

**Key Financial Information
Disclosure Statement**

***2021
Year End
Results***



KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT

For the year ended 31 December 2021

- The Statement is displayed in the banking hall of the OCBC Hong Kong Branch at the following address:

9/F, Nine Queen's Road Central, Hong Kong

- A copy of the Statement has been lodged with the public registry of the Hong Kong Monetary Authority and is available on the website <https://www.ocbc.com/group/investors/investor-information#otherdisclosures>, for public inspection.

Key Financial Information Disclosure Statement for the year ended 31 December 2021 prepared in accordance with Banking (Disclosure) Rules.

Section A – Branch Information (Hong Kong office only)

I. Profit and loss information

	Year ended 31 Dec 2021 HK\$'000	Year ended 31 Dec 2020 HK\$'000
(i) Interest income	1,298,779	2,139,281
(ii) Interest expense	(307,733)	(1,081,227)
(iii) Other operating income		
- Gains less losses arising from trading in foreign currencies	292,396	(208,058)
- Gains less losses arising from other trading activities	(65,888)	267,163
- Gains less losses on securities held for trading purposes	(41,088)	(1,467)
- Fees and commissions		
- Income	82,301	51,029
- Expense	-	-
- Others	26,327	110,573
(iv) Operating expenses		
- Staff expenses	(177,453)	(194,800)
- Rental expenses	(27,051)	(27,262)
- Other expenses	(126,075)	(90,198)
(v) Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
(vi) Net (charge) / credit for impairment losses and provisions for impaired loans and receivables	(424,708)	(552,290)
(vii) Profit / (Loss) before taxation	529,807	412,744
(viii) Taxation (charge) / credit	(88,228)	(76,324)
(ix) Profit / (Loss) after taxation	441,579	336,420

II. Balance sheet information

	As at 31 Dec 2021 HK\$'000	As at 30 Jun 2021 HK\$'000
Assets		
(i) Cash and short term funds <i>(except those included in amount due from overseas offices)</i>	1,447,796	2,972,623
(ii) Placements with banks maturing between one and twelve months <i>(except those included in amount due from overseas offices)</i>	3,713,704	3,672,987
(iii) Due from Exchange Fund	71,132	108,443
(iv) Amount due from overseas offices	7,694,372	1,360,713
(v) Trade bills	1,991,016	2,264,693
(vi) Certificates of deposit held	15,598,944	32,394,731
(vii) Investment securities	21,040,936	20,333,534
(viii) Trading securities	1,579,039	2,606,428
(ix) Loans and advances and other accounts		
- Loans and advances to customers	55,107,874	50,861,688
- Placement with banks maturing over twelve months	-	-
- Accrued interest and other accounts	1,879,138	1,364,392
(x) Impairment allowances on loans and advances and other accounts		
- Collectively assessed	(114,533)	(67,203)
- Individual assessed	(404,532)	(612,735)
(xi) Derivative receivables	4,968,323	5,577,730
(xii) Investment in subsidiaries	34,568	34,568
(xiii) Other investments	750	750
(xiv) Property, plant and equipment and investment properties	-	6,437
Total assets	114,608,527	122,879,779
Liabilities		
(i) Deposits and balances from banks <i>(except those included in amount due to overseas offices)</i>	6,474,434	17,004,781
(ii) Due to Exchange Fund	-	-
(iii) Deposits from customers		
- Demand deposits and current accounts	371,010	342,516
- Saving deposits	3,327,946	2,154,948
- Time, call and notice deposits	16,806,482	18,241,743
(iv) Amount due to overseas offices	54,248,353	53,822,520
(v) Certificates of deposit issued	26,404,661	23,676,019
(vi) Other liabilities	1,553,868	1,284,941
(vii) Provisions	84,045	33,264
(viii) Derivative payables	5,100,415	6,014,465
(ix) Reserve	237,313	304,582
Total liabilities	114,608,527	122,879,779

III. Additional balance sheet information

1. Gross loans and advances to customers

	Collateral Value As at 31 Dec 2021 HK\$'000	Gross Loans and Advances As at 31 Dec 2021 HK\$'000	Collateral Value As at 30 Jun 2021 HK\$'000	Gross Loans and Advances As at 30 Jun 2021 HK\$'000
Analysed by industry:				
Loans and advances for use in Hong Kong				
- Industrial, commercial and financial				
- Property development	702,104	9,807,268	673,693	4,640,408
- Property investment	2,243,392	8,065,551	4,468,566	9,588,320
- Financial concerns	-	-	-	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	2,711,440	-	3,411,439
- Manufacturing	-	77,000	-	-
- Transport and transport equipment	56,927	1,300,204	-	964,965
- Recreational activities	-	-	-	-
- Information technology	-	300,000	-	191,084
- Others	1,742,000	3,344,703	1,748,125	2,684,603
	4,744,423	25,606,166	6,890,384	21,480,819
- Individuals				
- Loans for the purchase of other residential properties	957	957	1,023	1,023
- Others	5,000	5,000	9,204	9,204
	5,957	5,957	10,227	10,227
Loans and advances for use in Hong Kong	4,750,380	25,612,123	6,900,611	21,491,046
Trade finance	-	286,239	3,480	1,259,672
Loans and advances for use outside Hong Kong	1,531,387	29,209,512	3,832,965	28,110,970
Total loans and advances to customers	6,281,767	55,107,874	10,737,056	50,861,688

	Gross Loans and Advances As at 31 Dec 2021 HK\$'000	Gross Loans and Advances As at 30 Jun 2021 HK\$'000
Analysed by countries:		
Hong Kong	21,425,817	17,973,965
China	30,246,793	30,001,286
Others	3,435,264	2,886,437
Total loans and advances to customers	55,107,874	50,861,688

The above analysis of gross loans and advances to customers by country is based on the physical location and/or the place of business operations of the customers and transfer of risk has been taken account of. In general, risk transfer is made when the loans and advances are guaranteed by a party in a country which is different from that of the customer.

III. Additional balance sheet information *(continued)*

2. Gross loans and advances to banks

As at 31 Dec 2021	As at 30 Jun 2021
HK\$'000	HK\$'000
-	-

3. International claims

Geographical segments or individual countries constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are summarised as follows:

HK\$ million	Non-bank private sector					Total
	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	
As at 31 Dec 2021						
Offshore centres	13,427	273	3,520	11,684	-	28,904
of which - Hong Kong	2,396	-	3,419	11,683	-	17,498
of which - Singapore	10,641	-	101	-	-	10,742
Developing Asia and Pacific	19,695	4,528	2,227	11,043	-	37,493
of which - China	19,655	-	1,061	10,997	-	31,713
As at 30 Jun 2021						
Offshore centres	7,157	371	4,420	14,323	-	26,271
of which - Hong Kong	2,434	-	4,320	14,032	-	20,786
of which - Singapore	4,723	-	100	291	-	5,114
Developing Asia and Pacific	27,643	4,033	2,356	10,537	-	44,569
of which - China	27,642	243	1,207	10,525	-	39,617

In general, risk transfer is made when claims are guaranteed by a party in a country which is different from that of the counterparty or when the claims are on an overseas branch of a bank whose head office is located in another country.

The geographical segments and counterparty classifications are identified in accordance with the guidelines set out in the Return of International Banking Statistics (MA(BS)21) issued by the HKMA.

III. Additional balance sheet information *(continued)*

4. Impairment allowances for loans and advances and other exposures were as follows:

	As at 31 Dec 2021	As at 30 Jun 2021
	HK\$'000	HK\$'000
Collectively assessed allowances	114,533	67,203
Individual assessed allowances		
- Loans and Advances	404,532	612,735
- Trade Bills	-	-
- Other Assets	-	-
	519,065	679,938

Individual assessed allowances are made against loans and advances or other exposures as and when they are considered necessary by the management.

The collectively assessed allowances are calculated based on the forward-looking expected credit loss model under SFRS(I) 9.

5. Impaired loans and advances

	Collateral Value	Impaired Loans and	Collateral Value	Impaired Loans and
	As at 31 Dec 2021	advances	As at 30 Jun 2021	Advances
	HK\$'000	As at 31 Dec 2021	As at 30 Jun 2021	As at 30 Jun 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- Gross amount	-	569,023	-	623,786
<i>(as a percentage of total loans and advances to customers)</i>	<i>(0.00%)</i>	<i>(1.03%)</i>	<i>(0.00%)</i>	<i>(1.23%)</i>
- Individual assessed allowances		404,532		612,735
Analysis of gross amount by countries:				
Hong Kong		179,113		178,446
China		389,910		445,340
Singapore		-		-
Others		-		-
Total impaired loans and advances		569,023		623,786

The above analysis of impaired loans and advances to customers by country is based on the physical location and/or the place of business operations of the customers and transfer of risk has been taken account of. In general, risk transfer is made when the loans and advances are guaranteed by a party in a country which is different from that of the customer.

III. Additional balance sheet information (continued)

6. Overdue loans and advances

	Collateral Value As at 31 Dec 2021 HK\$'000	Overdue Loans and Advances As at 31 Dec 2021 HK\$'000	Collateral Value As at 30 Jun 2021 HK\$'000	Overdue Loans and Advances As at 30 Jun 2021 HK\$'000
Gross amount of loans and advances which had been overdue for				
- more than one month and up to three months <i>(as a percentage of total loans and advances to customers)</i>	-	-	-	-
- more than three months and up to six months <i>(as a percentage of total loans and advances to customers)</i>	-	-	-	-
- more than six months and up to one year <i>(as a percentage of total loans and advances to customers)</i>	-	-	-	21,164
- more than one year <i>(as a percentage of total loans and advances to customers)</i>	-	179,113	-	602,622
Total overdue loans and advances	-	179,113	-	623,786

Value of collateral held against overdue loans and advances:

	As at 31 Dec 2021 HK\$'000	As at 30 Jun 2021 HK\$'000
Current market value of collateral held against the covered portion of overdue loans and advances	-	-
Covered portion of overdue loans and advances	-	-
Uncovered portion of overdue loans and advances	179,113	623,786
Analysis of gross amount by countries:		
Hong Kong	179,113	178,446
China	-	445,340
Singapore	-	-
Others	-	-
Total overdue loans and advances	179,113	623,786

The above analysis of overdue loans and advances to customers by country is based on the physical location and/or the place of business operations of the customers and transfer of risk has been taken account of. In general, risk transfer is made when the loans and advances are guaranteed by a party in a country which is different from that of the customer.

7. The amount of rescheduled loans and advances to customers, net of those which have been overdue for over three months and reported under note 6 above, as at 31 December 2021 was Nil (30 June 2021: Nil).
8. As at 31 December 2021, there were no loans and advances to banks and other financial institutions that were overdue, rescheduled or impaired (30 June 2021: Nil).

9. Overdue Trade Bills

	As at 31 Dec 2021 HK\$'000	As at 30 Jun 2021 HK\$'000
Trade bills which had been overdue for		
- more than one month and up to three months	-	-
- more than three months and up to six months	-	-
- more than six months and up to one year	-	-
- more than one year	-	-
Total overdue Trade Bills	-	-

As at 31 December 2021, there was no other asset that was overdue (30 June 2021: Nil).

III. Additional balance sheet information *(continued)*

10. There was no repossessed asset held as at 31 December 2021 (30 June 2021: Nil).

11. Foreign currency risk exposure:

The net position in a particular foreign currency is disclosed below if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

As at 31 Dec 2021

HK\$ million	CNY	Total
Spot assets	15,988	15,988
Spot liabilities	(3,570)	(3,570)
Forward purchases	80,272	80,272
Forward sales	(93,471)	(93,471)
Net options position	(16)	(16)
Net long/(short) position	(797)	(797)

As at 30 Jun 2021

HK\$ million	CNY	USD	Total
Spot assets	17,828	46,648	64,476
Spot liabilities	(4,480)	(88,304)	(92,784)
Forward purchases	67,169	221,876	289,045
Forward sales	(81,414)	(179,206)	(260,620)
Net options position	(91)	264	173
Net long/(short) position	(988)	1,278	290

There was no structural position as at 31 December 2021 (at 30 June 2021: Nil).

The net options position is calculated based on the delta-weighted position as set out in the Return of "Foreign Currency Position" issued by the HKMA.

III. Additional balance sheet information (continued)

12. Non-bank Mainland China Exposures:

As at 31 Dec 2021

Types of Counterparties	[A] On-balance sheet exposure HK\$ million	[B] Off-balance sheet exposure HK\$ million	[A] + [B] Total HK\$ million
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	12,691	-	12,691
2. Local governments, local government-owned entities and their subsidiaries and JVs	3,186	-	3,186
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	12,477	582	13,059
4. Other entities of central government not reported in item 1 above	2,182	500	2,682
5. Other entities of local governments not reported in item 2 above	1,850	-	1,850
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,581	2,774	11,355
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	40,967	3,856	44,823
Total assets after provision	114,609		
On-balance sheet exposures as percentage of total assets	35.75%		

As at 30 Jun 2021

Types of Counterparties	[A] On-balance sheet exposure HK\$ million	[B] Off-balance sheet exposure HK\$ million	[A] + [B] Total HK\$ million
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	14,828	67	14,895
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,864	-	2,864
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,004	1,132	10,136
4. Other entities of central government not reported in item 1 above	1,409	-	1,409
5. Other entities of local governments not reported in item 2 above	1,450	-	1,450
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	11,826	1,999	13,825
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	196	304	500
Total	41,577	3,502	45,079
Total assets after provision	122,880		
On-balance sheet exposures as percentage of total assets	33.84%		

IV. Off-balance sheet information

		As at 31 Dec 2021 HK\$'000	As at 30 Jun 2021 HK\$'000
Contingent liabilities and commitments			
(i) Contractual/notional amounts			
Direct credit substitutes		172,726	290,399
Transaction-related contingencies		-	-
Trade-related contingencies		1,466,215	1,214,647
Other commitments			
- over one year		9,162,206	9,554,867
- one year or less		16,308,174	18,654,003
Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward forward deposits placed, asset sales or other transactions with recourse)		<u>8,967,930</u>	<u>844,708</u>
		<u>36,077,251</u>	<u>30,558,624</u>
	Credit Conversion Factor		
(ii) Credit risk weighted amounts			
Direct credit substitutes	100%	172,726	290,399
Transaction-related contingencies	50%	-	-
Trade-related contingencies	20%	293,243	242,929
Other commitments			
- over one year	50%	4,581,103	4,777,434
- one year or less	0%	-	-
Others (including forward asset purchases, amounts owing on partly paid shares and securities, forward forward deposits placed, asset sales or other transactions with recourse)	100%	<u>8,967,930</u>	<u>844,708</u>
		<u>14,015,002</u>	<u>6,155,470</u>
Derivatives			
(i) Contractual/notional amounts			
Exchange rate contracts		475,016,677	410,596,970
Interest rate contracts		260,543,227	274,832,266
Others		<u>2,717</u>	<u>49,571</u>
		<u>735,562,621</u>	<u>685,478,807</u>
The amounts are shown on a gross basis and do not take into account the effect of bilateral netting arrangements.			
The contractual/notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date. They do not represent amounts at risk.			
(ii) Total fair value			
Exchange rate contracts		(330,963)	(565,934)
Interest rate contracts		198,789	128,833
Others		<u>82</u>	<u>366</u>
		<u>(132,092)</u>	<u>(436,735)</u>

V. Liquidity Information

1. Liquidity Maintenance Ratio

	Quarter ended 31 Dec 2021	Quarter ended 31 Dec 2020
Quarterly average liquidity maintenance ratio	85.14%	139.43%

The average liquidity maintenance ratio is calculated as the simple average of each month's average corresponding ratio for the quarter.

2. Core Funding Ratio

	Quarter ended 31 Dec 2021	Quarter ended 31 Dec 2020
Quarterly average core funding ratio	91.83%	99.77%

The average core funding ratio is calculated as the simple average of each month's average corresponding ratio for the quarter.

3. Sources of Funding

HK\$ million	As at 31 Dec 2021	As % of Total Liabilities	As at 31 Dec 2020	As % of Total Liabilities
Deposits from customers	19,946	17%	25,746	20%
Funding raised from connected banks	54,581	48%	46,225	36%
Funding raised from banks	6,183	5%	7,406	6%
Debt securities issued	26,415	23%	38,242	30%
Total Funding Sources	107,125	93%	117,619	92%

V. Liquidity Information (continued)

4. Liquidity Gap

The following maturity profile is based on the remaining period to repayment on a contractual maturity basis at the end of the reporting period.

HK\$ million	Total *	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 12 months	Over 1 year	Balancing amount
As at 31 Dec 2021								
Cash and balances with central banks	74	74	-	-	-	-	-	-
Due from banks	12,862	2,064	6,682	307	510	3,299	-	-
Debt securities	38,258	37,303	43	-	427	484	-	-
Trade Bills	1,991	2	172	534	1,261	22	-	-
Loans and advances to customers	55,171	78	20	512	2,507	16,526	34,958	571
Other assets	6,466	1,508	540	3,089	3,621	26,614	94,639	647
Total on-balance sheet assets	114,822	41,029	7,457	4,442	8,326	46,945	129,597	1,218
Total off-balance sheet claims	11,697	1,560	10,138	-	-	-	-	-
Deposits from customers	20,509	5,300	2,400	6,376	5,435	999	-	-
Due to banks	60,765	2,848	11,789	12,883	28,564	2,342	2,339	-
Debt securities issued	26,415	-	1,950	4	7	7,066	17,390	-
Other liabilities (including reserves)	6,766	1,475	547	2,750	3,610	26,880	94,759	1,025
Total on-balance sheet liabilities	114,455	9,623	16,686	22,013	37,616	37,287	114,488	1,025
Total off-balance sheet obligations	18,092	708	11,923	2	1,560	3,899	-	-
Contractual Maturity Mismatch		32,258	(11,014)	(17,573)	(30,850)	5,759	15,109	
Cumulative Contractual Maturity Mismatch		32,258	21,244	3,671	(27,179)	(21,420)	(6,311)	
As at 31 Dec 2020								
Cash and balances with central banks	356	356	-	-	-	-	-	-
Due from banks	7,287	625	739	282	2,368	3,274	-	-
Debt securities	59,416	56,621	-	-	541	1,987	267	-
Trade Bills	1,599	-	29	875	679	15	-	-
Loans and advances to customers	50,523	-	2,735	3,343	1,112	11,311	31,061	961
Other assets	9,908	3,149	1,152	2,115	3,041	28,867	103,559	777
Total on-balance sheet assets	129,089	60,751	4,655	6,615	7,741	45,454	134,887	1,738
Total off-balance sheet claims	-	-	-	-	-	-	-	-
Deposits from customers	25,842	2,235	3,836	6,949	11,556	1,266	-	-
Due to banks	53,631	151	5,458	17,260	14,910	15,852	-	-
Debt securities issued	38,242	-	775	1,443	10,600	7,360	18,064	-
Other liabilities (including reserves)	10,969	2,671	1,144	2,299	3,085	29,219	104,054	1,457
Total on-balance sheet liabilities	128,684	5,057	11,213	27,951	40,151	53,697	122,118	1,457
Total off-balance sheet obligations	10,797	2,198	8,590	-	9	-	-	-
Contractual Maturity Mismatch		53,496	(15,148)	(21,336)	(32,419)	(8,243)	12,769	
Cumulative Contractual Maturity Mismatch		53,496	38,348	17,012	(15,407)	(23,650)	(10,881)	

* The "Total" column of other assets and other liabilities includes the amount receivable / payable arising from derivative contracts, not the cash flow as shown in each time buckets.

V. Liquidity Information (continued)

4. Liquidity Gap (continued)

The following maturity profile is based on behavioural assumptions at the end of the reporting period for selected assets and off-balance sheet items.

HK\$ million	Total	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 12 months	Over 1 year	Balancing amount
As at 31 Dec 2021								
Irrevocable loan commitments or facilities granted according to estimated dates and amounts of drawdown by customers	10,971	-	1,182	-	-	-	9,789	-
Loans and advances to non-bank customers according to estimated dates and amounts of repayment by customers	55,172	7	20	413	1,429	10,303	43,000	-
HK\$ million	Total	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 12 months	Over 1 year	Balancing amount
As at 31 Dec 2020								
Irrevocable loan commitments or facilities granted according to estimated dates and amounts of drawdown by customers	8,080	-	1,456	-	-	-	6,624	-
Loans and advances to non-bank customers according to estimated dates and amounts of repayment by customers	50,523	-	235	3,280	180	6,708	40,120	-

The figures in Liquidity Gap are extracted from the HKMA Return on Liquidity Monitoring Tools (Form MA(BS)23).

5. Liquidity Risk Management

The liquidity risk management of Oversea-Chinese Banking Corporation Limited, Hong Kong Branch, is part of the OCBC Group's risk management processes. The objective of liquidity risk management is to ensure that there are sufficient funds to meet contractual and regulatory financial obligations and to undertake new transactions.

The Hong Kong Asset and Liability Committee ("ALCO") comprising key members from local management and Treasury, conducts meeting on a regular basis to review and deliberate important liquidity risk management matters.

Liquidity Management Framework

Liquidity risk management is a component of the OCBC HK Branch's asset and liability management framework. The liquidity risk management framework comprises of the followings:-

- Roles and responsibilities, organisational structure for oversight and communications of the Bank's liquidity risk management;
- Operational liquidity risk management;
- Periodic reporting of liquidity positions;
- Managing funding sources and access to markets; and
- Liquidity contingency plan that establishes indicators to alert senior management to potential liquidity and funding problems.

Setting up Liquidity risk tolerance, including Loan-to-Deposit Ratio, maturity mismatches and concentration of funding as well as stress testing are performed to facilitate liquidity risk control within the liquidity management framework.

Funding Strategy

The liquidity and funding positions of OCBC HK Branch is centrally managed at Hong Kong. The Branch maintains a diverse range of funding sources. Apart from obtaining the funding from interbank markets funding, the non-bank customer deposits also form a significant part of the Branch's overall funding. In order to lengthen the duration of the funding, the Branch issues certificate of deposit with different maturities and obtains intragroup funding at arm's length.

V. Liquidity Information *(continued)*

5. Liquidity Risk Management *(continued)*

The Branch monitors the turnover and behavioural patterns of the funding sources and these trends are tabled at the monthly ALCO meeting for discussion. Studies are performed periodically (and models used are validated) to identify the behaviour of significant indeterminate products according to the liquidity methodology adopted. The study will yield an estimate of the amount of stable non-bank deposits under normal business conditions, and facilitate more realistic projections of the funding needs.

To ensure there is no over-reliance on any single funding source by types of liability and lender, concentration ratios are imposed where appropriate and monitored by ALCO support units.

Liquidity Monitoring

OCBC HK Branch manages the operational liquidity by cash flows on an individual currency basis by cash flow mismatch analysis under defined business scenarios.

Short-term liquidity stress tests are performed based on an institution-specific crisis scenario, a general-market crisis scenario and a combined scenario. The results of the stress tests are used to adjust liquidity risk management strategies, policies and positions and to develop effective contingency funding plans.

Liquidity monitoring is performed daily within a framework for projecting cash flows on a contractual and behavioural basis. Simulations of liquidity exposures under stressed market scenarios are performed and the results are taken into account in the risk management processes.

OCBC HK Branch also follows the applicable guidance set forth by the HKMA in Supervisory Policy Manual LM-2 "Sound Systems and Controls for Liquidity Risk Management".

Liquidity Reporting

In-house systems and procedures are in place to meet the various reporting requirements. The systems include data from different sources with relevant mapping rules to generate internal and local regulatory reports.

Daily cash flow mismatch reports are produced by using contractual cash flows in the balance sheets and placing them into appropriate time bands. Daily liquidity stress reports over a 30-day stress period is prepared, and based on contractual cash flows to make behavioural adjustments. The measurement and reporting of liquidity would be on a cumulative cash flow mismatch basis for each currency. For behaviour cash flow mismatch reports, the exposure should be against the assigned Maximum Cumulative Outflow ("MCO") limits.

The daily local regulatory reports, Liquidity Maintenance Ratio and Core Funding Ratio, are prepared in accordance with the relevant reporting requirements.

Contingency Planning

The Contingency Funding Plan ("CFP") is a critical component of the liquidity management framework and serves as an extension of the OCBC HK Branch's operational or daily liquidity management policy.

A liquidity crisis can arise due to Market-driven and/or Firm-driven events. A 3-stage approach (Green/Amber/Red) is adopted to differentiate the various states of the liquidity and funding condition.

The OCBC Branch's liquidity management framework is supported by key liquidity measures, which are monitored on an on-going basis. These measures further serve as early warning indicators ("EWI") to alert senior management of potential liquidity and funding distress situations and trigger management actions in response to the event. The EWIs are designed taking into consideration the Branch's funding profile as well as the market conditions, and are calibrated to differentiate the various level of severity in liquidity shortfall. The EWIs are monitored regularly and discussed at the ALCO. These triggers may also be alerted on an exceptional basis.

Section B – Oversea-Chinese Banking Corporation Limited Group information (Consolidated basis)

Amounts reported are expressed in Singapore Dollars (The exchange rate as at 31 December 2021 is HKD1 = SGD 0.173307, 30 June 2021 is HKD1 = SGD 0.173109, 31 December 2020 is HKD1 = SGD 0.170486)

I Capital and capital adequacy

	As at 31 Dec 2021 S\$ million	As at 30 Jun 2021 S\$ million
(i) Capital and reserves		
- Issued and paid-up capital	18,040	18,184
- Total shareholders' equity*	54,338	53,383
(ii) Consolidated capital adequacy ratio	17.6%	18.4%

II Other financial information

	As at 31 Dec 2021 S\$ million	As at 30 Jun 2021 S\$ million
(i) Total Assets	542,187	521,131
(ii) Total Liabilities	487,849	467,748
(iii) Total loans and advances to non-bank customers, including bills (net of individual and collectively assessed allowances)	286,281	271,027
(iv) Deposits of non-bank customers	342,395	316,776
	Year ended 31 Dec 2021 S\$ million	Year ended 31 Dec 2020 S\$ million
(v) Pre-tax profits	5,680	4,165

*: includes non-controlling interest

III Bank profile

Oversea-Chinese Banking Corporation Limited is a company incorporated in Singapore with limited liability. Its Hong Kong Branch provides banking and financial related services to bank and non-bank customers.

IV Disclosure on remuneration

OCBC HK Branch adopted the remuneration systems of the head office, OCBC Bank. The objective of the Bank's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Bank, and do not give rise to conflicts between the objectives of the Bank and the interests of individual Directors and key executives.

According to the Supervisory Policy Manual ("SPM") CG-5 "Guideline on a Sound Remuneration System" issued by HKMA, Oversea-Chinese Banking Corporation Limited, as an overseas-incorporated Authorized Institution is not required to make separate disclosures in respect of the remuneration system applicable to their Hong Kong operations. The disclosures made by Head Office in the Annual Report also cover information as set out in the said Guideline, where appropriate.

In relation to the disclosure on remuneration, such information on (but not be limited to) the decision-making process, firm-wide remuneration policy, criteria used for performance measurements and risk adjustment, the linkage between pay and performance, deferral policy and vesting criteria, and the parameters used for allocating cash versus other forms of remuneration, aggregate quantitative information, where applicable, in respect of sign-on and severance payments awarded during the financial year, and the breakdown of the total compensation of the Chief Executive Officer and other senior executives (reporting directly to him) by fixed, variable and deferred proportions, are to be publicly disclosed in our 2021 Annual Report.

Oversea-Chinese Banking Corporation Limited, Hong Kong Branch Chief Executive's Declaration of Compliance

I, Lam Kam Choi, being the Chief Executive of Oversea-Chinese Banking Corporation Limited, Hong Kong Branch, declare that the information disclosed in this statement complies fully with Banking (Disclosure) Rules and is not false or misleading.

Signature:



Date

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20 April 2022
