

Dah Sing Bank, Limited

Regulatory Disclosure Statement

For the interim period ended 30 June 2017
(Unaudited)

These disclosures are prepared under
the Banking (Disclosure) Rules

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

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A. Purpose and Basis of Consolidation

The information contained in this Regulatory Disclosure Statement (the “Statement”) is for Dah Sing Bank, Limited (the “Bank”) and its subsidiaries (together the “Group”) to comply with the Banking (Disclosure) Rules (Cap. 155M) and does not constitute statutory financial statements.

While the Statement is not required to be subject to external audit, it has been reviewed and verified within the Bank in accordance with the Group’s governance processes over financial reporting and policies on disclosures.

Except where indicated otherwise, the financial information contained in this Statement has been prepared on the basis of regulatory scope of consolidation specified by the Hong Kong Monetary Authority (“HKMA”) to the Bank. The subsidiaries of the Bank which are excluded from the regulatory scope of consolidation are set out in paragraph 1.2 of Section B below.

B. Composition of capital

The tables below summarise the ratios and the composition of regulatory capital of the Bank. All the information presented below is unaudited.

The Bank complied with all of the externally imposed capital requirements set by the HKMA.

1.1 Capital adequacy ratio

	As at 30 June 2017	As at 31 December 2016
Capital adequacy ratio		
- Common Equity Tier 1	13.1%	12.7%
- Tier 1	13.1%	12.7%
- Total	17.8%	18.3%

The capital adequacy ratio as at 30 June 2017 and 31 December 2016 represents the consolidated ratio of the Bank computed on Basel III basis in accordance with the Banking (Capital) Rules (the “Rules”) and the transitional arrangement set out therein.

In the calculation of the consolidated capital adequacy ratios, the Bank and those subsidiaries consolidated in the calculation as set out in Note 1.2 below have adopted the standardised (credit risk) approach for the calculation of the risk-weighted amount for credit risk. The Bank and its subsidiaries have adopted the basic indicator approach for the calculation of the risk-weighted amount for operational risk, and the standardised (market risk) approach for the calculation of the risk-weighted amount for market risk.

Only the Bank is subject to the minimum capital adequacy requirement under the Hong Kong Banking Ordinance. Banco Comercial de Macau, S.A. (“BCM”) is subject to Macau banking regulations and Dah Sing Bank (China) Limited (“DSB China”) is subject to China banking regulations.

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B. Composition of capital (Continued)

1.2 Subsidiaries included under the regulatory scope of consolidation

The following is a full list of the Bank's subsidiaries and the total amount of assets and equity of each of these subsidiaries as at 30 June 2017 and 31 December 2016.

For financial reporting purposes, all the subsidiaries have been consolidated in the financial disclosure statement. The subsidiaries which are excluded from the regulatory scope of consolidation are specified with explanatory notes provided below.

HK\$'000

Name of subsidiary	Principal activity	Note	As at 30 June 2017		As at 31 December 2016	
			Total assets	Total equity	Total assets	Total equity
Included in the regulatory scope of consolidation						
Banco Comercial de Macau, S.A.	Banking		19,717,870	2,804,146	19,724,512	2,738,080
Dah Sing Bank (China) Limited	Banking		10,303,773	1,250,528	10,744,020	1,207,716
Dah Sing Properties Limited	Investment holding		-	(14,834)	-	(14,834)
DSB BCM (1) Limited	Investment holding		-	-	-	-
DSB BCM (2) Limited	Investment holding		-	-	-	-
OK Finance Limited	Money lending		562,074	61,977	575,595	47,670
Pacific Finance (Hong Kong) Limited	Inactive		461,312	460,798	478,704	478,189
Vanishing Border Investment Services Limited	Property investment		-	(1,650)	-	(1,628)
Dah Sing Insurance Brokers Limited	Insurance broking		33,723	7,049	21,536	16,523
Dah Sing Nominees Limited	Nominee services		100	100	100	100
Talent Union Holding Limited *	Property investment		49,497	32,113	49,180	31,731
Excluded from the regulatory scope of consolidation						
Dah Sing Computer Systems Limited	Inactive	(b)	-	-	-	-
Dah Sing Securities Limited	Securities dealing	(a)	160,577	145,188	177,469	132,515
DSL1 (1) Limited	Inactive	(b)	-	-	-	-
Shinning Bloom Investments Limited	Inactive	(b)	-	-	-	-
Wise Measure Limited	Property investment	(b)	-	-	-	-
CWL Prosper Limited (formerly known as "Channel Winner Limited")	Property investment	(b)	-	(93)	-	(93)
Reliable Associates Limited	Property investment	(b)	-	-	-	-

* Acquired as wholly owned subsidiary of the Bank on 4 August 2016.

Note:

(a) Subsidiaries within the category of "financial sector entities" as defined by the Rules.

In calculating the consolidated capital adequacy ratio as at 30 June 2017 and 31 December 2016 under the Basel III basis, the portion of the aggregate significant investments in Common Equity Tier 1 capital instrument issued by financial sector entities not subject to regulatory consolidation and exceeded the 10% concessionary threshold was deducted from capital base. The amount within the 10% concessionary threshold was risk-weighted.

(b) Subsidiaries engaged in property investment or are inactive.

In calculating the consolidated capital adequacy ratio as at 30 June 2017 and 31 December 2016 under the Basel III basis, the Bank risk-weighted the cost of investments in these subsidiaries and did not deduct the investment costs from its capital base on the basis that the total cost of investment does not exceed 15% of the Bank's capital base as at the immediately preceding calendar quarter-end date.

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements

The capital base used in the calculation of the above consolidated capital adequacy ratios and reported to the HKMA is analysed below. The capital base as at 30 June 2017 and 31 December 2016 is calculated on Basel III basis in accordance with the Rules and transitional arrangement set out therein.

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement

HK\$'000

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying Common Equity Tier 1 capital instruments plus any related share premium	6,200,000		g h i
2	Retained earnings	13,093,008		
3	Disclosed reserves	1,555,897		
4	<i>Directly issued capital subject to phase out from Common Equity Tier 1 capital (only applicable to non-joint stock companies)</i>	Not applicable		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	Not applicable		
5	Minority interests arising from Common Equity Tier 1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Common Equity Tier 1 capital of the consolidation group)	-		
6	Common Equity Tier 1 capital before regulatory deductions	20,848,905		
Common Equity Tier 1 capital: regulatory deductions				
7	Valuation adjustments	-		b c e(i)-e(ii)
8	Goodwill (net of associated deferred tax liability)	811,690		
9	Other intangible assets (net of associated deferred tax liability)	58,446	-	
10	Deferred tax assets net of deferred tax liabilities	70,214	-	
11	Cash flow hedge reserve	-	-	
12	Excess of total EL amount over total eligible provisions under the Internal Ratings-based (“IRB”) approach	-	-	
13	Gain-on-sale 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 Common Equity Tier 1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	-	
17	Reciprocal cross-holdings in Common Equity Tier 1 capital instruments	-	-	

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-BaseI III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
18	Insignificant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
19	Significant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to Common Equity Tier 1 capital	1,933,968		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	594,686		d(i)+d(ii)
26b	Regulatory reserve for general banking risks	1,335,930		j
26c	Debit valuation adjustments in respect of derivative contracts	3,352		-1
27	Regulatory deductions applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 capital and Tier 2 capital to cover deductions	-		
28	Total regulatory deductions to Common Equity Tier 1 capital	2,874,318		
29	Common Equity Tier 1 capital	17,974,587		
Additional Tier 1 capital: instruments				
30	Qualifying Additional Tier 1 capital instruments plus any related share premium	-		
31	of which: classified as equity under applicable accounting standards	-		
32	of which: classified as liabilities under applicable accounting standards	-		
33	Capital instruments subject to phase out arrangements from Additional Tier 1 capital	-		
34	Additional Tier 1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Additional Tier 1 capital of the consolidation group)	-		
35	of which: Additional Tier 1 capital instruments issued by subsidiaries subject to phase out arrangements	-		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
36	Additional Tier 1 capital before regulatory deductions	-		
Additional Tier 1 capital: regulatory deductions				
37	Investments in own Additional Tier 1 capital instruments	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 capital instruments	-	-	
39	Insignificant capital investments in Additional Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
40	Significant capital investments in Additional Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
41	National specific regulatory adjustments applied to Additional Tier 1 capital	-		
42	Regulatory deductions applied to Additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-		
43	Total regulatory deductions to Additional Tier 1 capital	-		
44	Additional Tier 1 capital	-		
45	Tier 1 capital (Tier 1 = CET1 + AT1)	17,974,587		
Tier 2 capital: instruments and provisions				
46	Qualifying Tier 2 capital instruments plus any related share premium	3,686,921		} f
47	Capital instruments subject to phase out arrangements from Tier 2 capital	878,085		
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	of which : capital instruments issued by subsidiaries subject to phase out arrangements	-		
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,578,229		
51	Tier 2 capital before regulatory deductions	6,143,235		-a+k

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
Tier 2 capital: regulatory deductions				
52	Investments in own Tier 2 capital instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	-	-	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
56	National specific regulatory adjustments applied to Tier 2 capital	(267,609)		
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	(267,609)		
57	Total regulatory deductions to Tier 2 capital	(267,609)		
58	Tier 2 capital	6,410,844		
59	Total capital (Total capital = Tier 1 + Tier 2)	24,385,431		
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment			
i	of which: Mortgage servicing rights	-		
ii	of which: Defined benefit pension fund net assets	-		
iii	of which: Investments in own Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments	-		
iv	of which: Capital investment in a connected company which is a commercial entity	-		
v	of which: Insignificant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
vi	of which: Significant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		

[d(i)+d(ii)] x
45%

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
60	Total risk weighted assets	136,870,642		
Capital ratios (as a percentage of risk weighted assets)				
61	Common Equity Tier 1 capital ratio	13.1 %		
62	Tier 1 capital ratio	13.1 %		
63	Total capital ratio	17.8 %		
64	Institution specific buffer requirement (minimum Common Equity Tier 1 capital requirement as specified in s.3A, or s. 3B, as the case requires, of the Banking (Capital) Rules plus capital conservation buffer plus countercyclical buffer requirements plus Global Systematically Important Banks ("G-SIB") or Domestic Systematically Important Banks ("D-SIB") requirements)	6.7 %		
65	<i>of which: capital conservation buffer requirement</i>	1.3 %		
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.9 %		
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	-		
68	<i>Common Equity Tier 1 capital surplus over the minimum Common Equity Tier 1 requirement and any Common Equity Tier 1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s. 3B, as the case requires, of the Banking (Capital) Rules</i>	7.1 %		
National minima (if different from Basel III minimum)				
69	National Common Equity Tier 1 minimum ratio	Not applicable		
70	National Tier 1 minimum ratio	Not applicable		
71	National Total capital minimum ratio	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)				
72	Insignificant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	311,822		
73	Significant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	1,234,230		
74	Mortgage servicing rights (net of related tax liability)	Not applicable		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable		
Applicable caps on the inclusion of provisions in Tier 2 capital				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	1,771,678		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.2
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	1,578,229		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	Not applicable		
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	Not applicable		
Capital instruments subject to phase-out arrangements				
80	Current cap on Common Equity Tier 1 capital instruments subject to phase out arrangements	Not applicable		
81	Amount excluded from Common Equity Tier 1 due to cap (excess over cap after redemptions and maturities)	Not applicable		
82	Current cap on Additional Tier 1 capital instruments subject to phase out arrangements	-		
83	Amount excluded from Additional Tier 1 capital due to cap (excess over cap after redemptions and maturities)	-		
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	878,085		
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	878,085		

Footnotes:

* This refers to the position under the Banking (Capital) Rules in force up to 31 December 2012.

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Notes 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:

HK\$'000

Row No.	Description	Hong Kong basis	Basel III basis
	Other intangible assets (net of associated deferred tax liability)	58,446	58,446
9	<p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) 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 follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, 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>		
	Deferred tax assets net of deferred tax liabilities	70,214	-
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 that rely on future profitability 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 MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Notes to the template (Continued)

Row No.	Description	Hong Kong basis	Basel III basis
	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
18	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
19	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.1 Position as at 30 June 2017 under Basel III basis with transitional arrangement (Continued)

Notes to the template (Continued)

Row No.	Description	Hong Kong basis	Basel III basis
	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
39	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-
54	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

Remarks:

The amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.2 Reconciliation of regulatory capital elements as at 30 June 2017 back to the Bank's financial statements

As at 30 June 2017

HK\$'000

	Statement of Consolidated Financial Position as in published financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components in Note 1.3.1
Assets			
Cash and balances with banks and other financial institutions	12,989,689	12,989,689	
Placements with banks and other financial institutions maturing between one and twelve months	11,369,561	11,369,561	
Trading securities	8,971,786	8,971,786	
Derivative financial instruments	570,362	570,362	
Financial assets at fair value through profit or loss	355,764	355,764	
Advances and other accounts	124,285,498	124,261,825	
<i>of which: collective impairment provisions</i>		<i>(463,546)</i>	a
Available-for-sale securities	34,871,538	34,871,090	
Held-to-maturity securities	7,477,166	7,477,166	
Investments in subsidiaries	-	1,319	
Investments in associated companies	4,708,939	1,213,057	
Investments in jointly controlled entities	84,610	20,000	
Goodwill	811,690	811,690	b
Intangible assets	58,446	58,446	c
Furniture and equipment	423,060	422,677	
Investment properties	964,449	964,449	
<i>of which: cumulative fair value gains arising from the revaluation of land and buildings</i>		<i>361,586</i>	d(i)
Bank premises	2,563,934	2,563,934	
<i>of which: cumulative fair value gains arising from the revaluation of land and buildings</i>		<i>233,100</i>	d(ii)
Deferred income tax assets	72,551	72,551	
<i>of which: attributable to entities with net deferred income tax assets</i>		<i>72,551</i>	e(i)
Total assets	210,579,043	206,995,366	

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.2 Reconciliation of regulatory capital elements as at 30 June 2017 back to the Bank's financial statements (Continued)

As at 30 June 2017 (Continued)

	Statement of Consolidated Financial Position as in published financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components in Note 1.3.1
Liabilities			
Deposits from banks and other financial institutions	2,217,141	2,217,141	
Derivative financial instruments	616,002	616,002	
<i>of which: debit valuation adjustments</i>		(3,352)	l
Trading Liabilities	7,856,209	7,856,209	
Deposits from customers	157,929,929	158,066,061	
Certificates of deposit issued	6,203,507	6,203,507	
Subordinated notes	5,550,148	5,550,148	
<i>of which: subordinated debt eligible for inclusion in regulatory capital</i>		4,565,006	f
Other accounts and accruals	5,281,941	5,266,693	
Current income tax liabilities	257,434	239,434	
Deferred income tax liabilities	131,412	131,265	
<i>of which: attributable to entities with net deferred income tax assets</i>		(2,337)	e(ii)
Total liabilities	186,043,723	186,146,460	
Shareholders' Equity			
Share capital	6,200,000	6,200,000	g
Retained earnings	16,903,740	13,093,010	h
Other reserves	1,431,580	1,555,896	i
<i>of which: regulatory reserve for general banking risks</i>		1,335,930	j
<i>of which: regulatory reserve eligible for inclusion in Tier 2 capital</i>		1,118,278	k
Total shareholders' equity	24,535,320	20,848,906	

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement

HK\$'000

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying Common Equity Tier 1 capital instruments plus any related share premium	6,200,000		g h i
2	Retained earnings	12,636,258		
3	Disclosed reserves	1,303,934		
4	<i>Directly issued capital subject to phase out from Common Equity Tier 1 capital (only applicable to non-joint stock companies)</i>	Not applicable		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>	Not applicable		
5	Minority interests arising from Common Equity Tier 1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Common Equity Tier 1 capital of the consolidation group)	-		
6	Common Equity Tier 1 capital before regulatory deductions	20,140,192		
Common Equity Tier 1 capital: regulatory deductions				
7	Valuation adjustments	-		b c e(i)-e(ii)
8	Goodwill (net of associated deferred tax liability)	811,690		
9	Other intangible assets (net of associated deferred tax liability)	58,640	-	
10	Deferred tax assets net of deferred tax liabilities	70,251	-	
11	Cash flow hedge reserve	-	-	
12	Excess of total EL amount over total eligible provisions under the Internal Ratings-based (“IRB”) approach	-	-	
13	Gain-on-sale 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 Common Equity Tier 1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	-	
17	Reciprocal cross-holdings in Common Equity Tier 1 capital instruments	-	-	

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
18	Insignificant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
19	Significant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
20	Mortgage servicing rights (amount above 10% threshold)	Not applicable		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	Not applicable		
22	Amount exceeding the 15% threshold	Not applicable		
23	of which: significant investments in the common stock of financial sector entities	Not applicable		
24	of which: mortgage servicing rights	Not applicable		
25	of which: deferred tax assets arising from temporary differences	Not applicable		
26	National specific regulatory adjustments applied to Common Equity Tier 1 capital	1,997,024		
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	594,686		
26b	Regulatory reserve for general banking risks	1,398,280		
26c	Debit valuation adjustments in respect of derivative contracts	4,058		
27	Regulatory deductions applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 capital and Tier 2 capital to cover deductions	-		
28	Total regulatory deductions to Common Equity Tier 1 capital	2,937,605		
29	Common Equity Tier 1 capital	17,202,587		
Additional Tier 1 capital: instruments				
30	Qualifying Additional Tier 1 capital instruments plus any related share premium	-		
31	of which: classified as equity under applicable accounting standards	-		
32	of which: classified as liabilities under applicable accounting standards	-		
33	Capital instruments subject to phase out arrangements from Additional Tier 1 capital	-		
34	Additional Tier 1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Additional Tier 1 capital of the consolidation group)	-		
35	of which: Additional Tier 1 capital instruments issued by subsidiaries subject to phase out arrangements	-		

d(i)+d(ii)
j
-1

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
36	Additional Tier 1 capital before regulatory deductions	-		
Additional Tier 1 capital: regulatory deductions				
37	Investments in own Additional Tier 1 capital instruments	-	-	
38	Reciprocal cross-holdings in Additional Tier 1 capital instruments	-	-	
39	Insignificant capital investments in Additional Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
40	Significant capital investments in Additional Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
41	National specific regulatory adjustments applied to Additional Tier 1 capital	-		
42	Regulatory deductions applied to Additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-		
43	Total regulatory deductions to Additional Tier 1 capital	-		
44	Additional Tier 1 capital	-		
45	Tier 1 capital (Tier 1 = CET1 + AT1)	17,202,587		
Tier 2 capital: instruments and provisions				
46	Qualifying Tier 2 capital instruments plus any related share premium	3,663,019		} f
47	Capital instruments subject to phase out arrangements from Tier 2 capital	2,026,350		
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	of which : capital instruments issued by subsidiaries subject to phase out arrangements	-		
50	Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,558,138		
51	Tier 2 capital before regulatory deductions	7,247,507		-a+k

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross- referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
Tier 2 capital: regulatory deductions				
52	Investments in own Tier 2 capital instruments	-	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments	-	-	
54	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
55	Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-	
56	National specific regulatory adjustments applied to Tier 2 capital	(267,609)		
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	(267,609)		
57	Total regulatory deductions to Tier 2 capital	(267,609)		
58	Tier 2 capital	7,515,116		
59	Total capital (Total capital = Tier 1 + Tier 2)	24,717,703		
59a	Deduction items under Basel III which during transitional period remain subject to risk-weighting, based on pre-Basel III treatment			
i	of which: Mortgage servicing rights	-		
ii	of which: Defined benefit pension fund net assets	-		
iii	of which: Investments in own Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments	-		
iv	of which: Capital investment in a connected company which is a commercial entity	-		
v	of which: Insignificant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		
vi	of which: Significant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-		

[d(i)+d(ii)] x
45%

Dah Sing Bank, Limited

Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
60	Total risk weighted assets	135,336,273		
Capital ratios (as a percentage of risk weighted assets)				
61	Common Equity Tier 1 capital ratio	12.7%		
62	Tier 1 capital ratio	12.7%		
63	Total capital ratio	18.3%		
64	Institution specific buffer requirement (minimum Common Equity Tier 1 capital requirement as specified in s.3A, or s. 3B, as the case requires, of the Banking (Capital) Rules plus capital conservation buffer plus countercyclical buffer requirements plus Global Systematically Important Banks ("G-SIB") or Domestic Systematically Important Banks ("D-SIB") requirements)	5.6%		
65	<i>of which: capital conservation buffer requirement</i>	0.6%		
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.5%		
67	<i>of which: G-SIB or D-SIB buffer requirement</i>	-		
68	<i>Common Equity Tier 1 capital surplus over the minimum Common Equity Tier 1 requirement and any Common Equity Tier 1 capital used to meet the Tier 1 and Total capital requirement under s.3A, or s. 3B, as the case requires, of the Banking (Capital) Rules</i>	6.7%		
National minima (if different from Basel III minimum)				
69	National Common Equity Tier 1 minimum ratio	Not applicable		
70	National Tier 1 minimum ratio	Not applicable		
71	National Total capital minimum ratio	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)				
72	Insignificant capital investments in Common Equity Tier 1 capital instruments, Additional Tier 1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	925,131		
73	Significant capital investments in Common Equity Tier 1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	1,234,230		
74	Mortgage servicing rights (net of related tax liability)	Not applicable		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	Not applicable		
Applicable caps on the inclusion of provisions in Tier 2 capital				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap)	1,834,028		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Transition Disclosures Template			Amounts subject to pre-Basel III treatment*	Cross-referenced to expanded Consolidated Statement of Financial Position in Note 1.3.4
77	Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach	1,558,138		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap)	Not applicable		
79	Cap for inclusion of provisions in Tier 2 under the IRB approach	Not applicable		
Capital instruments subject to phase-out arrangements				
80	Current cap on Common Equity Tier 1 capital instruments subject to phase out arrangements	Not applicable		
81	Amount excluded from Common Equity Tier 1 due to cap (excess over cap after redemptions and maturities)	Not applicable		
82	Current cap on Additional Tier 1 capital instruments subject to phase out arrangements	-		
83	Amount excluded from Additional Tier 1 capital due to cap (excess over cap after redemptions and maturities)	-		
84	Current cap on Tier 2 capital instruments subject to phase out arrangements	2,026,350		
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	1,350,900		

Footnotes:

* This refers to the position under the Banking (Capital) Rules in force up to 31 December 2012.

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Notes 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:

HK\$'000

Row No.	Description	Hong Kong basis	Basel III basis
	Other intangible assets (net of associated deferred tax liability)	58,640	58,640
9	<p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (MSRs) 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 follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, 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>		
	Deferred tax assets net of deferred tax liabilities	70,251	-
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 that rely on future profitability 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 MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III.</p>		

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Notes to the template (Continued)

Row No.	Description	Hong Kong basis	Basel III basis
	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
18	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
19	<p><u>Explanation</u></p> <p>For the purpose of determining the total amount of significant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the Monetary Authority that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business.</p> <p>Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.3 Position as at 31 December 2016 under Basel III basis with transitional arrangement (Continued)

Notes to the template (Continued)

Row No.	Description	Hong Kong basis	Basel III basis
	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
39	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
	Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	-
54	<p><u>Explanation</u></p> <p>The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant capital investments in Tier 2 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

Remarks:

The amount of the 10% / 15% thresholds mentioned above is calculated based on the amount of CET1 capital determined under the Banking (Capital) Rules.

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.4 Reconciliation of regulatory capital elements as at 31 December 2016 back to the Bank's financial statements

As at 31 December 2016

HK\$'000

	Statement of Consolidated Financial Position as in published financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components in Note 1.3.3
Assets			
Cash and balances with banks and other financial institutions	15,057,913	15,057,913	
Placements with banks and other financial institutions maturing between one and twelve months	8,430,854	8,430,854	
Trading securities	8,871,844	8,871,844	
Derivative financial instruments	1,177,322	1,177,322	
Financial assets at fair value through profit or loss	21,137	21,137	
Advances and other accounts	120,087,742	120,024,149	
<i>of which: collective impairment provisions</i>		<i>(435,748)</i>	a
Available-for-sale securities	32,739,161	32,738,634	
Held-to-maturity securities	10,223,840	10,223,840	
Investments in subsidiaries	-	1,338	
Investments in associated companies	4,253,393	1,213,057	
Investments in jointly controlled entities	75,412	20,000	
Goodwill	811,690	811,690	b
Intangible assets	58,640	58,640	c
Furniture and equipment	415,540	415,100	
Investment properties	964,449	964,449	
<i>of which: cumulative fair value gains arising from the revaluation of land and buildings</i>		<i>361,586</i>	d(i)
Bank premises	2,589,567	2,589,567	
<i>of which: cumulative fair value gains arising from the revaluation of land and buildings</i>		<i>233,100</i>	d(ii)
Deferred income tax assets	68,286	68,286	
<i>of which: attributable to entities with net deferred income tax assets</i>		<i>68,286</i>	e(i)
Total assets	205,846,790	202,687,820	

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B. Composition of capital (Continued)

1.3 Components of regulatory capital elements (Continued)

1.3.4 Reconciliation of regulatory capital elements as at 31 December 2016 back to the Bank's financial statements (Continued)

As at 31 December 2016 (Continued)

	Statement of Consolidated Financial Position as in published financial statements	Under regulatory scope of consolidation	Cross reference to Definition of Capital Components in Note 1.3.3
Liabilities			
Deposits from banks and other financial institutions	2,318,203	2,318,203	
Derivative financial instruments	1,343,418	1,343,418	
<i>of which: debit valuation adjustments</i>		(4,058)	l
Trading Liabilities	7,748,887	7,748,887	
Deposits from customers	154,123,321	154,236,310	
Certificates of deposit issued	6,559,976	6,559,976	
Subordinated notes	7,146,163	7,146,163	
<i>of which: subordinated debt eligible for inclusion in regulatory capital</i>		5,689,369	f
Other accounts and accruals	3,003,398	2,958,584	
Current income tax liabilities	159,165	147,165	
Deferred income tax liabilities	89,069	88,922	
<i>of which: attributable to entities with net deferred income tax assets</i>		(1,965)	e(ii)
Total liabilities	182,491,600	182,547,628	
Shareholders' Equity			
Share capital	6,200,000	6,200,000	g
Retained earnings	16,058,002	12,636,258	h
Other reserves	1,097,188	1,303,934	i
<i>of which: regulatory reserve for general banking risks</i>		1,398,280	j
<i>of which: regulatory reserve eligible for inclusion in Tier 2 capital</i>		1,122,390	k
Total shareholders' equity	23,355,190	20,140,192	

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B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017

The major terms and conditions of the instruments included in the Bank's consolidated capital base as at 30 June 2017 are as follows:

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
1	Issuer	Dah Sing Bank, Limited			
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	XS0483583737	XS1021008328	XS1515027412
3	Governing law(s) of the instrument	Hong Kong law	English law, except that the provisions of the above notes relating to subordination shall be governed by the laws of Hong Kong.		
	<i>Regulatory treatment</i>				
4	Transitional Basel III rules#	Common Equity Tier1 Capital	Tier 2 Capital	Not applicable	Not applicable
5	Post-transitional Basel III rules+	Common Equity Tier1 Capital	Ineligible	Tier 2 Capital	Tier 2 Capital
6	Eligible at solo*/ group/ solo and group	Solo and Group			
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Subordinated debt instrument	Subordinated debt instrument	Subordinated debt instrument
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$6,200 million	HK\$878 million	HK\$1,742 million	HK\$1,945 million
9	Par value of instrument	HK\$6,200 million	US\$225,000,000	US\$225,000,000	US\$250,000,000
10	Accounting classification	Shareholders' equity	Liability at fair value hedge (for hedging interest rate risk)		
11	Original date of issuance	Note (1)	11 Feb 2010	29 Jan 2014	30 Nov 2016
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	No maturity	11 Feb 2020	29 Jan 2024	30 Nov 2026
14	Issuer call subject to prior supervisory approval	Not applicable	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	No	Optional call date: Nil The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par for taxation reasons on interest payment date.	First optional call date: 29 Jan 2019 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.	First optional call date: 30 Nov 2021 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.

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B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Any interest payment dates after the first call date	Any interest payment dates after the first call date
	<i>Coupons/ dividends</i>				
17	Fixed or floating dividend/ coupon	Not applicable	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Not applicable	6.625%	5.25%-Fixed rate for the period from 29 Jan 2014 to 28 Jan 2019. From 29 Jan 2019 to 28 Jan 2024, fixed interest rate will be reset based on prevailing 5-year U.S. Treasury Rate on the calculation business day preceding 29 Jan 2019 plus 375 basis points.	4.25%-Fixed rate for the period from 30 Nov 2016 to 29 Nov 2021. From 30 Nov 2021 to 29 Nov 2026, fixed interest rate will be reset based on prevailing 5-year U.S. Treasury Rate on the calculation business day preceding 30 Nov 2021 plus 255 basis points.
19	Existence of a dividend stopper	Not applicable	No		
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory		
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative			
23	Convertible or non-convertible	Non-convertible			
24	If convertible, conversion trigger (s)	Not applicable			
25	If convertible, fully or partially	Not applicable			
26	If convertible, conversion rate	Not applicable			
27	If convertible, mandatory or optional conversion	Not applicable			
28	If convertible, specify instrument type convertible into	Not applicable			
29	If convertible, specify issuer of instrument it converts into	Not applicable			
30	Write-down feature	No		Yes	

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
31	If write-down, write-down trigger(s)		Not applicable	<p>If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event notice, irrevocably (without the need for the consent of the holders of the Dated Subordinated Notes) reduce the then prevailing principal amount and cancel any accrued but unpaid interest of each Dated Subordinated Note (in each case in whole or in part) by an amount equal to the Non-Viability Event write-off amount per Dated Subordinated Note.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(a) the HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and</p> <p>(b) 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>If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event notice, irrevocably (without the need for the consent of the holders of the Dated Subordinated Notes) reduce the then prevailing principal amount and cancel any accrued but unpaid interest of each Dated Subordinated Note (in each case in whole or in part) by an amount equal to the Non-Viability Event write-off amount per Dated Subordinated Note.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(a) the HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and</p> <p>(b) 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>

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
32	If write-down, full or partial	Not applicable		Full or partial	Full or partial
33	If write-down, permanent or temporary	Not applicable		Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable			
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The rights of holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of preference shareholders.	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and all other creditors of the Bank (other than claimants in respect of the Bank subordinated indebtedness) and, for the avoidance of doubt, will rank senior to all claims under the Undated Subordinated Notes and the Undated Subordinated Guarantee.	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and all other creditors of the Bank (other than claimants in respect of the Bank subordinated indebtedness) and, for the avoidance of doubt, will rank senior to all claims under the Undated Subordinated Notes and the Undated Subordinated Guarantee.	The rights of the holders will, in the event of the winding up of the Bank, rank (a) subordinate and junior in right of payment to, and to all claims of: (A) all unsubordinated creditors of the Bank (including its depositors); and (B) all other Subordinated Creditors of the Bank whose claims are stated to rank senior to the Dated Subordinated Notes or rank senior to the Dated Subordinated Notes by operation of law or contract; (b) <i>pari passu</i> in right of payment to and of all claims of Parity Obligations; and (c) senior in right of payment to and of: (A) all claims of Junior Obligations; and (B) creditors in respect of Tier 1 capital instruments of the Bank.

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
35					<p>“Parity Obligation” means any instrument or other obligation issued, entered into, or guaranteed by the Bank that constitutes or qualifies as a Tier 2 capital instrument under applicable capital regulations or that ranks or is expressed to rank <i>pari passu</i> with the Dated Subordinated Notes by operation of law or contract.</p> <p>“Junior Obligation” means the Shares, and any other class of the Bank’s share capital and any instrument or other obligation issued or guaranteed by the Bank that ranks or is expressed to rank junior to the Dated Subordinated Notes by operation of law or contract.</p>
36	Non-compliant transitioned features	No	Yes	No	
37	If yes, specify the non-compliant features	Not applicable	Without write-down/convertible features	Not applicable	

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.1 Terms and conditions of the instruments included in the capital base as at 30 June 2017 (Continued)

Note:

(1) The original dates of issuance of the Bank's Common Equity Tier 1 capital are as follows:

Date of issue	Ordinary shares issued HK\$'000
Before year 2010	3,600,000
31 May 2011	1,000,000
18 December 2012	400,000
30 May 2014	<u>1,200,000</u>
	<u>6,200,000</u>

Notes:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

△ The Financial Institutions (Resolution) Ordinance (the "Ordinance") was passed by the Legislative Council of Hong Kong and published in the gazette of the Hong Kong Special Administrative Region Government (the "HKSAR Government") in June 2016. The Ordinance has become effective on 7 July 2017 and all licensed banks in Hong Kong are subject to the Ordinance.

Under the Ordinance, each holder and the agents shall be subject, and shall be deemed to agree and acknowledge that they are each subject to the exercise of any Hong Kong Bail-in Power by the relevant Hong Kong resolution authority without prior notice and which may include (without limitation) and result in any of the following or some combination thereof:

- the reduction or cancellation of all or a part of the principal amount of, or interest on, the Dated Subordinated Notes;
- the conversion of all or a part of the principal amount of, or interest on, the Dated Subordinated Notes into shares or other securities or other obligations of the issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Dated Subordinated Notes; and
- the amendment or alteration of the maturity of the Dated Subordinated Notes or amendment or alteration of the amount of interest payable on the Dated Subordinated Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period, or any other amendment or alteration of these conditions.

"Hong Kong Bail-in Power" means any power which may exist from time to time under the Ordinance, or any other laws, regulations, rules or requirements relating to the resolution of financial institutions incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the issuer or other members of the Group.

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016

The major terms and conditions of the instruments included in the Bank's consolidated capital base as at 31 December 2016 are as follows:

Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
1 Issuer	Dah Sing Bank, Limited					
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	XS0287630932	XS0483583737	XS0736001115	XS1021008328	XS1515027412
3 Governing law(s) of the instrument	Hong Kong law	English law, except that the provisions of the above notes relating to subordination shall be governed by the laws of Hong Kong.				
<i>Regulatory treatment</i>						
4 Transitional Basel III rules#	Common Equity Tier1 Capital	Tier 2 Capital			Not applicable	Not applicable
5 Post-transitional Basel III rules+	Common Equity Tier1 Capital	Ineligible			Tier 2 Capital	Tier 2 Capital
6 Eligible at solo*/ group/ solo and group	Solo and Group					
7 Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Perpetual Subordinated debt instrument	Subordinated debt instrument	Subordinated debt instrument	Subordinated debt instrument	Subordinated debt instrument
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$6,200 million	HK\$256 million	HK\$1,047 million	HK\$723 million	HK\$1,731 million	HK\$1,932million
9 Par value of instrument	HK\$6,200 million	US\$55,000,000 (after considering amounts subsequently repurchased and cancelled by the Bank)	US\$225,000,000	S\$225,000,000	US\$225,000,000	US\$250,000,000
10 Accounting classification	Shareholders' equity	Liability at amortised cost	Liability at fair value hedge (for hedging interest rate risk)			
11 Original date of issuance	Note (1)	16 Feb 2007	11 Feb 2010	8 Feb 2012	29 Jan 2014	30 Nov 2016
12 Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	11 Feb 2020	9 Feb 2022	29 Jan 2024	30 Nov 2026
14 Issuer call subject to prior supervisory approval	Not applicable	Yes	No	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	No	First optional call date: 17 Feb 2017 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.	Optional call date: Nil The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par for taxation reasons on interest payment date.	First optional call date: 9 Feb 2017 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.	First optional call date: 29 Jan 2019 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.	First optional call date: 30 Nov 2021 The Bank may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	
16	Subsequent call dates, if applicable	Not applicable	Any interest payment dates after the first call date	Not applicable	Any interest payment dates after the first call date	Any interest payment dates after the first call date	Any interest payment dates after the first call date	
	<i>Coupons/ dividends</i>							
17	Fixed or floating dividend/ coupon	Not applicable	Fixed to floating	Fixed	Fixed	Fixed	Fixed	
18	Coupon rate and any related index	Not applicable	6.253%-Fixed rate for the period from 16 Feb 2007 to 16 Feb 2017. From 17 Feb 2017, the interest rate will be changed to floating rate at 3-month USD LIBOR plus 190 basis points.	6.625%	4.875%-Fixed rate for the period from 8 Feb 2012 to 8 Feb 2017. From 9 Feb 2017 to 8 Feb 2022, fixed interest rate will be reset based on prevailing 5-year Singapore Dollar swap rate on 9 Feb 2017 plus 376 basis points.	5.25%-Fixed rate for the period from 29 Jan 2014 to 28 Jan 2019. From 29 Jan 2019 to 28 Jan 2024, fixed interest rate will be reset based on prevailing 5-year U.S. Treasury Rate on the calculation business day preceding 29 Jan 2019 plus 375 basis points.	4.25%-Fixed rate for the period from 30 Nov 2016 to 29 Nov 2021. From 30 Nov 2021 to 29 Nov 2026, fixed interest rate will be reset based on prevailing 5-year U.S. Treasury Rate on the calculation business day preceding 30 Nov 2021 plus 255 basis points.	
19	Existence of a dividend stopper	Not applicable	No					
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory					
21	Existence of step up or other incentive to redeem	No	Yes	No	No	No	No	
22	Noncumulative or cumulative	Non-cumulative						
23	Convertible or non-convertible	Non-convertible						
24	If convertible, conversion trigger (s)	Not applicable						
25	If convertible, fully or partially	Not applicable						
26	If convertible, conversion rate	Not applicable						
27	If convertible, mandatory or optional conversion	Not applicable						
28	If convertible, specify instrument type convertible into	Not applicable						
29	If convertible, specify issuer of instrument it converts into	Not applicable						
30	Write-down feature	No				Yes		

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
31	If write-down, write-down trigger(s)						
				Not applicable		<p>If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event notice, irrevocably (without the need for the consent of the holders of the Dated Subordinated Notes) reduce the then prevailing principal amount and cancel any accrued but unpaid interest of each Dated Subordinated Note (in each case in whole or in part) by an amount equal to the Non-Viability Event write-off amount per Dated Subordinated Note.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(c) the HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and</p> <p>(d) 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>If a Non-Viability Event occurs and is continuing, the Bank shall, upon the provision of a Non-Viability Event notice, irrevocably (without the need for the consent of the holders of the Dated Subordinated Notes) reduce the then prevailing principal amount and cancel any accrued but unpaid interest of each Dated Subordinated Note (in each case in whole or in part) by an amount equal to the Non-Viability Event write-off amount per Dated Subordinated Note.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(a) the HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and</p> <p>(b) 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>

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
32	If write-down, full or partial	Not applicable				Full or partial	Full or partial
33	If write-down, permanent or temporary	Not applicable				Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable					
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The rights of holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of preference shareholders.	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of the Bank Prior Creditors. In the event of the winding up of the Bank, there shall be payable by the Bank in respect of each Undated Subordinated Note (in lieu of any other payment by the Bank), but subject as provided in this Condition, such amount, if any, as would have been payable to the holder thereof if, at the close of business on the day prior to the commencement of the winding up of the Bank and thereafter, such Noteholder were the holder of a fully-paid, validly issued preference share in the capital of the Bank having a preferential right to a return of assets in the winding up over the holders of all issued share	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and all other creditors of the Bank (other than claimants in respect of the Bank subordinated indebtedness) and, for the avoidance of doubt, will rank senior to all claims under the Undated Subordinated Notes and the Undated Subordinated Guarantee.	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and all other creditors of the Bank (other than claimants in respect of the Bank subordinated indebtedness) and, for the avoidance of doubt, will rank senior to all claims under the Undated Subordinated Notes and the Undated Subordinated Guarantee.	The rights of the holders will, in the event of the winding up of the Bank, be subordinated in right of payment to the claims of depositors and all other creditors of the Bank (other than claimants in respect of the Bank subordinated indebtedness) and, for the avoidance of doubt, will rank senior to all claims under the Undated Subordinated Notes and the Undated Subordinated Guarantee.	The rights of the holders will, in the event of the winding up of the Bank, rank (a) subordinate and junior in right of payment to, and to all claims of: (A) all unsubordinated creditors of the Bank (including its depositors); and (B) all other Subordinated Creditors of the Bank whose claims are stated to rank senior to the Dated Subordinated Notes or rank senior to the Dated Subordinated Notes by operation of law or contract; (b) <i>pari passu</i> in right of payment to and of all claims of Parity Obligations; and (c) senior in right of payment to and of: (A) all claims of Junior Obligations; and (B) creditors in respect of Tier 1 capital instruments of the Bank.

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016 (Continued)

	Component of capital included	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital	Tier 2 Capital
35			(including for this purpose any preference share issued) for the time being in the Bank's capital on the assumption that such preference share was entitled to receive on a return of assets in such winding up an amount equal to the Early Redemption Amount payable in respect of such Undated Subordinated Note together with arrears of interest, if any, and accrued interest.				<p>"Parity Obligation" means any instrument or other obligation issued, entered into, or guaranteed by the Bank that constitutes or qualifies as a Tier 2 capital instrument under applicable capital regulations or that ranks or is expressed to rank <i>pari passu</i> with the Dated Subordinated Notes by operation of law or contract.</p> <p>"Junior Obligation" means the Shares, and any other class of the Bank's share capital and any instrument or other obligation issued or guaranteed by the Bank that ranks or is expressed to rank junior to the Dated Subordinated Notes by operation of law or contract.</p>
36	Non-compliant transitioned features	No	Yes			No	
37	If yes, specify the non-compliant features	Not applicable	With incentive to redeem and without write-down/ convertible features	Without write-down/ convertible features	Without write-down/ convertible features	Not applicable	

Dah Sing Bank, Limited
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B. Composition of capital (Continued)

1.4 Terms and conditions of the instruments included in the capital base (Continued)

1.4.2 Terms and conditions of the instruments included in the capital base as at 31 December 2016 (Continued)

Note:

(1) The original dates of issuance of the Bank's Common Equity Tier 1 capital are as follows:

Date of issue	Ordinary shares issued HK\$'000
Before year 2010	3,600,000
31 May 2011	1,000,000
18 December 2012	400,000
30 May 2014	<u>1,200,000</u>
	<u>6,200,000</u>

Notes:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

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C. Leverage Ratio

The following tables set out the composition of the consolidated leverage ratio of the Bank and provide reconciliation between the leverage exposure measure and the consolidated assets of the published financial statements of the Bank.

1.1 Detailed composition of the Bank's consolidated leverage ratio as at 30 June 2017

The detailed composition of the Bank's consolidated leverage ratio as at 30 June 2017 is set out below.

HK\$'000

	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	206,233,255
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(2,870,966)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	203,362,289
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	631,870
5	Add-on amounts for PFE associated with all derivatives transactions	1,200,307
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	-
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	-
11	Total derivative exposures (sum of line 4 to 10)	1,832,177
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	130,241
13	Less: netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	5,755
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	135,996
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	71,697,311
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(63,378,606)
19	Off-balance sheet items (sum of lines 17 and 18)	8,318,705
Capital and total exposures		
20	Tier 1 capital	17,974,587
21	Total exposures (sum of lines 3, 11, 16, and 19)	213,649,167
Leverage ratio		
22	Basel III leverage ratio	8.4%

Abbreviations:

SFT: Securities financing transaction

PFE: Potential future exposures

CCP: Central counterparty

CCR: Counterparty credit risk

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C. Leverage Ratio (Continued)

- 1.2 Reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank as at 30 June 2017

The reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank as at 30 June 2017 is set out below.

HK\$'000

	Item	Leverage ratio framework
1	Total consolidated assets as per published financial statements	210,579,043
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,583,677)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	-
4	Adjustments for derivative financial instruments	1,200,307
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	5,755
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,318,705
7	Other adjustments	(2,870,966)
8	Leverage ratio exposure	213,649,167

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Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

C. Leverage Ratio (Continued)

1.3 Detailed composition of the Bank's consolidated leverage ratio as at 31 December 2016

The detailed composition of the Bank's consolidated leverage ratio as at 31 December 2016 is set out below.

HK\$'000

	Item	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	200,740,698
2	Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts)	(2,933,547)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	197,807,151
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,255,489
5	Add-on amounts for PFE associated with all derivatives transactions	1,259,028
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions (reported as negative amounts)	-
8	Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts)	-
11	Total derivative exposures (sum of line 4 to 10)	2,514,517
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	691,634
13	Less: netted amount of cash payables and cash receivables of gross SFT assets (reported as negative amounts)	-
14	CCR exposure for SFT assets	38,766
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	730,400
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	71,098,952
18	Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts)	(62,759,776)
19	Off-balance sheet items (sum of lines 17 and 18)	8,339,176
Capital and total exposures		
20	Tier 1 capital	17,202,587
21	Total exposures (sum of lines 3, 11, 16, and 19)	209,391,244
Leverage ratio		
22	Basel III leverage ratio	8.2%

Abbreviations:

SFT: Securities financing transaction

PFE: Potential future exposure

CCP: Central counterparty

CCR: Counterparty credit risk

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****C. Leverage Ratio (Continued)**

- 1.4 Reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank as at 31 December 2016

The reconciliation between the leverage exposure measure and the consolidated assets per the published financial statements of the Bank as at 31 December 2016 is set out below.

HK\$'000

	Item	Leverage ratio framework
1	Total consolidated assets as per published financial statements	205,846,790
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(3,158,969)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure.	-
4	Adjustments for derivative financial instruments	1,259,028
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	38,766
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	8,339,176
7	Other adjustments	(2,933,547)
8	Leverage ratio exposure	209,391,244

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

D. Countercyclical Capital Buffer Ratio

The following table set out the consolidated Countercyclical Capital Buffer Ratio of the Bank and the geographical breakdown of risk-weighted amounts in relation to private sector credit exposures:-

As at 30 June 2017

HK\$ millions

	Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio	CCyB ratio	CCyB amount
1	Hong Kong SAR	1.25%	78,225		
2	China	0%	8,857		
3	Australia	0%	7		
4	Belgium	0%	1		
5	Canada	0%	5		
6	Cayman Islands	0%	154		
7	Chinese Taipei	0%	566		
8	India	0%	9		
9	Indonesia	0%	5		
10	Israel	0%	2		
11	Japan	0%	446		
12	Macau SAR	0%	10,059		
13	Malaysia	0%	138		
14	Mexico	0%	23		
15	New Zealand	0%	16		
16	Oman	0%	2		
17	Qatar	0%	1		
18	Saudi Arabia	0%	83		
19	Singapore	0%	620		
20	South Korea	0%	545		
21	Switzerland	0%	743		
22	United Kingdom	0%	1,131		
23	United States	0%	2,382		
24	West Indies UK	0%	312		
	Total		104,332	0.937%	978

Abbreviations:

CCyB: Countercyclical capital buffer

JCCyB: Jurisdiction countercyclical capital buffer

RWA: Risk-weighted amount

Dah Sing Bank, Limited
Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)

D. Countercyclical Capital Buffer Ratio (Continued)

As at 31 December 2016

HK\$ millions

	Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio	CCyB ratio	CCyB amount
1	Hong Kong SAR	0.625%	75,016		
2	China	0%	8,039		
3	Australia	0%	7		
4	Belgium	0%	1		
5	Bermuda	0%	310		
6	Canada	0%	5		
7	Cayman Islands	0%	367		
8	Chinese Taipei	0%	552		
9	Indonesia	0%	3		
10	Israel	0%	2		
11	Japan	0%	646		
12	Macau SAR	0%	10,163		
13	Malaysia	0%	48		
14	Mexico	0%	31		
15	New Zealand	0%	15		
16	Saudi Arabia	0%	83		
17	Singapore	0%	824		
18	South Korea	0%	433		
19	Switzerland	0%	497		
20	United Kingdom	0%	923		
21	United States	0%	2,791		
22	West Indies UK	0%	776		
	Total		101,532	0.462%	469

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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk

Template OV1: Overview of RWA

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30 June 2017 and 31 March 2017 respectively:

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		June 2017 (HK\$'000)	March 2017 (HK\$'000)	June 2017 (HK\$'000)
1	Credit risk for non-securitization exposures	121,961,408	122,097,355	9,756,913
2	Of which STC approach	121,961,408	122,097,355	9,756,913
2a	Of which BSC approach	-	-	-
3	Of which IRB approach	-	-	-
4	Counterparty credit risk	1,453,699	1,708,758	116,296
5	Of which SA-CCR	-	-	-
5a	Of which CEM	1,453,699	1,708,758	116,296
6	Of which IMM(CCR) approach	-	-	-
7	Equity exposures in banking book under the market-based approach	-	-	-
8	CIS exposures – LTA	-	-	-
9	CIS exposures – MBA	-	-	-
10	CIS exposures – FBA	-	-	-
11	Settlement risk	-	313	-
12	Securitization exposures in banking book	324,063	296,875	25,925
13	Of which IRB(S) approach – ratings-based method	-	-	-
14	Of which IRB(S) approach – ratings-based method	-	-	-
15	Of which STC(S) approach	324,063	296,875	25,925
16	Market risk	1,773,563	2,045,863	141,885
17	Of which STM approach	1,773,563	2,045,863	141,885
18	Of which IMM approach	-	-	-
19	Operational risk	8,817,063	8,685,013	705,365
20	Of which BIA approach	8,817,063	8,685,013	705,365
21	Of which STO approach	-	-	-
21a	Of which ASA approach	-	-	-
22	Of which AMA approach	N/A	N/A	N/A
23	Amounts below the thresholds for deduction (subject to 250% RW)	3,085,575	3,085,575	246,846
24	Capital floor adjustment	-	-	-
24a	Deduction to RWA	(544,729)	(532,137)	(43,578)
24b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	(217,652)	(205,060)	(17,412)
24c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	(327,077)	(327,077)	(26,166)
25	Total	136,870,642	137,387,615	10,949,652

N/A: Not applicable in the case of Hong Kong

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)****Template CR1: Credit quality of exposures**

The Table below provides an overview of the credit quality of on- and off-balance sheet exposures as at 30 June 2017:

		(a)	(b)	(c)	(d)
		Gross carrying amounts of		Allowances / impairments (HK\$'000)	Net values (HK\$'000)
		Defaulted exposures (HK\$'000)	Non-defaulted exposures (HK\$'000)		
1	Loans	1,033,734	143,517,657	(700,199)	143,851,192
2	Debt securities	-	51,405,916	-	51,405,916
3	Off-balance sheet exposures	-	71,697,311	-	71,697,311
4	Total	1,033,734	266,620,884	(700,199)	266,954,419

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)****Template CR2: Changes in defaulted loans and debt securities**

The table below provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at 30 June 2017 and 31 December 2016 respectively:

		(a)
		Amount (HK\$'000)
1	Defaulted loans and debt securities at end of the previous reporting period	1,269,217
2	Loans and debt securities that have defaulted since the last reporting period	261,304
3	Returned to non-defaulted status	(16,523)
4	Amounts written off	(226,303)
5	Other changes (mainly being settlement, repayments and effect of foreign exchange rate changes)	(253,961)
6	Defaulted loans and debt securities at end of the current reporting period	1,033,734

Dah Sing Bank, Limited
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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

The following table illustrates the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of credit risk capital requirements under STC approach as at 30 June 2017:

	Exposure classes	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount (HK\$'000)	Off-balance sheet amount (HK\$'000)	On-balance sheet amount (HK\$'000)	Off-balance sheet amount (HK\$'000)	RWA (HK\$'000)	RWA density (%)
1	Sovereign exposures	13,595,628	-	14,103,777	-	2,698	0%
2	PSE exposures	990,958	50,000	1,784,135	-	306,403	17%
2a	Of which: domestic PSEs	738,840	50,000	1,532,017	-	306,403	20%
2b	Of which: foreign PSEs	252,118	-	252,118	-	-	0%
3	Multilateral development bank exposures	481,090	-	481,090	-	-	0%
4	Bank exposures	33,315,730	55,466	34,751,928	40,067	11,865,764	34%
5	Securities firm exposures	1,089,655	972,440	1,089,655	-	544,828	50%
6	Corporate exposures	81,700,794	22,008,917	77,571,659	1,577,926	70,583,433	89%
7	CIS exposures	-	-	-	-	-	0%
8	Cash items	708,712	-	3,791,331	-	435,894	11%
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	0%
10	Regulatory retail exposures	16,535,877	46,448,533	16,183,428	17,661	12,148,184	75%
11	Residential mortgage loans	35,292,933	67,002	34,499,756	13,400	14,859,810	43%
12	Other exposures which are not past due exposures	10,364,387	2,094,953	9,819,005	33,028	10,463,186	106%
13	Past due exposures	769,980	-	769,980	-	751,208	98%
14	Significant exposures to commercial entities	-	-	-	-	-	0%
15	Total	194,845,744	71,697,311	194,845,744	1,682,082	121,961,408	62%

Dah Sing Bank, Limited
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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach

The following table presents a breakdown of credit risk exposures under STC approach by asset classes and by risk weights as at 30 June 2017:

Exposure class	Risk Weight	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	(j)
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
		(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1	Sovereign exposures	14,090,288	-	13,489	-	-	-	-	-	-	-	14,103,777
2	PSE exposures	252,118	-	1,532,017	-	-	-	-	-	-	-	1,784,135
2a	Of which: domestic PSEs	-	-	1,532,017	-	-	-	-	-	-	-	1,532,017
2b	Of which: foreign PSEs	252,118	-	-	-	-	-	-	-	-	-	252,118
3	Multilateral development bank exposures	481,090	-	-	-	-	-	-	-	-	-	481,090
4	Bank exposures	-	-	18,252,656	-	16,059,731	-	87,286	-	-	392,322	34,791,995
5	Securities firm exposures	-	-	-	-	1,089,655	-	-	-	-	-	1,089,655
6	Corporate exposures	-	-	1,891,295	-	13,507,182	-	63,751,108	-	-	-	79,149,585
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	1,611,860	-	2,179,471	-	-	-	-	-	-	-	3,791,331
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	-	-	-	-	-	16,201,089	-	-	-	-	16,201,089
11	Residential mortgage loans	-	-	-	25,471,237	5,895,853	596,464	2,549,602	-	-	-	34,513,156
12	Other exposures which are not past due exposures	-	-	-	-	-	-	9,793,657	-	-	58,376	9,852,033
13	Past due exposures	90,230	-	1,932	-	-	-	531,810	146,008	-	-	769,980
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	16,525,586	-	23,870,860	25,471,237	36,552,421	16,797,553	76,713,463	146,008	-	450,698	196,527,826

Dah Sing Bank, Limited

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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

The following table presents a comprehensive breakdown of counterparty default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at 30 June 2017:

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		(HK\$'000)	(HK\$'000)	(HK\$'000)		(HK\$'000)	(HK\$'000)
1	SA-CCR (for derivative contracts)	631,870	1,200,242		1.4	1,832,112	887,265
1a	CEM	-	-		-	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					-	-
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						-

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)****Template CCR2: CVA capital charge**

The following table presents information on portfolios subject to the CVA capital charge and the CVA calculations based on standardized CVA method and advanced CVA method as at 30 June 2017:

		(a)	(b)
		EAD post CRM (HK\$'000)	RWA (HK\$'000)
	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	1,832,111	562,538
4	Total	1,832,111	562,538

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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach

The following table presents a breakdown of default risk exposures as at 30 June 2017, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by asset classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

Exposure class	Risk Weight											Total default risk exposure after CRM (HK\$'000)
	(a) 0% (HK\$'000)	(b) 10% (HK\$'000)	(c) 20% (HK\$'000)	(ca) 35% (HK\$'000)	(d) 50% (HK\$'000)	(e) 75% (HK\$'000)	(f) 100% (HK\$'000)	(g) 150% (HK\$'000)	(ga) 250% (HK\$'000)	(h) Others (HK\$'000)	(i)	
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	512,040	-	832,133	-	-	-	-	-	1,344,173
5	Securities firm exposures	-	-	-	-	585	-	-	-	-	-	585
6	Corporate exposures	9,125	-	-	-	67,624	-	304,845	-	-	-	381,594
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	8,892	-	-	-	-	8,892
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	338	-	-	-	-	84,769	11,761	-	-	-	96,868
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	9,463	-	512,040	-	900,342	93,661	316,606	-	-	-	1,832,112

Dah Sing Bank, Limited

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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template CCR8: Exposures to CCPs

The following table presents a comprehensive breakdown of exposures to both qualifying and non-qualifying CCPs and the respective RWAs, covering all types of credit risk exposures (including default risk exposures to the CCPs, credit risk exposures arising from initial margins posted, and default fund contributions made, to the CCPs) as at 30 June 2017:

		(a)	(b)
		Exposure after CRM (HK\$'000)	RWA (HK\$'000)
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		3,896
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	194,798	3,896
3	(i) OTC derivative transactions	194,798	3,896
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template SEC1: Securitization exposures in banking book

The table below presents a breakdown of securitization exposures in the banking book as at 30 June 2017:

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional (HK\$'000)	Synthetic (HK\$'000)	Sub-total (HK\$'000)	Traditional (HK\$'000)	Synthetic (HK\$'000)	Sub-total (HK\$'000)	Traditional (HK\$'000)	Synthetic (HK\$'000)	Sub-total (HK\$'000)
1	Retail (total) – of which:	-	-	-	-	-	-	-	182,194	182,194
2	residential mortgage	-	-	-	-	-	-	-	158,572	158,572
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	-	23,622	23,622
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	141,869	141,869
7	loans to corporates	-	-	-	-	-	-	-	58,238	58,238
8	commercial mortgage	-	-	-	-	-	-	-	33,602	33,602
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	50,029	50,029
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Dah Sing Bank, Limited
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E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)

Template SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

The following table presents securitization exposures in the banking book where the Group acts as an investing institution of securitization transactions and the associated capital requirements as at 30 June 2017:

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charges after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	IRB(S) RBM	IRB(S) SFM	STC(S)	1250%	IRB(S) RBM	IRB(S) SFM	STC(S)	1250%	IRB(S) RBM	IRB(S) SFM	STC(S)	1250%
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
1 Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitization	-	-	-	-	25,926	-	-	-	25,926	-	-	-	324,063	-	-	-	25,926
10 Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which retail	-	-	-	-	14,576	-	-	-	14,576	-	-	-	182,194	-	-	-	14,576
12 Of which wholesale	-	-	-	-	11,350	-	-	-	11,350	-	-	-	141,869	-	-	-	11,350
13 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)****Template MR1: Market risk under STM approach**

The table below provides the components of the market risk capital requirements calculated using the STM approach exposures as at 30 June 2017:

		(a)
		RWA (HK\$'000)
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	402,213
2	Equity exposures (general and specific risk)	-
3	Foreign exchange (including gold) exposures	1,370,475
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	875
7	Other approach	-
8	Securitization exposures	-
9	Total	1,773,563

Dah Sing Bank, Limited**Regulatory Disclosure Statement for the interim period ended 30 June 2017 (Unaudited)****E. Risk-Weighted Amount, Credit risk and Counter-party risk, and Market risk (Continued)**

Abbreviations	
A	
AI	Authorised institution
AMA	Advanced measurement approach
ASA	Alternative standardised approach
B	
BIA	Basic indicator approach
BSC	Basic approach
C	
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CEM	Current exposure method
CET1	Common equity tier 1
CIS	Collective investment scheme
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
E	
EAD	Exposure at default
F	
FBA	Fall-back approach
H	
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
I	
IMM	Internal models approach
IMM(CCR)	Internal models (counterparty credit risk) approach
IRB	Internal ratings-based approach
IRB(S)	Internal ratings-based (securitisation) approach
L	
LTA	Look through approach
M	
MBA	Mandate-based approach
N	
N/A	Not applicable
O	
OTC	Over-the-counter
P	
PFE	Potential future exposure
PSE	Public sector entity
R	
RC	Replacement cost
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
S	
SA-CCR	Standardised approach for counterparty credit risk
SFT	Securities financing transaction
STC	Standardised (credit risk) approach
STC(S)	Standardised (securitisation) approach
STM	Standardised (market risk) approach
STO	Standardised (operational risk) approach
V	
VaR	Value at risk