



創興銀行有限公司
Chong Hing Bank Limited
(Incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURES

**FOR THE THIRD QUARTER ENDED
30 September 2018**

1 Key prudential ratios

In HK\$'000		(a)	(b)	(c)	(d)	(e)
		As at 30 September 2018	As at 30 June 2018	As at 31 March 2018	As at 31 December 2017	As at 30 September 2017
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	17,927,724	13,291,047	13,425,003	13,127,134	12,643,973
2	Tier 1	20,239,754	15,603,077	15,737,033	15,439,164	14,956,003
3	Total Capital	25,236,189	20,521,443	20,577,680	20,435,557	19,953,822
	RWA (amount)					
4	Total RWA	124,156,734	117,977,847	116,104,572	116,122,468	113,589,391
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	14.44%	11.27%	11.56%	11.30%	11.13%
6	Tier 1 ratio (%)	16.30%	13.23%	13.55%	13.30%	13.17%
7	Total capital ratio (%)	20.33%	17.39%	17.72%	17.60%	17.57%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	1.875%	1.875%	1.875%	1.250%	1.250%
9	Countercyclical capital buffer requirement (%)	1.398%	1.334%	1.357%	0.910%	0.917%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.273%	3.209%	3.232%	2.160%	2.167%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.94%	6.77%	7.06%	6.80%	6.63%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	185,108,090	167,735,008	167,701,624	174,405,580	173,721,127
14	LR (%)	10.93%	9.30%	9.38%	8.85%	8.61%
	Liquidity Maintenance Ratio (LMR)					
17a	LMR (%)	44.31%	43.55%	43.61%	40.41%	42.69%
	Core Funding Ratio (CFR)					
20a	CFR (%)	157.68%	156.39%	148.59%	N/A	N/A

The Group has raised HK\$4.5 billion in total from Right Issue and Share Subscription during the 3rd quarter of 2018 which contributed to the increase in capital and capital adequacy ratio.

2 Overview of RWA

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA.

In HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2018	As at 30 June 2018	As at 30 September 2018
1	Credit risk for non-securitization exposures	112,911,391	107,226,932	9,032,911
2	<i>Of which STC approach</i>	112,911,391	107,226,932	9,032,911
2a	<i>Of which BSC approach</i>	-	-	-
3	<i>Of which foundation IRB approach</i>	-	-	-
4	<i>Of which supervisory slotting criteria approach</i>	-	-	-
5	<i>Of which advanced IRB approach</i>	-	-	-
6	Counterparty default risk and default fund contributions	1,195,814	1,445,261	95,665
7	<i>Of which SA-CCR*</i>	Not applicable	Not applicable	Not applicable
7a	<i>Of which CEM</i>	1,060,877	1,166,018	84,870
8	<i>Of which IMM(CCR) approach</i>	-	-	-
9	<i>Of which others</i>	134,937	279,243	10,795
10	CVA risk	667,788	652,775	53,423
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	<i>Of which SEC-IRBA</i>	-	-	-
18	<i>Of which SEC-ERBA</i>	-	-	-
19	<i>Of which SEC-SA</i>	-	-	-
19a	<i>Of which SEC-FBA</i>	-	-	-
20	Market risk	3,448,088	3,056,788	275,847
21	<i>Of which STM approach</i>	3,448,088	3,056,788	275,847
22	<i>Of which IMM approach</i>	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	Not applicable	Not applicable	Not applicable
24	Operational risk	5,533,200	5,195,638	442,656
25	Amounts below the thresholds for deduction (subject to 250% RW)	535,173	535,173	42,814
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	134,720	134,720	10,778
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	-	-	-
26c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	134,720	134,720	10,778
27	Total	124,156,734	117,977,847	9,932,538

Total RWA increased by HK\$6.2 billion as compared with last quarter. RWA for credit risk for non-securitization exposures was the main contributor and the key driver for the increase was the increase in loans to corporates.

3 Leverage ratio

		(a)	(b)
		As at 30 September 2018	As at 30 June 2018
In HK\$'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	173,183,899	150,712,204
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,554,698)	(1,459,329)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	171,629,201	149,252,875
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)	1,295,619	1,139,180
5	Add-on amounts for PFE associated with all derivative contracts	2,209,617	2,692,348
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	-	-
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	3,505,236	3,831,528
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,559,435	6,384,339
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	19,067	462,655
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	2,578,502	6,846,994
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	39,787,279	39,131,846
18	Less: Adjustments for conversion to credit equivalent amounts	(31,706,988)	(30,734,464)
19	Off-balance sheet items	8,080,291	8,397,382
Capital and total exposures			
20	Tier 1 capital	20,239,754	15,603,077
20a	Total exposures before adjustments for specific and collective provisions	185,793,230	168,328,779
20b	Adjustments for specific and collective provisions	(685,140)	(593,771)
21	Total exposures after adjustments for specific and collective provisions	185,108,090	167,735,008
Leverage ratio			
22	Leverage ratio	10.93%	9.30%