

Dah Sing Bank, Limited

Regulatory Disclosure Statement

For the quarter ended 31 March 2021
(Unaudited)

These disclosures are prepared under
the Banking (Disclosure) Rules

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the quarter ended 31 March 2021 (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 (“BDR”) (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 prudential ratios

Template KM1: Key prudential ratios

The key prudential ratios and the comparative figures as at each reporting date are set out as below.

	HK\$’000	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
	Regulatory capital (amount)					
1	Common Equity Tier 1	23,457,414	22,798,744	22,236,134	21,676,886	20,858,363
2	Tier 1	24,356,001	23,697,331	23,134,721	22,575,473	21,756,950
3	Total capital	29,784,953	29,117,899	28,577,090	28,013,263	27,666,353
4	Total RWA	167,085,133	165,713,534	166,865,895	165,696,592	160,472,775
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET 1 ratio (%)	14.0%	13.8%	13.3%	13.1%	13.0%
6	Tier 1 ratio (%)	14.6%	14.3%	13.9%	13.6%	13.6%
7	Total capital ratio (%)	17.8%	17.6%	17.1%	16.9%	17.2%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.78%	0.78%	0.79%	0.78%	0.77%
10	Higher loss absorbency requirement (%) (applicable only to G-SIB or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirement (%)	3.28%	3.28%	3.29%	3.28%	3.27%
12	CET1 available after meeting the AI’s minimum capital requirement (%)	8.6%	8.3%	7.9%	7.6%	7.6%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	248,946,801	250,838,796	252,546,125	257,724,348	250,866,328
14	LR (%)	9.8%	9.4%	9.2%	8.8%	8.7%
	Liquidity Maintenance Ratio (“LMR”) – applicable to category 2 institution only					
17a	LMR (%)	45.6%	45.8%	46.0%	50.1%	49.2%
	Core Funding Ratio (“CFR”) – applicable to category 2A institution only					
20a	CFR (%)	164.6%	158.4%	157.2%	163.1%	160.6%

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C. Overview of Risk-weighted Assets

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 31 March 2021 and 31 December 2020 respectively:

Template OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31 Mar 2021 (HK\$'000)	31 Dec 2020 (HK\$'000)	31 Mar 2021 (HK\$'000)
1	Credit risk for non-securitization exposures	151,758,344	149,734,386	12,140,668
2	Of which STC approach	151,758,344	149,734,386	12,140,668
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	404,986	544,771	32,399
7	Of which SA-CCR	-	-	-
7a	Of which CEM	347,819	479,475	27,826
7b	Of which CEM (such a risk to CCPs which is not included in row 7a)	39,860	53,404	3,189
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	17,307	11,892	1,385
10	CVA risk	206,625	310,813	16,530
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	CIS exposures – LTA	-	-	-
13	CIS exposures – MBA	-	-	-
14	CIS exposures – FBA	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	1,642,525	2,036,875	131,402
21	Of which STM approach	1,642,525	2,036,875	131,402
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	-	-	-
24	Operational risk	10,411,463	10,425,500	832,917
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	3,085,575	3,085,575	246,846
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	(424,385)	(424,386)	(33,951)
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	(424,385)	(424,386)	(33,951)
27	Total	167,085,133	165,713,534	13,366,810

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D. Leverage Ratio

The detailed composition of the Bank's consolidated leverage ratio as at 31 March 2021 and 31 December 2020 is set out below:

Template LR2: Leverage ratio

		(a)	(b)
		31 Mar 2021 (HK\$'000)	31 Dec 2020 (HK\$'000)
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	241,799,175	243,786,908
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,121,770)	(2,170,361)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	239,677,405	241,616,547
Exposures arising from derivative exposures			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/ or with all derivative contracts)	153,393	263,542
5	Add-on amounts for PFE associated with all derivative contracts	597,056	708,134
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(543,950)	(740,360)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	206,499	231,316
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,047,621	1,262,915
13	Less: Netted amount of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	35,946	16,866
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	1,083,567	1,279,781
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	77,408,592	78,489,120
18	Less: Adjustments for conversion to credit equivalent amounts	(67,944,199)	(69,208,350)
19	Off-balance sheet items	9,464,393	9,280,770
Capital and total exposures			
20	Tier 1 capital	24,356,001	23,697,331
20a	Total exposures before adjustments for specific and collective provisions	250,431,864	252,408,414
20b	Adjustments for specific and collective provisions	(1,485,063)	(1,569,618)
21	Total exposures after adjustments for specific and collective provisions	248,946,801	250,838,796
Leverage ratio			
22	Leverage ratio	9.8%	9.4%

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E. Abbreviations

A	
AI	Authorised institution
B	
BSC	Basic approach
C	
CCP	Central counterparty
CEM	Current exposure method
CET1	Common equity tier 1
CIS	Collective investment scheme
CVA	Credit valuation adjustment
D	
D-SIBs	Domestic systemically important banks
F	
FBA	Fall-back approach
G	
G-SIBs	Global systemically important banks
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
N	
N/A	Not applicable
P	
PFE	Potential future exposure
R	
RWA	Risk-weighted asset/risk-weighted amount
S	
SA-CCR	Standardised approach for counterparty credit risk
SFT	Securities financing transaction
STC	Standardised (credit risk) approach
STM	Standardised (market risk) approach