

Dah Sing Bank, Limited

Regulatory Disclosure Statement

For the quarter ended 30 September 2017
(Unaudited)

These disclosures are prepared under
the Banking (Disclosure) Rules

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the quarter ended 30 September 2017 (Unaudited)

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A. Purpose and Basis of Consolidation

The information contained in this Regulatory Disclosure Statement (the “Statement”) is for Dah Sing Bank, Limited (the “Bank”) and its subsidiaries (together the “Group”) to comply with the Banking (Disclosure) Rules (Cap. 155M) and does not constitute statutory financial statements.

While the Statement is not required to be subject to external audit, it has been reviewed and verified within the Bank in accordance with the Group’s governance processes over financial reporting and policies on disclosures.

Except where indicated otherwise, the financial information contained in this Statement has been prepared on the basis of regulatory scope of consolidation specified by the Hong Kong Monetary Authority (“HKMA”) to the Bank.

B. Key capital ratios

The tables below summarise the key capital ratios of the Bank. The Bank complied with all of the externally imposed capital requirements set by the HKMA.

1.1 Capital adequacy ratio

HK\$’000

	Reference	As at 30 September 2017	As at 30 June 2017
Capital base and risk-weighted assets			
- Common Equity Tier 1 capital	[A]	18,512,294	17,974,587
- Tier 1 capital	[B]	18,512,294	17,974,587
- Total capital	[C]	24,950,849	24,385,431
- Total risk-weighted assets	[D]	139,036,137	136,870,642
Capital adequacy ratio			
- Common Equity Tier 1	[A] / [D]	13.3%	13.1%
- Tier 1	[B] / [D]	13.3%	13.1%
- Total	[C] / [D]	17.9%	17.8%

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

In the calculation of the consolidated capital adequacy ratios, the Bank and those subsidiaries consolidated in the calculation have adopted the standardised (credit risk) approach for the calculation of the risk-weighted amount for credit risk. The Bank and its subsidiaries have adopted the basic indicator approach for the calculation of the risk-weighted amount for operational risk, and the standardised (market risk) approach for the calculation of the risk-weighted amount 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. (“BCM”) is subject to Macau banking regulations and Dah Sing Bank (China) Limited (“DSB China”) is subject to China banking regulations.

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1.2. Leverage Ratio

HK\$'000

	Reference	As at 30 September 2017	As at 30 June 2017
Capital measure and exposure measure			
- Tier 1 capital	[B]	18,512,294	17,974,587
- Total exposure measure	[E]	214,675,665	213,649,167
 Leverage ratio	 [B] / [E]	 <u>8.6 %</u>	 <u>8.4 %</u>

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C. Overview of Risk-weighted Assets

Template OV1: Overview of RWA

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30 September 2017 and 30 June 2017 respectively:

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		September 2017 (HK\$'000)	June 2017 (HK\$'000)	September 2017 (HK\$'000)
1	Credit risk for non-securitization exposures	123,696,247	121,961,408	9,895,700
2	Of which STC approach	123,696,247	121,961,408	9,895,700
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	1,684,509	1,453,699	134,761
5	Of which SA-CCR	-	-	-
5a	Of which CEM	1,684,509	1,453,699	134,761
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	Securitization exposures in banking book	347,826	324,063	27,826
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – ratings-based method	-	-	-
15	Of which STC(S) approach	347,824	324,063	27,826
16	Market risk	1,777,963	1,773,563	142,237
17	Of which STM approach	1,777,963	1,773,563	142,237
18	Of which IMM approach	-	-	-
19	Operational risk	8,962,800	8,817,063	717,024
20	Of which BIA approach	8,962,800	8,817,063	717,024
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)	3,085,575	3,085,575	246,846
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	(518,783)	(544,729)	(41,503)
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	(191,706)	(217,652)	(15,337)
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	(327,077)	(327,077)	(26,166)
25	Total	139,036,137	136,870,642	11,122,891

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

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C. Overview of Risk-weighted Assets (Continued)

Abbreviations	
A	
AMA	Advanced measurement approach
ASA	Alternative standardised approach
B	
BIA	Basic indicator approach
BSC	Basic approach
C	
CEM	Current exposure method
F	
FBA	Fall-back approach
I	
IMM	Internal models approach
IMM(CCR)	Internal models (counterparty credit risk) approach
IRB	Internal ratings-based approach
L	
LTA	Look through approach
M	
MBA	Mandate-based approach
S	
SA-CCR	Standardised approach for counterparty credit risk
STC	Standardised (credit risk) approach
STM	Standardised (market risk) approach
STO	Standardised (operational risk) approach