

# China Guangfa Bank Co., Ltd. Leverage Ratio

( 31 December, 2016)

According to the relevant requirements of Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised) issued by the China Banking Regulatory Commission, the information about the leverage ratio of the Bank in 2016 is measured as below:

## I. Sheets of Leverage Ratio

Sheet 1

In RMB million

Order	Items	Balance
1	Combined total asset	2,047,592
2	Adjustment for combination	-
3	Adjustment of client asset	-
4	Adjustment of derivatives	-5,900
5	Adjustment of securities finance transaction	2,518
6	Adjustment of items off balance sheet	306,549
7	Adjustment of other items	-1,898
8	Adjusted asset balance of items on and off balance sheet	2,348,861

Note: In light of Measures for Management of Leverage Ratios of Commercial Banks (Revision), deductions are in the form of negative.

Sheet 2

In RMB million

Order	Item	Balance
1	Asset on balance sheet (excluding derivatives and securities finance transactions)	2,022,673
2	Less: deductible Tier-1 asset items	-1,898
3	Adjusted asset balance on balance sheet (excluding derivatives and securities finance transactions)	2,020,775
4	Reset cost of derivatives (deducting performance	8,769

	bond)	
5	Potential exposure of derivatives	10,036
6	Total mortgaged and pledged asset deducted from the balance sheet	-
7	Less: receivable asset arising from providing performance bond	-1,306
8	Less: asset balance of derivatives from transactions with central counterparty when providing clearance service to clients	-
9	Nominal principal of sold credit derivatives	-
10	Less: deductible asset balance of sold credit derivatives	-
11	Asset balance of derivatives	17,499
12	Accounted asset balance of securities finance transactions	1,519
13	Less: deductible asset balance of securities finance transactions	0
14	Counterparty credit exposure of securities finance transactions	2,518
15	Asset balance of securities finance transaction arising from securities finance brokerage	0
16	Asset balance of securities finance transaction	4,038
17	Balance of items off balance sheet	563,021
18	Less: reduced balance of items off balance sheet for credit conversion	-256,472
19	Adjusted balance of items off balance sheet	306,549
20	Net Tier-1 capital	104,076
21	Adjusted asset balance of items on and off balance sheet	2,348,861
22	Leverage ratio (%)	4.43

## II. Corresponding Notes

### (I) Change of Leverage Ratio

By the end of 2016, the leverage ratio of the Bank was 4.43%, which represents an increase of 0.1 percentage points compared to the beginning of the year.

## (II) Reason for the Change

The lift of leverage ratio is mainly attributable to the profits obtained and the increase of net Tier-1 capital during the reporting period.