



永隆銀行
WING LUNG BANK

Pillar 3 Disclosure – Leverage Ratio

As at 30 June 2018

Leverage Ratio

The following disclosures are made in accordance with Section 16FH and 16FI of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority (“HKMA”).

1. Summary comparison of accounting assets against leverage ratio exposure measure
2. Leverage ratio

**1. Summary comparison of accounting assets against leverage ratio ("LR")
exposure measure
As at 30 June 2018**

	Item	(a)
		Value under the LR framework
		(HK\$ '000)
1	Total consolidated assets as per published financial statements	302,866,148
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2,927,813)
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	848,480
5	Adjustment for SFTs (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	15,112,825
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(17,315)
7	Other adjustments	(5,931,285)
8	Leverage ratio exposure measure	309,951,040

2. Leverage ratio
As at 30 June 2018

		(a)	(b)
		HK\$ '000	
		As of 30 June 2018	As of 31 March 2018
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	296,824,152	301,627,504
2	Less: Asset amounts deducted in determining Tier 1 capital	(5,931,285)	(5,997,024)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	290,892,867	295,630,480
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	708,486	1,488,211
5	Add-on amounts for PFE associated with all derivative contracts	921,264	921,886
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(72,784)	(50,292)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	1,556,966	2,359,805
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	2,405,697	771,053
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	-	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	2,405,697	771,053
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	52,024,298	59,899,836
18	Less: Adjustments for conversion to credit equivalent amounts	(36,911,473)	(43,589,140)
19	Off-balance sheet items	15,112,825	16,310,696
Capital and total exposures			
20	Tier 1 capital	30,871,656	30,809,377
20a	Total exposures before adjustments for specific and collective provisions	309,968,355	315,072,034
20b	Adjustments for specific and collective provisions	(17,315)	(16,232)
21	Total exposures after adjustments for specific and collective provisions	309,951,040	315,055,802
Leverage ratio			
22	Leverage ratio	10.0%	9.8%