



Fubon Bank (Hong Kong) Limited

Regulatory Disclosures Statement

As at 30 June 2020

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FUBON BANK (HONG KONG) LIMITED
Regulatory Disclosures Statement
As at 30 June 2020**Introduction**

This Regulatory Disclosures Statement is prepared in accordance with the Banking (Disclosures) Rules (“BDR”) for Fubon Bank (Hong Kong) Limited and its subsidiaries (the “Group”). The information contained in this statement, together with the Group’s interim financial statements for the period ended 30 June 2020 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 (“HKBO”).

These disclosures are governed by the Group’s policy on financial disclosures, which has been approved by the Board. The policy set out the governance, control and assurance requirements for publication of these disclosure. While this statement is not required to be externally audited, it has been subject to independent review in accordance with the policy and its financial reporting and governance processes.

This statement is prepared based on the 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 2020.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

The terms “collective impairment allowances / collective provision” represents impairment allowances recognised for financial assets categorized as 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 as Stage 3 under the Group’s accounting policies.

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Template KM1: Key prudential ratios

	(a)	(b)	(c)	(d)	(e)	
	As at 30 June 2020	As at 31 March 2020	As at 31 December 2019	As at 30 September 2019	As at 30 June 2019	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	11,940,911	11,539,979	11,632,902	11,491,097	11,333,278
2	Tier 1	11,940,911	11,539,979	11,632,902	11,491,097	11,333,278
3	Total capital	13,841,919	13,668,566	13,674,799	13,748,554	13,574,508
RWA (amount)						
4	Total RWA	71,291,107	71,835,529	69,558,675	68,927,169	67,735,729
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	16.7495%	16.0644%	16.7239%	16.6714%	16.7316%
6	Tier 1 ratio (%)	16.7495%	16.0644%	16.7239%	16.6714%	16.7316%
7	Total capital ratio (%)	19.4161%	19.0276%	19.6594%	19.9465%	20.0404%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.5000%	2.5000%	2.5000%	2.5000%	2.5000%
9	Countercyclical capital buffer requirement (%)	0.8140%	0.8173%	1.6591%	2.1150%	2.1090%
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 (%)	3.3140%	3.3173%	4.1591%	4.6150%	4.6090%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.7495%	10.0644%	10.7239%	10.6714%	10.7316%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	115,792,246	112,160,008	113,929,694	112,266,795	108,511,422
14	LR (%)	10.3124%	10.2889%	10.2106%	10.2355%	10.4443%

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Template KM1: Key prudential ratios (continued)

	(a)	(b)	(c)	(d)	(e)
	As at 30 June 2020	As at 31 March 2020	As at 31 December 2019	As at 30 September 2019	As at 30 June 2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:				
15	Total high quality liquid assets (HQLA)	Not applicable	Not applicable	Not applicable	Not applicable
16	Total net cash outflows	Not applicable	Not applicable	Not applicable	Not applicable
17	LCR (%)	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2 institution only:				
17a	LMR (%)	70.2037%	68.0976%	69.7060%	64.8663%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:				
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2A institution only:				
20a	CFR (%)	169.7489%	167.9460%	159.9716%	160.7669%

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Template OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2020 HK\$'000	As at 31 March 2020 HK\$'000	As at 30 June 2020 HK\$'000
1	Credit risk for non-securitization exposures	68,183,049	68,908,120	5,454,644
2	Of which STC approach	68,183,049	68,908,120	5,454,644
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	863,932	780,978	69,115
7	Of which SA-CCR*	Not applicable	Not applicable	Not applicable
7a	Of which CEM	203,103	302,644	16,248
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	660,829	478,334	52,867
10	CVA risk	16,575	37,838	1,326
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	79,100	101,038	6,328
21	Of which STM approach	79,100	101,038	6,328
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 2020 HK\$'000	As at 31 March 2020 HK\$'000	As at 30 June 2020 HK\$'000
24	Operational risk	3,111,988	3,197,200	248,959
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	387,118	167,500	30,969
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	1,350,655	1,357,145	108,052
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	1,350,655	1,357,145	108,052
27	Total	71,291,107	71,835,529	5,703,289

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.*

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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 2020	
		HK\$'000	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	4,830,448	(8)
2	Retained earnings	6,343,056	(9) + (10)
3	Disclosed reserves	3,357,615	(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	CET1 capital before regulatory deductions	14,531,119	
CET1 capital: regulatory deductions			
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

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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 2020	
		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	2,590,208	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	2,455,737	(11) + (12)
26b	Regulatory reserve for general banking risks	134,471	(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	Total regulatory deductions to CET1 capital	2,590,208	
29	CET1 capital	11,940,911	
	AT1 capital: instruments		
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	AT1 capital before regulatory deductions	-	
	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)	-	

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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 2020	
		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	Total regulatory deductions to AT1 capital	-	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	11,940,911	
Tier 2 capital: instruments and provisions			
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>	307,686	(7) * 20%
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	488,240	(1) + (2) + (3) + (4) + (5) + (6) + (13)
51	Tier 2 capital before regulatory deductions	795,926	
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)	-	

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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 2020	
		HK\$'000	
56	National specific regulatory adjustments applied to Tier 2 capital	(1,105,082)	
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	(1,105,082)	-[(11) + (12)] * 45%
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	(1,105,082)	
58	Tier 2 capital (T2)	1,901,008	
59	Total regulatory capital (TC = T1 + T2)	13,841,919	
60	Total RWA	71,291,107	
	Capital ratios (as a percentage of RWA)		
61	CET1 capital ratio	16.7495%	
62	Tier 1 capital ratio	16.7495%	
63	Total capital ratio	19.4161%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.314%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.814%	
67	of which: higher loss absorbency requirement	Not applicable	Not applicable
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	10.7495%	
	National minima (if different from Basel 3 minimum)		
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
	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	948,589	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	154,847	
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

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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 2020	
		HK\$'000	
	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)	488,240	
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	867,123	
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
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
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.

FUBON BANK (HONG KONG) LIMITED
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As at 30 June 2020
Template CC2: Reconciliation of regulatory capital to balance sheet

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 30 June 2020	As at 30 June 2020	
	HK\$'000	HK\$'000	
Assets			
Gross cash and short-term funds	5,775,089	5,775,089	
Less: Collective impairment allowances	464	464	(1)
Gross balances with banks and other financial institutions	3,076,288	3,076,288	
Less: Collective impairment allowances	1,201	1,201	(2)
Trading assets	2,799,591	2,799,591	
Derivative financial instruments	519,949	519,949	
Gross advances to customers	52,229,481	52,229,481	
Less: Individual impairment allowances	229,821	229,821	
Less: Collective impairment allowances	205,026	205,026	(3)
Gross trade bills	570,559	570,559	
Less: Collective impairment allowances	3,554	3,554	(4)
Accrued interest and other assets	2,692,623	2,649,447	
Gross debt securities measured at amortised cost	41,063,266	41,063,266	
Less: Collective impairment allowances	95,145	95,145	(5)
Equity securities designated at fair value through other comprehensive income	1,055,707	1,055,707	
Investment in subsidiaries	-	8,562	
Amount due from subsidiaries	-	78,686	
Fixed assets	4,027,365	4,027,365	
Assets held for sale	41,300	41,300	
Deferred tax assets	9	3	
Total assets	113,316,016	113,360,082	

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

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 30 June 2020	As at 30 June 2020	
	HK\$'000	HK\$'000	
Liabilities			
Deposits and balances of banks and other financial institutions	9,018,070	9,018,070	
Deposits from customers	75,362,032	75,362,032	
Trading liabilities	2,299,733	2,299,733	
Certificates of deposit issued	4,973,243	4,973,243	
Debt securities issued	1,140,725	1,140,725	
Derivative financial instruments	1,298,293	1,298,293	
Other liabilities	2,391,802	2,318,632	
of which: collective impairment allowances on off-balance sheet items		48,379	(6)
Amounts due to subsidiaries	-	249,059	
Deferred tax liabilities	619,902	619,902	
Subordinated notes issued	1,549,274	1,549,274	
of which: subordinated notes subject to phase out arrangements		1,538,430	(7)
Total liabilities	98,653,074	98,828,963	
Equity			
Share capital	4,830,448	4,830,448	(8)
Reserves	9,832,494	9,700,671	
of which: retained earnings		6,339,567	(9)
of which: comprehensive income for the period		3,489	(10)
of which: premises revaluation reserve (arising from independent professional valuations carried out in November 1989)		52,669	(11)
of which: premises revaluation reserve		2,403,068	(12)
of which: regulatory reserve		134,471	(13)
of which: investment revaluation reserve		767,407	(14)
Total equity	14,662,942	14,531,119	
Total equity and liabilities	113,316,016	113,360,082	

FUBON BANK (HONG KONG) LIMITED
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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 ¹	N.A.	Tier 2
5	Post-transitional Basel III rules ²	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) 308
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

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

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

FUBON BANK (HONG KONG) LIMITED
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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

The Group disclosed the full terms and conditions of its capital instruments issued as of the end of the reporting period in its website (<https://www.fubonbank.com.hk>) under the page “Regulatory Disclosures” in accordance with section 16FE of the BDR.

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

As at 30 June 2020					
	(a)	(b)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (HK\$'000)	AI-specific CCyB ratio (%)	CCyB amount (HK\$'000)
1	Hong Kong SAR	1%	52,440,273		
2	Total		64,424,160	0.8140%	580,310

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

		(a)
		As at 30 June 2020
	Item	Value under the LR framework HK\$'000
1	Total consolidated assets as per published financial statements	113,851,228
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(133,386)
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	278,760
5	Adjustment for SFTs (i.e. repos and similar secured lending)	441,419
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	4,528,023
6a	Adjustment for specific and collective provisions that are allowed to be excluded from exposure measure	(583,590)
7	Other adjustments	(2,590,208)
8	Leverage ratio exposure measure	115,792,246

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Template LR2: Leverage ratio

		(a)	(b)
		As at 30 June 2020	As at 31 March 2020
		HK\$'000	
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	105,849,624	102,129,328
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,590,208)	(2,884,310)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	103,259,416	99,245,018
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)	526,031	634,196
5	Add-on amounts for PFE associated with all derivative contracts	317,746	383,919
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	Total exposures arising from derivative contracts	843,777	1,018,115
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	7,303,200	7,248,243
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	441,420	444,267
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	7,744,620	7,692,510
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	34,886,476	35,762,353
18	Less: Adjustments for conversion to credit equivalent amounts	(30,358,453)	(31,097,583)
19	Off-balance sheet items	4,528,023	4,664,770
Capital and total exposures			
20	Tier 1 capital	11,940,911	11,539,979
20a	Total exposures before adjustments for specific and collective provisions	116,375,836	112,620,413
20b	Adjustments for specific and collective provisions	(583,590)	(460,405)
21	Total exposures after adjustments for specific and collective provisions	115,792,246	112,160,008
Leverage ratio			
22	Leverage ratio	10.3124%	10.2889%

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Template CR1: Credit quality of exposures

		As at 30 June 2020							
		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	402,292	51,827,189	434,847	229,821	205,026	Not applicable	51,794,634	
2	Debt securities	-	43,862,857	95,145	-	95,145	Not applicable	43,767,712	
3	Off-balance sheet exposures	-	2,653,732	48,379	-	48,379	Not applicable	2,605,353	
4	Total	402,292	98,343,778	578,371	229,821	348,550	Not applicable	98,167,699	

Template CR2: Changes in defaulted loans and debt securities

		As at 30 June 2020
		(a)
		HK\$'000
1	Defaulted loans and debt securities at end of the previous reporting period	181,621
2	Loans and debt securities that have defaulted since the last reporting period (Note 1)	253,550
3	Returned to non-defaulted status	(3,384)
4	Amounts written off	(12,822)
5	Other changes (Note 2)	(16,673)
6	Defaulted loans and debt securities at end of the current reporting period	402,292

Note 1: The increase in defaulted loans and debt securities was mainly attributable to the increase in impaired advances to corporate customers.

Note 2: Other changes mainly represents repayment received during the current reporting period.

Template CR3: Overview of recognised credit risk mitigation

		As at 30 June 2020				
		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	49,406,237	2,388,397	579,487	1,808,910	-
2	Debt securities	41,263,713	2,503,999	-	2,503,999	-
3	Total	90,669,950	4,892,396	579,487	4,312,909	-
4	Of which defaulted	348,274	54,018	53,615	403	-

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

Exposure classes		As at 30 June 2020					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
1	Sovereign exposures	4,956,920	-	7,446,897	-	61,360	0.82%
2	PSE exposures	1,278,145	-	1,638,723	26,113	332,968	20.00%
2a	Of which: domestic PSEs	1,061,571	-	1,422,149	26,113	289,653	20.00%
2b	Of which: foreign PSEs	216,574	-	216,574	-	43,315	20.00%
3	Multilateral development bank exposures	3,478,270	-	3,478,270	-	-	0.00%
4	Bank exposures	15,469,289	-	14,557,605	54,812	4,261,284	29.16%
5	Securities firm exposures	200,226	-	200,226	-	100,113	50.00%
6	Corporate exposures	60,139,158	14,992,689	58,153,585	1,155,473	48,426,771	81.65%
7	CIS exposures	109,065	170,877	109,065	85,439	194,504	100.00%
8	Cash items	203,627	-	729,499	-	43,903	6.02%
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	3,819,829	19,722,910	3,764,609	-	2,823,457	75.00%
11	Residential mortgage loans	12,686,839	-	12,322,721	-	5,019,591	40.73%
12	Other exposures which are not past due exposures	6,747,633	-	6,687,801	-	6,687,801	100.00%
13	Past due exposures	172,601	-	172,601	-	231,297	134.01%
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	109,261,602	34,886,476	109,261,602	1,321,837	68,183,049	61.66%

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

		As at 30 June 2020										
		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	7,140,099	-	306,798	-	-	-	-	-	-	-	7,446,897
2	PSE exposures	-	-	1,664,836	-	-	-	-	-	-	-	1,664,836
2a	Of which: domestic PSEs	-	-	1,448,262	-	-	-	-	-	-	-	1,448,262
2b	Of which: foreign PSEs	-	-	216,574	-	-	-	-	-	-	-	216,574
3	Multilateral development bank exposures	3,478,270	-	-	-	-	-	-	-	-	-	3,478,270
4	Bank exposures	-	-	10,149,751	-	4,462,666	-	-	-	-	-	14,612,417
5	Securities firm exposures	-	-	-	-	200,226	-	-	-	-	-	200,226
6	Corporate exposures	-	-	1,034,424	-	20,109,499	-	38,165,135	-	-	-	59,309,058
7	CIS exposures	-	-	-	-	-	-	194,504	-	-	-	194,504
8	Cash items	509,982	-	219,517	-	-	-	-	-	-	-	729,499
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	-	-	-	-	-	3,764,609	-	-	-	-	3,764,609
11	Residential mortgage loans	-	-	-	10,811,129	-	1,103,585	408,007	-	-	-	12,322,721
12	Other exposures which are not past due exposures	-	-	-	-	-	-	6,687,801	-	-	-	6,687,801
13	Past due exposures (<i>Note 1</i>)	-	-	403	-	-	-	54,163	118,035	-	-	172,601
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	11,128,351	-	13,375,729	10,811,129	24,772,391	4,868,194	45,509,610	118,035	-	-	110,583,439

Note 1: The increase in exposures under 150% risk weight was mainly attributable to the increase in impaired advances to corporate customers.

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

		As at 30 June 2020					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$'000	HK\$'000			HK\$'000	HK\$'000
1	SA-CCR (for derivative contracts)	-	-		1.4	-	-
1a	CEM	526,021	317,746		N/A	378,625	203,104
2	IMM (CCR) approach			-	-	-	-
3	Simple Approach (for SFTs)					1,210,382	660,829
4	Comprehensive Approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						863,933

Template CCR2: CVA capital charge

		As at 30 June 2020	
		(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	378,625	16,575
4	Total	378,625	16,575

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

		As at 30 June 2020										(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	-	-	480,250	-	115,460	-	-	-	-	-	595,710
5	Securities firm exposures	-	-	-	-	538,103	-	-	-	-	-	538,103
6	Corporate exposures	-	-	-	-	-	-	135,885	-	-	-	135,885
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	56,372	-	-	-	-	56,372
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	262,937	-	-	-	262,937
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	480,250	-	653,563	56,372	398,822	-	-	-	1,589,007

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

	As at 30 June 2020					
	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	1,033	-	-	-	-	-
Cash - other currencies	236	-	-	484,771	104,560	588,972
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	6,463,660
Equity securities	1,271	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	2,540	-	-	484,771	104,560	7,052,632

Template CCR6: Credit-related derivatives contracts

	As at 30 June 2020	
	HK\$'000	
	(a)	(b)
	Protection bought	Protection sold
Notional amounts		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

Template CCR8: Exposures to CCPs

		As at 30 June 2020 HK\$'000	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or client to qualifying CCPs (total)		64,255
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	64,255	64,255
3	(i) OTC derivative transactions	64,255	64,255
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Template MR1: Market risk under STM approach

		As at 30 June 2020 HK\$'000
		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	34,175
2	Equity exposures (general and specific risk)	1,700
3	Foreign exchange (including gold) exposures	43,225
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	79,100

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