

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 2015

HK\$'000

	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	185,206,527
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(3,002,666)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	182,203,861
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	735,337
5	Add-on amounts for PFE associated with all derivatives transactions	2,220,816
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)	2,956,153
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	400,755
13	Less: netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	14,178
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	414,933
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	72,680,161
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(64,186,163)
19	Off-balance sheet items (sum of lines 17 and 18)	8,493,998
Capital and total exposures		
20	Tier 1 capital	15,322,501
21	Total exposures (sum of lines 3, 11, 16, and 19)	194,068,945
Leverage ratio		
22	Basel III leverage ratio	7.9%

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 of the published financial statements of the Bank is set out below.

As at 30 June 2015

HK\$'000

	Item	Leverage ratio framework
1	Total consolidated assets as per published financial statements	189,498,982
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,156,363)
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	2,220,816
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	14,178
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,493,998
7	Other adjustments	(3,002,666)
8	Leverage ratio exposure	194,068,945