

ORIX Asia Limited

Regulatory Disclosure Statement for the quarter ended 31 December 2017(unaudited)

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Regulatory Disclosure Statement

For the quarter period ended 31 December 2017

(unaudited)

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1. Introduction

Purpose

The information contained in this document is for ORIX Asia Limited ("the Company") to comply with the Banking (Disclosure) Rules.

Basis of preparation

The Company has adopted the "basic approach" for the calculation of the risk-weighted assets for credit risk, "current exposure method" for the calculation of counterparty credit risk and "basic indicator approach" for the calculation of operational risk.

During the year ended 31 March 2017 and for the quarter ended 31 December 2017, market risk arising from the Company's trading book was minimal. The Company has been granted exemption by the HKMA as it can fulfil the exemption criteria set out in sections 22(l)(a) and (b) of the Banking (Capital) Rules. Hence, the Company was exempted from the calculation of market risk.

2. Key Capital Ratios

Capital Adequacy Ratio (solo basis)

	Reference	31-Dec-2017 (USD)	30-Sep-2017 (USD)
Capital base and risk-weighted assets			
-Common Equity Tier 1 Capital	[A]	262,909,486	260,112,770
-Tier 1 Capital	[B]	262,909,486	260,112,770
-Total Capital	[C]	272,574,266	270,117,564
-Total Risk Weighted Assets	[D]	817,543,714	843,351,264
Capital Adequacy Ratio			
-Common Equity Tier 1 Capital Ratio	[A]/[D]	32.1585%	30.8428%
-Tier 1 Capital Ratio	[B]/[D]	32.1585%	30.8428%
-Total Capital Ratio	[C]/[D]	33.3406%	32.0291%

Leverage Ratio (combined)

	Reference	31-Dec-2017 (USD)	30-Sep-2017 (USD)
Capital measure and exposure measure			
-Tier 1 Capital	[B]	262,909,486	260,112,770
-Total exposure measure	[E]	830,899,880	870,834,121
Leverage Ratio			
	[B]/[E]	31.64%	29.87%

3. Overview of risk management and Risk-Weighted Amount (“RWA”)

Template OV1: Overview of RWA

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 31 December 2017 and 30 September 2017 respectively:

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Dec-2017 (USD)	30-Sep-2017 (USD)	31-Dec-2017 (USD)
1	Credit risk for non-securitization exposures	772,589,756	799,775,145	61,807,180
2	Of which STC approach			
2a	Of which BSC approach	772,589,756	799,775,145	61,807,180
3	Of which IRB approach			
4	Counterparty credit risk	1,049,552	1,070,298	83,964
5	Of which SA-CCR			
5a	Of which CEM	592,664	608,398	47,413
6	Of which IMM(CCR) approach			
7	Equity exposures in banking book under the market-based approach			
8	CIS exposures – LTA			
9	CIS exposures – MBA			
10	CIS exposures – FBA			
11	Settlement risk			
12	Securitization exposures in banking book			
13	Of which IRB(S) approach – ratings-based method			
14	Of which IRB(S) approach – supervisory formula method			
15	Of which STC(S) approach			
16	Market risk			
17	Of which STM approach			
18	Of which IMM approach			
19	Operational risk	44,465,942	43,049,717	3,557,275
20	Of which BIA approach	44,465,942	43,049,717	3,557,275
21	Of which STO approach			
21a	Of which ASA approach			
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)			
24	Capital floor adjustment			
24a	Deduction to RWA	561,536	543,896	44,923
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	561,536	543,896	44,923
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital			
25	Total	817,543,714	843,351,264	65,403,497

N/A: Not applicable in the case of Hong Kong