



星展銀行（香港）有限公司
DBS BANK (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURE STATEMENTS
30 June 2024

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

CONTENTS

	Pages
1 INTRODUCTION.....	1
2 SCOPE OF CONSOLIDATION.....	1
3 KEY PRUDENTIAL RATIOS.....	2
4 OVERVIEW OF RISK-WEIGHTED ASSETS.....	3
5 COMPOSITION OF REGULATORY CAPITAL.....	5
5.1 Composition of Regulatory Capital	
5.2 Reconciliation of Regulatory Capital to Balance Sheet	
5.3 Main Features of Regulatory Capital Instruments	
6 COUNTERCYCLICAL CAPITAL BUFFER.....	16
6.1 Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)	
7 LEVERAGE RATIO.....	17
7.1 Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure	
7.2 Leverage Ratio	
8 CREDIT RISK.....	19
8.1 Credit Quality of Assets	
8.2 Changes in Stock of Defaulted Loans and Debt Securities	
8.3 Overview of Recognized Credit Risk Mitigation	
8.4 Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach	
8.5 Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach	
8.6 Credit Risk Exposures by Portfolio and PD ranges – for IRB approach	
8.7 Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB approach	
8.8 RWA Flow Statements of Credit Risk Exposures under IRB Approach	
8.9 Specialized Lending Under Supervisory Slotting Criteria Approach – for IRB approach	
9 COUNTERPARTY CREDIT RISK.....	26
9.1 Analysis of Counterparty Default Risk Exposures (Other than those to CCPs) by Approaches	
9.2 CVA Capital Charge	
9.3 Counterparty Default Risk Exposures (Other than those to CCPs) by Assets Classes and by Risk Weights – for STC approach	
9.4 Counterparty Default Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach	
9.5 Composition of Collateral for Counterparty Default Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)	
9.6 Credit-related Derivatives Contracts	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

	Pages
10 MARKET RISK UNDER STANDARDIZED APPROACH	29
11 INTERNATIONAL CLAIMS	30
12 LOANS AND ADVANCES TO CUSTOMERS	31
12.1 Loans and advances to customers by loan usage	
12.2 Loans and advances to customers by geographical area	
13 OVERDUE AND RESCHEDULED ASSETS	33
13.1 Overdue loans and advances to customers	
13.2 Rescheduled advances	
13.3 Repossessed assets	
13.4 Overdue other assets	
14 MAINLAND ACTIVITIES	35
15 FOREIGN EXCHANGE EXPOSURES	37
16 LIQUIDITY	38
16.1 Liquidity Coverage Ratio	
16.2 Net Stable Funding Ratio	
16.3 Approach to Liquidity Management	
17 ABBREVIATIONS	46

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

1 INTRODUCTION

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

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

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

2 SCOPE OF CONSOLIDATION

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

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

Name of entity	Principal activities	Total Assets In HK\$ millions	Total Equity In HK\$ millions
Dao Heng Finance Limited	Inactive	–	–
Hang Lung Bank (Nominee) Limited	Inactive	68	6
DBS Kwong On (Nominees) Limited	Inactive	–	7
Overseas Trust Bank Nominees Limited	Inactive	–	–
Ting Hong Nominees Limited	Provision of nominee, trustee and agency services	–	–
DBS Trustee (Hong Kong) Limited	Inactive	5	5

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

3 KEY PRUDENTIAL RATIOS

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

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

In HK\$ millions		As at 30 June 2024	As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023
	Regulatory Capital (amount)					
1	Common Equity Tier 1 (CET1)	50,287	48,169	46,112	46,746	47,364
2	Tier 1	51,687	49,569	47,512	48,146	48,764
3	Total Capital	54,269	52,191	50,488	51,135	51,925
	RWA (amount)					
4	Total RWA	253,990	245,084	250,971	248,867	250,503
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	19.8	19.7	18.4	18.8	18.9
6	Tier 1 ratio (%)	20.3	20.2	18.9	19.3	19.5
7	Total Capital ratio (%)	21.4	21.3	20.1	20.5	20.7
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical capital buffer requirement (%)	0.722	0.742	0.766	0.761	0.743
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0	0.0	0.0	0.0	0.0
11	Total AI-specific CET1 buffer requirements (%)	3.222	3.242	3.266	3.261	3.243
12	CET1 available after meeting the AI's minimum capital requirements (%)	13.4	13.3	12.1	12.5	12.7
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	514,325	510,900	507,359	488,838	499,432
14	LR (%)	10.0	9.7	9.4	9.8	9.8
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	129,321	130,328	115,739	111,714	121,157
16	Total net cash outflows	73,772	73,736	70,978	70,794	73,080
17	LCR (%)	175.6	176.9	163.2	158.0	166.1
	Applicable to category 2 institution only:					
17a	LMR (%)	NA	NA	NA	NA	NA
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	326,231	318,196	315,555	302,821	300,819
19	Total required stable funding	243,600	227,867	216,069	213,045	214,696
20	NSFR (%)	133.9	139.6	146.0	142.1	140.1
	Applicable to category 2A institution only:					
20a	CFR (%)	NA	NA	NA	NA	NA

Commentaries for the quarter explaining significant changes in the above metrics, if any, have been included in subsequent sections of this document.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

4 OVERVIEW OF RISK-WEIGHTED ASSETS

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

In HK\$ millions		RWA		Minimum capital requirements ^{1/}
		As at 30 June 2024	As at 31 March 2024	As at 30 June 2024
1	Credit risk for non-securitization exposures	211,451	203,364	17,841
2	<i>Of which STC approach</i>	18,819	16,297	1,506
2a	<i>Of which BSC approach</i>	–	–	–
3	<i>Of which foundation IRB approach</i>	167,809	162,687	14,230
4	<i>Of which supervisory slotting criteria approach</i>	24,823	24,380	2,105
5	<i>Of which advanced IRB approach</i>	–	–	–
6	Counterparty default risk and default fund contributions	2,724	2,662	230
7	<i>Of which SA-CCR approach</i>	2,612	2,542	220
7a	<i>Of which CEM</i>	NA	NA	–
8	<i>Of which IMM(CCR) approach</i>	–	–	–
9	<i>Of which others</i>	112	120	10
10	CVA Risk	1,538	1,563	123
11	Equity positions in banking book under the simple risk-weight method and internal models method	–	–	–
12	Collective investment scheme ("CIS") exposures – LTA	NA	NA	NA
13	CIS exposures – MBA	NA	NA	NA
14	CIS exposures – FBA	NA	NA	NA
14a	CIS exposures – combination of approaches	NA	NA	NA
15	Settlement Risk	–	–	–
16	Securitization exposures in banking book	–	–	–
17	<i>Of which SEC – IRBA</i>	–	–	–
18	<i>Of which SEC – ERBA (including IAA)</i>	–	–	–
19	<i>Of which SEC – SA</i>	–	–	–
19a	<i>Of which SEC – FBA</i>	–	–	–
20	Market risk	2,874	2,579	230
21	<i>Of which STM approach</i>	2,874	2,579	230
22	<i>Of which IMM approach</i>	–	–	–
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	NA	NA	NA

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

4 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

In HK\$ millions		RWA		Minimum capital requirements ¹¹
		As at 30 June 2024	As at 31 March 2024	As at 30 June 2024
24	Operational risk	23,691	22,922	1,895
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	93	93	7
26	Capital floor adjustment	–	634	–
26a	Deduction to RWA	(89)	(99)	(7)
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	(89)	(99)	(7)
26c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	–	–	–
27	Total	242,282	233,718	20,319

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL

5.1 Composition of Regulatory Capital

As at 30 June 2024		Component of regulatory capital In HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	8,995	(4)
2	Retained earnings	39,957	(6)
3	Disclosed reserves	148	(9)
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	NA	NA
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	CET1 capital before regulatory deductions	49,100	
CET1 capital: regulatory deductions			
7	Valuation adjustments	10	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	–	
10	Deferred tax assets (net of associated deferred tax liabilities)	844	(2)
11	Cash flow hedge reserve	(2,271)	(10)
12	Excess of total EL amount over total eligible provisions under the IRB approach	54	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in CET1 capital instruments	–	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.1 Composition of Regulatory Capital (continued)

As at 30 June 2024		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
22	Amount exceeding the 15% threshold	NA	NA
23	of which: significant investments in the ordinary share of financial sector entities	NA	NA
24	of which: mortgage servicing rights	NA	NA
25	of which: deferred tax assets arising from temporary differences	NA	NA
26	National specific regulatory adjustments applied to CET1 capital	176	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	176	(7)
26c	Securitization exposures specified in a notice given by the MA	–	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e	Capital shortfall of regulated non-bank subsidiaries	–	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	–	
28	Total regulatory deductions to CET1 capital	(1,187)	
29	CET1 capital	50,287	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	1,400	
31	of which: classified as equity under applicable accounting standards	1,400	(5)
32	of which: classified as liabilities under applicable accounting standards	–	
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	–	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.1 Composition of Regulatory Capital (continued)

As at 30 June 2024		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	
35	of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements	–	
36	AT1 capital before regulatory deductions	1,400	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	–	
38	Reciprocal cross-holdings in AT1 capital instruments	–	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments applied to AT1 capital	–	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	Total regulatory deductions to AT1 capital	–	
44	AT1 capital	1,400	
45	Tier 1 capital (T1 = CET1 + AT1)	51,687	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	2,342	(3)
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	–	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	–	
49	<i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i>	–	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	240	(8) – (1)
51	Tier 2 capital before regulatory deductions	2,582	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.1 Composition of Regulatory Capital (continued)

As at 30 June 2024		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	–	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	–	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	–	
57	Total regulatory adjustments to Tier 2 capital	–	
58	Tier 2 capital (T2)	2,582	
59	Total regulatory capital (TC = T1 + T2)	54,269	
60	Total RWA	253,990	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	19.8%	
62	Tier 1 capital ratio	20.3%	
63	Total capital ratio	21.4%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.222%	
65	of which: capital conservation buffer requirement	2.5%	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.1 Composition of Regulatory Capital (continued)

As at 30 June 2024		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
66	of which: bank specific countercyclical capital buffer requirement	0.722%	
67	of which: higher loss absorbency requirement	0.0%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	13.4%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	NA	NA
70	National Tier 1 minimum ratio	NA	NA
71	National Total capital minimum ratio	NA	NA
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	2,111	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	37	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
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 BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	328	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	239	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	–	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	1,241	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.1 Composition of Regulatory Capital (continued)

As at 30 June 2024		Component of regulatory capital in HK\$ millions	Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 capital instruments subject to phase-out arrangements	NA	NA
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	NA
82	Current cap on AT1 capital instruments subject to phase-out arrangements	–	
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	–	
84	Current cap on Tier 2 capital instruments subject to phase-out arrangements	–	
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	–	

Note to the template

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

Row No.	Description	Hong Kong basis HK\$M	Basel III basis HK\$M
	Deferred tax assets (net of associated deferred tax liabilities)	844	–
10	<p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column “Basel III basis” in this box represents the amount reported in row 10 (i.e. the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for 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>		

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.2 Reconciliation of Regulatory Capital to Balance Sheet

In HK\$ millions	Balance sheet as in published financial statements As at 30 June 2024	Under regulatory scope of consolidation As at 30 June 2024	Cross- referenced to Composition of Regulatory Capital in Section 5.1
Assets			
Cash and balances with central banks	3,146	3,146	
Government securities and treasury bills	69,767	69,767	
Due from banks	90,152	90,152	
Derivatives	4,250	4,250	
Bank and corporate securities	35,700	35,700	
Loans and advances to customers	264,273	264,273	
<i>of which: Allowances eligible for inclusion in Tier 2 capital under the IRB approach</i>		(229)	(1)
Other assets	6,358	6,190	
<i>of which: Deferred tax assets</i>		844	(2)
Subsidiaries	–	58	
Properties and other fixed assets	3,730	3,730	
Total assets	477,376	477,266	
Liabilities			
Due to banks	12,276	12,276	
Deposits and balances from customers	390,237	390,270	
Derivatives	3,853	3,853	
Other liabilities	17,965	17,965	
Amount due to subsidiaries	–	60	
Subordinated liability	2,342	2,342	(3)
Total liabilities	426,673	426,766	
Equity			
Share capital	8,995	8,995	(4)
Other equity instruments	1,400	1,400	(5)
Reserves	40,308	40,105	
<i>Retained earnings</i>		39,957	(6)
<i>of which: Regulatory reserve for general banking risks</i>		176	(7)
<i>of which: Regulatory reserve eligible for inclusion in Tier 2 capital</i>		11	(8)
<i>Other reserves</i>		148	(9)
<i>of which: Cash flow hedge reserves</i>		(2,271)	(10)
Total equity	50,703	50,500	
Total liabilities and equity	477,376	477,266	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.3 Main Features of Regulatory Capital Instruments

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

As at 30 June 2024	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
1 Issuer	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA
3 Governing law(s) of the instrument	Hong Kong law	Hong Kong law	Hong Kong law
<i>Regulatory treatment</i>			
4 Transitional Basel III rules	NA	NA	NA
5 Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Tier 2
6 Eligible at solo/group/group & solo	Solo	Solo	Solo
7 Instrument type	Ordinary shares	Capital securities	Subordinated loan
8 Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	HK\$8,995 million	HK\$1,400 million	HK\$2,342 million
9 Par value of instrument	NA	HK\$1,400 million	US\$300 million
10 Accounting classification	Shareholders' equity	Shareholders' equity	Liability – amortized cost
11 Original date of issuance	Various dates	13 January 2022	13 December 2022
12 Perpetual or dated	Perpetual	Perpetual	Dated
13 Original maturity date	No maturity	No maturity	13 December 2032
14 Issuer call subject to prior supervisory approval	No	Yes	Yes

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2024	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022	
15	Optional call date, contingent call dates and redemption amount	NA	<p>First optional call date: 13 January 2027</p> <p>Contingent call dates: Change of Qualification Event, redemption for taxation reasons</p> <p>Redemption amount: Principal amount together with accrued and unpaid distributions</p>	<p>First optional call date: 13 December 2027</p> <p>Contingent call dates: Change of Qualification Event or Tax Event</p> <p>Redemption amount: Principal amount together with accrued and unpaid interest</p>
16	Subsequent call dates, if applicable	NA	<p>Optional call dates – any date after 13 January 2027</p> <p>Optional call dates – any date after 13 December 2027</p>	
<i>Coupons / dividends</i>				
17	Fixed or floating dividend/coupon	Discretionary dividend amount	<p>Fixed to floating</p> <p>Floating</p>	
18	Coupon rate and any related index	NA	<p>2.86% p.a. up to 13 January 2027. 5Y HK Dollar Swap Rate plus 1.29% p.a. thereafter, reset every 5 years</p> <p>The interest rate shall be calculated by the Benchmark Rate plus 1.87% p.a.</p> <p>The Benchmark Rate for each Interest Period shall be equal to the value of the compounded average daily Secured Overnight Financing Rates for each day during the relevant Interest Rate Period as calculated on the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period in the manner stated in Clause 4(ii) of the Tier 2 Loan Agreement</p>	
19	Existence of a dividend stopper	NA	<p>Yes</p> <p>No</p>	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2024	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21 Existence of step-up or other incentive to redeem	No	No	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non- convertible	Non-convertible	Non-convertible ¹	Non-convertible ¹
24 If convertible, conversion trigger(s)	NA	NA	NA
25 If convertible, fully or partially	NA	NA	NA
26 If convertible, conversion rate	NA	NA	NA
27 If convertible, mandatory or optional conversion	NA	NA	NA
28 If convertible, specify instrument type convertible into	NA	NA	NA
29 If convertible, specify issuer of instrument it converts into	NA	NA	NA
30 Write-down feature	No	Yes	Yes

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2024		CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
31	If write-down, write-down trigger(s)	NA	<p>1) Occurrence of a Non-viable event, which is the earlier of:</p> <p>(i)The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and</p> <p>(ii)The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.</p> <p>2) Subject to Hong Kong Resolution Authority bail-in power</p>	<p>1) Occurrence of a Non-viable event, which is the earlier of:</p> <p>(i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and</p> <p>(ii)The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.</p> <p>2) Subject to Hong Kong Resolution Authority bail-in power</p>
32	If write-down, full or partial	NA	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

5 COMPOSITION OF REGULATORY CAPITAL (continued)

5.3 Main Features of Regulatory Capital Instruments (continued)

As at 30 June 2024	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to unsubordinated creditors and all other Subordinated Creditors of the Bank whose claims are expressed to rank, by its terms or by operation of law, senior to the Tier 2 Loan.
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	NA	NA

Footnote:

1 Subject to the Financial Institutions (Resolution) Ordinance (“FIRO”)

6 COUNTERCYCLICAL CAPITAL BUFFER

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

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

In HK\$ millions		As at 30 June 2024			
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong SAR	1.0	136,955		
2	Australia	1.0	26		
3	Belgium	0.5	123		
4	Chile	0.5	8		
5	Czech Republic	1.75	20		
6	Denmark	2.5	3		
7	France	1.0	85		
8	Germany	0.75	388		
9	Netherlands	2.0	2		
10	Slovenia	0.5	1		
11	South Korea	1.0	262		
12	Sweden	2.0	57		
13	United Kingdom	2.0	1,501		
	Sum		139,431		
	Total		195,161	0.722%	1,834

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

7 LEVERAGE RATIO

7.1 Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure

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

In HK\$ millions

	Item	Value under the LR framework As at 30 June 2024
1	Total consolidated assets as per published financial statements	477,376
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	37
2a	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	–
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	–
3a	Adjustments for eligible cash pooling transactions	–
4	Adjustments for derivative contracts	2,479
5	Adjustment for SFTs (i.e. repos and similar secured lending)	293
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	37,882
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(157)
7	Other adjustments	(3,585)
8	Leverage ratio exposure measure	514,325

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

7 LEVERAGE RATIO (continued)

7.2 Leverage Ratio

In HK\$ millions		As at 30 June 2024	As at 31 March 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	421,492	416,571
2	Less: Asset amounts deducted in determining Tier 1 capital	1,187	1,169
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	422,679	417,740
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,658	3,127
5	Add-on amounts for PFE associated with all derivative contracts	3,071	2,923
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	–	–
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	–	(14)
8	Less: Exempted CCP leg of client-cleared trade exposures	–	–
9	Adjusted effective notional amount of written credit-related derivative contracts	–	–
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	–	–
11	Total exposures arising from derivative contracts	6,729	6,036
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	50,593	47,026
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
14	CCR exposure for SFT assets	293	332
15	Agent transaction exposures	–	–
16	Total exposures arising from SFTs	50,886	47,358
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	233,118	253,011
18	Less: Adjustments for conversion to credit equivalent amounts	(195,236)	(209,759)
19	Off-balance sheet items	37,882	43,252
Capital and total exposures			
20	Tier 1 capital	51,687	49,569
20a	Total exposures before adjustments for specific and collective provisions	518,176	514,386
20b	Adjustments for specific and collective provisions	(3,851)	(3,486)
21	Total exposures after adjustments for specific and collective provisions	514,325	510,900
Leverage ratio			
22	Leverage ratio (%)	10.0	9.7

The increase in leverage ratio in the second quarter was mainly driven by profit accretion.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK

8.1 Credit Quality of Assets

In HK\$ millions		As at 30 June 2024						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances/ Impairments	Of which ECL accounting provisions [#] for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
Defaulted exposures	Non-defaulted exposures	Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions					
1	Loans	3,502	358,104	3,688	137	167	3,384	357,918
2	Debt securities	–	89,416	9	–	4	5	89,407
3	Off-balance sheet exposures	–	42,368	142	–	2	140	42,226
	Total	3,502	489,888	3,839	137	173	3,529	489,551

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

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

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

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

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

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

8.2 Changes in Stock of Defaulted Loans and Debt Securities

In HK\$ millions	Amount
1 As at 31 December 2023	2,835
2 Loans and debt securities that have defaulted since the last reporting period	1,385
3 Returned to non-defaulted status	(4)
4 Amounts written off	(267)
5 Other changes (note)	(447)
6 As at 30 June 2024	3,502

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

8.3 Overview of Recognized Credit Risk Mitigation

In HK\$ millions		As at 30 June 2024				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	231,642	126,276	101,572	10,424	–
2	Debt securities	89,407	–	–	–	–
3	Total	321,049	126,276	101,572	10,424	–
4	Of which defaulted	1,135	1,114	716	188	–

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

In HK\$ millions		As at 30 June 2024					
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
1	Sovereign exposures	–	–	1,283	–	–	0
2	PSE exposures	552	250	547	125	134	20
2a	Of which: domestic PSEs	552	250	547	125	134	20
2b	Of which: foreign PSEs	–	–	–	–	–	–
3	Multilateral development bank exposures	1,480	–	1,480	–	–	0
4	Bank exposures	60	–	45	–	10	21
5	Securities firm exposures	–	2,237	–	100	50	50
6	Corporate exposures	18,802	9,719	17,029	662	14,988	85
7	CIS exposures	–	–	–	–	–	–
8	Cash items	–	–	–	–	–	–
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	–	–	–	–	–	–
10	Regulatory retail exposures	–	–	–	–	–	–
11	Residential mortgage loans	2,037	–	2,037	–	753	37
12	Other exposures which are not past due exposures	2,390	1,527	2,382	32	2,414	100
13	Past due exposures	366	–	366	–	470	128
14	Significant exposures to commercial entities	–	–	–	–	–	–
15	Total	25,687	13,733	25,169	919	18,819	72

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

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

In HK\$ millions		As at 30 June 2024										Total credit risk exposures amount (post CCF and post CRM)
	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	
	Exposure class											
1	Sovereign exposures	1,283	-	-	-	-	-	-	-	-	-	1,283
2	PSE exposures	-	-	672	-	-	-	-	-	-	-	672
2a	Of which: domestic PSEs	-	-	672	-	-	-	-	-	-	-	672
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	1,480	-	-	-	-	-	-	-	-	-	1,480
4	Bank exposures	-	-	43	-	2	-	-	-	-	-	45
5	Securities firm exposures	-	-	-	-	100	-	-	-	-	-	100
6	Corporate exposures	-	-	1,106	-	3,637	-	12,948	-	-	-	17,691
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	-	-	-	-	-	-	-	-	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
11	Residential mortgage loans	-	-	-	1,976	-	-	61	-	-	-	2,037
12	Other exposures which are not past due exposures	-	-	-	-	-	-	2,414	-	-	-	2,414
13	Past due exposures	41	-	-	-	-	-	35	290	-	-	366
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	2,804	-	1,821	1,976	3,739	-	15,458	290	-	-	26,088

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

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

Foundation IRB Approach

	As at 30 June 2024											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-balance sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
Sovereign exposures												
0.00 to <0.15	73,789	-	-	74,797	0.01	10	45	2.5	4,172	6	2	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	73,789	-	-	74,797	0.01	10	45	2.5	4,172	6	2	56
Bank exposures												
0.00 to <0.15	58,628	1,768	94	60,314	0.06	65	46	2.5	17,355	29	16	
0.15 to <0.25	1,203	5	50	1,206	0.24	5	45	2.5	770	64	1	
0.25 to <0.50	284	5	50	297	0.33	12	45	2.5	223	75	-	
0.50 to <0.75	1,301	-	-	1,301	0.61	4	45	2.5	1,280	98	4	
0.75 to <2.50	15	-	-	15	1.26	4	45	2.5	16	106	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	61,431	1,778	94	63,133	0.07	90	46	2.5	19,644	31	21	282
Corporate exposures – small-and-medium sized corporates												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	-	29	-	-	0.56	5	45	2.5	-	58	-	
0.75 to <2.50	43	56	1	37	1.16	11	36	2.5	23	63	-	
2.50 to <10.00	15	5	-	15	3.44	7	33	2.5	11	74	-	
10.00 to <100.00	4	-	-	4	12.15	1	45	2.5	7	159	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	62	90	1	56	2.61	24	36	2.5	41	73	-	1
Corporate exposures – other												
0.00 to <0.15	57,809	54,094	20	70,843	0.06	6,618	39	2.5	12,742	18	16	
0.15 to <0.25	30,666	14,704	35	35,751	0.22	60	45	2.5	16,413	46	35	
0.25 to <0.50	32,953	25,088	15	34,845	0.32	312	44	2.5	19,091	55	49	
0.50 to <0.75	9,519	12,490	7	10,099	0.58	586	40	2.5	6,659	66	23	
0.75 to <2.50	17,241	25,592	3	18,424	1.60	2,060	40	2.5	17,185	93	117	
2.50 to <10.00	18,536	6,512	3	17,521	5.17	2,170	40	2.5	23,283	133	365	
10.00 to <100.00	2,883	409	19	2,689	22.41	218	39	2.5	5,315	198	235	
100.00 (Default)	2,175	1	50	2,028	100.00	198	42	2.5	4,053	200	965	
Sub-total	171,782	138,890	15	192,200	2.15	12,222	41	2.5	104,741	54	1,805	2,430
Total (all portfolios)	307,064	140,758	16	330,186	1.27	12,346	43	2.5	128,598	39	1,828	2,769

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

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

Retail IRB Approach

	As at 30 June 2024											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-balance sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
Residential mortgages exposures												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	5,690	-	-	5,690	0.22	3,713	13		854	15	2	
0.25 to <0.50	1,559	-	-	1,559	0.41	255	14		237	15	1	
0.50 to <0.75	16,290	-	-	16,290	0.63	2,825	13		2,444	15	14	
0.75 to <2.50	502	-	-	502	1.80	135	32		290	58	3	
2.50 to <10.00	557	-	-	557	9.84	133	14		347	62	8	
10.00 to <100.00	53	-	-	53	33.97	12	13		41	77	2	
100.00 (Default)	172	-	-	172	100.00	25	32		677	395	-	
Sub-total	24,823	-	-	24,823	1.51	7,098	14		4,890	20	30	66
Qualifying revolving retail exposures												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	1,616	36,878	61	24,173	0.18	322,604	103		2,409	10	44	
0.25 to <0.50	1,543	7,383	52	5,382	0.33	70,059	99		852	16	18	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	6,411	27,114	56	21,715	1.70	292,400	101		12,411	57	370	
2.50 to <10.00	365	75	103	443	4.79	2,069	113		583	132	24	
10.00 to <100.00	1,586	260	157	1,993	18.18	13,923	97		4,664	234	350	
100.00 (Default)	101	-	-	101	100.00	1,060	111		537	529	70	
Sub-total	11,622	71,710	59	53,807	1.70	702,115	101		21,456	40	876	357
Small business retail exposures												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
0.25 to <0.50	-	-	-	-	0.29	1	6		-	3	-	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-		-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-		-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-		-	-	-	
100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
Sub-total	-	-	-	-	0.29	1	6		-	3	-	-
Other retail exposures to individuals												
0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
0.25 to <0.50	808	-	-	808	0.30	2,287	33		144	18	1	
0.50 to <0.75	-	-	-	-	-	-	-		-	-	-	
0.75 to <2.50	1,552	-	-	1,552	1.85	7,225	87		1,705	110	26	
2.50 to <10.00	1,941	-	-	1,941	6.30	5,794	80		2,379	123	103	
10.00 to <100.00	2,451	-	-	2,451	25.50	2,411	40		2,230	91	238	
100.00 (Default)	57	-	-	57	100.00	233	73		138	240	37	
Sub-total	6,809	-	-	6,809	12.28	17,950	62		6,596	97	405	126
Total (all portfolios)	43,254	71,710	59	85,439	2.49	727,164	73		32,942	39	1,311	549

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

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

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

In HK\$ millions		As at 30 June 2024	
		Pre-credit derivatives RWA	Actual RWA
1	Corporate – Specialized lending under supervisory slotting criteria approach (project finance)	150	150
2	Corporate – Specialized lending under supervisory slotting criteria approach (object finance)	–	–
3	Corporate – Specialized lending under supervisory slotting criteria approach (commodities finance)	–	–
4	Corporate – Specialized lending under supervisory slotting criteria approach (income-producing real estate)	24,673	24,673
5	Corporate – Specialized lending (high-volatility commercial real estate)	–	–
6	Corporate – Small-and-medium sized corporates	41	41
7	Corporate – Other corporates	104,741	104,741
8	Sovereigns	3,766	3,766
9	Sovereign foreign public sector entities	406	406
10	Multilateral development banks	–	–
11	Bank exposures – Banks	19,644	19,644
12	Bank exposures – Securities firms	–	–
13	Bank exposures – Public sector entities (excluding sovereign foreign public sector entities)	–	–
14	Retail – Small business retail exposures	–	–
15	Retail – Residential mortgages to individuals	4,541	4,541
16	Retail – Residential mortgages to property-holding shell companies	349	349
17	Retail – Qualifying revolving retail exposures (QRRE)	21,456	21,456
18	Retail – Other retail exposures to individuals	6,596	6,596
19	Equity – Equity exposures under market-based approach (simple risk-weight method)	–	–
20	Equity – Equity exposures under market-based approach (internal models method)	–	–
21	Equity – Equity exposures under PD/LGD approach (publicly traded equity exposures held for long-term investment)	–	–
22	Equity – Equity exposures under PD/LGD approach (privately owned equity exposures held for long-term investment)	–	–
23	Equity – Equity exposures under PD/LGD approach (other publicly traded equity exposures)	–	–
24	Equity – Equity exposures under PD/LGD approach (other equity exposures)	–	–
25	Equity – Equity exposures associated with equity investments in funds (CIS exposures)	–	–
26	Other – Cash items	–	–
27	Other – Other items	6,269	6,269
28	Total (under the IRB calculation approaches)	192,632	192,632

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

8 CREDIT RISK (continued)

8.8 RWA Flow Statements of Credit Risk Exposures under IRB Approach

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

In HK\$ millions	RWA
As at 31 March 2024	187,067
Asset size	864
Asset quality	4,942
Model updates	–
Methodology and policy	–
Acquisitions and disposals	–
Foreign exchange movements	(241)
Others	–
As at 30 June 2024	192,632

The increase in credit RWA during the quarter was mainly arising from asset quality movement.

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

Specialized lending under supervisory slotting criteria approach – other than HVCRE

In HK\$ millions		As at 30 June 2024									
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW (%)	EAD amount					RWA	Expected loss amount
					PF	OF	CF	IPRE	Total		
Strong ^A	Less than 2.5 years	12,557	1,468	50	157	–	–	13,487	13,644	6,822	–
Strong	Equal to or more than 2.5 years	3,871	1,252	70	102	–	–	4,204	4,306	3,014	17
Good ^A	Less than 2.5 years	8,151	2,471	70	–	–	–	9,725	9,725	6,808	39
Good	Equal to or more than 2.5 years	395	145	90	–	–	–	503	503	452	4
Satisfactory		4,267	1,038	115	–	–	–	4,826	4,826	5,550	135
Weak		463	544	250	–	–	–	871	871	2,177	70
Default		591	–	0	–	–	–	591	591	–	296
Total		30,295	6,918		259	–	–	34,207	34,466	24,823	561

^A Use of preferential risk-weights.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

9 COUNTERPARTY CREDIT RISK

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

In HK\$ millions		As at 30 June 2024					
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR approach (for derivative contracts)	2,612	1,596		1.4	5,892	2,612
2	IMM (CCR) approach			–	–	–	–
3	Simple approach (for SFTs)					–	–
4	Comprehensive approach (for SFTs)					50,547	112
5	VaR (for SFTs)					–	–
6	Total						2,724

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

9.2 CVA Capital Charge

In HK\$ millions		As at 30 June 2024	
		EAD post CRM	RWA
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	–	–
1	(i) VaR (after application of multiplication factor if applicable)		–
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		–
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	5,892	1,538
4	Total	5,892	1,538

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

9 COUNTERPARTY CREDIT RISK (continued)

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

In HK\$ millions		As at 30 June 2024										
	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
	Exposure class											
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	-	-	92	-	-	-	-	-	92
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	353	-	6	-	-	-	359
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	-	-	-	-	-
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	-	-	445	-	6	-	-	-	451

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

9 COUNTERPARTY CREDIT RISK (continued)

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

Foundation IRB Approach

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

	As at 30 June 2024						
	a	b	c	d	e	f	g
PD scale (%)	EAD post-CRM HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)
Bank							
0.00 to <0.15	54,373	0.04	6	4	0.6	1,344	2
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	54,373	0.04	6	4	0.6	1,344	2
Corporate exposures – small-and-medium sized corporates							
0.00 to <0.15	–	–	–	–	–	–	–
0.15 to <0.25	–	–	–	–	–	–	–
0.25 to <0.50	–	–	–	–	–	–	–
0.50 to <0.75	–	–	–	–	–	–	–
0.75 to <2.50	–	–	–	–	–	–	–
2.50 to <10.00	–	–	–	–	–	–	–
10.00 to <100.00	–	–	–	–	–	–	–
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–	–
Corporate exposures – other							
0.00 to <0.15	11	0.05	2	45	2.5	2	21
0.15 to <0.25	374	0.22	4	45	2.5	173	46
0.25 to <0.50	227	0.28	5	45	2.5	119	52
0.50 to <0.75	791	0.70	15	45	2.5	635	80
0.75 to <2.50	204	1.43	27	45	2.5	211	103
2.50 to <10.00	9	3.31	14	45	2.5	12	131
10.00 to <100.00	–	12.15	1	45	2.5	–	207
100.00 (Default)	–	–	–	–	–	–	–
Sub-total	1,616	0.63	68	45	2.5	1,152	71
Total (all portfolios)	55,989	0.06	74	5	0.7	2,496	4

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

9 COUNTERPARTY CREDIT RISK (continued)

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

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

In HK\$ millions	As at 30 June 2024					
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – other currencies	–	36	–	16	4,040	46,592
Debt Securities	–	–	–	–	45,310	4,074
Equity Securities	–	–	–	–	119	–
Total	–	36	–	16	49,469	50,666

9.6 Credit-related Derivatives Contracts

In HK\$ millions	As at 30 June 2024	
	Protection bought	Protection sold
Notional amounts		
Total return swaps	4,474	–
Total notional amounts	4,474	–
Fair Values		
Positive fair values (asset)	5	–
Negative fair values (liability)	(2)	–

10 MARKET RISK UNDER STANDARDIZED APPROACH

In HK\$ millions		As at 30 June 2024 RWA ^{1/}
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	1,709
2	Equity exposures (general and specific risk)	–
3	Foreign exchange (including gold) exposures	1,148
4	Commodity exposures	–
	Option exposures	
5	Simplified approach	–
6	Delta-plus approach	17
7	Other approach	–
8	Securitization exposures	–
9	Total	2,874

^{1/} The RWA is derived by multiplying the capital requirements by 12.5.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

11 INTERNATIONAL CLAIMS

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

In HK\$ millions	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
As at 30 June 2024					
Developed countries, of which	11,012	42,496	6,755	4,525	64,788
– United States	1,424	34,371	6,755	2,686	45,236
– Others	9,588	8,125	–	1,839	19,552
Offshore centres, of which	83,587	490	1,276	69,161	154,514
– Singapore	82,763	5	–	4,562	87,330
– Hong Kong	823	485	1,276	61,505	64,089
– Others	1	–	–	3,094	3,095
Developing Europe	–	–	–	98	98
Developing Latin America and Caribbean	–	–	–	11	11
Developing Africa and Middle East	7	–	–	43	50
Developing Asia-Pacific, of which	18,045	68	1,459	26,035	45,607
– China	17,220	68	1,459	24,269	43,016
– Others	825	–	–	1,766	2,591
International Organizations	–	1,480	–	–	1,480
	<u>112,651</u>	<u>44,534</u>	<u>9,490</u>	<u>99,873</u>	<u>266,548</u>
As at 31 December 2023					
Developed countries	16,602	40,788	6,796	4,518	68,704
Offshore centres, of which	93,031	510	335	61,374	155,250
– Singapore	92,073	5	–	3,604	95,682
– Hong Kong	948	505	335	55,226	57,014
– Others	10	–	–	2,544	2,554
Developing Europe	–	–	–	105	105
Developing Latin America and Caribbean	–	–	–	11	11
Developing Africa and Middle East	27	–	–	44	71
Developing Asia-Pacific, of which	5,351	85	1,266	25,585	32,287
– China	4,383	85	1,266	22,866	28,600
– Others	968	–	–	2,719	3,687
International Organizations	–	2,667	–	–	2,667
	<u>115,011</u>	<u>44,050</u>	<u>8,397</u>	<u>91,637</u>	<u>259,095</u>

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

12 LOANS AND ADVANCES TO CUSTOMERS

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

12.1 Loans and advances to customers by loan usage

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

In HK\$ millions	As at 30 June 2024		As at 31 December 2023	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Gross loans and advances for use in Hong Kong				
Industrial, commercial and financial				
– Property development	31,934	28,103	34,758	30,300
– Property investment	36,702	34,495	36,758	33,643
– Financial concerns	9,967	4,699	6,936	3,073
– Stockbrokers	–	–	100	–
– Wholesale and retail trade	14,971	10,669	12,968	9,284
– Manufacturing	22,313	12,551	21,825	12,869
– Transport and transport equipment	8,450	6,045	9,989	7,319
– Recreational activities	112	111	108	107
– Information technology	6,471	4,348	5,965	3,880
– Others	18,502	11,464	17,406	10,319
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	15	15	19	19
– Loans for the purchase of other residential properties	24,545	24,542	25,654	25,652
– Credit card advances	10,341	–	10,553	–
– Others	24,365	18,663	25,545	19,726
	208,688	155,705	208,584	156,191
Trade finance (including trade bills)	19,189	1,319	17,868	1,215
Gross loans and advances for use outside Hong Kong	39,965	18,600	39,428	19,952
	267,842	175,624	265,880	177,358

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

12 LOANS AND ADVANCES TO CUSTOMERS (continued)

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

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

In HK\$ millions	Impaired advances to customers	Specific allowances	General allowances
As at 30 June 2024			
Property development	633	–	159
Property investment	167	6	143
As at 31 December 2023			
Property development	–	–	256
Property investment	124	–	207

12.2 Loans and advances to customers by geographical area

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

In HK\$ millions	Loans	Trade finance (including trade bills)	Total
As at 30 June 2024			
Hong Kong	215,701	12,686	228,387
Mainland China	23,650	1,686	25,336
Others	9,302	4,817	14,119
	248,653	19,189	267,842
As at 31 December 2023			
Hong Kong	217,586	10,612	228,198
Mainland China	22,557	1,369	23,926
Others	7,869	5,887	13,756
	248,012	17,868	265,880

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

12 LOANS AND ADVANCES TO CUSTOMERS (continued)

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

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

In HK\$ millions	Impaired advances to customers	Specific allowances	General allowances
As at 30 June 2024			
Hong Kong	3,126	1,030	2,383
As at 31 December 2023			
Hong Kong	2,499	999	1,979

13 OVERDUE AND RESCHEDULED ASSETS

13.1 Overdue loans and advances to customers

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

In HK\$ millions	As at 30 June 2024		As at 31 December 2023	
	253	0.09	442	0.17
	627	0.23	153	0.06
	1,110	0.41	1,235	0.46
	<u>1,990</u>	<u>0.73</u>	<u>1,830</u>	<u>0.69</u>
Specific allowances made in respect of the above overdue loans and advances	<u>1,099</u>		<u>1,071</u>	
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>1,182</u>		<u>1,050</u>	
Covered portion of the above overdue loans and advances	<u>962</u>		<u>811</u>	
Uncovered portion of the above overdue loans and advances	<u>1,028</u>		<u>1,019</u>	

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

13 OVERDUE AND RESCHEDULED ASSETS (continued)

13.2 Rescheduled advances

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

In HK\$ millions	As at 30 June 2024		As at 31 December 2023	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Rescheduled loans and advances	<u>378</u>	0.14	<u>331</u>	0.12

13.3 Repossessed assets

The amount of repossessed assets as at 30 June 2024 was HK\$154 million.

13.4 Overdue other assets

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

In HK\$ millions	As at	As at
	30 June 2024	31 December 2023
Six months or less but over three months	–	–
One year or less but over six months	–	–
Over one year	<u>8</u>	<u>7</u>
	<u>8</u>	<u>7</u>

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

14 MAINLAND ACTIVITIES

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

As at 30 June 2024

In HK\$ millions Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	26,543	2,018	28,561
(b) Local governments, local government-owned entities and their subsidiaries and JVs	12,435	584	13,019
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	29,517	8,971	38,488
(d) Other entities of central government not reported in part (a) above	6,390	960	7,350
(e) Other entities of local governments not reported in part (b) above	2,563	–	2,563
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,830	1,648	10,478
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	13,437	6,284	19,721
Total	99,715	20,465	120,180
Total assets after provision	474,954		
On-balance sheet exposures as percentage of total assets	20.99%		

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

14 MAINLAND ACTIVITIES (continued)

As at 31 December 2023

In HK\$ millions	On-balance sheet exposure	Off-balance sheet exposure	Total
Types of Counterparties			
(a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	18,222	2,053	20,275
(b) Local governments, local government-owned entities and their subsidiaries and JVs	11,188	602	11,790
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	31,684	4,877	36,561
(d) Other entities of central government not reported in part (a) above	5,883	938	6,821
(e) Other entities of local governments not reported in part (b) above	2,485	20	2,505
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	10,664	770	11,434
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	11,450	4,179	15,629
Total	<u>91,576</u>	<u>13,439</u>	<u>105,015</u>
Total assets after provision	<u>465,360</u>		
On-balance sheet exposures as percentage of total assets	<u>19.68%</u>		

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

15 FOREIGN EXCHANGE EXPOSURES

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

In HK\$ millions	USD	CNY	CAD	AUD	JPY	GBP	MOP	EUR	CHF	SGD	NZD	Others	Total
As at 30 June 2024													
Spot assets	182,779	37,173	370	1,737	9,452	4,184	717	7,085	3,999	1,196	1,246	567	250,505
Spot liabilities	(190,877)	(19,544)	(3,661)	(8,920)	(5,717)	(5,809)	(587)	(6,420)	(419)	(1,236)	(2,014)	(564)	(245,768)
Forward purchases	51,257	22,186	3,433	7,855	4,946	4,828	-	2,544	613	1,887	1,184	61	100,794
Forward sales	(42,891)	(39,944)	(183)	(365)	(8,476)	(3,265)	-	(3,135)	(4,128)	(1,843)	(410)	(37)	(104,677)
Net options position	2	(1)	-	(1)	-	-	-	-	-	-	1	-	1
Net long/(short) non-structural position	270	(130)	(41)	306	205	(62)	130	74	65	4	7	27	855
Net structural position	-	506	-	-	-	-	(63)	-	-	-	-	-	443
As at 31 December 2023													
Spot assets	185,161	22,515	306	1,860	11,436	4,718	637	7,436	4,115	1,230	1,366	652	241,432
Spot liabilities	(182,788)	(24,736)	(3,245)	(9,701)	(5,634)	(7,084)	(486)	(7,172)	(353)	(1,268)	(1,661)	(642)	(244,770)
Forward purchases	48,468	19,485	3,187	8,630	2,847	3,255	-	1,315	2,500	1,424	714	21	91,846
Forward sales	(51,534)	(17,267)	(271)	(661)	(8,433)	(915)	-	(1,471)	(6,206)	(1,400)	(386)	(16)	(88,560)
Net options position	1	-	-	(2)	-	-	-	-	-	-	-	-	(1)
Net long/(short) non-structural position	(692)	(3)	(23)	126	216	(26)	151	108	56	(14)	33	15	(53)
Net structural position	-	324	-	-	-	-	(55)	-	-	-	-	-	269

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY

16.1 Liquidity Coverage Ratio

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

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

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

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.1 Liquidity Coverage Ratio (continued)

Table: Average LCR for the quarter ended 30 June 2024

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 30 June 2024: (74)		In HK\$ millions	
		Unweighted value (average)	Weighted value (average)
Basis of disclosure: unconsolidated			
A. HQLA			
1	Total HQLA		129,321
B. Cash Outflows			
2	Retail deposits and small business funding, of which:	233,956	18,027
3	<i>Stable retail deposits and stable small business funding</i>	7,589	228
4	<i>Less stable retail deposits and less stable small business funding</i>	129,617	12,959
4a	<i>Retail term deposits and small business term funding</i>	96,750	4,840
5	Unsecured wholesale funding (other than small business funding), debt securities and prescribed instruments issued by the AI, of which:	139,026	83,906
6	<i>Operational deposits</i>	8,485	1,797
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	130,541	82,109
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	–	–
9	Secured funding transactions (including securities swap transactions)		–
10	Additional requirements, of which:	41,679	5,443
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	1,349	1,349
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	–	–
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	40,330	4,094
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,131	2,131
15	Other contingent funding obligations (whether contractual or non-contractual)	196,791	703
16	Total Cash Outflows		110,210
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	45,516	1,404
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	99,253	22,320
19	Other cash inflows	12,977	12,714
20	Total Cash Inflows	157,746	36,438
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		129,321
22	Total Net Cash Outflows		73,772
23	LCR (%)		175.6

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.1 Liquidity Coverage Ratio (continued)

The Bank has maintained a healthy liquidity position in the second quarter of 2024, with LCR being well above regulatory requirement. Quarter-on-quarter, the Bank reduced the holding of HQLA which had led to the decrease of average LCR.

(i) Composition of High Quality Liquid Assets

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

(ii) Concentration of funding sources

The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Customer deposits form a sound funding base and serve as the main source of funding for the Bank. It is complemented by a well-diversified book of wholesale funding, including but not limited to interbank money market borrowing and the issuance of certificates of deposit. For more information on the Bank's funding strategy, please refer to section 20.1.3 of annual regulatory disclosure for the year ended 31 December 2023.

(iii) Derivatives exposures

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

(iv) Currency mismatch

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

(v) Centralisation of liquidity management

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.2 Net Stable Funding Ratio

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

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

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

Table 1: NSFR for the quarter ended 30 June 2024

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	53,085	–	–	2,342	55,428
2	<i>Regulatory capital</i>	53,085	–	–	2,342	55,428
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	231,398	3,960	198	212,499
5	<i>Stable deposits</i>		9,539	34	–	9,095
6	<i>Less stable deposits</i>		221,859	3,926	198	203,404
7	Wholesale funding:	–	180,360	2,039	1,444	58,304
8	<i>Operational deposits</i>		9,008	–	–	4,504
9	<i>Other wholesale funding</i>	–	171,352	2,039	1,444	53,800
10	Liabilities with matching interdependent assets					
11	Other liabilities:	15,419	351	–	–	–
12	<i>Net derivative liabilities</i>	1,323				
13	<i>All other funding and liabilities not included in the above categories</i>	14,096	351	–	–	–
14	Total ASF					326,231
15	Total HQLA for NSFR purposes	591	45,389	8,890	38,411	5,938
16	Deposits held at other financial institutions for operational purposes	–	764	–	–	382
17	Performing loans and securities:	15,477	170,588	36,928	146,929	223,009
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	42,404	–	–	4,240

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.2 Net Stable Funding Ratio (continued)

Table 1: NSFR for the quarter ended 30 June 2024 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	108	19,153	2,892	32,365	36,791
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	15,369	108,084	20,772	85,161	149,879
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	947	788	27,301	24,074
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	–	12,476	2,102	8,025
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	13,809	1,265	13	1,548	12,213
27	<i>Physical traded commodities, including gold</i>	–				–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–				–
29	<i>Net derivative assets</i>	–				–
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	3,796				190
31	<i>All other assets not included in the above categories</i>	10,013	1,265	13	1,548	12,023
32	Off-balance sheet items		230,646	–	–	2,058
33	Total RSF					243,600
34	Net Stable Funding Ratio (%)					133.9

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

Table 2: NSFR for the quarter ended 31 March 2024

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding ("ASF") item						
1	Capital:	50,627	–	–	2,348	52,975
2	<i>Regulatory capital</i>	50,627	–	–	2,348	52,975
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	226,507	4,328	171	208,426
5	<i>Stable deposits</i>		10,027	49	–	9,572
6	<i>Less stable deposits</i>		216,480	4,279	171	198,854
7	Wholesale funding:	–	161,874	2,426	1,469	56,795
8	<i>Operational deposits</i>		7,598	–	–	3,799
9	<i>Other wholesale funding</i>	–	154,276	2,426	1,469	52,996
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	19,275	588	–	–	–
12	<i>Net derivative liabilities</i>	1,734				
13	<i>All other funding and liabilities not included in the above categories</i>	17,541	588	–	–	–
14	Total ASF					318,196
15	Total HQLA for NSFR purposes	623	55,650	6,086	34,403	5,248
16	Deposits held at other financial institutions for operational purposes	–	654	–	–	327
17	Performing loans and securities:	15,727	172,149	27,429	137,689	208,387
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	39,916	–	–	3,992
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	110	27,682	1,504	25,547	30,561
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	15,617	103,582	21,404	81,996	145,464

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.2 Net Stable Funding Ratio (continued)

Table 2: NSFR for the quarter ended 31 March 2024 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	969	806	28,078	24,754
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	–	3,715	2,068	3,616
25	Assets with matching interdependent liabilities					
26	Other assets:	13,189	4,520	7	1,600	11,619
27	<i>Physical traded commodities, including gold</i>	–				–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–				–
29	<i>Net derivative assets</i>	–				–
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	3,767				188
31	<i>All other assets not included in the above categories</i>	9,423	4,520	7	1,600	11,431
32	Off-balance sheet items		245,325	–	–	2,286
33	Total RSF					227,867
34	Net Stable Funding Ratio (%)					139.6

The NSFR remained well above the regulatory requirement in the first half of 2024. Compared to previous quarter, the NSFR as of end 2Q 2024 decreased. It was mainly due to larger long-term interbank lending.

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

There are no interdependent assets and liabilities as of end 1Q and 2Q 2024.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

16 LIQUIDITY (continued)

16.3 Approach to Liquidity Management

The Bank's approach to liquidity risk management is based on the building blocks of governance by risk committees' oversight, policies that define overarching principles and specific risk methodologies, and standards that establish the detailed requirements. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. For more information on the Bank's approach to liquidity risk management, please refer to section 20.1 of annual regulatory disclosure for the year ended 31 December 2023.

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

17 ABBREVIATIONS

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

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

17 ABBREVIATIONS (continued)

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