



永隆銀行
WING LUNG BANK

Pillar 3 Disclosure – Regulatory Disclosures

As at 30 September 2017

Wing Lung Bank Limited

Regulatory Disclosures

As at 30 September 2017

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Wing Lung Bank Limited

Regulatory Disclosures

As at 30 September 2017

1. Introduction

Purpose

The information contained in this document is for Wing Lung Bank Limited (“the Bank”) and its subsidiaries (together “the Group”) to comply with the Banking (Disclosure) Rules.

Basis of Preparation

The approaches used in calculating the Group’s regulatory capital or capital charge are in accordance with the Banking (Capital) Rules. The Group uses the standardised approach to calculate its credit risk and market risk. For operational risk, the Group uses the basic indicator approach to calculate its operational risk.

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. The basis of consolidation for regulatory purposes is different from that for accounting purposes.

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2. Key Capital Ratios

Capital Adequacy Ratios

The table below shows the capital ratios and risk weighted amounts ("RWAs") as contained in the 'Capital Adequacy Ratio' return submitted to the HKMA on a consolidated basis under the requirements of section 3C(1) of the Banking (Capital) Rules.

	30 September 2017 HK\$'000	30 June 2017 HK\$'000
Common Equity Tier 1 Capital	24,755,309	23,507,571
Tier 1 Capital	29,315,824	28,060,375
Total Capital	34,327,893	33,158,337
Total Risk Weighted Amounts	206,611,050	212,901,730
Common Equity Tier 1 Capital Ratio	11.98%	11.04%
Tier 1 Capital Ratio	14.19%	13.18%
Total Capital Ratio	16.61%	15.57%

Leverage Ratio

The table below shows the Tier 1 capital, total exposures and leverage ratio as contained in the 'Quarterly Template on Leverage Ratio' submitted to the HKMA on a consolidated basis under the requirements of section 3C(1) of the Banking (Capital) Rules.

	30 September 2017 HK\$'000	30 June 2017 HK\$'000
Tier 1 Capital	29,315,824	28,060,375
Total Exposures	297,629,832	321,444,894
Leverage Ratio	9.85%	8.73%

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3. Overview of Risk Weighted Amount

The table below provides an overview of the Group's total RWA, breakdown by the approaches with which the RWA are computed.

During the third quarter of 2017, total RWA decreased by HK\$6.3Bn, mainly due to the decrease in credit risk RWA for non-securitisation exposures, which was driven by the decrease in cash and short-term funds, placements with and loans and advances to banks and advances to customers.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2017 HK\$'000	As at 30 June 2017 HK\$'000	As at 30 September 2017 HK\$'000
1	Credit risk for non-securitisation exposures	186,644,509	193,518,590	14,931,561
2	Of which STC approach	186,644,509	193,518,590	14,931,561
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	1,886,468	1,471,575	150,917
5	Of which SA-CCR	-	-	-
5a	Of which CEM	1,092,304	750,867	87,384
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – supervisory formula method	-	-	-
15	Of which STC(S) approach	-	-	-
16	Market risk	3,741,113	3,729,713	299,289
17	Of which STM approach	3,741,113	3,729,713	299,289
18	Of which IMM approach	-	-	-
19	Operational risk	10,232,288	10,286,525	818,583
20	Of which BIA approach	10,232,288	10,286,525	818,583
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to	6,316,075	6,104,730	505,286
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	2,209,403	2,209,403	176,752
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	2,209,403	2,209,403	176,752
25	Total	206,611,050	212,901,730	16,528,884

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