



# **Fubon Bank (Hong Kong) Limited**

## **Regulatory Disclosures Statement**

**As at 30 June 2019**

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**Introduction**

This Regulatory Disclosures Statement (“Statement”) is prepared in accordance with the Banking (Disclosures) Rules (“BDR”) for Fubon Bank (Hong Kong) Limited and its subsidiaries. The information contained in this statement, together with the Group’s interim financial statements and disclosures made in the Bank’s website under the page “Regulatory Disclosures”, comply fully with the applicable disclosure provisions of the BDR issued by the Hong Kong Monetary Authority (“HKMA”) under section 60A of the Hong Kong Banking Ordinance.

This Statement is prepared in consolidated basis for regulatory purposes, which is different from the basis of consolidation for accounting basis. For the details of the basis of consolidation, please refer to Note (A) of the Group’s interim financial statements for the period ended 30 June 2019.

The terms “collective impairment allowances / collective provision” represents impairment allowances recognised for financial assets categorized under Stage 1 and Stage 2 under the Group’s accounting policies, while the terms “individual impairment allowances / specific provision” represents impairment allowances recognised on financial assets categorized under Stage 3 under the Group’s accounting policies.

**FUBON BANK (HONG KONG) LIMITED**  
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**As at 30 June 2019**
**Template KM1: Key prudential ratios**

	(a)	(b)	(c)	(d)	(e)	
	As at 30 June 2019	As at 31 March 2019	As at 31 December 2018	As at 30 September 2018	As at 30 June 2018	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Regulatory capital (amount)</b>						
1	Common Equity Tier 1 (CET1)	11,333,278	10,949,487	10,656,716	8,148,809	7,919,565
2	Tier 1	11,333,278	10,949,487	10,656,716	9,656,606	9,427,362
3	Total capital	13,574,508	13,176,602	13,104,641	11,999,704	11,804,076
<b>RWA (amount)</b>						
4	Total RWA	67,735,729	64,365,472	63,607,565	63,264,416	63,606,427
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5	CET1 ratio (%)	16.7316%	17.0114%	16.7538%	12.8806%	12.4509%
6	Tier 1 ratio (%)	16.7316%	17.0114%	16.7538%	15.2639%	14.8214%
7	Total capital ratio (%)	20.0404%	20.4715%	20.6023%	18.9675%	18.5580%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.5000%	2.5000%	1.8750%	1.8750%	1.8750%
9	Countercyclical capital buffer requirement (%)	2.1090%	2.1270%	1.6110%	1.6200%	1.6110%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
11	Total AI-specific CET1 buffer requirements (%)	4.6090%	4.6270%	3.4860%	3.4950%	3.4860%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.7316%	11.0114%	10.7538%	8.3806%	7.9509%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	108,511,422	104,183,451	105,629,504	101,895,349	102,637,841
14	LR (%)	10.4443%	10.5098%	10.0888%	9.4770%	9.1851%

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**Template KM1: Key prudential ratios (continued)**

		(a)	(b)	(c)	(d)	(e)
		As at 30 June 2019	As at 31 March 2019	As at 31 December 2018	As at 30 September 2018	As at 30 June 2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16	Total net cash outflows	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
17	LCR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2 institution only:					
17a	LMR (%)	67.3429%	66.4283%	59.9690%	56.6127%	54.4139%
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2A institution only:					
20a	CFR (%)	157.6030%	159.0343%	158.2187%	150.6411%	148.9268%

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**Template OV1: Overview of RWA**

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2019 HK\$'000	As at 31 March 2019 HK\$'000	As at 30 June 2019 HK\$'000
1	Credit risk for non-securitization exposures	65,108,459	61,551,527	5,208,677
2	Of which STC approach	65,108,459	61,551,527	5,208,677
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	647,061	852,100	51,765
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	199,505	228,021	15,960
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	447,556	624,079	35,805
10	CVA risk	26,338	60,900	2,107
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA*	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA*	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA*	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches*	Not applicable	Not applicable	Not applicable
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	105,000	98,513	8,400
21	Of which STM approach	105,000	98,513	8,400
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	Not applicable	Not applicable	Not applicable

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**Template OV1: Overview of RWA (continued)**

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2019 HK\$'000	As at 31 March 2019 HK\$'000	As at 30 June 2019 HK\$'000
24	Operational risk	3,154,963	3,120,588	252,397
24a	Sovereign concentration risk*	Not applicable	Not applicable	Not applicable
25	Amounts below the thresholds for deduction (subject to 250% RW)	182,473	177,450	14,598
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	1,488,565	1,495,606	119,085
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	1,488,565	1,495,606	119,085
27	Total	67,735,729	64,365,472	5,418,859

*Point to note:*

- (i) *Items marked with an asterisk (\*) will be applicable only after their respective policy frameworks take effect. Until then, "Not applicable" should be reported in the rows.*

**FUBON BANK (HONG KONG) LIMITED**  
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**As at 30 June 2019**
**Template CC1: Composition of regulatory capital**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 30 June 2019	As at 30 June 2019
		HK\$'000	HK\$'000
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	4,830,448	(8)
2	Retained earnings	5,720,776	(9) + (10)
3	Disclosed reserves	3,975,660	(11) + (12) + (13) + (14)
4	<i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i>	Not applicable	Not applicable
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	<b>CET1 capital before regulatory deductions</b>	14,526,884	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	-	
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)	-	
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	Not applicable	Not applicable
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)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable



**FUBON BANK (HONG KONG) LIMITED**  
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**As at 30 June 2019**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 30 June 2019	As at 30 June 2019
		HK\$'000	HK\$'000
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	3,193,606	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	2,706,481	(11) + (12)
26b	Regulatory reserve for general banking risks	487,125	(13)
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	<b>Total regulatory deductions to CET1 capital</b>	3,193,606	
29	<b>CET1 capital</b>	11,333,278	
<b>AT1 capital: instruments</b>			
30	Qualifying AT1 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	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
35	<i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i>	-	
36	<b>AT1 capital before regulatory deductions</b>	-	
<b>AT1 capital: regulatory deductions</b>			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	

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**As at 30 June 2019**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 30 June 2019	As at 30 June 2019
		HK\$'000	HK\$'000
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	<b>Total regulatory deductions to AT1 capital</b>	-	
44	<b>AT1 capital</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	11,333,278	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
47	<i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i>	461,529	(7) * 30%
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	561,785	(1) + (2) + (3) + (4) + (5) + (6) + (13)
51	<b>Tier 2 capital before regulatory deductions</b>	1,023,314	
<b>Tier 2 capital: regulatory deductions</b>			
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)	-	

**FUBON BANK (HONG KONG) LIMITED**  
**Regulatory Disclosures Statement**  
**As at 30 June 2019**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 30 June 2019	As at 30 June 2019
		HK\$'000	HK\$'000
56	National specific regulatory adjustments applied to Tier 2 capital	(1,217,916)	
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	(1,217,916)	-[(11) + (12)] * 45%
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	(1,217,916)	
58	<b>Tier 2 capital (T2)</b>	2,241,230	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	13,574,508	
60	<b>Total RWA</b>	67,735,729	
	<b>Capital ratios (as a percentage of RWA)</b>		
61	<b>CET1 capital ratio</b>	16.7316%	
62	<b>Tier 1 capital ratio</b>	16.7316%	
63	<b>Total capital ratio</b>	20.0404%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	4.609%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	2.109%	
67	of which: higher loss absorbency requirement	Not applicable	Not applicable
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	10.7316%	
	<b>National minima (if different from Basel 3 minimum)</b>		
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	944,202	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	72,989	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable

**FUBON BANK (HONG KONG) LIMITED**  
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**As at 30 June 2019**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 30 June 2019	As at 30 June 2019
		HK\$'000	HK\$'000
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	561,785	
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	823,196	
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)	Not applicable	Not applicable
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	Not applicable	Not applicable
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
80	<i>Current cap on CET1 capital instruments subject to phase-out arrangements</i>	Not applicable	Not applicable
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	Not applicable	Not applicable
82	<i>Current cap on AT1 capital instruments subject to phase-out arrangements</i>	-	
83	<i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on Tier 2 capital instruments subject to phase-out arrangements</i>	1,538,430	
85	<i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i>	-	

**FUBON BANK (HONG KONG) LIMITED**  
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**Template CC1: Composition of regulatory capital (continued)**
Notes to Template CC1

	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	-	-
10	Deferred tax assets (net of associated deferred tax liabilities)	-	-
18	Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
19	Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
39	Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
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)	-	-

Remarks: The amount of the 10% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.

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**As at 30 June 2019**
**Template CC2: Reconciliation of regulatory capital to balance sheet**

	(a)	(b)	(c)
	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Reference</b>
	As at 30 June 2019	As at 30 June 2019	
	HK\$'000	HK\$'000	
<b>Assets</b>			
Gross cash and short-term funds	3,052,624	3,052,624	
Less: Collective impairment allowances	612	612	(1)
Gross balances with banks and other financial institutions	1,404,054	1,404,054	
Less: Collective impairment allowances	1,335	1,335	(2)
Trading assets	1,725,900	1,725,900	
Derivative financial instruments	523,424	523,424	
Gross advances to customers	50,245,870	50,245,870	
Less: Individual impairment allowances	180,422	180,422	
Less: Collective impairment allowances	40,458	40,458	(3)
Gross trade bills	901,317	901,317	
Less: Collective impairment allowances	332	332	(4)
Accrued interest and other assets	1,921,680	1,871,297	
Gross debt securities measured at amortised cost	41,271,955	41,271,955	
Less: Collective impairment allowances	21,122	21,122	(5)
Equity securities designated at fair value through other comprehensive income	1,075,692	1,075,692	
Investment in subsidiaries	-	8,162	
Amount due from subsidiaries	-	51,374	
Fixed assets	4,364,741	4,364,741	
Assets held for sale	45,443	45,443	
Deferred tax assets	8	2	
<b>Total assets</b>	<b>106,288,427</b>	<b>106,297,574</b>	

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**Template CC2: Reconciliation of regulatory capital to balance sheet (continued)**

	(a)	(b)	(c)
	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Reference</b>
	As at 30 June 2019	As at 30 June 2019	
	HK\$'000	HK\$'000	
<b>Liabilities</b>			
Deposits and balances of banks and other financial institutions	9,650,509	9,650,509	
Deposits from customers	69,020,443	69,020,443	
Trading liabilities	1,726,041	1,726,041	
Certificates of deposit issued	5,322,393	5,322,393	
Debt securities issued	1,199,489	1,199,489	
Derivative financial instruments	375,610	375,610	
Other liabilities	2,078,845	1,964,962	
of which: collective impairment allowances on off-balance sheet items		10,801	(6)
Amounts due to subsidiaries	-	232,569	
Deferred tax liabilities	719,612	719,612	
Subordinated notes issued	1,559,062	1,559,062	
of which: subordinated notes subject to phase out arrangements		1,538,430	(7)
<b>Total liabilities</b>	<b>91,652,004</b>	<b>91,770,690</b>	
<b>Equity</b>			
Share capital	4,830,448	4,830,448	(8)
Reserves	9,805,975	9,696,436	
of which: retained earnings		5,342,809	(9)
of which: comprehensive income for the period		377,967	(10)
of which: premises revaluation reserve (arising from independent professional valuations carried out in November 1989)		52,669	(11)
of which: premises revaluation reserve		2,653,812	(12)
of which: regulatory reserve		487,125	(13)
of which: investment revaluation reserve		782,054	(14)
<b>Total equity</b>	<b>14,636,423</b>	<b>14,526,884</b>	
<b>Total equity and liabilities</b>	<b>106,288,427</b>	<b>106,297,574</b>	

**FUBON BANK (HONG KONG) LIMITED**  
**Regulatory Disclosures Statement**  
**As at 30 June 2019**
**Table CCA: Main features of regulatory capital instruments**

		Ordinary shares	USD200 million 6.125% subordinated notes due 2020
1	Issuer	Fubon Bank (Hong Kong) Limited	Fubon Bank (Hong Kong) Limited
2	Unique identifier - ISIN	N.A.	XS0561639211
3	Governing law(s) of the instrument	Companies Ordinance	English law, except for the provisions relating to subordination, which are governed by, and shall be construed in accordance with, Hong Kong law.
	<i>Regulatory treatment</i>		
4	Transitional Basel III rules <sup>1</sup>	N.A.	Tier 2
5	Post-transitional Basel III rules <sup>2</sup>	Common Equity Tier 1	N.A.
6	Eligible at solo/group/group & solo	Solo	Solo
7	Instrument type	Ordinary shares	Other
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	(HKD million) 4,830	(HKD million) 462
9	Par value of instrument	N.A.	The subordinated notes with total face value of USD200 million issued in registered form in denominations of USD100,000 each and integral multiples of USD1,000 in excess thereof
10	Accounting classification	Shareholders' equity	Liability - amortised cost
11	Original date of issuance	27 January 1970	30 November 2010
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	N.A.	30 November 2020
14	Issuer call subject to prior supervisory approval	No	Yes

<sup>1</sup> Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.

<sup>2</sup> Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.



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**Table CCA: Main features of regulatory capital instruments (continued)**

		Ordinary shares	USD200 million 6.125% subordinated notes due 2020
15	Optional call date, contingent call dates and redemption amount	N.A.	If at any time the Hong Kong Monetary Authority (“HKMA”) determines (having regard to the applicable regulatory framework) that these subordinated notes no longer qualify as supplementary capital, the Bank may, on or after 1 January 2013 at its option and subject to the prior written approval of the HKMA, provide notice to such effect to Noteholders, such notice being a “Change in Status Notice”.
16	Subsequent call dates, if applicable	N.A.	N.A.
	<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	N.A.	6.125% per annum, payable semi-annually in arrears.
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.
26	If convertible, conversion rate	N.A.	N.A.
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down feature	No	No

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**Table CCA: Main features of regulatory capital instruments (continued)**

		Ordinary shares	USD200 million 6.125% subordinated notes due 2020
31	If write-down, write-down trigger(s)	N.A.	N.A.
32	If write-down, full or partial	N.A.	N.A.
33	If write-down, permanent or temporary	N.A.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
35	Position in subordination hierarchy in liquidation	Rank after USD200 million 6.125% subordinated notes due 2020	Subordinated to depositors, general creditors and all other unsubordinated creditors of the Bank
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	N.A.	Absence of non-viability loss absorption criteria

**Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer**

As at 30 June 2019					
HK\$'000					
	(a)	(b)	(c)	(d)	(e)
	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	2.500%	50,535,441		
2	United Kingdom (excludes Guernsey, Isle of Man and Jersey)	1.000%	85,731		
3	Sum		50,621,172		
4	Total		59,942,921	2.109%	1,428,547

**Template LR1: Summary comparison of accounting assets against leverage ratio exposure measure**

		(a)
		As at 30 June 2019
	Item	Value under the LR framework HK\$'000
1	Total consolidated assets as per published financial statements	106,543,509
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	469
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
4	Adjustments for derivative contracts	244,643
5	Adjustment for SFTs (i.e. repos and similar secured lending)	447,575
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	4,723,914
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(255,082)
7	Other adjustments	(3,193,606)
<b>8</b>	<b>Leverage ratio exposure measure</b>	<b>108,511,422</b>

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**Template LR2: Leverage ratio**

		(a)	(b)
		HK\$000	
		As at 30 June 2019	As at 31 March 2019
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	99,212,980	94,655,630
2	Less: Asset amounts deducted in determining Tier 1 capital	(3,193,606)	(3,206,939)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	96,019,374	91,448,691
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	536,241	638,440
5	Add-on amounts for PFE associated with all derivative contracts	307,935	320,774
6	Gross-up for derivatives collateral provided 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	-	-
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	<b>Total exposures arising from derivative contracts</b>	844,176	959,214
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	6,731,484	6,930,392
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	447,556	623,998
15	Agent transaction exposures	-	-
16	<b>Total exposures arising from SFTs</b>	7,179,040	7,554,390
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	36,080,181	34,729,088
18	Less: Adjustments for conversion to credit equivalent amounts	(31,356,267)	(30,261,530)
19	<b>Off-balance sheet items</b>	4,723,914	4,467,558
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	11,333,278	10,949,487
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	108,766,504	104,429,853
20b	<b>Adjustments for specific and collective provisions</b>	(255,082)	(246,402)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	108,511,422	104,183,451
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	10.4443%	10.5098%

**Template CR1: Credit quality of exposures**

		As at 30 June 2019						
		HK\$'000						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts 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	237,898	50,007,972	220,880	180,422	40,458	Not applicable	50,024,990
2	Debt securities	-	42,997,855	21,122	-	21,122	Not applicable	42,976,733
3	Off-balance sheet exposures	-	3,036,849	10,801	-	10,801	Not applicable	3,026,048
4	<b>Total</b>	<b>237,898</b>	<b>96,042,676</b>	<b>252,803</b>	<b>180,422</b>	<b>72,381</b>	Not applicable	<b>96,027,771</b>

**Template CR2: Changes in defaulted loans and debt securities**

		As at 30 June 2019
		(a)
		HK\$'000
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>252,787</b>
2	Loans and debt securities that have defaulted since the last reporting period	53,363
3	Returned to non-defaulted status	(9,545)
4	Amounts written off	(12,706)
5	Other changes	(46,001)
6	<b>Defaulted loans and debt securities at end of the current reporting period</b>	<b>237,898</b>

**Template CR3: Overview of recognised credit risk mitigation**

		As at 30 June 2019				
		HKD'000				
		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognised collateral	Exposures secured by recognised guarantees	Exposures secured by recognised credit derivative contracts
1	Loans	45,934,689	4,090,301	481,946	3,608,355	-
2	Debt securities	40,217,243	2,759,490	-	2,759,490	-
<b>3</b>	<b>Total</b>	<b>86,151,932</b>	<b>6,849,791</b>	<b>481,946</b>	<b>6,367,845</b>	<b>-</b>
4	Of which defaulted	201,767	36,131	35,377	754	-

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**Template CR4: Credit risk exposure and the effects of recognised credit risk mitigations**

		As at 30 June 2019					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes	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	5,343,717	-	7,870,405	-	37,409	0.48
2	PSE exposures	753,682	-	1,028,721	-	205,744	20.00
2a	Of which: domestic PSEs	753,682	-	1,028,721	-	205,744	20.00
2b	Of which: foreign PSEs	-	-	-	-	-	-
3	Multilateral development bank exposures	2,804,154	-	2,804,154	-	-	-
4	Bank exposures	14,788,853	-	15,199,546	56,822	5,549,943	36.38
5	Securities firm exposures	70,225	-	70,225	-	35,113	50.00
6	Corporate exposures	55,468,553	15,920,743	52,177,487	1,266,148	43,746,461	81.86
7	CIS exposures	133,431	171,959	133,431	85,980	219,411	100.00
8	Cash items	222,487	-	668,756	-	41,888	6.26
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	4,496,923	19,987,479	4,460,213	27,827	3,366,030	75.00
11	Residential mortgage loans	12,109,864	-	11,833,372	-	4,724,153	39.92
12	Other exposures which are not past due exposures	7,167,088	-	7,112,667	-	7,112,667	100.00
13	Past due exposures	59,580	-	59,580	-	69,640	116.88
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	<b>Total</b>	<b>103,418,557</b>	<b>36,080,181</b>	<b>103,418,557</b>	<b>1,436,777</b>	<b>65,108,459</b>	<b>62.09</b>

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**Template CR5: Credit risk exposures by asset classes and by risk weights**

		As at 30 June 2019										
		HK\$'000										
	Risk Weight	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	(j)
Exposure class		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total credit risk exposures amount (post CCF and post CRM)
1	Sovereign exposures	7,683,362	-	187,043	-	-	-	-	-	-	-	7,870,405
2	PSE exposures	-	-	1,028,721	-	-	-	-	-	-	-	1,028,721
2a	Of which: domestic PSEs	-	-	1,028,721	-	-	-	-	-	-	-	1,028,721
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	2,804,154	-	-	-	-	-	-	-	-	-	2,804,154
4	Bank exposures	-	-	6,928,845	-	8,326,698	-	825	-	-	-	15,256,368
5	Securities firm exposures	-	-	-	-	70,225	-	-	-	-	-	70,225
6	Corporate exposures	-	-	991,852	-	17,807,384	-	34,644,399	-	-	-	53,443,635
7	CIS exposures	-	-	-	-	-	-	219,411	-	-	-	219,411
8	Cash items	459,314	-	209,442	-	-	-	-	-	-	-	668,756
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	-	-	-	-	-	4,488,040	-	-	-	-	4,488,040
11	Residential mortgage loans	-	-	-	10,592,571	-	896,194	344,607	-	-	-	11,833,372
12	Other exposures which are not past due exposures	-	-	-	-	-	-	7,112,667	-	-	-	7,112,667
13	Past due exposures	-	-	565	-	189	-	37,614	21,212	-	-	59,580
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	<b>Total</b>	<b>10,946,830</b>	<b>-</b>	<b>9,346,468</b>	<b>10,592,571</b>	<b>26,204,496</b>	<b>5,384,234</b>	<b>42,359,523</b>	<b>21,212</b>	<b>-</b>	<b>-</b>	<b>104,855,334</b>



**Template CCR1: Analysis of counterparty default risk exposure (other than those to CCPs) by approach**

		As at 30 June 2019					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha ( $\alpha$ ) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$'000	HK\$'000			HK\$'000	HK\$'000
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	536,241	307,935		N/A	388,502	199,505
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					820,725	447,556
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	<b>Total</b>						<b>647,061</b>

**Template CCR2: CVA capital charge**

		As at 30 June 2019	
		(a)	(b)
		EAD post CRM	RWA
		HK\$'000	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 standardised CVA method	388,500	26,338
4	<b>Total</b>	<b>388,500</b>	<b>26,338</b>

**Template CCR3: Counterparty default risk exposures (other than those to CCPs) by asset class and by risk weights**

		As at 30 June 2019										(i)
		HK\$'000										
Exposure class	Risk Weight	(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	Total default risk exposure after CRM
	0%	10%	20%	35%	50%	75%	100%	150%	250%	Others		
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	382,075	-	126,247	-	-	-	-	-	508,322
5	Securities firm exposures	-	-	-	-	408,053	-	-	-	-	-	408,053
6	Corporate exposures	-	-	-	-	-	-	124,583	-	-	-	124,583
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	88,445	-	-	-	-	88,445
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	79,823	-	-	-	79,823
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	382,075	-	534,300	88,445	204,406	-	-	-	1,209,226

**Template CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)**

	As at 30 June 2019					
	HK\$'000					
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
Fair value of recognised collateral received		Fair value of posted collateral		Fair value of recognised collateral received	Fair value of posted collateral	
Segregated	Unsegregated	Segregated	Unsegregated			
Cash - domestic currency	22,019	-	-	-	-	-
Cash - other currencies	181,080	-	-	-	5,911,078	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>203,099</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,911,078</b>	<b>-</b>

**Template MR1: Market risk under STM approach**

		As at 30 June 2019
		HK\$'000
		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	53,375
2	Equity exposures (general and specific risk)	1,713
3	Foreign exchange (including gold) exposures	49,912
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	<b>Total</b>	<b>105,000</b>

**Abbreviations**

AI	Authorised institution
AMA	Advanced measurement approach
ASA	Alternative standardised approach
AT1	Additional tier 1
Bank/Group	Fubon Bank (Hong Kong) Limited
BCR	Banking (Capital) Rules
BIA	Basic indicator approach
Board	Board of Directors
BSC	Basic approach
CCF	Credit conversion factor
CCP	Central counterparty
CCyB	Countercyclical capital buffer
CEM	Current exposure method
CET1	Common equity tier 1
CFR	Core funding ratio
CIS	Collective investment scheme
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
D-SIB	Domestic systematically important authorised institution
EAD	Exposure at default
EL	Expected loss
FBA	Fall-back approach
G-SIB	Global systematically important authorised institution
HKMA	Hong Kong Monetary Authority
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
IRB	Internal ratings-based approach
IMM	Internal models approach
IMM(CCR)	Internal models (counterparty credit risk) approach
LCR	Liquidity coverage ratio
LMR	Liquidity maintenance ratio
LR	Leverage ratio
LTA	Look-through approach
MBA	Mandate-based approach
N/A	Not applicable
NSFR	Net stable funding ratio

**Abbreviations (continued)**

PSE	Public sector entity
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
SA-CCR	Standardised approach for counterparty
SEC-IRBA	Securitisation internal ratings-based approach
SEC-ERBA	Securitisation external ratings-based approach
SEC-SA	Securitisation standardised approach
SEC-FBA	Securitisation fall-back approach
SFT	Securities financing transaction
STC	Standardised (credit risk) approach
STC(S)	Standardised (securitisation) approach
STM	Standardised (market risk) approach
STO	Standardised (operational risk) approach
T1	Tier 1 capital
T2	Tier 2 capital
VaR	Value at risk