

# **Dah Sing Bank, Limited**

## **Regulatory Disclosure Statement**

For the quarter ended 30 September 2021  
(Unaudited)

These disclosures are prepared under  
the Banking (Disclosure) Rules

**Dah Sing Bank, Limited**  
**Regulatory Disclosure Statement for the quarter ended 30 September 2021 (Unaudited)**

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**Dah Sing Bank, Limited**  
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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	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1	24,040,461	23,812,459	23,457,414	22,798,744	22,236,134
2	Tier 1	24,939,048	24,711,046	24,356,001	23,697,331	23,134,721
3	Total capital	30,371,159	30,127,637	29,784,953	29,117,899	28,577,090
	<b>RWA (amount)</b>					
4	Total RWA	168,272,456	167,358,900	167,085,133	165,713,534	166,865,895
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET 1 ratio (%)	14.3%	14.2%	14.0%	13.8%	13.3%
6	Tier 1 ratio (%)	14.8%	14.8%	14.6%	14.3%	13.9%
7	Total capital ratio (%)	18.0%	18.0%	17.8%	17.6%	17.1%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.78%	0.78%	0.78%	0.78%	0.79%
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%	3.28%	3.28%	3.29%
12	CET1 available after meeting the AI’s minimum capital requirement (%)	8.8%	8.8%	8.6%	8.3%	7.9%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	254,610,285	251,113,816	248,946,801	250,838,796	252,546,125
14	LR (%)	9.8%	9.8%	9.8%	9.4%	9.2%
	<b>Liquidity Maintenance Ratio (“LMR”) – applicable to category 2 institution only</b>					
17a	LMR (%)	47.1%	46.6%	45.6%	45.8%	46.0%
	<b>Core Funding Ratio (“CFR”) – applicable to category 2A institution only</b>					
20a	CFR (%)	165.2%	164.9%	164.6%	158.4%	157.2%

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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 30 September 2021 and 30 June 2021 respectively:

**Template OV1: Overview of RWA**

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Sep 2021 (HK\$'000)	30 Jun 2021 (HK\$'000)	30 Sep 2021 (HK\$'000)
1	Credit risk for non-securitization exposures	152,540,670	151,436,538	12,203,254
2	Of which STC approach	152,540,670	151,436,538	12,203,254
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	588,133	558,409	47,051
7	Of which SA-CCR approach	515,148	486,521	41,212
7a	Of which CEM	-	-	-
7b	Of which CEM (such a risk to CCPs which is not included in row 7a)	-	-	-
7c	Of which SA-CCR approach (such a risk to CCPs which is not included in row 7)	2,944	3,032	236
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	70,041	68,856	5,604
10	CVA risk	140,450	145,975	11,236
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	1,843,100	2,015,400	147,448
21	Of which STM approach	1,843,100	2,015,400	147,448
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	10,498,913	10,541,388	839,913
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)	(424,385)	(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)	(424,385)	(33,951)
27	Total	168,272,456	167,358,900	13,461,797

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**D. Leverage Ratio**

The detailed composition of the Bank's consolidated leverage ratio as at 30 September 2021 and 30 June 2021 is set out below:

**Template LR2: Leverage ratio**

		(a)	(b)
		30 Sep 2021 (HK\$'000)	30 Jun 2021 (HK\$'000)
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	245,062,144	242,878,469
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,178,612)	(2,122,421)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	242,883,532	240,756,048
<b>Exposures arising from derivative exposures</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/ or with all derivative contracts)	230,458	251,352
5	Add-on amounts for PFE associated with all derivative contracts	884,943	875,493
6	Gross-up for collateral provided in respect of derivative contracts 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	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	Total exposures arising from derivative contracts	1,115,401	1,126,845
<b>Securities financing transaction exposures</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,410,092	1,153,776
13	Less: Netted amount of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	26,512	33,627
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	1,436,604	1,187,403
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	77,503,764	77,117,289
18	Less: Adjustments for conversion to credit equivalent amounts	(66,945,166)	(67,585,278)
19	Off-balance sheet items	10,558,598	9,532,011
<b>Capital and total exposures</b>			
20	Tier 1 capital	24,939,048	24,711,046
20a	Total exposures before adjustments for specific and collective provisions	255,994,135	252,602,307
20b	Adjustments for specific and collective provisions	(1,383,850)	(1,488,491)
21	Total exposures after adjustments for specific and collective provisions	254,610,285	251,113,816
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>9.8%</b>	<b>9.8%</b>

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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