



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

**REGULATORY DISCLOSURE STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2017**

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

## REGULATORY DISCLOSURES

### 1 Introduction

The information contained in this document is for DBS Bank (Hong Kong) Limited (“the Bank”) and is prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

#### Basis of preparation

For regulatory reporting purposes, the Bank is required to compute its capital adequacy ratios and leverage ratio on a combined basis that includes the Bank and its overseas branch.

For the purposes of calculating the risk-weighted assets (“RWA”), the Bank uses the Internal Ratings-Based (“IRB”) approach for the calculation of the RWA for the majority of its credit risk exposures and the Standardized approach for those exempted from the IRB approach. The Bank uses the Standardized approaches for the calculation of RWA for market risk and operational risk.

The numbers in this document are expressed in millions of Hong Kong dollars, unless otherwise stated.

### 2 Key Capital Ratios

#### 2.1 Capital Adequacy Ratios

The capital adequacy ratios were compiled in accordance with the Banking (Capital) Rules issued by the HKMA.

In HK\$ millions	As at 30 September 2017	As at 30 June 2017	As at 31 March 2017	As at 31 December 2016
<b>Capital</b>				
Common Equity Tier 1	34,637	33,395	32,830	31,871
Tier 1	35,965	34,717	34,142	33,094
Total	40,457	39,104	38,487	37,353
<b>Total RWA</b>	<b>218,202</b>	198,197	198,787	204,232
<b>Capital Adequacy Ratios</b>				
Common Equity Tier 1	15.9%	16.8%	16.5%	15.6%
Tier 1	16.5%	17.5%	17.2%	16.2%
Total	18.5%	19.7%	19.4%	18.3%

#### 2.2 Leverage Ratio

The leverage ratios were compiled in accordance with the Leverage Ratio Framework issued by the HKMA.

In HK\$ millions	As at 30 September 2017	As at 30 June 2017	As at 31 March 2017	As at 31 December 2016
<b>Capital and Total exposures</b>				
Tier 1 capital	35,965	34,717	34,142	33,094
Total exposures	417,413	369,796	372,858	368,769
<b>Leverage Ratio</b>	<b>8.6%</b>	9.4%	9.2%	9.0%

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#### 3 Overview of Risk-Weighted Assets

The following table sets out the RWA and the corresponding minimum capital requirements by risk type.

In HK\$ millions		RWA <sup>1/</sup>		Minimum capital requirements <sup>2/</sup>
		As at 30 September 2017	As at 30 June 2017	As at 30 September 2017
1	Credit risk for non-securitization exposures	191,511	172,384	16,113
2	<i>Of which STC approach</i>	26,610	19,011	2,129
3	<i>Of which IRB approach</i>	164,901	153,373	13,984
4	Counterparty credit risk	918	884	75
5a	<i>Of which CEM</i>	586	555	49
16	Market risk	740	819	59
17	<i>Of which STM approach</i>	740	819	59
19	Operational risk	15,025	14,833	1,202
21	<i>Of which STO approach</i>	15,025	14,833	1,202
23	Amounts below the thresholds for deduction (subject to 250% RW)	114	114	9
24a	Deduction to RWA	23	63	2
24b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	12	52	1
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	208,285	188,971	17,456

1/ RWA figures are before application of scaling factor (i.e., 1.06) for exposures measured under the IRB approach. Comparative figures as at 30 June 2017 have been restated pursuant to the latest disclosure requirements of the HKMA.

2/ Minimum capital requirements correspond to 8% of the RWA figures after application of scaling factor (i.e., 1.06) for exposures measured under the IRB approach.

Total RWA increased mainly due to the consolidation of ANZ wealth management and retail banking business, organic growth, as well as model updates for bank exposures.

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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 <sup>3/</sup>
<b>As at 30 June 2017</b>	153,373
Asset size	6,989
Asset quality	64
Model update	4,348
Foreign exchange movements	127
<b>As at 30 September 2017</b>	164,901

<sup>3/</sup> RWA figures are before application of scaling factor (i.e., 1.06) for exposures measured under the IRB approach. RWA as at 30 June 2017 has been restated pursuant to the latest disclosure requirements of the HKMA.

RWA of credit risk exposures under IRB approach increased mainly due to organic growth and model updates for bank exposures.