



招商永隆銀行
CMB WING LUNG BANK

Pillar 3 Disclosure – Leverage Ratio

As at 30 September 2018

Leverage Ratio

The following disclosures are made in accordance with Section 16FH and 16FI of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority (“HKMA”).

1. Summary comparison of accounting assets against leverage ratio exposure measure
2. Leverage ratio

1. Summary comparison of accounting assets against leverage ratio ("LR") exposure measure

As at 30 September 2018

	Item	(a)
		Value under the LR framework
		(HK\$ '000)
1	Total consolidated assets as per published financial statements	300,469,283
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,036,902)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	1,054,609
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	14,827,343
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(18,099)
7	Other adjustments	(5,779,251)
8	Leverage ratio exposure measure	307,516,983

2. Leverage ratio

As at 30 September 2018

		(a)	(b)
		HK\$ '000	
		As of 30 September 2018	As of 30 June 2018
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	296,175,217	296,824,152
2	Less: Asset amounts deducted in determining Tier 1 capital	(5,779,251)	(5,931,285)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	290,395,966	290,892,867
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	603,151	708,486
5	Add-on amounts for PFE associated with all derivative contracts	1,101,767	921,264
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(47,158)	(72,784)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	1,657,760	1,556,966
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	654,013	2,405,697
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	654,013	2,405,697
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	43,751,105	52,024,298
18	Less: Adjustments for conversion to credit equivalent amounts	(28,923,762)	(36,911,473)
19	Off-balance sheet items	14,827,343	15,112,825
Capital and total exposures			
20	Tier 1 capital	31,821,534	30,871,656
20a	Total exposures before adjustments for specific and collective provisions	307,535,082	309,968,355
20b	Adjustments for specific and collective provisions	(18,099)	(17,315)
21	Total exposures after adjustments for specific and collective provisions	307,516,983	309,951,040
Leverage ratio			
22	Leverage ratio	10.3%	10.0%