

Disclosure Templates for Leverage Ratios

In accordance with the Administrative Measures for Leverage Ratios of Commercial bank (Amended) (CBRC Order [2015] No.1) (《商业银行杠杆率管理办法(修订)》(中国银监会令 2015 年第 1 号))(referred to as “these measures”), details of the Bank’s leverage ratio as at 31 December 2020 are disclosed as below.

I. Template 1

Template 1 discloses corresponding accounting items of the items under regulation in connection with our leverage ratio and the differences between the items under regulation and the accounting items. Template 1 is shown as below:

No.	Item	Balance
1	Total on-balance sheet assets	687,760.20
2	Consolidated adjustment	
3	Customer assets adjustment	
4	Derivatives adjustment	132.41
5	Securities financing transactions adjustment	
6	Off-balance sheet items adjustment	29,193.20
7	Other adjustments	-484.85
8	On and off-balance sheet assets after adjustments	716,600.96

In millions of RMB

II. Template 2

Template 2 discloses details of the leverage ratio level, net tier 1 capital, on and off-balance sheet assets after adjustments, and the relevant breakdown. Template 2 is shown as below:

No.	Item	Balance
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	687,750.45

2	Less: Deduction from tier 1 capital	-484.85
3	On-balance sheet assets after adjustments (excluding derivatives and securities financing transactions)	687,265.60
4	Replacement costs of various derivatives (excluding eligible margin)	9.74
5	Potential risk exposures of various derivatives	132.41
6	Total collateral deducted from the balance sheet	
7	Less: Assets receivable arising from the provision of eligible margin	
8	Less: Derivative assets arising from central counterparty transactions when providing clearing services to customers	
9	Nominal principals arising from sales of credit derivatives	
10	Less: Deductible assets arising from sales of credit derivatives	
11	Derivative assets	142.15
12	Accounting assets arising from securities financing transactions	-
13	Less: Deductible assets arising from securities financing transactions	
14	Counter-party credit risk exposure arising from securities financing transactions	
15	Assets arising from the agency services in connection with securities financing transactions	
16	Securities financing transactions assets	-
17	Off-balance sheet items	45,742.88
18	Less: Decrease in off-balance sheet items due to credit conversion	-16,549.68
19	Off-balance sheet items after adjustments	29,193.20
20	Net tier 1 capital	52,887.71
21	On and off-balance sheet assets after adjustments	716,600.96
22	Leverage Ratio	7.38%

In millions of RMB

III. Definition of Each Item

The items in template 1 are defined as follows:

No.	Description
1	Total on-balance sheet assets refer to the one calculated in accordance with financial and accounting standards.
2	Consolidated adjustment refers to a commercial bank's investment in any

	financial institution or enterprise which is outside the regulatory scope for consolidation but within the accounting consolidation scope.
3	Customer assets adjustment relates to the assets that a customer entrusts a commercial bank to manage for him/her/it. If it is included in the balance sheet of a commercial bank in accordance with the local financial accounting standards, but not included in the bank's balance sheet in accordance with international accounting standards, the relevant assets may be deducted when calculating the on-balance sheet assets after adjustments.
4	Derivatives adjustment refers to the difference between the balance of derivative assets calculated by these measures and the balance of derivative financial assets included in the balance sheet.
5	Securities financing transactions adjustment refers to the difference between the balance of securities financing transaction assets calculated by these measures and the balance of securities financing transaction assets included in the balance sheet.
6	Off-balance sheet items adjustment refers to the balance of off-balance-sheet items after credit conversion calculated by these measures.
7	Other adjustments refer to other adjustments in addition to the above adjustments.
8	On and off-balance sheet assets after adjustments refer to the balance of on and off-balance sheet assets after adjustments which calculated by these measures as the denominator of the leverage ratio.

The items in template 2 are defined as follows:

No.	Description
1	The balance of on-balance sheet assets after adjustments calculated according to article 11 of these measures.
2	According to article 9 of these measures, it is the deduction from tier 1 deducted from the balance of on and off-balance sheet assets after adjustments, and expressed as a negative number.
3	The sum of item 1 and item 2.
4	The replacement costs of all derivatives calculated by current risk exposure approach set out in annex 1 to these measures, net of the qualifying deductible eligible margin pursuant to annex 1 to these measures.
5	The potential risk exposures of all derivatives calculated by current risk exposure approach set out in annex 1 to these measures.
6	Pursuant to the requirement of annex 1 to these measures, it is the total collateral, which is provided for derivative contracts, deducted from the balance sheet.

7	Pursuant to the requirement of annex 1 to these measures, they are the accounts receivable arising from provision of eligible margin, and expressed as a negative number.
8	Pursuant to the requirement of annex 1 to these measures, they are the derivative assets arising from central counterparty transactions which may be deducted from the balance of derivative assets, and expressed as a negative number.
9	They are the effective nominal principals arising from sales of credit derivatives and calculated according to annex 1 to these measures.
10	They are the effective nominal principals and the potential risk exposures of the qualifying credit derivatives which may be deducted from the balance of derivative assets and they are calculated according to annex 1 to these measures and expressed as a negative number.
11	The sum of item 4 to item 10.
12	They are accounting assets arising from securities financing transactions included in statements issuable according to financial accounting standards but should be charged pursuant to the requirement of annex 2 to these measures. According to the requirement of annex 2 to these measures, total accounting assets arising from securities financing transactions not yet settled on a net basis include the said assets.
13	They are the securities financing transaction assets deductible by applying netting rules according to the requirement of annex 2 to these measures, and expressed as a negative number.
14	The counter-party credit risk exposure arising from securities financing transactions calculated according to annex 2 to these measures.
15	The assets arising from the agency services in connection with securities financing transactions calculated according to annex 2 to these measures.
16	The sum of item 12 to item 15.
17	The total amount of all off-balance sheet items.
18	According to article 14 of these measures, it is the total amount reduced from the balance of off-balance sheet items as a result of credit conversion, and expressed as a negative number.
19	The sum of item 17 and item 18.
20	According to the eighth definition of these measures, it is equal to tier 1 capital minus deduction from tier 1.
21	It has the meaning ascribed thereto under the ninth definition of these measures.
22	It is equal to item 20 divided by item.