



**永隆銀行**

WING LUNG BANK

**Pillar 3 Disclosure – Regulatory Disclosures**

**As at 31 March 2018**

**Wing Lung Bank Limited**

**Regulatory Disclosures**

**As at 31 March 2018**

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# **Wing Lung Bank Limited**

## **Regulatory Disclosures**

**As at 31 March 2018**

### **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.

## Wing Lung Bank Limited

### Regulatory Disclosures

As at 31 March 2018

## 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.

	31 March 2018	31 December 2017
	HK\$'000	HK\$'000
Common Equity Tier 1 Capital	26,236,147	25,495,623
Tier 1 Capital	30,809,377	30,059,025
Total Capital	38,843,350	37,935,626
Total Risk Weighted Amounts	216,174,196	208,143,014
Common Equity Tier 1 Capital Ratio	12.14%	12.25%
Tier 1 Capital Ratio	14.25%	14.44%
Total Capital Ratio	17.97%	18.23%

### 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.

	31 March 2018	31 December 2017
	HK\$'000	HK\$'000
Tier 1 Capital	30,809,377	30,059,025
Total Exposures	315,055,802	308,594,369
Leverage Ratio	9.78%	9.74%

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#### **3. Overview of Risk Weighted Amount**

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

During the first quarter of 2018, total RWAs increased by HK\$8.0Bn, mainly due to the increase in RWAs for credit risk for non-securitisation exposures, which was driven by the increase in investments in debt securities, placements with and loans and advances to banks and advances to customers.

## Wing Lung Bank Limited

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### 3. Overview of Risk Weighted Amount (Continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2018 HK\$'000	As at 31 December 2017 HK\$'000	As at 31 March 2018 HK\$'000
1	Credit risk for non-securitisation exposures	195,828,354	187,724,815	15,666,268
2	Of which STC approach	195,828,354	187,724,815	15,666,268
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	2,002,804	2,118,342	160,224
5	Of which SA-CCR	-	-	-
5a	Of which CEM	947,996	1,022,476	75,840
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
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	3,580,175	3,759,650	286,414
17	Of which STM approach	3,580,175	3,759,650	286,414
18	Of which IMM approach	-	-	-
19	Operational risk	10,322,888	10,273,975	825,831
20	Of which BIA approach	10,322,888	10,273,975	825,831
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 250% RW)	6,644,103	6,470,360	531,528
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	2,204,128	2,204,128	176,330
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	2,204,128	2,204,128	176,330
25	Total	216,174,196	208,143,014	17,293,935

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