

Leverage Ratio

These disclosures are prepared under
the Banking (Disclosure) Rules

30 June 2016

Dah Sing Bank, Limited

Regulatory Disclosures - Leverage Ratio

1. Leverage Ratio

The following tables set out the composition of the consolidated leverage ratio of Dah Sing Bank, Limited (the “Bank”) and provide reconciliation between the leverage exposure measure and the consolidated assets of the published financial statements of the Bank.

1.1 The detailed composition of the Bank's consolidated leverage ratio is set out below.

As at 30 June 2016

HK\$'000

	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	191,890,842
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(2,900,216)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	188,990,626
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,008,734
5	Add-on amounts for PFE associated with all derivatives transactions	1,462,857
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 line 4 to 10)	2,471,591
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	295,662
13	Less: netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	14,188
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	309,850
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	65,449,072
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(57,859,356)
19	Off-balance sheet items (sum of lines 17 and 18)	7,589,716
Capital and total exposures		
20	Tier 1 capital	16,369,260
21	Total exposures (sum of lines 3, 11, 16, and 19)	199,361,783
Leverage ratio		
22	Basel III leverage ratio	8.2%

Abbreviations:

SFT: Securities financing transaction

PFE: Potential future exposures

CCP: Central counterparty

CCR: Counterparty credit risk

Dah Sing Bank, Limited

Regulatory Disclosures - Leverage Ratio

1. Leverage Ratio (Continued)

- 1.2 The reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank is set out below.

As at 30 June 2016

HK\$'000

	Item	Leverage ratio framework
1	Total consolidated assets as per published financial statements	196,540,492
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,345,254)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	-
4	Adjustments for derivative financial instruments	1,462,857
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	14,188
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,589,716
7	Other adjustments	(2,900,216)
8	Leverage ratio exposure	199,361,783

Dah Sing Bank, Limited

Regulatory Disclosures - Leverage Ratio

1.3 The detailed composition of the Bank's consolidated leverage ratio is set out below.

As at 31 December 2015

HK\$'000

	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	192,375,562
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(3,018,993)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	189,356,569
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,159,787
5	Add-on amounts for PFE associated with all derivatives transactions	1,891,700
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 line 4 to 10)	3,051,487
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	173,737
13	Less: netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	6,552
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	180,289
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	70,459,163
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(62,282,937)
19	Off-balance sheet items (sum of lines 17 and 18)	8,176,226
Capital and total exposures		
20	Tier 1 capital	15,840,439
21	Total exposures (sum of lines 3, 11, 16, and 19)	200,764,571
Leverage ratio		
22	Basel III leverage ratio	7.9%

Abbreviations:

SFT: Securities financing transaction

PFE: Potential future exposure

CCP: Central counterparty

CCR: Counterparty credit risk

Dah Sing Bank, Limited

Regulatory Disclosures - Leverage Ratio

1. Leverage Ratio (Continued)

- 1.4 The reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank is set out below.

As at 31 December 2015

HK\$'000

	Item	Leverage ratio framework
1	Total consolidated assets as per published financial statements	196,677,849
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2,968,763)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	-
4	Adjustments for derivative financial instruments	1,891,700
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	6,552
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,176,226
7	Other adjustments	(3,018,993)
8	Leverage ratio exposure	200,764,571