

## **Capital Disclosures**

These disclosures are prepared under  
the Banking (Disclosure) Rules

31 March 2017

## Dah Sing Bank, Limited

### Regulatory Disclosures – Key Capital Ratios

The tables below summarise the key capital ratios of Dah Sing Bank, Limited (the “Bank”). All the information presented below is unaudited.

The Bank complied with all of the externally imposed capital requirements set by the Hong Kong Monetary Authority.

#### 1. Capital adequacy ratio

As at 31 Mar 2017

	Reference	HK\$'000
Capital base and risk-weighted assets		
- Common Equity Tier 1 capital	[A]	17,910,024
- Tier 1 capital	[B]	17,910,024
- Total capital	[C]	24,303,270
- Total risk-weighted assets	[D]	137,387,615
Capital adequacy ratio		
- Common Equity Tier 1 ratio	[A] / [D]	13.0%
- Tier 1 ratio	[B] / [D]	13.0%
- Total capital ratio	[C] / [D]	<u>17.7%</u>

The capital adequacy ratios represent the consolidated ratio of the Bank computed on Basel III basis in accordance with the Banking (Capital) Rules and the transitional arrangement set out therein.

In the calculation of the consolidated capital adequacy ratios, the Bank and its subsidiaries have adopted the standardised (credit risk) approach for the calculation of the risk-weighted assets for credit risk. The Bank and its subsidiaries have adopted the basic indicator approach for the calculation of the risk-weighted assets for operational risk, and the standardised (market risk) approach for the calculation of the risk-weighted assets for market risk.

Only the Bank is subject to the minimum capital adequacy requirement under the Hong Kong Banking Ordinance. Banco Comercial de Macau, S.A. is subject to Macau banking regulations and Dah Sing Bank (China) Limited is subject to China banking regulations.

#### 2. Leverage ratio

As at 31 Mar 2017

	Reference	HK\$'000
Capital measure and exposure measure		
- Tier 1 capital	[B]	17,910,024
- Total exposure measure	[E]	213,926,839
Leverage ratio	[B] / [E]	<u>8.37%</u>

The above ratio represents the consolidated position of the Bank and is computed on the same consolidated basis as the capital adequacy ratio.

## Dah Sing Bank, Limited

### Regulatory Disclosures – Overview of Risk-weighted Assets

The following table set out an overview of the capital requirements in term of breakdown of consolidated risk-weighted assets ("RWA") of Dah Sing Bank, Limited. Minimum capital requirement represents the amount of capital required to be held for that risk based on the risk-weighted assets multiplied by 8%:-

HK\$'000

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2017	31 Dec 2016	31 Mar 2017
1	Credit risk for non-securitization exposures	122,794,643	120,909,046	9,823,571
2	<i>Of which STC approach</i>	122,794,643	120,909,046	9,823,571
2a	<i>Of which BSC approach</i>	-	-	-
3	<i>Of which IRB approach</i>	-	-	-
4	Counterparty credit risk	1,011,470	1,141,583	80,918
5	<i>Of which SA-CCR</i>	-	-	-
5a	<i>Of which CEM</i>	1,011,470	1,141,583	80,918
6	<i>Of which IMM(CCR) approach</i>	-	-	-
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	313	10	25
12	Securitization exposures in banking book	296,875	264,201	23,750
13	<i>Of which IRB(S) approach – ratings-based method</i>	-	-	-
14	<i>Of which IRB(S) approach – supervisory formula method</i>	-	-	-
15	<i>Of which STC(S) approach</i>	296,875	264,201	23,750
16	Market risk	2,045,863	2,028,025	163,669
17	<i>Of which STM approach</i>	2,045,863	2,028,025	163,669
18	<i>Of which IMM approach</i>	-	-	-
19	Operational risk	8,685,013	8,510,800	694,801
20	<i>Of which BIA approach</i>	8,685,013	8,510,800	694,801
21	<i>Of which STO approach</i>	-	-	-
21a	<i>Of which ASA approach</i>	-	-	-
22	<i>Of which AMA approach</i>	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	3,085,575	3,085,575	246,846
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	(532,137)	(602,967)	(42,571)
24b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	(205,060)	(275,890)	(16,405)
24c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	(327,077)	(327,077)	(26,166)
25	Total	137,387,615	135,336,273	10,991,009
N/A: Not applicable in the case of Hong Kong				

Abbreviations:

AMA: Advanced Measurement Approach

ASA: Alternative standardised

BIA: Basis indicator

BSC: Basic

CEM: Current exposure method

FBA: Fall-back approach

IMM: Internal models

IMM(CCR): Internal models (counterparty credit risk)

IRB: Internal Ratings - based

LTA: Look-through approach

MBA: Mandate-based approach

SA-CCR: Standardised Approach - Counterparty Credit Risk

STC: Standardised

STM: Standardised (market risk)

STO: Standardised operational risk