related off-balance sheet credit exposures | 621.7 | 546.9 | 630.0 | 511.8 |
| Market-related off-balance sheet credit exposures | 34.6 | 35.3 | 48.4 | 36.5 |
| Total exposures | 18,338.6 | 17,737.8 | 16,782.7 | 16,378.8 |
| Credit exposures by portfolio | | | | |
| Residential mortgages | 14,608.7 | 14,247.4 | 13,652.4 | 13,335.4 |
| Other retail claims | 358.0 | 355.9 | 340.2 | 351.7 |
| Bank | 1,035.1 | 1,046.9 | 802.6 | 891.2 |
| Government | 1,118.9 | 945.1 | 736.9 | 685.1 |
| Corporate | 352.5 | 351.9 | 355.5 | 345.2 |
| Other assets | 1.9 | 1.6 | 1.6 | 1.4 |
| Total exposures | 17,475.1 | 16,948.8 | 15,889.2 | 15,610.0 |

Table 4 (b)

| | 31 Mar 2017 | | 31 Dec 2016 | |
|--|-------------|-----|-------------|-----|
| | As At | \$M | As At | \$M |
| By Portfolios | | | | |
| Amount of impaired facilities: | | | | |
| Residential mortgages | 13.7 | | 14.1 | |
| Other retail claims | 0.0 | | 0.0 | |
| Corporate/specialised lending | 14.0 | | 10.8 | |
| Past due facilities: | | | | |
| Residential mortgages | 55.2 | | 47.9 | |
| Other retail claims | 0.0 | | 0.0 | |
| Corporate/specialised lending | 10.4 | | 9.0 | |
| Specific provisions | 4.2 | | 3.5 | |
| Charges for specific provisions during the period | 0.7 | | 1.7 | |
| Write-offs during the period | 0.4 | | 0.7 | |

Table 4 (c)

| | | |
|--|------|------|
| General Reserve for Credit Losses | 28.5 | 27.2 |
|--|------|------|

Securitisation exposures (Table 5)

| | 31 Mar 2017 | 31 Dec 2016 |
|--|-------------|-------------|
| | \$M | \$M |

Table 5 (a) - Total securitisation activity for the reporting period

| Underlying asset type | 31 Mar 2017 | 31 Dec 2016 |
|---|-------------|-------------|
| | \$M | \$M |
| • Residential mortgages | - | - |
| • RMBS Investments | - | - |
| Total securitisation activity for the reporting period | - | - |

| | 31 Mar 2017 | 31 Dec 2016 |
|--|-------------|-------------|
| | \$M | \$M |

Table 5 (b) - Summary of total securitisation exposures retained or purchased

| Securitisation facility type | 31 Mar 2017 | 31 Dec 2016 |
|---|----------------|----------------|
| | \$M | \$M |
| On-balance sheet securitisation exposures | | |
| • Notes ¹ | 2,045.5 | 2,044.6 |
| • RMBS Investments | 174.1 | 187.9 |
| • Other | 19.4 | 16.8 |
| Total securitisation exposures | 2,239.0 | 2,249.3 |
| Off-balance sheet securitisation exposures | | |
| • Swaps | 6.9 | 3.1 |
| • Funding facilities | 6.0 | 6.4 |
| • Liquidity facilities | 0.8 | 0.9 |
| Total securitisation exposures | 13.7 | 10.4 |

¹ Exposures relate to notes held in the Bank's on balance sheet securitisation vehicles