



Fubon Bank (Hong Kong) Limited

Regulatory Disclosures Statement

As at 30 June 2021

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FUBON BANK (HONG KONG) LIMITED
Regulatory Disclosures Statement
As at 30 June 2021**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 2021 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 2021.

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 2021	As at 31 March 2021	As at 31 December 2020	As at 30 September 2020	As at 30 June 2020	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	12,063,417	12,369,147	12,254,986	12,110,246	11,940,911
2	Tier 1	12,063,417	12,369,147	12,254,986	12,110,246	11,940,911
3	Total capital	13,561,764	13,878,014	13,761,178	14,013,819	13,841,919
RWA (amount)						
4	Total RWA	72,681,705	71,820,783	72,694,897	72,618,156	71,291,107
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	16.5976%	17.2222%	16.8581%	16.6766%	16.7495%
6	Tier 1 ratio (%)	16.5976%	17.2222%	16.8581%	16.6766%	16.7495%
7	Total capital ratio (%)	18.6591%	19.3231%	18.9300%	19.2980%	19.4161%
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 (%)	0.8054%	0.7985%	0.7983%	0.7963%	0.8140%
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 (%)	3.3054%	3.2985%	3.2983%	3.2963%	3.3140%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.5976%	11.2222%	10.8581%	10.6766%	10.7495%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	116,424,273	113,082,801	115,366,935	112,095,530	115,792,246
14	LR (%)	10.3616%	10.9381%	10.6226%	10.8035%	10.3124%
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	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 (%)	70.4765%	67.4751%	66.8745%	68.9484%	70.2037%

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Template KM1: Key prudential ratios (continued)

	(a)	(b)	(c)	(d)	(e)	
	As at 30 June 2021	As at 31 March 2021	As at 31 December 2020	As at 30 September 2020	As at 30 June 2020	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
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	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 (%)	163.8644%	161.8095%	162.7647%	163.8768%	169.7489%

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Template OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2021 HK\$'000	As at 31 March 2021 HK\$'000	As at 30 June 2021 HK\$'000
1	Credit risk for non-securitization exposures	69,426,448	68,487,061	5,554,116
2	Of which STC approach	69,426,448	68,487,061	5,554,116
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	1,140,634	1,155,204	91,251
7	Of which SA-CCR approach (<i>Note 1</i>)	140,615	Not applicable	11,249
7a	Of which CEM	-	196,887	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	1,000,019	958,317	80,002
10	CVA risk	20,550	25,050	1,644
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	72,950	78,450	5,836
21	Of which STM approach	72,950	78,450	5,836
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
24	Operational risk	3,030,425	3,087,225	242,434
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	211,725	214,300	16,938

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Template OV1: Overview of RWA (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2021 HK\$'000	As at 31 March 2021 HK\$'000	As at 30 June 2021 HK\$'000
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	1,221,027	1,226,507	97,682
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	1,221,027	1,226,507	97,682
27	Total	72,681,705	71,820,783	5,814,537

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.*

Note 1: The Group adopted the SA-CCR approach upon the implementation of Banking (Capital) (Amendment) Rules 2020 on 30 June 2021. As such, the amount is not comparable to prior periods.

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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 2021	
	HK\$'000	
CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	4,830,448 (7)
2	Retained earnings	6,656,422 (8) + (9)
3	Disclosed reserves	2,873,293 (10) + (11) + (12) + (13)
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	14,360,163
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
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

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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 2021	
		HK\$'000	
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	2,296,746	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	2,220,050	(10) + (11)
26b	Regulatory reserve for general banking risks	76,696	(12)
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	2,296,746	
29	CET1 capital	12,063,417	
	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)	-	
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	-	

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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 2021	
	HK\$'000	
43	Total regulatory deductions to AT1 capital	-
44	AT1 capital	-
45	Tier 1 capital (T1 = CET1 + AT1)	12,063,417
	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>	-
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	499,324 (1) + (2) + (3) + (4) + (5) + (6) + (12)
51	Tier 2 capital before regulatory deductions	499,324
	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	(999,023)
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	(999,023) -[(10) + (11)] * 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	(999,023)

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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 2021		
	HKS'000		
58	Tier 2 capital (T2)	1,498,347	
59	Total regulatory capital (TC = T1 + T2)	13,561,764	
60	Total RWA	72,681,705	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	16.5976%	
62	Tier 1 capital ratio	16.5976%	
63	Total capital ratio	18.6591%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.305%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.805%	
67	of which: higher loss absorbency requirement	Not applicable	Not applicable
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	10.5976%	
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	738,663	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	84,690	
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
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)	499,324	
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	884,637	
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

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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 2021	
		HKS'000	
	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	Not applicable	Not applicable
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	Not applicable	Not applicable
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)	-	

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 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)	-	-
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% of threshold)	-	-
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)	-	-

Remarks:

The amount of the 10% threshold and 5% 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 2021
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 2021	As at 30 June 2021	
	HK\$'000	HK\$'000	
Assets			
Gross cash and short-term funds	4,187,776	4,187,776	
Less: Collective impairment allowances	(226)	(226)	(1)
Gross balances with banks and other financial institutions	1,380,000	1,380,000	
Less: Collective impairment allowances	(244)	(244)	(2)
Trading assets	2,000,452	2,000,452	
Derivative financial instruments	604,933	604,933	
Gross advances to customers	56,200,290	56,200,290	
Less: Individual impairment allowances	(380,089)	(380,089)	
Less: Collective impairment allowances	(288,609)	(288,609)	(3)
Gross trade bills	1,635,162	1,635,162	
Less: Collective impairment allowances	(15,348)	(15,348)	(4)
Accrued interest and other assets	1,791,883	1,789,584	
Gross debt securities measured at amortised cost	41,759,553	41,759,553	
Less: Collective impairment allowances	(78,606)	(78,606)	(5)
Equity securities designated at fair value through other comprehensive income	811,873	811,873	
Investment in subsidiaries	-	8,562	
Amount due from subsidiaries	-	69,630	
Fixed assets	3,705,318	3,705,318	
Investment properties	13,500	13,500	
Asset held for sales	39,005	39,005	
Deferred tax assets	6	-	
Total assets	113,366,629	113,442,516	
Liabilities			
Deposits and balances of banks and other financial institutions	9,369,115	9,369,115	
Deposits from customers	78,195,084	78,195,084	
Trading liabilities	2,000,462	2,000,462	
Certificates of deposit issued	4,531,194	4,531,194	
Debt securities issued	1,819,886	1,819,886	
Derivative financial instruments	719,761	719,761	
Other liabilities	1,690,633	1,643,721	
of which: collective impairment allowances on off-balance sheet items		39,595	(6)
Amounts due to subsidiaries	-	284,001	
Deferred tax liabilities	519,129	519,129	
Total liabilities	98,845,264	99,082,353	

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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 2021	As at 30 June 2021	
	HK\$'000	HK\$'000	
Equity			
Share capital	4,830,448	4,830,448	(7)
Reserves	9,690,917	9,529,715	
of which: retained earnings		6,480,813	(8)
of which: comprehensive income for the period		175,609	(9)
of which: premises revaluation reserve (arising from independent professional valuations carried out in November 1989)		52,669	(10)
of which: premises revaluation reserve		2,167,381	(11)
of which: regulatory reserve		76,696	(12)
of which: investment revaluation reserve		576,547	(13)
Total equity	14,521,365	14,360,163	
Total equity and liabilities	113,366,629	113,442,516	

FUBON BANK (HONG KONG) LIMITED
Regulatory Disclosures Statement
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Table CCA: Main features of regulatory capital instruments

		Ordinary shares
1	Issuer	Fubon Bank (Hong Kong) Limited
2	Unique identifier - ISIN	N.A.
3	Governing law(s) of the instrument	Companies Ordinance
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules ¹	N.A.
5	Post-transitional Basel III rules ²	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	(HKD million) 4,830
9	Par value of instrument	N.A.
10	Accounting classification	Shareholders' equity
11	Original date of issuance	27 January 1970
12	Perpetual or dated	Perpetual
13	Original maturity date	N.A.
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N.A.
16	Subsequent call dates, if applicable	N.A.
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N.A.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N.A.
25	If convertible, fully or partially	N.A.
26	If convertible, conversion rate	N.A.
27	If convertible, mandatory or optional conversion	N.A.
28	If convertible, specify instrument type convertible into	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N.A.
32	If write-down, full or partial	N.A.
33	If write-down, permanent or temporary	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.
35	Position in subordination hierarchy in liquidation	N.A.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N.A.

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.

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
Regulatory Disclosures Statement
As at 30 June 2021
Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer (“CCyB”)

As at 30 June 2021					
	(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%	54,291,805		
2	Total		67,408,146	0.8054%	585,378

Template LR1: Summary comparison of accounting assets against leverage ratio (“LR”) exposure measure

		(a)
		As at 30 June 2021
	Item	Value under the LR framework HK\$'000
1	Total consolidated assets as per published financial statements	114,129,751
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	76,130
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
3	Adjustment for fiduciary assets recognised 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	679,213
5	Adjustment for SFTs (i.e. repos and similar secured lending)	301,194
6	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	4,337,448
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(802,717)
7	Other adjustments	(2,296,746)
8	Leverage ratio exposure measure	116,424,273

The Group adopted the SA-CCR approach upon the implementation of Banking (Capital) (Amendment) Rules 2020 on 30 June 2021. As such, certain disclosures made in the above template is not comparable to prior periods.

FUBON BANK (HONG KONG) LIMITED
Regulatory Disclosures Statement
As at 30 June 2021
Template LR2: Leverage ratio

		(a)	(b)
		As at 30 June 2021	As at 31 March 2021
		HK\$'000	
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	112,084,133	102,236,923
2	Less: Asset amounts deducted in determining Tier 1 capital	(2,296,746)	(2,344,776)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	109,787,387	99,892,147
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)	1,061,204	659,062
5	Add-on amounts for PFE associated with all derivative contracts	260,884	414,549
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	(5,666)	-
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	1,316,422	1,073,611
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,484,539	8,210,957
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	301,194	335,778
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	1,785,733	8,546,735
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	32,288,374	32,973,204
18	Less: Adjustments for conversion to credit equivalent amounts	(27,950,926)	(28,509,376)
19	Off-balance sheet items	4,337,448	4,463,828
Capital and total exposures			
20	Tier 1 capital	12,063,417	12,369,147
20a	Total exposures before adjustments for specific and collective provisions	117,226,990	113,976,321
20b	Adjustments for specific and collective provisions	(802,717)	(893,520)
21	Total exposures after adjustments for specific and collective provisions	116,424,273	113,082,801
Leverage ratio			
22	Leverage ratio	10.3616%	10.9381%

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FUBON BANK (HONG KONG) LIMITED
Regulatory Disclosures Statement
As at 30 June 2021
Template CR1: Credit quality of exposures

		As at 30 June 2021						
		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	577,023	55,623,267	668,698	380,089	288,609	Not applicable	55,531,592
2	Debt securities	-	43,760,005	78,606	-	78,606	Not applicable	43,681,399
3	Off-balance sheet exposures	-	3,021,113	39,595	-	39,595	Not applicable	2,981,518
4	Total	577,023	102,404,385	786,899	380,089	406,810	Not applicable	102,194,509

Template CR2: Changes in defaulted loans and debt securities

		As at 30 June 2021
		(a)
		HK\$'000
1	Defaulted loans and debt securities at end of the previous reporting period	492,583
2	Loans and debt securities that have defaulted since the last reporting period (<i>Note 1</i>)	249,020
3	Returned to non-defaulted status	(4,551)
4	Amounts written off (<i>Note 2</i>)	(142,806)
5	Other changes (<i>Note 3</i>)	(17,223)
6	Defaulted loans and debt securities at end of the current reporting period	577,023

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

Note 2: Amounts written off represents loans to customers charged off during the current reporting period.

Note 3: Other changes mainly represents repayment received during the current reporting period.

Template CR3: Overview of recognised credit risk mitigation

		As at 30 June 2021				
		HK\$000				
		(a)	(b1)	(b)	(d)	(f)
		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	53,164,225	2,367,367	561,705	1,805,662	-
2	Debt securities	41,838,582	1,842,817	-	1,842,817	-
3	Total	95,002,807	4,210,184	561,705	3,648,479	-
4	Of which defaulted	63,553	133,381	124,719	8,662	-

Template CR4: Credit risk exposures and effects of recognised credit risk mitigation

		As at 30 June 2021					
		(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	5,701,570	-	7,513,618	-	57,418	0.76%
2	PSE exposures	3,216,739	-	3,705,361	24,032	542,135	14.54%
2a	Of which: domestic PSEs	1,951,986	-	2,440,608	24,032	492,928	20.00%
2b	Of which: foreign PSEs (<i>Note 1</i>)	1,264,753	-	1,264,753	-	49,207	3.89%
3	Multilateral development bank exposures	3,876,220	-	3,876,220	-	-	0%
4	Bank exposures	9,431,290	-	8,500,110	-	2,629,608	30.94%
5	Securities firm exposures	200,089	-	200,089	-	100,045	50.00%
6	Corporate exposures	63,781,366	13,733,060	62,485,825	1,303,608	51,908,737	81.38%
7	CIS exposures	75,158	207,708	75,158	103,854	179,012	100.00%
8	Cash items	201,401	-	638,387	-	25,329	3.97%
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	3,682,128	18,299,542	3,602,749	-	2,702,062	75.00%
11	Residential mortgage loans	13,440,947	48,064	13,066,061	-	5,302,254	40.58%
12	Other exposures which are not past due exposures	5,813,772	-	5,757,102	-	5,757,102	100.00%
13	Past due exposures (<i>Note 2</i>)	198,222	-	198,222	-	222,746	112.37%
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	109,618,902	32,288,374	109,618,902	1,431,494	69,426,448	62.52%

Note 1: The decrease in RWA density is attributable to foreign sovereign PSE exposures risk-weighted at 0%.

Note 2: The decrease in RWA density is attributable to secured past due exposures risk-weighted at 100%.

FUBON BANK (HONG KONG) LIMITED
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Template CR5: Credit risk exposures by asset classes and by risk weights

		As at 30 June 2021										
		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	7,226,527	-	287,091	-	-	-	-	-	-	-	7,513,618
2	PSE exposures	1,018,717	-	2,710,676	-	-	-	-	-	-	-	3,729,393
2a	Of which: domestic PSEs	-	-	2,464,640	-	-	-	-	-	-	-	2,464,640
2b	Of which: foreign PSEs (<i>Note 1</i>)	1,018,717	-	246,036	-	-	-	-	-	-	-	1,264,753
3	Multilateral development bank exposures	3,876,220	-	-	-	-	-	-	-	-	-	3,876,220
4	Bank exposures	-	-	5,401,488	-	3,098,622	-	-	-	-	-	8,500,110
5	Securities firm exposures	-	-	-	-	200,089	-	-	-	-	-	200,089
6	Corporate exposures	-	-	1,684,361	-	21,066,415	-	41,038,657	-	-	-	63,789,433
7	CIS exposures	-	-	-	-	-	-	179,012	-	-	-	179,012
8	Cash items	511,741	-	126,646	-	-	-	-	-	-	-	638,387
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	-	-	-	-	-	3,602,749	-	-	-	-	3,602,749
11	Residential mortgage loans	-	-	-	11,501,767	-	1,150,632	413,662	-	-	-	13,066,061
12	Other exposures which are not past due exposures	-	-	-	-	-	-	5,757,102	-	-	-	5,757,102
13	Past due exposures (<i>Note 2</i>)	-	-	8,662	-	-	-	126,652	62,908	-	-	198,222
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	12,633,205	-	10,218,924	11,501,767	24,365,126	4,753,381	47,515,085	62,908	-	-	111,050,396

Note 1: The increase in 0% risk weight is attributable to sovereign foreign PSE exposures.

Note 2: The increase in 100% risk weight is 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 2021 HK\$'000					
		(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
1	SA-CCR approach (for derivative contracts)	88,933	105,690		1.4	272,473	140,615
1a	CEM (for derivative contracts)	-	-		1.4	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					1,795,828	992,156
4	Comprehensive approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						1,132,771

The Group adopted the SA-CCR approach upon the implementation of Banking (Capital) (Amendment) Rules 2020 on 30 June 2021. As such, certain disclosures made in the above template is not comparable to prior periods.

Template CCR2: CVA capital charge

		As at 30 June 2021 HK\$'000	
		(a)	(b)
		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	508,451	20,550
4	Total	508,451	20,550

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

		As at 30 June 2021										
		HK\$'000										
		(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)	(i)
Exposure class		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	Total default risk exposure after CRM
Risk Weight												
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-
2	PSE exposures	-	-	-	-	-	-	-	-	-	-	-
2a	Of which: domestic PSEs	-	-	-	-	-	-	-	-	-	-	-
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-
4	Bank exposures	-	-	269,024	-	130,886	-	-	-	-	-	399,910
5	Securities firm exposures	-	-	-	-	1,267,179	-	-	-	-	-	1,267,179
6	Corporate exposures	-	-	1,095	-	5,114	-	53,907	-	-	-	60,116
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	71,383	-	-	-	-	71,383
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	269,713	-	-	-	269,713
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
12	Total	-	-	270,119	-	1,403,179	71,383	323,620	-	-	-	2,068,301

The Group adopted the SA-CCR approach upon the implementation of Banking (Capital) (Amendment) Rules 2020 on 30 June 2021. As such, certain disclosures made in the above template is not comparable to prior periods.

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

As at 30 June 2021						
HK\$'000						
(a)	(b)	(c)	(d)	(e)	(f)	
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 - domestic currency	133,778	133,761	-	766,776	6,235,390	1,526,702
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	6,536,583
Equity securities	926	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	134,704	133,761	-	766,776	6,235,390	8,063,285

The Group adopted the SA-CCR approach upon the implementation of Banking (Capital) (Amendment) Rules 2020 on 30 June 2021. As such, certain disclosures made in the above template is not comparable to prior periods.

Template CCR6: Credit-related derivatives contracts

	As at 30 June 2021	
	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)	-	-

FUBON BANK (HONG KONG) LIMITED
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Template CCR8: Exposures to CCPs

		As at 30 June 2021	
		HK\$'000	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		7,863
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	393,133	7,863
3	(i) OTC derivative transactions	393,133	7,863
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 clearing 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	-	-

The Group adopted the SA-CCR approach upon the implementation of Banking (Capital)(Amendment) Rules 2020 on 30 June 2021. As such, certain disclosures made in the above template is not comparable to prior periods.

FUBON BANK (HONG KONG) LIMITED
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Template MR1: Market risk under STM approach

		As at 30 June 2021
		HK\$'000
		(a)
		RWA
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	25,175
2	Equity exposures (general and specific risk)	363
3	Foreign exchange (including gold) exposures	47,412
4	Commodity exposures	-
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	-
7	Other approach	-
8	Securitization exposures	-
9	Total	72,950

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