



永隆銀行
WING LUNG BANK

Pillar 3 Disclosure – Leverage Ratio

As at 30 June 2016

Leverage Ratio

The following disclosures are made in accordance with Section 24A of the Banking (Disclosures) Rules issued by the Hong Kong Monetary Authority (“HKMA”).

1. Leverage Ratio as at 30 June 2016
2. Summary Comparison Table as at 30 June 2016

1. Leverage Ratio as at 30 June 2016

	Item	Leverage ratio framework HK\$ '000
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFT, but including collateral)	231,158,873
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(5,871,952)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	225,286,921
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	789,681
5	Add-on amounts for PFE associated with all derivatives transactions	1,104,330
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	-
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	-
11	Total derivative exposures (sum of lines 4 to 10)	1,894,011
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	3,821,903
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	3,821,903
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	46,418,960
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(35,796,770)
19	Off-balance sheet items (sum of lines 17 and 18)	10,622,190
Capital and total exposures		
20	Tier 1 capital	24,707,946
21	Total exposures (sum of lines 3, 11, 16 and 19)	241,625,025
Leverage ratio		
22	Basel III leverage ratio	10.23%

2. Summary Comparison Table as at 30 June 2016

	Item	Leverage ratio framework HK\$ '000
1	Total consolidated assets as per published financial statements	237,865,588
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2,095,131)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	1,104,330
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	10,622,190
7	Other adjustments	(5,871,952)
8	Leverage ratio exposure	241,625,025