



招商永隆銀行
CMB WING LUNG BANK

Regulatory Disclosures

As at 31 March 2025

CMB WING LUNG BANK LIMITED

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CMB WING LUNG BANK LIMITED

1 Introduction

Purpose

The information contained in this document is for CMB Wing Lung Bank Limited (“the Bank”) and its subsidiaries (together “the Group”) and is prepared in accordance with the Banking (Disclosure) Rules and the disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These regulatory disclosures are governed by the Group’s disclosure policy, the disclosure policy sets out the governance, control and assurance requirements for publication of the document, while this document is not required to be subject to external audit, it has been reviewed within the Group in accordance with the Group’s governance processes over financial reporting and policies on disclosures.

Basis of Preparation

The approaches used to calculate the Group’s regulatory capital or capital charge are in accordance with the Banking (Capital) Rules. The Group uses the standardised approach and the basic indicator approach to calculate its credit risk and operational risk respectively. For market risk and credit valuation adjustment (“CVA”) risk, the Group uses the foundation review of trading book (“FRTB”) and reduced basic CVA approaches to calculate its market risk and CVA risk respectively.

The financial information contained in this document has been prepared on a consolidated basis including the Bank and certain of its subsidiaries as specified by the Hong Kong Monetary Authority (“HKMA”) for its regulatory purposes. For financial reporting purposes, all the subsidiaries have been consolidated in the Group’s financial statements, the subsidiaries which are excluded from the regulatory scope of consolidation are specified in note 1 to the supplementary financial information of the Group’s 2024 Annual Report.

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2 Key prudential ratios, overview of risk management and RWA

2.1 KM1: Key prudential ratios

		(a)	(b)	(c)	(d)	(e)
		As at 31 March 2025 HK\$'000	As at 31 December 2024 HK\$'000	As at 30 September 2024 HK\$'000	As at 30 June 2024 HK\$'000	As at 31 March 2024 HK\$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	45,237,343	42,629,262	43,815,329	41,140,008	41,176,688
2 & 2a	Tier 1	60,039,134	58,533,865	53,973,705	51,298,384	51,346,687
3 & 3a	Total capital	64,688,137	62,722,677	57,632,895	54,611,488	54,703,217
	RWA (amount)					
4	Total RWA	304,422,901	292,184,662	287,691,279	286,762,441	302,582,857
4a	Total RWA (pre-floor)	304,422,901	292,184,662	287,691,279	286,762,441	302,582,857
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	14.9%	14.6%	15.2%	14.3%	13.6%
5b	CET1 ratio(%) (pre-floor ratio)	14.9%	14.6%	15.2%	14.3%	13.6%
6 & 6a	Tier 1 ratio (%)	19.7%	20.0%	18.8%	17.9%	17.0%
6b	Tier 1 ratio (%) (pre-floor ratio)	19.7%	20.0%	18.8%	17.9%	17.0%
7 & 7a	Total capital ratio (%)	21.2%	21.5%	20.0%	19.0%	18.1%
7b	Total capital ratio (%) (pre-floor ratio)	21.2%	21.5%	20.0%	19.0%	18.1%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.288%	0.313%	0.601%	0.601%	0.591%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.788%	2.813%	3.101%	3.101%	3.091%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.4%	10.1%	10.7%	9.9%	9.1%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	499,511,043	477,707,558	476,113,192	471,557,412	485,136,869
13a*	LR exposure measure based on mean values of gross assets of SFTs	499,072,330	477,554,814	-	-	-
14, 14a & 14b	LR (%)	12.0%	12.3%	11.3%	10.9%	10.6%
14c & 14d*	LR (%) based on mean values of gross assets of SFTs	12.0%	12.3%	-	-	-
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	88,299,699	91,330,396	90,712,096	92,648,010	92,274,077
16	Total net cash outflows	61,077,631	64,808,554	59,471,021	55,681,087	68,081,549
17	LCR (%)	145.6%	141.3%	153.7%	170.5%	136.2%
	Applicable to category 2 institution only:					

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2 Key prudential ratios, overview of risk management and RWA (continued)

2.1 KM1: Key prudential ratios (continued)

		(a)	(b)	(c)	(d)	(e)
		As at 31 March 2025 HK\$'000	As at 31 December 2024 HK\$'000	As at 30 September 2024 HK\$'000	As at 30 June 2024 HK\$'000	As at 31 March 2024 HK\$'000
17a	LMR (%)	-	-	-	-	-
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
	Applicable to category 1 institutions only:					
18	Total available stable funding	328,490,298	313,301,622	318,633,180	307,040,154	295,558,044
19	Total required stable funding	231,489,190	225,003,621	220,448,894	214,899,970	217,310,487
20	NSFR (%)	141.9%	139.2%	144.5%	142.9%	136.0%
	Applicable to category 2A institutions only:					
20a	CFR (%)	-	-	-	-	-

*New requirement for Basel III

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2 Key prudential ratios, overview of risk management and RWA (continued)

2.2 OV1: Overview of RWA

The table below provides an overview of the Group's total RWA, breakdown by the approaches under which the RWA is calculated.

Total RWA increased by HK\$12,238 million in the first quarter of 2025, mainly due to the increase in market risk RWA, which was mainly driven by the inclusion of additional risk categories under the FRTB approach following the implementation of Basel III.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2025 HK\$'000	As at 31 December 2024 HK\$'000	As at 31 March 2025 HK\$'000
1	Credit risk for non-securitization exposures	271,109,244	268,228,434	21,688,740
2	Of which STC approach	271,109,244	268,228,434	21,688,740
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty credit risk and default fund contributions	2,137,420	1,453,833	170,994
7	Of which SA-CCR approach	856,237	670,317	68,499
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	1,281,183	783,516	102,495
10	CVA risk	282,238	280,688	22,579
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	169,223	175,060	13,538
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	691,463	-	55,317
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	15,395,663	3,674,625	1,231,653
21	Of which STM approach	15,395,663	3,674,625	1,231,653
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	13,752,475	16,934,875	1,100,198
24a	Sovereign concentration risk	-	-	-

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2 Key prudential ratios, overview of risk management and RWA (continued)

2.2 OV1: Overview of RWA (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2025 HK\$'000	As at 31 December 2024 HK\$'000	As at 31 March 2025 HK\$'000
25	Amounts below the thresholds for deduction (subject to 250% RW)	4,124,908	4,149,523	329,993
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	3,239,733	2,712,376	259,179
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	1,133,848	606,491	90,708
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	2,105,885	2,105,885	168,471
29	Total	304,422,901	292,184,662	24,353,833

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

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3 Leverage ratio

3.1 LR2: Leverage ratio

		(a)	(b)
		HK\$'000	
		As at 31 March 2025	As at 31 December 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	476,442,316	455,924,327
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(33,375)	(72,042)
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(5,417,211)	(5,150,084)
6	Less: Asset amounts deducted in determining Tier 1 capital	(4,534,693)	(4,636,982)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	466,457,037	446,065,219
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	206,075	221,603
9	Add-on amounts for PFE associated with all derivative contracts	1,622,161	1,008,252
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	1,828,236	1,229,855
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,645,586	1,031,733
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	19,813	-
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	1,665,399	1,031,733
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	203,330,107	213,633,579
20	Less: Adjustments for conversion to credit equivalent amounts	(173,702,255)	(184,177,162)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(67,481)	(75,666)
22	Off-balance sheet items (sum of rows 19 to 21)	29,560,371	29,380,751
Capital and total exposures			
23	Tier 1 capital	60,039,134	58,533,865
24	Total exposures (sum of rows 7, 13, 18 and 22)	499,511,043	477,707,558
Leverage ratio			
25 & 25a	Leverage ratio	12.0%	12.0%
26	Minimum leverage ratio requirement	3.0%	3.0%
27 [#]	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,226,686	878,989

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3 Leverage ratio (continued)

3.1 LR2: Leverage ratio (continued)

		(a)	(b)
		HK\$'000	
		As at 31 March 2025	As at 31 December 2024
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,645,586	1,031,733
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	499,072,330	477,554,814
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	12.0%	12.3%

#: Not applicable in the case of Hong Kong.

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4 Liquidity

4.1 LIQ1: Liquidity Coverage Ratio - for category 1 institution

For the quarter ended 31 March 2025

Number of data points used in calculating the average value of the LCR and related components set out in this template: (74)		HK\$000 equivalent	
		(a)	(b)
Basis of disclosure: consolidated / unconsolidated / Hong Kong office (delete as appropriate)		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		88,299,699
B. Cash outflows			
2	Retail deposits and small business funding, of which:	225,690,389	15,783,231
3	<i>Stable retail deposits and stable small business funding</i>	10,237,538	511,877
4	<i>Less stable retail deposits and less stable small business funding</i>	89,974,229	8,997,423
4a	<i>Retail term deposits and small business term funding</i>	125,478,622	6,273,931
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	106,869,151	68,217,224
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	106,526,654	67,874,727
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	342,497	342,497
9	Secured funding transactions (including securities swap transactions)		420,208
10	Additional requirements, of which:	31,724,228	4,901,431
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	498,175	498,175
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	31,226,053	4,403,256
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	7,443,521	7,443,521
15	Other contingent funding obligations (whether contractual or non-contractual)	6,034,813	384,571
16	Total Cash Outflows		97,150,186
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	1,182,448	591,224
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	80,197,360	30,041,587
19	Other cash inflows	5,954,378	5,439,744
20	Total Cash Inflows	87,334,186	36,072,555
D. Liquidity Coverage Ratio			Adjusted value
21	Total HQLA		88,299,699
22	Total Net Cash Outflows		61,077,631
23	LCR (%)		145.6%

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4 Liquidity (continued)

4.1 LIQ1: Liquidity Coverage Ratio - for category 1 institution (continued)

For the quarter ended 31 December 2024

Number of data points used in calculating the average value of the LCR and related components set out in this template: (75)		HK\$000 equivalent	
		(a)	(b)
Basis of disclosure: consolidated / unconsolidated / Hong Kong office (delete as appropriate)		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		91,330,396
B. Cash outflows			
2	Retail deposits and small business funding, of which:	221,109,644	15,500,136
3	<i>Stable retail deposits and stable small business funding</i>	9,149,834	457,492
4	<i>Less stable retail deposits and less stable small business funding</i>	88,893,059	8,889,306
4a	<i>Retail term deposits and small business term funding</i>	123,066,751	6,153,338
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	110,595,346	69,806,221
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	110,595,346	69,806,221
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-
9	Secured funding transactions (including securities swap transactions)		-
10	Additional requirements, of which:	27,414,084	4,956,303
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	422,229	422,229
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	26,991,855	4,534,074
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,114,763	5,114,763
15	Other contingent funding obligations (whether contractual or non-contractual)	5,960,990	362,980
16	Total Cash Outflows		95,740,403
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	13,756	6,878
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	76,830,303	27,727,314
19	Other cash inflows	3,588,659	3,197,657
20	Total Cash Inflows	80,432,718	30,931,849
D. Liquidity Coverage Ratio			Adjusted value
21	Total HQLA		91,330,396
22	Total Net Cash Outflows		64,808,554
23	LCR (%)		141.3%

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4 Liquidity (continued)

4.1 LIQ1: Liquidity Coverage Ratio - for category 1 institution (continued)

Notes:

- The weighted amount of high-quality liquid assets ("HQLA") is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principle amounts in the calculation of the Liquidity Coverage Ratio (LCR) in accordance with the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amount after applying the inflow and outflow rates required by the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows has taken into account any applicable ceiling as required by the Banking (Liquidity) Rules.

The average LCR is calculated as the arithmetic mean of the LCR as at the end of each business day in the quarter on an unconsolidated basis. The average LCR for the fourth quarter of 2024 and the first quarter of 2025 remained stable at 141.3% and 145.6% respectively.

The Group maintains HQLA that can be sold or pledged as collateral to provide liquidity even in times of stress. The Group invests in good credit quality investments with deep and liquid markets to ensure that short-term funding needs are met within prudent limits.

Level 1 assets consist of cash, balances with central banks and high quality central government and central bank securities, while Level 2 assets consist of investment grade corporate securities. The majority of the HQLA consists of Level 1 assets.

Net cash outflows are mainly from retail and corporate deposits, which together with deposits and balances with banks, are the Group's main source of funds. The Group ensures a sound and diversified range of funding sources by monitoring the structure, stability and core level of the deposit portfolio.

Intra-Group funding transactions are conducted on an arm's length basis and are treated in the same way as other transactions with third parties, with regular monitoring and appropriate controls.