



永隆銀行
WING LUNG BANK

Pillar 3 Disclosure – Liquidity

As at 30 June 2018

Liquidity

The following disclosures are made in accordance with Sections 16FK and 16FL of the Banking (Disclosure) Rules.

1. Liquidity Coverage Ratio
2. Net Stable Funding Ratio

1. Liquidity Coverage Ratio - for category 1 institution
For the quarter ended 30 June 2018

Number of data points used in calculating the average value of the LCR and related components set out in this template : (73)		HK\$'000 equivalent	
		(a)	(b)
Basis of disclosure : Unconsolidated		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		27,410,594
B. Cash outflows			
2	Retail deposits and small business funding, of which:	135,286,875	10,335,416
3	<i>Stable retail deposits and stable small business funding</i>	3,737,935	186,897
4	<i>Less stable retail deposits and less stable small business funding</i>	71,421,439	7,142,144
4a	<i>Retail term deposits and small business term funding</i>	60,127,501	3,006,375
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	64,271,984	42,546,984
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	62,160,338	40,435,338
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	2,111,646	2,111,646
9	Secured funding transactions (including securities swap transactions)	686,471	686,471
10	Additional requirements, of which:	31,636,684	8,701,103
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	888,070	888,070
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	30,748,614	7,813,033
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,472,378	1,472,378
15	Other contingent funding obligations (whether contractual or non-contractual)	27,684,493	745,667
16	Total Cash Outflows		64,488,019
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	50,546,961	41,429,019
19	Other cash inflows	6,193,123	5,797,900
20	Total Cash Inflows	56,740,084	47,226,919
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		27,410,594
22	Total Net Cash Outflows		17,261,100
23	LCR (%)		150.8%

1. Liquidity Coverage Ratio - for category 1 institution
For the quarter ended 31 March 2018

Number of data points used in calculating the average value of the LCR and related components set out in this template : (72)		HK\$'000 equivalent	
		(a)	(b)
Basis of disclosure : Unconsolidated		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		34,531,290
B. Cash outflows			
2	Retail deposits and small business funding, of which:	129,910,029	10,059,098
3	<i>Stable retail deposits and stable small business funding</i>	3,751,397	187,570
4	<i>Less stable retail deposits and less stable small business funding</i>	71,271,926	7,127,193
4a	<i>Retail term deposits and small business term funding</i>	54,886,706	2,744,335
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	72,941,795	49,616,636
6	<i>Operational deposits</i>	-	-
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	71,133,727	47,808,568
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	1,808,068	1,808,068
9	Secured funding transactions (including securities swap transactions)	125,182	125,182
10	Additional requirements, of which:	34,995,998	9,609,714
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	800,232	800,232
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	34,195,766	8,809,482
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,882,685	1,882,685
15	Other contingent funding obligations (whether contractual or non-contractual)	31,039,064	1,024,717
16	Total Cash Outflows		72,318,032
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	-	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	49,345,978	42,322,024
19	Other cash inflows	6,823,691	6,355,317
20	Total Cash Inflows	56,169,669	48,677,341
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		34,531,290
22	Total Net Cash Outflows		23,640,691
23	LCR (%)		147.3%

1. Liquidity Coverage Ratio - for category 1 institution (continued)

Notes:

- The weighted amount of high-quality liquid assets ("HQLA") is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principle amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amount after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

The Group's average LCR of the first and second quarter in 2018 remained stable at 147.3% and 150.8% respectively.

The Group maintains HQLA which can be sold or pledged as collateral to provide liquidity even under periods of stress. The group invests in good credit quality investments with deep and liquid market to ensure short term funding requirements are covered within prudent limits. Level 1 assets comprise cash, balances with central bank and high quality central government and central bank securities, while Level 2 assets comprise corporate securities of investment grade. The majority of the HQLA is composed of Level 1 assets.

The net cash outflows are mainly from retail and corporate customer deposits which are the Group's primary source of funds, together with deposits and balances from banks. The Group ensures a sound and diversified range of funding sources, through monitoring the structure, the stability and the core level of the deposit portfolio.

Intra-group funding transactions are transacted at arm's length and treated in a manner in line with other third party transactions, with regular monitoring and appropriate control.

2 . Net Stable Funding Ratio - for category 1 institution
As at 30 June 2018

Unconsolidated basis of disclosure	(a)	(b)	(c)	(d)	(e)
	Unweighted value by residual maturity				Weighted amount HK\$'000
	No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item					
1 Capital:	37,211,068	-	-	3,134,012	40,345,080
2 <i>Regulatory capital</i>	37,211,068	-	-	3,134,012	40,345,080
2a <i>Minority interests not covered by row 2</i>	-	-	-	-	-
3 <i>Other capital instruments</i>	-	-	-	-	-
4 Retail deposits and small business funding:	-	124,589,221	11,603,708	1,355,455	124,136,885
5 <i>Stable deposits</i>	-	4,063,987	91,877	7,007	3,955,078
6 <i>Less stable deposits</i>	-	120,525,234	11,511,831	1,348,448	120,181,807
7 Wholesale funding:	-	99,325,608	7,390,189	3,057,545	31,822,967
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	99,325,608	7,390,189	3,057,545	31,822,967
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	2,759,743	9,146,053	37,378	-	-
12 <i>Net derivative liabilities</i>	136,307	-	-	-	-
13 <i>All other funding and liabilities not included in the above categories</i>	2,623,436	9,146,053	37,378	-	-
14 Total ASF					196,304,932
B. Required stable funding (“RSF”) item					
15 Total HQLA for NSFR purposes				36,116,595	3,608,940
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	3,673,843	93,395,189	38,359,426	109,631,219	137,773,004
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	-	-	-	-
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	230,960	73,582,319	21,761,072	29,550,799	51,699,643
20 <i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	3,355,144	17,065,034	13,531,721	56,380,466	72,062,920
21 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>		11,803	131,292	3,933,964	8,524
22 <i>Performing residential mortgages, of which:</i>	11,604	10,078	366,364	9,654,591	11,822
23 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>		8,494	297,910	8,082,988	9,650
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	76,135	2,737,758	2,700,269	14,045,363	13,998,619
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	10,350,742	8,380,429	19,394	-	13,961,190
27 <i>Physical traded commodities, including gold</i>	99,963	-	-	-	84,969
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	191,807	-	-	-	191,807
29 <i>Net derivative assets</i>	-	-	-	-	-
30 <i>Total derivative liabilities before deduction of variation margin posted</i>	699,733	-	-	-	-
31 <i>All other assets not included in the above categories</i>	9,359,239	8,380,429	19,394	-	13,684,414
32 Off-balance sheet items				1,405,634	1,405,634
33 Total RSF					156,748,768
34 Net Stable Funding Ratio (%)					125.2%

2 . Net Stable Funding Ratio - category 1 institution
As at 31 March 2018

Unconsolidated basis of disclosure	(a)	(b)	(c)	(d)	(e)
	Unweighted value by residual maturity				Weighted amount HK\$'000
	No specified term to maturity	<6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item					
1 Capital:	37,148,261	1,562,346	-	3,134,774	40,283,035
2 <i>Regulatory capital</i>	37,148,261	-	-	3,134,774	40,283,035
2a <i>Minority interests not covered by row 2</i>	-	-	-	-	-
3 <i>Other capital instruments</i>	-	1,562,346	-	-	-
4 Retail deposits and small business funding:	-	123,378,748	8,555,085	1,584,857	120,532,994
5 <i>Stable deposits</i>	-	4,106,364	47,350	5,597	3,951,626
6 <i>Less stable deposits</i>	-	119,272,384	8,507,735	1,579,260	116,581,368
7 Wholesale funding:	-	99,255,725	13,673,710	3,600,913	41,659,551
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	99,255,725	13,673,710	3,600,913	41,659,551
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	2,794,978	8,388,025	25,858	-	-
12 <i>Net derivative liabilities</i>	-	-	-	-	-
13 <i>All other funding and liabilities not included in the above categories</i>	2,794,978	8,388,025	25,858	-	-
14 Total ASF					202,475,580
B. Required stable funding ("RSF") item					
15 Total HQLA for NSFR purposes				41,193,729	3,694,404
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	3,429,322	71,423,167	52,651,525	110,901,678	139,941,848
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	-	-	-	-
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	325,818	59,437,001	34,202,461	28,511,595	54,854,194
20 <i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	3,091,898	9,092,120	16,153,463	57,257,259	70,144,099
21 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	14,708	135,997	3,943,182	9,985
22 <i>Performing residential mortgages, of which:</i>	11,606	12,836	381,910	9,989,175	13,438
23 <i>With a risk-weight of less than or equal to 35% under the STC approach</i>	-	10,785	308,526	8,357,190	10,979
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	2,881,210	1,913,691	15,143,649	14,930,117
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	10,055,884	13,432,083	155,669	12,357	16,312,209
27 <i>Physical traded commodities, including gold</i>	67,511	-	-	-	57,384
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	181,120	-	-	-	181,120
29 <i>Net derivative assets</i>	383,352	-	-	-	383,352
30 <i>Total derivative liabilities before deduction of variation margin posted</i>	493,641	-	-	-	-
31 <i>All other assets not included in the above categories</i>	8,930,260	13,432,083	155,669	12,357	15,690,353
32 Off-balance sheet items	-	-	-	1,621,630	1,621,630
33 Total RSF					161,570,091
34 Net Stable Funding Ratio (%)					125.3%