

Leverage Ratio (“LR”) Standard Disclosure Templates

ORIX Asia Limited (“OAL”) uses the standard disclosure templates to disclose the information required under subsections (1)(a), (b), (c) and (2)(a) of section 24A respectively of the Banking (Disclosure) Rules (“BDR”) for making interim and annual financial disclosures.

Summary Comparison Table: to disclose a reconciliation of balance sheet assets from published financial statements to LR exposure measures, applying values as at the end of the reporting period.

Leverage Ratio Common Disclosure Template: to disclose LR exposure, applying values at the end of the reporting period.

Supplementary disclosures

- (i) The material difference between OAL’s total on-balance sheet exposures as reported in its financial statements and its on-balance sheet exposures in line 1 of the Leverage Ratio Common Disclosure Template was the provision made for the loans and advances portfolios (about HKD7million).
- (i) Key driver of increase in OAL’s LR as compared with LR as at 31 March 2017 (28.26%) was mainly due to the decrease in loan portfolio.

Summary Comparison Table

	Item	Leverage ratio framework HK\$ '000
1	Total consolidated assets as per published financial statements	6,822,950
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	23,712
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	34,402
7	Other adjustments	(77,933)
8	Leverage ratio exposure	6,803,131

Leverage Ratio Common Disclosure Template

	Item	Leverage ratio framework HK\$ '000
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	6,822,950
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(77,933)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	6,745,017
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	3,574
5	Add-on amounts for PFE associated with all derivatives transactions	20,138
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	0
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	0
9	Adjusted effective notional amount of written credit derivatives	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	0
11	Total derivative exposures (sum of lines 4 to 10)	23,712
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	0
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	0

	Item	Leverage ratio framework HK\$ '000
14	CCR exposure for SFT assets	0
15	Agent transaction exposures	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	0
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	303,715
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(269,313)
19	Off-balance sheet items (sum of lines 17 and 18)	34,402
Capital and total exposures		
20	Tier 1 capital	2,032,053
21	Total exposures (sum of lines 3, 11, 16 and 19)	6,803,131
Leverage ratio		
22	Basel III leverage ratio	29.87%