



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 six months ended 30 June 2022**

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

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# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 1 INTRODUCTION

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

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

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

### 2 SCOPE OF CONSOLIDATION

For regulatory reporting purposes, the Bank computes key regulatory ratios on a combined basis including the Bank and its overseas branch, unless otherwise specified. It is different from the basis of consolidation for accounting purposes.

The following entities are within the Group’s accounting scope of consolidation but excluded from its regulatory scope of consolidation.

Name of entity	Principal activities	Total Assets In HK\$ millions	Total Equity In HK\$ millions
Dao Heng Finance Limited	Inactive	63	63
Hang Lung Bank (Nominee) Limited	Inactive	–	–
DBS Kwong On (Nominees) Limited	Inactive	–	–
Overseas Trust Bank Nominees Limited	Inactive	–	–
Ting Hong Nominees Limited	Provision of nominee, trustee and agency services	–	–
DBS Trustee (Hong Kong) Limited	Inactive	5	5

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 3 KEY PRUDENTIAL RATIOS

The following table provides an overview of the Bank's key prudential ratios which were calculated in accordance with the following Rules, where relevant, issued by the HKMA.

- Banking (Capital) Rules (“BCR”)
- Banking (Liquidity) Rules (“BLR”)

In HK\$ millions		As at 30 June 2022	As at 31 March 2022	As at 31 December 2021	As at 30 September 2021	As at 30 June 2021
	<b>Regulatory Capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	41,935	41,529	41,127	41,931	41,807
2	Tier 1	43,335	42,929	42,527	43,331	43,207
3	Total Capital	48,569	47,913	47,364	47,971	47,872
	<b>RWA (amount)</b>					
4	Total RWA	275,296	260,656	249,335	248,109	247,236
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	15.2	15.9	16.5	16.9	16.9
6	Tier 1 ratio (%)	15.7	16.5	17.1	17.5	17.5
7	Total Capital ratio (%)	17.6	18.4	19.0	19.3	19.4
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical capital buffer requirement (%)	0.721	0.728	0.749	0.758	0.782
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0	0.0	0.0	0.0	0.0
11	Total AI-specific CET1 buffer requirements (%)	3.221	3.228	3.249	3.258	3.282
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.6	10.4	11.0	11.3	11.4
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	523,184	510,332	480,340	476,829	468,957
14	LR (%)	8.3	8.4	8.9	9.1	9.2
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	80,187	65,236	48,224	47,335	41,033
16	Total net cash outflows	47,362	39,525	30,418	31,529	28,295
17	LCR (%)	171.0	165.7	158.9	150.7	145.2
	Applicable to category 2 institution only:					
17a	LMR (%)	NA	NA	NA	NA	NA
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18	Total available stable funding	303,782	296,917	289,533	287,547	290,594
19	Total required stable funding	238,473	240,908	237,487	237,414	247,417
20	NSFR (%)	127.4	123.2	121.9	121.1	117.5
	Applicable to category 2A institution only:					
20a	CFR (%)	NA	NA	NA	NA	NA

Total Capital ratio declined by 0.8% point from the last quarter to 17.6%. It was driven by credit RWA increase, mainly from asset growth and application of capital floor, partially offset by the profit for the quarter.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 4 OVERVIEW OF RISK-WEIGHTED ASSETS

The following table sets out the Bank's risk-weighted assets ("RWA") and the corresponding minimum capital requirements by risk types.

In HK\$ millions		RWA		Minimum capital requirements <sup>1/</sup>
		As at 30 June 2022	As at 31 March 2022	As at 30 June 2022
1	Credit risk for non-securitization exposures	213,878	215,744	18,084
2	<i>Of which STC approach</i>	11,109	12,649	889
2a	<i>Of which BSC approach</i>	–	–	–
3	<i>Of which foundation IRB approach</i>	179,069	179,585	15,185
4	<i>Of which supervisory slotting criteria approach</i>	23,700	23,510	2,010
5	<i>Of which advanced IRB approach</i>	–	–	–
6	Counterparty default risk and default fund contributions	2,175	2,174	184
7	<i>Of which SA-CCR approach</i>	2,125	2,135	180
7a	<i>Of which CEM</i>	NA	NA	NA
8	<i>Of which IMM(CCR) approach</i>	–	–	–
9	<i>Of which others</i>	50	39	4
10	CVA Risk	1,384	1,686	111
11	Equity positions in banking book under the simple risk-weight method and internal models method	–	–	–
12	Collective investment scheme ("CIS") exposures – LTA	NA	NA	NA
13	CIS exposures – MBA	NA	NA	NA
14	CIS exposures – FBA	NA	NA	NA
14a	CIS exposures – combination of approaches	NA	NA	NA
15	Settlement Risk	7	17	1
16	Securitization exposures in banking book	–	–	–
17	<i>Of which SEC – IRBA</i>	–	–	–
18	<i>Of which SEC – ERBA (including IAA)</i>	–	–	–
19	<i>Of which SEC – SA</i>	–	–	–
19a	<i>Of which SEC – FBA</i>	–	–	–
20	Market risk	1,049	1,254	84
21	<i>Of which STM approach</i>	1,049	1,254	84
22	<i>Of which IMM approach</i>	–	–	–
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	NA	NA	NA

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## REGULATORY DISCLOSURES

### 4 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

In HK\$ millions		RWA		Minimum capital requirements <sup>11</sup>
		As at 30 June 2022	As at 31 March 2022	As at 30 June 2022
24	Operational risk	19,845	20,119	1,588
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	93	93	7
26	Capital floor adjustment	24,649	7,336	1,972
26a	Deduction to RWA	(72)	(63)	(6)
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	(72)	(63)	(6)
26c	<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>	–	–	–
27	Total	263,008	248,360	22,025

<sup>11</sup> Minimum capital requirements correspond to 8% of the RWA, after applicable scaling factor of 1.06 for exposures measured under the IRB approach.

Total risk-weighted assets increased in the quarter is mainly driven by asset growth and application of capital floor.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL

#### 5.1 Composition of Regulatory Capital

As at 30 June 2022		Component of regulatory capital In HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	8,995	(4)
2	Retained earnings	32,386	(6)
3	Disclosed reserves	(871)	(9)
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	NA	NA
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	<b>CET1 capital before regulatory deductions</b>	40,510	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	1	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	–	
10	Deferred tax assets (net of associated deferred tax liabilities)	983	(2)
11	Cash flow hedge reserve	(2,960)	(10)
12	Excess of total EL amount over total eligible provisions under the IRB approach	–	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in CET1 capital instruments	–	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA



# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.1 Composition of Regulatory Capital (continued)

As at 30 June 2022		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
22	Amount exceeding the 15% threshold	NA	NA
23	of which: significant investments in the ordinary share of financial sector entities	NA	NA
24	of which: mortgage servicing rights	NA	NA
25	of which: deferred tax assets arising from temporary differences	NA	NA
26	National specific regulatory adjustments applied to CET1 capital	551	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	551	(7)
26c	Securitization exposures specified in a notice given by the MA	–	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e	Capital shortfall of regulated non-bank subsidiaries	–	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	–	
28	<b>Total regulatory deductions to CET1 capital</b>	(1,425)	
29	<b>CET1 capital</b>	41,935	
<b>AT1 capital: instruments</b>			
30	Qualifying AT1 capital instruments plus any related share premium	1,400	
31	of which: classified as equity under applicable accounting standards	1,400	(5)
32	of which: classified as liabilities under applicable accounting standards	–	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	–	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.1 Composition of Regulatory Capital (continued)

As at 30 June 2022		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	
35	of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements	–	
36	<b>AT1 capital before regulatory deductions</b>	1,400	
<b>AT1 capital: regulatory deductions</b>			
37	Investments in own AT1 capital instruments	–	
38	Reciprocal cross-holdings in AT1 capital instruments	–	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments applied to AT1 capital	–	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	<b>Total regulatory deductions to AT1 capital</b>	–	
44	<b>AT1 capital</b>	1,400	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	43,335	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	4,236	(3)
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	–	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	–	
49	<i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>	–	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	998	(8) – (1)
51	<b>Tier 2 capital before regulatory deductions</b>	5,234	
<b>Tier 2 capital: regulatory deductions</b>			

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.1 Composition of Regulatory Capital (continued)

As at 30 June 2022		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
52	Investments in own Tier 2 capital instruments	–	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	–	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	–	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	–	
58	<b>Tier 2 capital (T2)</b>	5,234	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	48,569	
60	<b>Total RWA</b>	275,296	
<b>Capital ratios (as a percentage of RWA)</b>			
61	<b>CET1 capital ratio</b>	15.2%	
62	<b>Tier 1 capital ratio</b>	15.7%	
63	<b>Total capital ratio</b>	17.6%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	3.221%	
65	of which: capital conservation buffer requirement	2.5%	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.1 Composition of Regulatory Capital (continued)

As at 30 June 2022		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
66	of which: bank specific countercyclical capital buffer requirement	0.721%	
67	of which: higher loss absorbency requirement	0.0%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	9.6%	
<b>National minima (if different from Basel 3 minimum)</b>			
69	National CET1 minimum ratio	NA	NA
70	National Tier 1 minimum ratio	NA	NA
71	National Total capital minimum ratio	NA	NA
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	1,135	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	37	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	214	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	142	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	856	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	1,303	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.1 Composition of Regulatory Capital (continued)

As at 30 June 2022		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
80	Current cap on CET1 capital instruments subject to phase-out arrangements	NA	NA
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	NA
82	Current cap on AT1 capital instruments subject to phase-out arrangements	–	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	–	
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements	–	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	–	

#### Note to the template

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards are disclosed below:

Row No.	Description	Hong Kong basis HK\$M	Basel III basis HK\$M
	<b>Deferred tax assets (net of associated deferred tax liabilities)</b>	983	–
10	<p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column “Basel III basis” in this box represents the amount reported in row 10 (i.e. the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSR, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.2 Reconciliation of Regulatory Capital to Balance Sheet

In HK\$ millions	Balance sheet as in published financial statements As at 30 June 2022	Under regulatory scope of consolidation As at 30 June 2022	Cross- referenced to Composition of Regulatory Capital in Section 5.1
<b>Assets</b>			
Cash and balances with central banks	9,350	9,350	
Government securities and treasury bills	57,943	57,943	
Due from banks	129,978	129,978	
Derivatives	2,706	2,706	
Bank and corporate securities	13,141	13,141	
Loans and advances to customers	266,868	266,868	
<i>of which: Allowances eligible for inclusion in Tier 2 capital</i>		(980)	(1)
Other assets	5,460	5,460	
<i>of which: Deferred tax assets</i>		983	(2)
Subsidiaries	–	45	
Properties and other fixed assets	3,903	3,903	
Goodwill	168	–	
<b>Total assets</b>	<b>489,517</b>	<b>489,394</b>	
<b>Liabilities</b>			
Due to banks	12,691	12,691	
Deposits and balances from customers	396,598	396,615	
Derivatives	4,607	4,607	
Certificates of deposit issued	5,044	5,044	
Other liabilities	24,232	24,232	
Amount due to subsidiaries	–	59	
Subordinated liability	4,236	4,236	(3)
<b>Total liabilities</b>	<b>447,408</b>	<b>447,484</b>	
<b>Equity</b>			
Share capital	8,995	8,995	(4)
Other equity instruments	1,400	1,400	(5)
Reserves	31,714	31,515	
<i>Retained earnings</i>		32,386	(6)
<i>of which: Regulatory reserve for general banking risks</i>		551	(7)
<i>of which: Regulatory reserve eligible for inclusion in Tier 2 capital</i>		18	(8)
<i>Other reserves</i>		(871)	(9)
<i>of which: Cash flow hedge reserves</i>		(2,960)	(10)
<b>Total equity</b>	<b>42,109</b>	<b>41,910</b>	
<b>Total liabilities and equity</b>	<b>489,517</b>	<b>489,394</b>	

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

##### 5.3 Main Features of Regulatory Capital Instruments

The following disclosures are made solely pursuant to the requirements of the Banking (Disclosures) Rules issued by the HKMA. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant transaction documents available at <https://www.dbs.com/hongkong/en/financials/regulatory-capital-instruments.page>. This includes the issuances made over the previous period.

As at 30 June 2022	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$540m Subordinated Loan issued in December 2017
1 Issuer	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA
3 Governing law(s) of the instrument	Hong Kong law	Hong Kong law	Hong Kong law
<i>Regulatory treatment</i>			
4 Transitional Basel III rules	NA	NA	NA
5 Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Tier 2
6 Eligible at solo/group/group & solo	Solo	Solo	Solo
7 Instrument type	Ordinary shares	Capital securities	Subordinated loan
8 Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	HK\$8,995 million	HK\$1,400 million	HK\$4,236 million
9 Par value of instrument	NA	HK\$1,400 million	US\$540 million
10 Accounting classification	Shareholders' equity	Shareholders' equity	Liability – amortized cost
11 Original date of issuance	Various dates	13 January 2022	13 December 2017
12 Perpetual or dated	Perpetual	Perpetual	Dated
13 Original maturity date	No maturity	No maturity	13 December 2027
14 Issuer call subject to prior supervisory approval	No	Yes	Yes

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2022	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$540m Subordinated Loan issued in December 2017	
15	Optional call date, contingent call dates and redemption amount	NA	First optional call date: 13 January 2027  Contingent call dates: Change of Qualification Event, redemption for taxation reasons  Redemption amount: Principal amount together with accrued and unpaid distributions	First optional call date: 13 December 2022  Contingent call dates: Change of Qualification Event or Tax Event  Redemption amount: Principal amount together with accrued and unpaid interest
16	Subsequent call dates, if applicable	NA	Optional call dates – any date after 13 January 2027	Optional call dates – any date after 13 December 2022
<i>Coupons / dividends</i>				
17	Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed	Floating
18	Coupon rate and any related index	NA	2.86% per annum	USD 3-month LIBOR plus 1.62% per annum
19	Existence of a dividend stopper	NA	Yes	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA



# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2022	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$540m Subordinated Loan issued in December 2017
28 If convertible, specify instrument type convertible into	NA	NA	NA
29 If convertible, specify issuer of instrument it converts into	NA	NA	NA
30 Write-down feature	No	Yes	Yes
31 If write-down, write-down trigger(s)	NA	<p>Trigger event is the earlier of:</p> <p>(i)The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and</p> <p>(ii)The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.</p>	<p>Trigger event is the earlier of:</p> <p>(i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and</p> <p>(ii)The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.</p>
32 If write-down, full or partial	NA	Full or partial	Full or partial
33 If write-down, permanent or temporary	NA	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	NA	NA	NA

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 5 COMPOSITION OF REGULATORY CAPITAL (continued)

##### 5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2022	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$540m Subordinated Loan issued in December 2017
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to senior creditors
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

#### 6 COUNTERCYCLICAL CAPITAL BUFFER

##### 6.1 Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)

The following table provides an overview of the geographical distribution of the RWA of private sector credit exposures relevant for the calculation of the Bank’s Countercyclical Capital Buffer ratio.

In HK\$ millions		As at 30 June 2022			
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong SAR	1.0	134,439		
2	Sweden	2.0	12		
	Sum		134,451		
	<b>Total</b>		<b>186,441</b>	<b>0.721</b>	<b>1,985</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 7 LEVERAGE RATIO

##### 7.1 Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure

The following tables provide a reconciliation of the Group's balance sheet assets with the leverage ratio exposure measure and the breakdown of the Bank's leverage ratio regulatory elements.

In HK\$ millions

	Item	Value under the LR framework As at 30 June 2022
1	Total consolidated assets as per published financial statements	489,517
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	37
2a	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	–
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	–
3a	Adjustments for eligible cash pooling transactions	–
4	Adjustments for derivative contracts	2,652
5	Adjustment for SFTs (i.e. repos and similar secured lending)	104
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	31,187
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(147)
7	Other adjustments	(166)
8	<b>Leverage ratio exposure measure</b>	<b>523,184</b>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 LEVERAGE RATIO (continued)

#### 7.2 Leverage Ratio

In HK\$ millions		As at 30 June 2022	As at 31 March 2022
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	459,705	457,348
2	Less: Asset amounts deducted in determining Tier 1 capital	1,425	933
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>461,130</b>	<b>458,281</b>
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,928	1,279
5	Add-on amounts for PFE associated with all derivative contracts	3,505	3,975
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	(75)	(59)
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	<b>Total exposures arising from derivative contracts</b>	<b>5,358</b>	<b>5,195</b>
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	29,126	19,306
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
14	CCR exposure for SFT assets	104	94
15	Agent transaction exposures	–	–
16	<b>Total exposures arising from SFTs</b>	<b>29,230</b>	<b>19,400</b>
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	215,019	211,063
18	Less: Adjustments for conversion to credit equivalent amounts	(183,832)	(179,965)
19	<b>Off-balance sheet items</b>	<b>31,187</b>	<b>31,098</b>
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>43,335</b>	<b>42,929</b>
20a	Total exposures before adjustments for specific and collective provisions	526,905	513,974
20b	Adjustments for specific and collective provisions	(3,721)	(3,642)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>523,184</b>	<b>510,332</b>
<b>Leverage ratio</b>			
22	<b>Leverage ratio (%)</b>	<b>8.3</b>	<b>8.4</b>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 8 CREDIT RISK

#### 8.1 Credit Quality of Assets

In HK\$ millions		As at 30 June 2022							
		(a)	(b)	(c)	(d)		(e)	(f)	(g)
		Gross carrying amount of		Allowances/ Impairments	Of which ECL accounting provisions <sup>#</sup> for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)	
Defaulted exposures	Non-defaulted exposures	Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions						
1	Loans	2,940	406,559	3,564	128	133	3,303	405,935	
2	Debt securities	–	57,635	3	–	2	1	57,632	
3	Off-balance sheet exposures	–	31,920	52	–	1	51	31,868	
	<b>Total</b>	<b>2,940</b>	<b>496,114</b>	<b>3,619</b>	<b>128</b>	<b>136</b>	<b>3,355</b>	<b>495,435</b>	

<sup>#</sup> ECL accounting provisions for Stage 1 and Stage 2 exposures are treated as collective provisions while provision for Stage 3 exposures are treated as specific provisions. Specific and collective provisions are ascribed to the identified standardized approach exposures.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the Bank taking action such as realising security (if held).
- Technical default: Borrower is more than 90 days past due on any credit obligation to the Bank.

Loans included balances with banks, loans and advances to customers, balances with central banks, and related accrued interest receivables.

Debt securities included non-trading government securities and treasury bills, banks and corporate securities, and related accrued interest receivables.

Off-balance sheet exposures included direct credit substitutes, transaction-related contingencies, trade-related contingencies and irrecoverable loans commitment.

#### 8.2 Changes in Stock of Defaulted Loans and Debt Securities

In HK\$ millions		Amount
1	<b>As at 31 December 2021</b>	2,695
2	Loans and debt securities that have defaulted since the last reporting period	692
3	Returned to non-defaulted status	(10)
4	Amounts written off	(156)
5	Other changes (note)	(281)
6	<b>As at 30 June 2022</b>	<b>2,940</b>

Note: Other changes mainly related to settlement and repayments from customers.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 8 CREDIT RISK (continued)

#### 8.3 Overview of Recognized Credit Risk Mitigation

In HK\$ millions		As at 30 June 2022				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	285,693	120,242	97,211	7,788	–
2	Debt securities	57,632	–	–	–	–
3	<b>Total</b>	343,325	120,242	97,211	7,788	–
4	Of which defaulted	684	758	385	325	–

#### 8.4 Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach

In HK\$ millions		As at 30 June 2022					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
	<b>Exposure classes</b>						
1	Sovereign exposures	–	–	1,189	1	–	0
2	PSE exposures	254	250	283	125	82	20
2a	Of which: domestic PSEs	254	250	283	125	82	20
2b	Of which: foreign PSEs	–	–	–	–	–	–
3	Multilateral development bank exposures	2,591	–	2,591	–	–	0
4	Bank exposures	42	–	45	–	13	30
5	Securities firm exposures	–	1,978	–	100	50	50
6	Corporate exposures	10,044	10,110	8,140	207	7,238	87
7	CIS exposures	–	–	–	–	–	–
8	Cash items	–	–	–	–	–	–
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	–	–	–	–	–	–
10	Regulatory retail exposures	–	–	–	–	–	–
11	Residential mortgage loans	1,390	–	1,390	–	487	35
12	Other exposures which are not past due exposures	2,841	1,494	2,808	79	2,887	100
13	Past due exposures	238	–	238	–	352	148
14	Significant exposures to commercial entities	–	–	–	–	–	–
15	<b>Total</b>	17,400	13,832	16,684	512	11,109	65

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**8 CREDIT RISK (continued)**

**8.5 Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach**

In HK\$ millions		As at 30 June 2022										
	Exposure class	Risk Weight										Total credit risk exposures amount (post CCF and post CRM)
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	
1	Sovereign exposures	1,190	-	-	-	-	-	-	-	-	-	1,190
2	PSE exposures	-	-	408	-	-	-	-	-	-	-	408
2a	Of which: domestic PSEs	-	-	408	-	-	-	-	-	-	-	408
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	2,591	-	-	-	-	-	-	-	-	-	2,591
4	Bank exposures	-	-	31	-	13	-	1	-	-	-	45
5	Securities firm exposures	-	-	-	-	100	-	-	-	-	-	100
6	Corporate exposures	-	-	603	-	1,253	-	6,491	-	-	-	8,347
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	-	-	-	-	-	-	-	-	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	1,390	-	-	-	-	-	-	1,390
12	Other exposures which are not past due exposures	-	-	-	-	-	-	2,887	-	-	-	2,887
13	Past due exposures	2	-	1	-	-	-	-	235	-	-	238
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	<b>Total</b>	<b>3,783</b>	<b>-</b>	<b>1,043</b>	<b>1,390</b>	<b>1,366</b>	<b>-</b>	<b>9,379</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>17,196</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**8 CREDIT RISK (continued)**

**8.6 Credit Risk Exposures by Portfolio and PD ranges – for IRB approach**

**Foundation IRB Approach**

	As at 30 June 2022											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-balance sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Sovereign exposures</b>												
0.00 to <0.15	57,019	-	-	58,583	0.01	10	45	2.5	3,360	6	2	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>57,019</b>	<b>-</b>	<b>-</b>	<b>58,583</b>	<b>0.01</b>	<b>10</b>	<b>45</b>	<b>2.5</b>	<b>3,360</b>	<b>6</b>	<b>2</b>	<b>44</b>
<b>Bank exposures</b>												
0.00 to <0.15	113,319	226	50	113,439	0.05	79	45	2.5	29,987	26	26	
0.15 to <0.25	693	3	50	695	0.24	8	45	2.5	424	61	1	
0.25 to <0.50	802	-	-	802	0.38	10	45	2.5	632	79	1	
0.50 to <0.75	204	-	-	204	0.61	4	45	2.5	202	99	1	
0.75 to <2.50	200	-	-	200	1.39	8	45	2.5	215	108	1	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>115,218</b>	<b>229</b>	<b>50</b>	<b>115,340</b>	<b>0.06</b>	<b>109</b>	<b>45</b>	<b>2.5</b>	<b>31,460</b>	<b>27</b>	<b>30</b>	<b>416</b>
<b>Corporate exposures – small-and-medium sized corporates</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	3	14	-	2	0.56	3	39	2.5	1	50	-	
0.75 to <2.50	34	39	1	35	1.95	12	37	2.5	26	73	-	
2.50 to <10.00	48	8	-	32	5.81	9	39	2.5	34	106	1	
10.00 to <100.00	12	3	-	11	12.15	4	45	2.5	18	159	1	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>97</b>	<b>64</b>	<b>1</b>	<b>80</b>	<b>4.91</b>	<b>28</b>	<b>39</b>	<b>2.5</b>	<b>79</b>	<b>98</b>	<b>2</b>	<b>1</b>
<b>Corporate exposures – other</b>												
0.00 to <0.15	47,171	42,214	14	53,869	0.07	5,901	37	2.5	10,077	19	13	
0.15 to <0.25	33,780	12,725	19	35,581	0.22	62	45	2.5	16,328	46	35	
0.25 to <0.50	35,258	17,653	3	35,843	0.32	319	41	2.5	18,180	51	47	
0.50 to <0.75	8,513	13,312	8	10,108	0.59	615	39	2.5	6,497	64	23	
0.75 to <2.50	21,221	25,957	4	22,746	1.70	2,291	38	2.5	20,703	91	146	
2.50 to <10.00	22,361	8,975	4	20,835	4.79	2,651	38	2.5	25,836	124	379	
10.00 to <100.00	4,254	579	2	3,823	14.64	594	39	2.5	7,138	187	218	
100.00 (Default)	2,511	2	50	2,190	100.00	219	43	2.5	2,963	135	1,119	
<b>Sub-total</b>	<b>175,069</b>	<b>121,417</b>	<b>9</b>	<b>184,995</b>	<b>2.39</b>	<b>12,652</b>	<b>40</b>	<b>2.5</b>	<b>107,722</b>	<b>58</b>	<b>1,980</b>	<b>2,731</b>
<b>Total (all portfolios)</b>	<b>347,403</b>	<b>121,710</b>	<b>10</b>	<b>358,998</b>	<b>1.25</b>	<b>12,799</b>	<b>42</b>	<b>2.5</b>	<b>142,621</b>	<b>40</b>	<b>2,014</b>	<b>3,192</b>



**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**8 CREDIT RISK (continued)**

**8.6 Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)**

**Retail IRB Approach**

	As at 30 June 2022											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-balance sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Residential mortgages exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	8,454	-	-	8,454	0.22	4,793	13		1,440	17	2	
0.25 to <0.50	7,539	-	-	7,539	0.41	1,189	13		1,885	25	4	
0.50 to <0.75	10,715	-	-	10,715	0.63	1,868	13		2,604	24	9	
0.75 to <2.50	6	-	-	6	1.80	2	32		3	58	-	
2.50 to <10.00	369	-	-	369	9.84	131	13		221	60	5	
10.00 to <100.00	24	-	-	24	33.97	12	13		18	77	1	
100.00 (Default)	63	-	-	63	100.00	14	32		250	395	-	
<b>Sub-total</b>	<b>27,170</b>	<b>-</b>	<b>-</b>	<b>27,170</b>	<b>0.83</b>	<b>8,009</b>	<b>13</b>		<b>6,421</b>	<b>24</b>	<b>21</b>	<b>85</b>
<b>Qualifying revolving retail exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	1,734	37,954	57	23,437	0.18	326,437	102		2,331	10	43	
0.25 to <0.50	1,768	8,640	51	6,152	0.33	87,766	99		975	16	20	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	4,797	23,875	53	17,444	1.71	269,671	100		9,903	57	296	
2.50 to <10.00	342	80	109	429	4.33	2,185	120		559	130	22	
10.00 to <100.00	1,346	260	144	1,719	18.09	13,209	96		4,003	233	299	
100.00 (Default)	74	-	-	74	100.00	900	111		441	597	46	
<b>Sub-total</b>	<b>10,061</b>	<b>70,809</b>	<b>55</b>	<b>49,255</b>	<b>1.55</b>	<b>700,168</b>	<b>101</b>		<b>18,212</b>	<b>37</b>	<b>726</b>	<b>287</b>
<b>Small business retail exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
0.25 to <0.50	1	-	-	1	0.29	2	6		-	3	-	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-		-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-		-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-		-	-	-	
100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
<b>Sub-total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>0.29</b>	<b>2</b>	<b>6</b>		<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Other retail exposures to individuals</b>												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
0.25 to <0.50	1,748	-	-	1,748	0.29	2,526	22		202	12	1	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	2,551	-	-	2,551	1.67	8,654	75		2,365	93	35	
2.50 to <10.00	2,496	-	-	2,496	5.61	6,037	64		2,423	97	99	
10.00 to <100.00	850	-	-	850	24.46	1,256	50		933	110	94	
100.00 (Default)	33	-	-	33	100.00	130	57		66	200	19	
<b>Sub-total</b>	<b>7,678</b>	<b>-</b>	<b>-</b>	<b>7,678</b>	<b>5.58</b>	<b>18,603</b>	<b>56</b>		<b>5,989</b>	<b>78</b>	<b>248</b>	<b>98</b>
<b>Total (all portfolios)</b>	<b>44,910</b>	<b>70,809</b>	<b>55</b>	<b>84,104</b>	<b>1.69</b>	<b>726,782</b>	<b>68</b>		<b>30,622</b>	<b>36</b>	<b>995</b>	<b>470</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 8 CREDIT RISK (continued)

##### 8.7 Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB approach

The Bank does not have credit derivative contracts used as recognized credit risk mitigation.

In HK\$ millions		As at 30 June 2022	
		Pre-credit derivatives RWA	Actual RWA
1	Corporate – Specialized lending under supervisory slotting criteria approach (project finance)	276	276
2	Corporate – Specialized lending under supervisory slotting criteria approach (object finance)	–	–
3	Corporate – Specialized lending under supervisory slotting criteria approach (commodities finance)	–	–
4	Corporate – Specialized lending under supervisory slotting criteria approach (income-producing real estate)	23,424	23,424
5	Corporate – Specialized lending (high-volatility commercial real estate)	–	–
6	Corporate – Small-and-medium sized corporates	79	79
7	Corporate – Other corporates	107,722	107,722
8	Sovereigns	3,213	3,213
9	Sovereign foreign public sector entities	147	147
10	Multilateral development banks	–	–
11	Bank exposures – Banks	31,460	31,460
12	Bank exposures – Securities firms	–	–
13	Bank exposures – Public sector entities (excluding sovereign foreign public sector entities)	–	–
14	Retail – Small business retail exposures	–	–
15	Retail – Residential mortgages to individuals	5,886	5,886
16	Retail – Residential mortgages to property-holding shell companies	535	535
17	Retail – Qualifying revolving retail exposures (QRRE)	18,212	18,212
18	Retail – Other retail exposures to individuals	5,989	5,989
19	Equity – Equity exposures under market-based approach (simple risk-weight method)	–	–
20	Equity – Equity exposures under market-based approach (internal models method)	–	–
21	Equity – Equity exposures under PD/LGD approach (publicly traded equity exposures held for long-term investment)	–	–
22	Equity – Equity exposures under PD/LGD approach (privately owned equity exposures held for long-term investment)	–	–
23	Equity – Equity exposures under PD/LGD approach (other publicly traded equity exposures)	–	–
24	Equity – Equity exposures under PD/LGD approach (other equity exposures)	–	–
25	Equity – Equity exposures associated with equity investments in funds (CIS exposures)	–	–
26	Other – Cash items	–	–
27	Other – Other items	5,826	5,826
28	<b>Total (under the IRB calculation approaches)</b>	<b>202,769</b>	<b>202,769</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 8 CREDIT RISK (continued)

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

The following table explains the change in credit RWA under IRB approach for the quarter.

In HK\$ millions	RWA
<b>As at 31 March 2022</b>	203,095
Asset size	386
Asset quality	(170)
Model updates	199
Methodology and policy	–
Acquisitions and disposals	–
Foreign exchange movements	(741)
Others	–
<b>As at 30 June 2022</b>	202,769

The decrease in credit RWA during the quarter was mainly due to foreign exchange translation. The Bank had adopted the enhanced PD model for large corporate portfolio under FIRB approach which increased credit RWA by HK\$199 million.

##### 8.9 Specialized Lending Under Supervisory Slotting Criteria Approach – for IRB approach

Specialized lending under supervisory slotting criteria approach – other than HVCRE

In HK\$ millions		As at 30 June 2022									
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW (%)	EAD amount					RWA	Expected loss amount
					PF	OF	CF	IPRE	Total		
Strong <sup>A</sup>	Less than 2.5 years	15,383	1,556	50	–	–	–	16,550	16,550	8,275	–
Strong	Equal to or more than 2.5 years	4,107	2,405	70	395	–	–	4,459	4,854	3,398	19
Good <sup>A</sup>	Less than 2.5 years	6,217	3,365	70	–	–	–	8,456	8,456	5,919	34
Good	Equal to or more than 2.5 years	4,425	1,266	90	–	–	–	5,335	5,335	4,802	43
Satisfactory		1,058	76	115	–	–	–	1,102	1,102	1,267	31
Weak		16	–	250	–	–	–	16	16	39	1
Default		1	–	0	–	–	–	1	1	–	1
Total		31,207	8,668		395	–	–	35,919	36,314	23,700	129

<sup>A</sup> Use of preferential risk-weights.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 9 COUNTERPARTY CREDIT RISK

#### 9.1 Analysis of Counterparty Default Risk Exposures (Other than those to CCPs) by Approaches

In HK\$ millions		As at 30 June 2022					
		Replacement cost (RC)	PFE	Effective EPE	Alpha ( $\alpha$ ) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR approach (for derivative contracts)	1,377	1,503		1.4	4,032	2,125
2	IMM (CCR) approach			–	–	–	–
3	Simple approach (for SFTs)					–	–
4	Comprehensive approach (for SFTs)					29,163	50
5	VaR (for SFTs)					–	–
6	<b>Total</b>						2,175

The Bank applies SA-CCR approach to calculate the counterparty default risk exposures for derivative contracts.

#### 9.2 CVA Capital Charge

In HK\$ millions		As at 30 June 2022	
		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	–	–
1	(i) VaR (after application of multiplication factor if applicable)		–
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		–
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	3,927	1,384
4	<b>Total</b>	3,927	1,384

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**9 COUNTERPARTY CREDIT RISK (continued)**

**9.3 Counterparty Default Risk Exposures (Other than those to CCPs) by Asset Classes and by Risk Weights – for STC approach**

In HK\$ millions		As at 30 June 2022										
	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
	Exposure class											
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	-	-	37	-	-	-	-	-	37
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	215	-	6	-	-	-	221
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	<b>Total</b>	-	-	-	-	252	-	6	-	-	-	258

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 9 COUNTERPARTY CREDIT RISK (continued)

#### 9.4 Counterparty Default Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach

##### Foundation IRB Approach

The following table sets out the parameters used for the calculation of the Bank's CCR capital requirements for IRB approach models. The Bank adopts FIRB approach for all of its IRB exposures which are subject to CCR capital requirements.

	As at 30 June 2022						
	a	b	c	d	e	f	g
PD scale (%)	EAD post-CRM HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)
<b>Bank</b>							
0.00 to <0.15	31,654	0.04	5	4	0.7	793	3
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
<b>Sub-total</b>	<b>31,654</b>	<b>0.04</b>	<b>5</b>	<b>4</b>	<b>0.7</b>	<b>793</b>	<b>3</b>
<b>Corporate exposures – small-and-medium sized corporates</b>							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Corporate exposures – other</b>							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	163	0.22	8	45	2.5	76	46
0.25 to <0.50	101	0.39	4	45	2.5	62	62
0.50 to <0.75	29	0.56	4	45	2.5	22	73
0.75 to <2.50	956	1.72	31	45	2.5	1,046	109
2.50 to <10.00	32	3.88	28	45	2.5	43	137
10.00 to <100.00	–	12.15	1	45	2.5	–	207
100.00 (Default)	–	–	–	–	–	–	–
<b>Sub-total</b>	<b>1,281</b>	<b>1.46</b>	<b>76</b>	<b>45</b>	<b>2.5</b>	<b>1,249</b>	<b>98</b>
<b>Total (all portfolios)</b>	<b>32,935</b>	<b>0.10</b>	<b>81</b>	<b>6</b>	<b>0.7</b>	<b>2,042</b>	<b>6</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 9 COUNTERPARTY CREDIT RISK (continued)

##### 9.5 Composition of Collateral for Counterparty Default Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)

The following table provides a breakdown of all types of collateral posted or recognized collateral received by the Bank to support or reduce the CCR exposures related to derivative transactions or to Securities Financing Transactions (“SFTs”), including transactions cleared through a CCP.

In HK\$ millions	As at 30 June 2022					
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – other currencies	–	227	–	74	1,435	27,684
Other sovereign debt	–	–	–	–	27,191	1,479
<b>Total</b>	–	227	–	74	28,626	29,163

##### 9.6 Credit-Related Derivatives Contracts

In HK\$ millions	As at 30 June 2022	
	Protection bought	Protection sold
Notional amounts		
Total return swaps	182	184
<b>Total notional amounts</b>	182	184
Fair values		
Positive fair values (asset)	12	–
Negative fair values (liability)	–	(12)

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 MARKET RISK UNDER STANDARDIZED APPROACH

In HK\$ millions		As at 30 June 2022 RWA <sup>1/</sup>
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	516
2	Equity exposures (general and specific risk)	–
3	Foreign exchange (including gold) exposures	532
4	Commodity exposures	–
	Option exposures	
5	Simplified approach	–
6	Delta-plus approach	1
7	Other approach	–
8	Securitization exposures	–
9	<b>Total</b>	<b>1,049</b>

<sup>1/</sup> The RWA is derived by multiplying the capital requirements by 12.5.

### 11 INTERNATIONAL CLAIMS

Analysis of the Bank's international claims by location and by type of counterparty is as follows:

In HK\$ millions	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
<b>As at 30 June 2022</b>					
Developed countries	16,444	32,777	656	4,438	54,315
Offshore centres, of which	113,813	622	80	62,976	177,491
– Singapore	112,984	5	8	2,798	115,795
– Hong Kong	828	617	72	56,225	57,742
– Others	1	–	–	3,953	3,954
Developing Europe	–	–	–	189	189
Developing Latin America and Caribbean	1	–	–	14	15
Developing Africa and Middle East	106	–	–	51	157
Developing Asia-Pacific, of which	13,309	66	1,284	24,992	39,651
– China	12,193	66	1,284	21,229	34,772
– Others	1,116	–	–	3,763	4,879
International organisations	–	2,582	–	–	2,582
	<b>143,673</b>	<b>36,047</b>	<b>2,020</b>	<b>92,660</b>	<b>274,400</b>



**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**11 INTERNATIONAL CLAIMS (continued)**

In HK\$ millions	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
As at 31 December 2021					
Developed countries	19,819	16,694	–	3,790	40,303
Offshore centres, of which	124,887	603	83	57,935	183,508
– Singapore	124,464	5	–	1,271	125,740
– Hong Kong	408	598	83	52,564	53,653
– Others	15	–	–	4,100	4,115
Developing Europe	–	–	–	211	211
Developing Latin America and Caribbean	2	–	–	13	15
Developing Africa and Middle East	69	–	–	57	126
Developing Asia-Pacific, of which	13,966	76	1,414	20,438	35,894
– China	12,803	76	1,414	17,455	31,748
– Others	1,163	–	–	2,983	4,146
International organisations	–	1,998	–	–	1,998
	<u>158,743</u>	<u>19,371</u>	<u>1,497</u>	<u>82,444</u>	<u>262,055</u>

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 12 LOANS AND ADVANCES TO CUSTOMERS

The Group employs a range of policies and practices to mitigate credit risk, one of which is the taking of collateral. The collateral includes cash, marketable securities, properties, trade receivables, inventory, equipment and other physical and financial collateral.

##### 12.1 Loans and advances to customers by loan usage

The analysis of the Bank's gross advances to customers by loan usage and the corresponding balances covered by collateral are as follows:

In HK\$ millions	As at 30 June 2022		As at 31 December 2021	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Gross loans and advances for use in Hong Kong				
Industrial, commercial and financial				
– Property development	26,036	23,965	20,105	18,407
– Property investment	32,628	30,346	26,006	25,613
– Financial concerns	6,331	4,762	7,143	6,571
– Stockbrokers	–	–	–	–
– Wholesale and retail trade	15,328	11,123	15,240	11,700
– Manufacturing	21,205	15,706	14,095	12,780
– Transport and transport equipment	13,370	10,732	12,910	10,874
– Recreational activities	236	233	240	228
– Information technology	5,801	4,947	4,695	3,996
– Others	11,927	6,724	8,820	6,201
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	37	37	44	44
– Loans for the purchase of other residential properties	26,118	26,116	26,015	26,012
– Credit card advances	8,682	–	8,945	–
– Others	30,834	24,436	30,465	23,901
	198,533	159,127	174,723	146,327
Trade finance (including trade bills)	26,376	1,642	27,628	1,287
Gross loans and advances for use outside Hong Kong	45,521	17,675	40,050	15,268
	<b>270,430</b>	<b>178,444</b>	<b>242,401</b>	<b>162,882</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 12 LOANS AND ADVANCES TO CUSTOMERS (continued)

##### 12.1 Loans and advances to customers by loan usage (continued)

Analysis of impaired advances, impairment allowances for the individual loan usage category which accounted for 10% or more of the Bank's advances to customers:

In HK\$ millions	Impaired advances to customers	Specific allowances	General allowances
<b>As at 30 June 2022</b>			
Property investment	102	8	252
Loans for the purchase of other residential properties	82	–	3
Trade finance	1,066	718	127
Individuals – for other private purposes	36	49	413
Loans for use outside Hong Kong	384	45	48
<b>As at 31 December 2021</b>			
Property investment	115	9	271
Loans for the purchase of other residential properties	103	–	3
Trade finance	1,114	743	115
Individuals – for other private purposes	65	55	393
Loans for use outside Hong Kong	17	49	102

##### 12.2 Loans and advances to customers by geographical area

The analysis of the Bank's gross advances to customers by geographical area is based on the location of the counterparty after taking into account the transfer of risk. In general, transfer of risk applies if the claim is guaranteed by a party in a country which is different from that of the counterparty.

In HK\$ millions	Loans	Trade finance (including trade bills)	Total
<b>As at 30 June 2022</b>			
Hong Kong	217,044	15,451	232,495
Mainland China	17,602	5,231	22,833
Others	9,408	5,694	15,102
	<u>244,054</u>	<u>26,376</u>	<u>270,430</u>
<b>As at 31 December 2021</b>			
Hong Kong	191,653	17,036	208,689
Mainland China	15,252	6,902	22,154
Others	7,868	3,690	11,558
	<u>214,773</u>	<u>27,628</u>	<u>242,401</u>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 12 LOANS AND ADVANCES TO CUSTOMERS (continued)

##### 12.2 Loans and advances to customers by geographical area (continued)

Analysis of impaired advances, impairment allowances for loans and trade finance which accounted for 10% or more of the Bank's gross advances to customers:

In HK\$ millions	Impaired advances to customers	Specific allowances	General allowances
<b>As at 30 June 2022</b>			
Hong Kong	2,527	1,142	2,011
Mainland China	172	131	4
As at 31 December 2021			
Hong Kong	2,234	969	1,961
Mainland China	211	153	4

#### 13 OVERDUE AND RESCHEDULED ASSETS

##### 13.1 Overdue loans and advances to customers

The overdue loans and advances of the Bank are analysed as follows:

In HK\$ millions	As at 30 June 2022		As at 31 December 2021	
	137	0.05	84	0.03
	165	0.06	249	0.10
	1,645	0.61	1,599	0.66
	<u>1,947</u>	<u>0.72</u>	<u>1,932</u>	<u>0.80</u>
Specific allowances made in respect of the above overdue loans and advances	<u>1,195</u>		<u>1,169</u>	
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>907</u>		<u>1,050</u>	
Covered portion of the above overdue loans and advances	<u>783</u>		<u>839</u>	
Uncovered portion of the above overdue loans and advances	<u>1,164</u>		<u>1,093</u>	

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 13 OVERDUE AND RESCHEDULED ASSETS (continued)

##### 13.2 Rescheduled advances

The rescheduled loans and advances of the Bank (excluding those which have been overdue for over three months and reported in section 13.1 above) are analysed as follows:

In HK\$ millions	As at 30 June 2022		As at 31 December 2021	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Rescheduled loans and advances	<u>326</u>	0.12	<u>295</u>	0.12

##### 13.3 Repossessed assets

The Bank does not have repossessed assets as at 30 June 2022 (31 December 2021: Nil).

##### 13.4 Overdue other assets

The overdue other assets of the Bank are analysed as follows:

In HK\$ millions	As at	As at
	30 June 2022	31 December 2021
Six months or less but over three months	–	–
One year or less but over six months	–	–
Over one year	<u>7</u>	<u>7</u>
	<u>7</u>	<u>7</u>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 14 MAINLAND ACTIVITIES

The table below summarises the non-bank Mainland China exposure of the Bank (excluding its Macau Branch), categorised by types of counterparties, which are prepared in accordance with the HKMA return of “Return of Mainland Activities”:

As at 30 June 2022

In HK\$ millions Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	20,074	769	20,843
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,322	650	11,972
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	26,564	4,859	31,423
(d) Other entities of central government not reported in part (a) above	4,648	585	5,233
(e) Other entities of local governments not reported in part (b) above	802	33	835
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	10,894	1,638	12,532
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	15,417	6,346	21,763
<b>Total</b>	<b>89,721</b>	<b>14,880</b>	<b>104,601</b>
<b>Total assets after provision</b>	<b>488,013</b>		
<b>On-balance sheet exposures as percentage of total assets</b>	<b>18.38%</b>		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 14 MAINLAND ACTIVITIES (continued)

As at 31 December 2021

In HK\$ millions Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	13,185	652	13,837
(b) Local governments, local government-owned entities and their subsidiaries and JVs	9,888	891	10,779
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	19,063	4,292	23,355
(d) Other entities of central government not reported in part (a) above	2,944	120	3,064
(e) Other entities of local governments not reported in part (b) above	25	25	50
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	11,247	1,579	12,826
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	14,711	5,552	20,263
Total	<u>71,063</u>	<u>13,111</u>	<u>84,174</u>
Total assets after provision	<u>445,905</u>		
On-balance sheet exposures as percentage of total assets	<u>15.94%</u>		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 15 FOREIGN EXCHANGE EXPOSURES

The table below summarises the Bank's net non-structural and net structural foreign currency positions which are prepared in accordance with the HKMA return of "Foreign Currency Position". The net options position is calculated on the basis of the delta-weighted position of foreign exchange option contracts. Structural foreign exchange positions of the Bank are arising from capital investments outside Hong Kong, mainly in Chinese Renminbi and Macau Pataca.

In HK\$ millions	USD	CNY	CAD	AUD	JPY	GBP	MOP	EUR	CHF	SGD	NZD	Others	Total
As at 30 June 2022													
Spot assets	188,780	18,680	361	2,296	10,841	4,137	532	5,239	1,163	2,819	1,622	3,256	239,726
Spot liabilities	190,679	18,744	3,178	8,897	3,511	6,863	411	5,861	437	2,759	2,117	926	244,383
Forward purchases	74,665	4,540	2,964	7,546	1,526	3,335	-	2,773	1,187	646	761	22	99,965
Forward sales	70,842	4,451	235	939	8,880	676	-	2,073	1,880	705	253	2,339	93,273
Net options position	(7)	-	-	7	-	-	-	-	-	-	-	-	-
Net long/(short) non-structural position	1,917	25	(88)	13	(24)	(67)	121	78	33	1	13	13	2,035
Net structural position	-	246	-	-	-	-	(11)	-	-	-	-	-	235
As at 31 December 2021													
Spot assets	174,203	14,339	353	2,934	11,770	3,127	635	5,634	1,016	2,263	1,971	2,811	221,056
Spot liabilities	(184,604)	(18,928)	(3,207)	(10,551)	(3,320)	(5,568)	(520)	(6,339)	(489)	(2,277)	(1,783)	(1,251)	(238,837)
Forward purchases	46,958	7,019	2,842	7,890	1,266	3,240	-	1,588	990	593	156	1	72,543
Forward sales	(36,838)	(2,394)	(68)	(243)	(9,537)	(870)	-	(808)	(1,457)	(602)	(337)	(1,565)	(54,719)
Net options position	-	1	-	(1)	-	-	-	-	-	-	-	-	-
Net long/(short) non-structural position	(281)	37	(80)	29	179	(71)	115	75	60	(23)	7	(4)	43
Net structural position	-	257	-	-	-	-	(9)	-	-	-	-	-	248



## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **16 LIQUIDITY**

##### **16.1 Liquidity Coverage Ratio**

The Bank complies with the minimum requirement of Liquidity Coverage Ratio (“LCR”) on a daily basis, in accordance with the Banking (Liquidity) Rules issued by the HKMA. The Bank is required to maintain an LCR of not less than 100%.

LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (“HQLA”) to meet its liquidity needs for a 30-calendar day liquidity stress scenario. Banking (Liquidity) Rules stipulates the range of liquid assets that qualify as HQLA, as well as the applicable haircuts for each category. Net cash outflows are computed using the standardized 30-day cash flow rates defined in the same notice. The amounts after the application of haircuts or 30-day cash flow rates are reflected in the “Weighted value” column of the tables below.

The Bank seeks to ensure that its LCR remains above the specified regulatory minimum requirements. This is achieved by:

1. Establishing internal early warning triggers and thresholds based on observed movements in LCR over time;
2. Monitoring and managing the LCR closely to ensure it stays within established boundaries; and
3. Strategically managing the liquidity risk arising from the balance sheet structure.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 16 LIQUIDITY (continued)

#### 16.1 Liquidity Coverage Ratio (continued)

Table: Average LCR for the quarter ended 30 June 2022

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 30 June 2022: (71)		In HK\$ millions	
		Unweighted value (average)	Weighted value (average)
Basis of disclosure: unconsolidated			
<b>A. HQLA</b>			
1	Total HQLA		80,187
<b>B. Cash Outflows</b>			
2	Retail deposits and small business funding, of which:	199,001	17,254
3	<i>Stable retail deposits and stable small business funding</i>	11,928	358
4	<i>Less stable retail deposits and less stable small business funding</i>	150,849	15,085
4a	<i>Retail term deposits and small business term funding</i>	36,224	1,811
5	Unsecured wholesale funding (other than small business funding), debt securities and prescribed instruments issued by the AI, of which:	168,632	94,377
6	<i>Operational deposits</i>	13,304	2,893
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	154,822	90,978
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	506	506
9	Secured funding transactions (including securities swap transactions)		–
10	Additional requirements, of which:	30,301	3,649
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	622	622
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	–	–
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	29,679	3,027
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	1,376	1,376
15	Other contingent funding obligations (whether contractual or non-contractual)	182,257	634
16	<b>Total Cash Outflows</b>		117,290
<b>C. Cash Inflows</b>			
17	Secured lending transactions (including securities swap transactions)	21,461	–
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	139,970	67,751
19	Other cash inflows	2,346	2,177
20	<b>Total Cash Inflows</b>	163,777	69,928
<b>D. Liquidity Coverage Ratio</b>		<b>Adjusted value</b>	
21	<b>Total HQLA</b>		80,187
22	<b>Total Net Cash Outflows</b>		47,362
23	<b>LCR (%)</b>		171.0

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **16 LIQUIDITY (continued)**

##### **16.1 Liquidity Coverage Ratio (continued)**

The Bank has maintained a healthy liquidity position in the second quarter of 2022, with LCR being well above regulatory requirement. Quarter-on-quarter, the Bank increased holding of HQLA which had led to the increase of average LCR.

##### **(i) Composition of High Quality Liquid Assets**

The Bank holds a pool of unencumbered HQLAs that is readily available to meet cash flow obligations under stress scenarios, as defined in the LCR rules. These liquid assets consist predominantly of Level 1 HQLA, including mainly Hong Kong exchange fund bills and notes, other government debt securities and balances with central banks. This is supplemented by covered bonds issued by reputable financial institutions.

##### **(ii) Concentration of funding sources**

The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Customer deposits form a sound funding base and serve as the main source of funding for the Bank. It is complemented by a well-diversified book of wholesale funding, including but not limited to interbank money market borrowing and the issuance of certificates of deposit. For more information on the Bank's funding strategy, please refer to section 20.1.3 of annual regulatory disclosure for the year ended 31 December 2021.

##### **(iii) Derivatives exposures**

The Bank actively manages its over-the-counter ("OTC") and exchange-traded derivative contracts, which comprise mainly of currency, interest rate and bond futures, foreign exchange forwards, interest rate and cross currency swaps, and foreign exchange options. Collaterals may be required to be posted to counterparties and/or the exchanges, depending on the daily mark-to-market of these derivative positions. The Bank's largest counterparty for OTC derivatives is its parent company.

##### **(iv) Currency mismatch**

Customer deposit in Hong Kong, largely denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD"), is a major funding source for the Bank. The Bank make appropriate use of swap markets for the deployment of surplus funds to meet customer demand for loans.

##### **(v) Centralisation of liquidity management**

The Bank seeks to manage its liquidity in a prudent manner to ensure that its liquidity obligations would always be honored under normal and adverse circumstances. The Bank centrally manages its liquidity position and provides funding support to its overseas branch for the lending growth.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 16 LIQUIDITY (continued)

#### 16.2 Net Stable Funding Ratio

The Bank maintains a healthy liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base. The NSFR remains well above the regulatory minimum requirement of 100%.

The Bank seeks to ensure that its NSFR remains above the specified regulatory minimum requirements, which is achieved by:

1. Monitoring the NSFR closely against an internal early warning trigger; and
2. Managing and developing strategies to build a diversified funding base with access to funding sources across retail and wholesale channels.

Table 1: NSFR for the quarter ended 30 June 2022

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
<b>A. Available stable funding ("ASF") item</b>						
1	Capital:	42,725	4,236	–	1,400	44,125
2	<i>Regulatory capital</i>	42,725	4,236	–	1,400	44,125
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	195,861	7,096	12	183,296
5	<i>Stable deposits</i>		12,342	118	–	11,836
6	<i>Less stable deposits</i>		183,519	6,978	12	171,460
7	Wholesale funding:	–	197,886	8,694	1,835	75,611
8	<i>Operational deposits</i>		13,273	–	–	6,637
9	<i>Other wholesale funding</i>	–	184,613	8,694	1,835	68,974
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	23,713	3,808	1,500	–	750
12	<i>Net derivative liabilities</i>	2,735				
13	<i>All other funding and liabilities not included in the above categories</i>	20,978	3,808	1,500	–	750
14	<b>Total ASF</b>					303,782
15	Total HQLA for NSFR purposes	691	35,943	1,359	41,205	3,664
16	Deposits held at other financial institutions for operational purposes	–	369	–	–	184
17	Performing loans and securities:	14,775	213,231	18,730	151,463	223,137
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	27,673	–	–	2,767

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**
**REGULATORY DISCLOSURES**
**16 LIQUIDITY (continued)**
**16.2 Net Stable Funding Ratio (continued)**

Table 1: NSFR for the quarter ended 30 June 2022 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	81	77,936	3,043	27,925	41,218
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	14,694	106,389	14,747	92,355	151,560
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	1,233	940	30,221	26,774
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	–	–	962	818
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	11,796	1,676	8	1,801	10,092
27	<i>Physical traded commodities, including gold</i>	–	–	–	–	–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–	–	–	–	–
29	<i>Net derivative assets</i>	–	–	–	–	–
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	4,449	–	–	–	222
31	<i>All other assets not included in the above categories</i>	7,347	1,676	8	1,801	9,870
32	Off-balance sheet items	–	213,587	–	–	1,396
33	<b>Total RSF</b>	–	–	–	–	238,473
34	<b>Net Stable Funding Ratio (%)</b>	–	–	–	–	127.4

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**
**REGULATORY DISCLOSURES**
**16 LIQUIDITY (continued)**
**16.2 Net Stable Funding Ratio (continued)**

Table 2: NSFR for the quarter ended 31 March 2022

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
<b>A. Available stable funding ("ASF") item</b>						
1	Capital:	42,888	–	5,628	–	45,702
2	<i>Regulatory capital</i>	42,888	–	5,628	–	45,702
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	191,638	3,276	90	176,139
5	<i>Stable deposits</i>		12,494	49	2	11,917
6	<i>Less stable deposits</i>		179,144	3,227	88	164,222
7	Wholesale funding:	–	193,856	7,024	1,794	74,976
8	<i>Operational deposits</i>		14,242	–	–	7,121
9	<i>Other wholesale funding</i>	–	179,614	7,024	1,794	67,855
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	27,723	2,677	200	–	100
12	<i>Net derivative liabilities</i>	1,731				
13	<i>All other funding and liabilities not included in the above categories</i>	25,992	2,677	200	–	100
14	<b>Total ASF</b>					296,917
15	Total HQLA for NSFR purposes	723	35,254	61	34,260	3,472
16	Deposits held at other financial institutions for operational purposes	–	471	–	–	236
17	Performing loans and securities:	14,155	205,633	19,079	156,408	225,687
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	17,978	–	–	1,798
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	89	86,864	5,776	39,552	55,559
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	14,066	99,515	12,334	85,622	140,659

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 16 LIQUIDITY (continued)

#### 16.2 Net Stable Funding Ratio (continued)

Table 2: NSFR for the quarter ended 31 March 2022 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	1,276	969	30,230	26,818
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	–	–	1,004	853
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	10,264	1,936	13	1,819	10,031
27	<i>Physical traded commodities, including gold</i>	–				–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–				–
29	<i>Net derivative assets</i>	–				–
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	2,948				147
31	<i>All other assets not included in the above categories</i>	7,316	1,936	13	1,819	9,884
32	Off-balance sheet items		209,217	–	–	1,482
33	<b>Total RSF</b>					240,908
34	<b>Net Stable Funding Ratio (%)</b>					123.2

The NSFR remained well above the regulatory requirement in the first half of 2022. Compared to previous quarter, the NSFR as of end 2Q 2022 increased mainly due to increase in retail deposits.

The NSFR is sensitive to (i) balance sheet movements resulting from commercial loan and deposit activities, and (ii) movements due to positions falling into the NSFR 1-year tenor.

There are no interdependent assets and liabilities as of end 1Q and 2Q 2022.

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **16 LIQUIDITY (continued)**

##### **16.3 Approach to Liquidity Management**

The Bank's approach to liquidity risk management is based on the building blocks of governance by risk committees' oversight, policies that define overarching principles and specific risk methodologies, and standards that establish the detailed requirements. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. For more information on the Bank's approach to liquidity risk management, please refer to section 20.1 of annual regulatory disclosure for the year ended 31 December 2021.



# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 17 ABBREVIATIONS

<b>Abbreviations</b>	<b>Brief Description</b>
AI	Authorised Institutions
ASF	Available Stable Funding
AT1	Additional Tier 1
BCR	Banking (Capital) Rules
BLR	Banking (Liquidity) Rules
BSC	Basic Approach
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CF	Commodities Finance
CFR	Core Funding Ratio
CIS	Collective Investment Scheme
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Authorized Institution
DTAs	Deferred Tax Assets
EAD	Exposure At Default
ECL	Expected Credit Loss
EL	Expected Loss
EPE	Expected Positive Exposure
FBA	Fall-Back Approach
G-SIB	Global Systemically Important Authorized Institution
HKMA	Hong Kong Monetary Authority
HQLA	High Quality Liquid Assets
HVCRE	High-volatility Commercial Real Estate
IAA	Internal Assessment Approach
IMM	Internal Models Method
IMM (CCR)	Internal Models Method (Counterparty Credit Risk)
IPRE	Income-producing Real Estate

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 17 ABBREVIATIONS (continued)

<b>Abbreviations</b>	<b>Brief Description</b>
IRB	Internal Ratings-Based
JCCyB	Jurisdictional Countercyclical Capital Buffer
LAC	Loss-absorbing Capacity
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look Through Approach
MBA	Mandate-based Approach
MSRs	Mortgage Servicing Rights
NA	Not Applicable
NSFR	Net Stable Funding Ratio
OF	Object Finance
OTC	Over-the-Counter
PD	Probability of Default
PF	Project Finance
PFE	Potential Future Exposure
PSE	Public Sector Entity
PVA	Prudent Valuation Adjustments
RSF	Required Stable Funding
RWA	Risk Weighted Assets
SA-CCR	Standardized (Counterparty Credit Risk)
SEC-IRBA	Securitization Internal Ratings-Based Approach
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SEC-FBA	Securitization Fall-back Approach
SFT	Securities Financing Transaction
SRW	Supervisory Risk Weights
STC	Standardized (Credit Risk)
STM	Standardized (Market Risk)
VaR	Value-at-risk