

星展銀行（香港）有限公司  
**DBS BANK (HONG KONG) LIMITED**  
(Incorporated in Hong Kong with limited liability)

**REGULATORY DISCLOSURES**

**FOR THE QUARTER ENDED  
31 MARCH 2017**

**DBS BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES**  
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## DBS BANK (HONG KONG) LIMITED

### REGULATORY DISCLOSURES

This document contains Pillar 3 disclosure of the DBS Bank (Hong Kong) Limited (the “Bank”) relating to capital adequacy ratios, leverage ratio, risk-weighted assets (“RWA”) by risk types and RWA flow statements of credit risk exposures under Internal Ratings-Based (“IRB”) approach. The following disclosures are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”). The capital adequacy ratios and leverage ratio for the Bank are computed on a basis that includes its overseas branch.

#### 1 Capital Adequacy Ratios

The capital adequacy ratios as at 31 March 2017 and 31 December 2016 were compiled in accordance with the Banking (Capital) Rules issued by the HKMA.

| In HK\$ millions               | As at<br>31 March<br>2017 | As at<br>31 December<br>2016 |
|--------------------------------|---------------------------|------------------------------|
| <b>Capital</b>                 |                           |                              |
| Common Equity Tier 1           | 32,830                    | 31,871                       |
| Tier 1                         | 34,142                    | 33,094                       |
| Total                          | 38,487                    | 37,353                       |
| <b>Total RWA</b>               | <b>198,787</b>            | 204,232                      |
| <b>Capital Adequacy Ratios</b> |                           |                              |
| Common Equity Tier 1           | 16.5%                     | 15.6%                        |
| Tier 1                         | 17.2%                     | 16.2%                        |
| Total                          | 19.4%                     | 18.3%                        |

#### 2 Leverage Ratio

The leverage ratio as at 31 March 2017 and 31 December 2016 were compiled in accordance with the Leverage Ratio Framework issued by the HKMA.

| In HK\$ millions                   | As at<br>31 March<br>2017 | As at<br>31 December<br>2016 |
|------------------------------------|---------------------------|------------------------------|
| <b>Capital and Total exposures</b> |                           |                              |
| Tier 1 capital                     | 34,142                    | 33,094                       |
| Total exposures                    | 372,858                   | 368,769                      |
| <b>Leverage Ratio</b>              | <b>9.2%</b>               | 9.0%                         |

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#### 3 Overview of Risk-Weighted Assets

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA.

| In HK\$ millions |   | RWA                 |                        | Minimum capital requirements |
|------------------|---|---------------------|------------------------|------------------------------|
|                  |   | As at 31 March 2017 | As at 31 December 2016 | As at 31 March 2017          |
| 1                | Credit risk for non-securitization exposures  | 181,594             | 186,307                | 14,528                       |
| 2                | <i>Of which STC approach</i>  | 18,039              | 18,853                 | 1,443                        |
| 3                | <i>Of which IRB approach</i>  | 163,555             | 167,454                | 13,085                       |
| 4                | Counterparty credit risk  | 1,165               | 2,103                  | 93                           |
| 5a               | <i>Of which CEM</i>   | 793                 | 1,516                  | 63                           |
| 16               | Market risk   | 1,342               | 1,184                  | 107                          |
| 17               | <i>Of which STM approach</i>  | 1,342               | 1,184                  | 107                          |
| 19               | Operational risk  | 14,625              | 14,582                 | 1,170                        |
| 21               | <i>Of which STO approach</i>  | 14,625              | 14,582                 | 1,170                        |
| 23               | Amounts below the thresholds for deduction (subject to 250% RW)   | 114                 | 114                    | 9                            |
| 24a              | Deduction to RWA  | 53                  | 58                     | 4                            |
| 24b              | <i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>         | 42                  | 47                     | 3                            |
| 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> | 11                  | 11                     | 1                            |
| 25               | Total   | 198,787             | 204,232                | 15,903                       |

The Bank uses the IRB approach for the calculation of the RWA for the majority of its credit risk exposures and the Standardised approach for those exempted from the IRB approach. The Bank uses the Standardised approaches for the calculation of RWA for market risk and operational risk.

Total RWA decreased mainly due to a decline in credit RWA for non-securitization exposures, which was in turn driven mainly by a decline in loans and advances to customers.

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#### 4 RWA Flow Statements of Credit Risk Exposures under IRB Approach

The following table sets out the key drivers of RWA movements over the quarter.

| In HK\$ millions              | RWA     |
|-------------------------------|---------|
| <b>As at 31 December 2016</b> | 167,454 |
| Asset size                    | (4,935) |
| Asset quality                 | 920     |
| Foreign exchange movements    | 116     |
| <b>As at 31 March 2017</b>    | 163,555 |

RWA for credit exposures under IRB approach decreased mainly due to a decline in asset size, which was in turn driven by a decline in loans and advances to customers.