



招商永隆銀行
CMB WING LUNG BANK

Pillar 3 Disclosure – Liquidity

As at 30 September 2018

Liquidity

The following disclosures are made in accordance with sections 16FK and 16FL of the Banking (Disclosure) Rules.

Liquidity Coverage Ratio - for category 1 institution

For the quarter ended 30 September 2018

Number of data points used in calculating the average value of the LCR and related components set out in this template : (76)		HK\$'000 equivalent	
		(a)	(b)
Basis of disclosure : Unconsolidated		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		26,994,934
B. Cash outflows			
2	Retail deposits and small business funding, of which:	139,947,836	10,645,601
3	Stable retail deposits and stable small business funding	3,625,886	181,294
4	Less stable retail deposits and less stable small business funding	72,964,181	7,296,418
4a	Retail term deposits and small business term funding	63,357,769	3,167,889
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	66,479,059	44,152,502
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	64,505,447	42,178,890
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	1,973,612	1,973,612
9	Secured funding transactions (including securities swap transactions)	124,788	124,788
10	Additional requirements, of which:	24,114,923	6,580,922
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	709,907	709,907
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)	23,405,016	5,871,015
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,716,060	1,716,060
15	Other contingent funding obligations (whether contractual or non-contractual)	26,195,260	855,070
16	Total Cash Outflows		64,074,943
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	53,958,954	43,906,640
19	Other cash inflows	9,047,849	8,651,264
20	Total Cash Inflows	63,006,803	52,557,904
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		26,994,934
22	Total Net Cash Outflows		16,325,231
23	LCR (%)		164.4%

Liquidity Coverage Ratio - for category 1 institution
For the quarter ended 30 June 2018

Number of data points used in calculating the average value of the LCR and related components set out in this template : (73)		HK\$'000 equivalent	
		(a)	(b)
Basis of disclosure : Unconsolidated		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		27,410,594
B. Cash outflows			
2	Retail deposits and small business funding, of which:	135,286,875	10,335,416
3	<i>Stable retail deposits and stable small business funding</i>	3,737,935	186,897
4	<i>Less stable retail deposits and less stable small business funding</i>	71,421,439	7,142,144
4a	<i>Retail term deposits and small business term funding</i>	60,127,501	3,006,375
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	64,271,984	42,546,984
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	62,160,338	40,435,338
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	2,111,646	2,111,646
9	Secured funding transactions (including securities swap transactions)	686,471	686,471
10	Additional requirements, of which:	31,636,684	8,701,103
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	888,070	888,070
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>	30,748,614	7,813,033
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,472,378	1,472,378
15	Other contingent funding obligations (whether contractual or non-contractual)	27,684,493	745,667
16	Total Cash Outflows		64,488,019
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	50,546,961	41,429,019
19	Other cash inflows	6,193,123	5,797,900
20	Total Cash Inflows	56,740,084	47,226,919
D. Liquidity Coverage Ratio			Adjusted value
21	Total HQLA		27,410,594
22	Total Net Cash Outflows		17,261,100
23	LCR (%)		150.8%

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 LCR as required under 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 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 Group's average LCR of the second and third quarter in 2018 remained stable at 150.8% and 164.4% 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.