招商永隆銀行
CMB WING LUNG BANK

Regulatory Disclosures

As at 30 September 2025

CMB WING LUNG BANK LIMITED

Contents **Page**

1 Introduction **1**

2 Key prudential ratios, overview of risk management and RWA **2**

2.1 KM1: Key prudential ratios

2.2 OV1: Overview of RWA

3 Leverage ratio **6**

3.1 LR2: Leverage ratio

4 Liquidity **8**

4.1 LIQ1: Liquidity Coverage Ratio - for category 1 institution

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 standardized approach to calculate its credit risk and operational risk. 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.

CMB WING LUNG BANK LIMITED

2 Key prudential ratios, overview of risk management and RWA

2.1 KM1: Key prudential ratios

		(a)	(b)	(c)	(d)	(e)
		As at 30 September 2025 HK$'000	As at 30 June 2025 HK$'000	As at 31 March 2025 HK$'000	As at 31 December 2024 HK$'000	As at 30 September 2024 HK$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	48,334,846	46,949,478	45,237,343	42,629,262	43,815,329
2 & 2a	Tier 1	63,136,637	61,751,269	60,039,134	58,533,865	53,973,705
3 & 3a	Total capital	67,215,372	66,335,805	64,688,137	62,722,677	57,632,895
	RWA (amount)					
4	Total RWA	314,492,112	321,781,679	304,422,901	292,184,662	287,691,279
4a	Total RWA (pre-floor)	314,492,112	321,781,679	304,422,901	N/A	N/A
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	15.4%	14.6%	14.9%	14.6%	15.2%
5b	CET1 ratio (%) (pre-floor ratio)	15.4%	14.6%	14.9%	N/A	N/A
6 & 6a	Tier 1 ratio (%)	20.1%	19.2%	19.7%	20.0%	18.8%
6b	Tier 1 ratio (%) (pre-floor ratio)	20.1%	19.2%	19.7%	N/A	N/A
7 & 7a	Total capital ratio (%)	21.4%	20.6%	21.2%	21.5%	20.0%
7b	Total capital ratio (%) (pre-floor ratio)	21.4%	20.6%	21.2%	N/A	N/A
	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 (%)	0.293%	0.287%	0.288%	0.313%	0.601%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.793%	2.787%	2.788%	2.813%	3.101%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.9%	10.1%	10.4%	10.1%	10.7%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	521,084,653	548,342,116	499,511,043	477,707,558	476,113,192
13a	LR exposure measure based on mean values of gross assets of SFTs	521,054,975	548,358,727	499,072,330	477,554,814	N/A
14, 14a & 14b	LR (%)	12.1%	11.3%	12.0%	12.3%	11.3%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	12.1%	11.3%	12.0%	12.3%	N/A
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	127,252,811	115,388,435	88,299,699	91,330,396	90,712,096
16	Total net cash outflows	83,198,914	77,447,537	61,077,631	64,808,554	59,471,021
17	LCR (%)	153.5%	149.5%	145.6%	141.3%	153.7%
	Applicable to category 2 institution only:					

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 30 September 2025 HK$'000	As at 30 June 2025 HK$'000	As at 31 March 2025 HK$'000	As at 31 December 2024 HK$'000	As at 30 September 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	351,367,084	357,267,838	328,490,298	313,301,622	318,633,180
19	Total required stable funding	238,570,080	236,854,917	231,489,190	225,003,621	220,448,894
20	NSFR (%)	147.3%	150.8%	141.9%	139.2%	144.5%
	Applicable to category 2A institutions only:					
20a	CFR (%)	-	-	-	-	-

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.

In the third quarter of 2025, the total risk-weighted assets (RWA) decreased by HK$7,290 million. This decline was primarily due to a reduction in RWAs for non-securitization credit risk exposures, resulting from decreased lending to financial institutions.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2025 HK$'000	As at 30 June 2025 HK$'000	As at 30 September 2025 HK$'000
1	Credit risk for non-securitization exposures	279,731,768	289,209,617	22,378,541
2	Of which STC approach	279,731,768	289,209,617	22,378,541
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	2,534,622	2,435,026	202,770
7	Of which SA-CCR approach	1,202,643	1,265,507	96,211
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	1,331,979	1,169,519	106,558
10	CVA risk	352,138	387,900	28,171
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	1,120,312	913,177	89,625
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	181	–	14
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	16,394,975	14,792,725	1,311,598
21	Of which STM approach	16,394,975	14,792,725	1,311,598
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	13,752,475	1,100,198
24a	Sovereign concentration risk	-	-	-

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 30 September 2025 HK$'000	As at 30 June 2025 HK$'000	As at 30 September 2025 HK$'000
25	Amounts below the thresholds for deduction (subject to 250% RW)	3,431,858	3,374,358	274,549
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	2,826,217	3,083,599	226,097
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	732,448	989,830	58,596
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	2,093,769	2,093,769	167,502
29	**Total**	**314,492,112**	**321,781,679**	**25,159,369**

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

CMB WING LUNG BANK LIMITED

3 Leverage ratio

3.1 LR2: Leverage ratio

		(a)	(b)
		HK$'000	
		As at 30 September 2025	As at 30 June 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	512,835,922	523,962,855
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	(131,040)	(32,203)
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	(5,872,439)	(5,882,439)
6	Less: Asset amounts deducted in determining Tier 1 capital	(4,222,515)	(4,518,814)
7	**Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)**	**502,609,928**	**513,529,399**
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)	414,373	223,728
9	Add-on amounts for PFE associated with all derivative contracts	2,565,693	2,569,302
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)**	**2,980,066**	**2,793,030**
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,712,977	1,504,383
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	25,469	32,900
17	Agent transaction exposures	-	-
18	**Total exposures arising from SFTs (sum of rows 14 to 17)**	**1,738,446**	**1,537,283**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	48,131,334	213,975,616
20	Less: Adjustments for conversion to credit equivalent amounts	(34,348,648)	(183,402,332)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(26,473)	(90,880)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**13,756,213**	**30,482,404**
Capital and total exposures			
23	**Tier 1 capital**	**63,136,637**	**61,751,269**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**521,084,653**	**548,342,116**
Leverage ratio			
25 & 25a	**Leverage ratio**	**12.1%**	**11.3%**
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	1,683,299	1,553,894

3 Leverage ratio

3.1 LR2: Leverage ratio (continued)

		(a)	(b)
		HK$'000	
		As at 30 September 2025	As at 31 March 2025
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	1,712,977	1,504,383
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)	521,054,975	548,358,727
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)	12.1%	11.3%

#: Not applicable in the case of Hong Kong.

The decrease in the amount of off-balance sheet item is due to an adjustment in the loan limit.

CMB WING LUNG BANK LIMITED

4 Liquidity

4.1 LIQ1: Liquidity Coverage Ratio - for category 1 institution

For the quarter ended 30 September 2025

Number of data points used in calculating the average value of the LCR and related components set out in this template: (77)		HK$000 equivalent	
		(a)	(b)
Basis of disclosure: unconsolidated		**Unweighted value** (average)	**Weighted value** (average)
A.	**HQLA**		
1	Total HQLA		127,252,811
B.	**Cash outflows**		
2	Retail deposits and small business funding, of which:	251,070,326	17,635,952
3	*Stable retail deposits and stable small business funding*	11,954,164	597,708
4	*Less stable retail deposits and less stable small business funding*	101,648,707	10,164,871
4a	*Retail term deposits and small business term funding*	137,467,455	6,873,373
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	127,960,595	84,403,456
6	*Operational deposits*	0	0
7	*Unsecured wholesale funding (other than small business funding) not covered in row 6*	127,919,817	84,362,678
8	*Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period*	40,778	40,778
9	Secured funding transactions (including securities swap transactions)		256,161
10	Additional requirements, of which:	36,599,748	7,109,007
11	*Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements*	751,870	751,870
12	*Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions*	0	0
13	*Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)*	35,847,878	6,357,137
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	8,824,223	8,824,223
15	Other contingent funding obligations (whether contractual or non-contractual)	2,975,952	214,138
16	**Total Cash Outflows**		118,442,937
C.	**Cash Inflows**		
17	Secured lending transactions (including securities swap transactions)	1,562,730	781,365
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	85,777,531	30,776,451
19	Other cash inflows	4,233,826	3,686,207
20	**Total Cash Inflows**	91,574,087	35,244,023
D.	**Liquidity Coverage Ratio**		**Adjusted value**
21	**Total HQLA**		127,252,811
22	**Total Net Cash Outflows**		83,198,914
23	**LCR (%)**		153.5%

4 Liquidity (continued)

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

For the quarter ended 30 June 2025

Number of data points used in calculating the average value of the LCR and related components set out in this template: (72)		HK$000 equivalent	
		(a)	(b)
Basis of disclosure: unconsolidated		**Unweighted value** (average)	**Weighted value** (average)
E.	**HQLA**		
1	Total HQLA		115,388,435
F.	**Cash outflows**		
2	Retail deposits and small business funding, of which:	247,016,919	16,976,782
3	*Stable retail deposits and stable small business funding*	10,915,543	545,777
4	*Less stable retail deposits and less stable small business funding*	92,518,728	9,251,873
4a	*Retail term deposits and small business term funding*	143,582,648	7,179,132
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	122,490,122	79,460,062
6	*Operational deposits*	-	-
7	*Unsecured wholesale funding (other than small business funding) not covered in row 6*	122,482,490	79,452,430
8	*Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period*	7,632	7,632
9	Secured funding transactions (including securities swap transactions)		4,429
10	Additional requirements, of which:	26,677,781	5,016,880
11	*Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements*	639,883	639,883
12	*Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions*	-	-
13	*Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)*	26,037,898	4,376,997
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	8,847,067	8,847,067
15	Other contingent funding obligations (whether contractual or non-contractual)	4,906,142	349,408
16	**Total Cash Outflows**		110,654,628
G.	**Cash Inflows**		
17	Secured lending transactions (including securities swap transactions)	1,545,593	772,797
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	79,102,915	27,655,964
19	Other cash inflows	5,275,440	4,778,330
20	**Total Cash Inflows**	85,923,948	33,207,091
H.	**Liquidity Coverage Ratio**		**Adjusted value**
21	**Total HQLA**		115,388,435
22	**Total Net Cash Outflows**		77,447,537
23	**LCR (%)**		149.5%

4 Liquidity (continued)

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

Notes:

- The weighted amounts 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) as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

The average LCR is calculated as the arithmetic mean of the LCR as at the end of each working day in the quarter on an unconsolidated basis. The average LCR for the second and third quarters of 2025 remained stable at 149.5% and 153.5% respectively.

The Group maintains HQLA which can be sold or pledged as collateral to provide liquidity even under periods of stress. The Group invests in good credit quality investments with deep and liquid market to ensure short term funding requirements are covered within prudent limits.

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

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

Intra-group funding transactions are transacted at arm's length and treated in a manner in line with other third party transactions, with regular monitoring and appropriate control.