

**Key Financial Information
Disclosure Statement**

***2021
Half-Year End
Results***



KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT

For the half-year ended 30 June 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 half-year ended 30 June 2021 prepared in accordance with Banking (Disclosure) Rules.

Section A – Branch Information (Hong Kong office only)

I. Profit and loss information

	Half-year ended 30 Jun 2021 HK\$'000	Half-year ended 30 Jun 2020 HK\$'000
(i) Interest income	655,173	1,384,429
(ii) Interest expense	(153,400)	(868,398)
(iii) Other operating income		
- Gains less losses arising from trading in foreign currencies	169,977	(277,055)
- Gains less losses arising from other trading activities	(56,397)	274,007
- Gains less losses on securities held for trading purposes	(10,478)	(8,697)
- Fees and commissions		
- Income	32,939	26,866
- Expense	-	-
- Others	17,430	99,061
(iv) Operating expenses		
- Staff expenses	(85,618)	(94,377)
- Rental expenses	(14,513)	(13,606)
- Other expenses	(39,823)	(43,240)
(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	(136,751)	(34,772)
(vii) Profit / (Loss) before taxation	378,539	444,218
(viii) Taxation (charge) / credit	(63,133)	(64,428)
(ix) Profit / (Loss) after taxation	315,406	379,790

II. Balance sheet information

	As at 30 Jun 2021 HK\$'000	As at 31 Dec 2020 HK\$'000
Assets		
(i) Cash and short term funds <i>(except those included in amount due from overseas offices)</i>	2,972,623	970,229
(ii) Placements with banks maturing between one and twelve months <i>(except those included in amount due from overseas offices)</i>	3,672,987	5,488,982
(iii) Due from Exchange Fund	108,443	352,659
(iv) Amount due from overseas offices	1,360,713	795,249
(v) Trade bills	2,264,693	1,598,498
(vi) Certificates of deposit held	32,394,731	37,851,381
(vii) Investment securities	20,333,534	19,731,619
(viii) Trading securities	2,606,428	1,565,118
(ix) Loans and advances and other accounts		
- Loans and advances to customers	50,861,688	50,444,499
- Placement with banks maturing over twelve months	-	-
- Accrued interest and other accounts	1,364,392	1,619,063
(x) Impairment allowances on loans and advances and other accounts		
- Collectively assessed	(67,203)	(86,430)
- Individual assessed	(612,735)	(459,981)
(xi) Derivative receivables	5,577,730	9,011,347
(xii) Investment in subsidiaries	34,568	34,568
(xiii) Other investments	750	750
(xiv) Property, plant and equipment and investment properties	6,437	6,546
Total assets	122,879,779	128,924,097
Liabilities		
(i) Deposits and balances from banks <i>(except those included in amount due to overseas offices)</i>	17,004,781	7,422,371
(ii) Due to Exchange Fund	-	-
(iii) Deposits from customers		
- Demand deposits and current accounts	342,516	356,181
- Saving deposits	2,154,948	1,878,545
- Time, call and notice deposits	18,241,743	23,600,088
(iv) Amount due to overseas offices	53,822,520	46,185,462
(v) Certificates of deposit issued	23,676,019	38,233,670
(vi) Other liabilities	1,284,941	1,236,743
(vii) Provisions	33,264	63,537
(viii) Derivative payables	6,014,465	9,151,424
(ix) Reserve	304,582	796,076
Total liabilities	122,879,779	128,924,097

III. Additional balance sheet information

1. Gross loans and advances to customers

	Collateral Value As at 30 Jun 2021 HK\$'000	Gross Loans and Advances As at 30 Jun 2021 HK\$'000	Collateral Value As at 31 Dec 2020 HK\$'000	Gross Loans and Advances As at 31 Dec 2020 HK\$'000
Analysed by industry:				
Loans and advances for use in Hong Kong				
- Industrial, commercial and financial				
- Property development	673,693	4,640,408	467,328	6,250,979
- Property investment	4,468,566	9,588,320	4,354,304	9,359,830
- Financial concerns	-	-	-	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	3,411,439	191,762	3,603,202
- Manufacturing	-	-	-	-
- Transport and transport equipment	-	964,965	-	978,340
- Recreational activities	-	-	-	-
- Information technology	-	191,084	-	191,084
- Others	1,748,125	2,684,603	1,751,895	2,512,664
	6,890,384	21,480,819	6,765,289	22,896,099
- Individuals				
- Loans for the purchase of other residential properties	1,023	1,023	1,089	1,089
- Others	9,204	9,204	20,415	20,415
	10,227	10,227	21,504	21,504
Loans and advances for use in Hong Kong	6,900,611	21,491,046	6,786,793	22,917,603
Trade finance	3,480	1,259,672	6,656	1,079,480
Loans and advances for use outside Hong Kong	3,832,965	28,110,970	4,430,356	26,447,416
Total loans and advances to customers	10,737,056	50,861,688	11,223,805	50,444,499

	Gross Loans and Advances As at 30 Jun 2021 HK\$'000	Gross Loans and Advances As at 31 Dec 2020 HK\$'000
Analysed by countries:		
Hong Kong	17,973,965	20,158,495
China	30,001,286	27,393,863
Others	2,886,437	2,892,141
Total loans and advances to customers	50,861,688	50,444,499

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 30 Jun 2021	As at 31 Dec 2020
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 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
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
As at 31 Dec 2020						
Developed countries	1,850	-	407	6,296	-	8,553
Offshore centres	7,096	584	2,707	15,421	-	25,808
of which - Hong Kong	4,365	-	2,648	15,153	-	22,166
Developing Asia and Pacific	31,031	3,067	1,518	10,557	-	46,173
of which - China	31,007	701	375	10,557	-	42,640

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 30 Jun 2021	As at 31 Dec 2020
	HK\$'000	HK\$'000
Collectively assessed allowances	67,203	86,430
Individual assessed allowances		
- Loans and Advances	612,735	459,981
- Trade Bills	-	-
- Other Assets	-	-
	679,938	546,411

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 30 Jun 2021	As at 30 Jun 2021	As at 31 Dec 2020	As at 31 Dec 2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- Gross amount	-	623,786	327,339	960,523
<i>(as a percentage of total loans and advances to customers)</i>	<i>(0.00%)</i>	<i>(1.23%)</i>	<i>(0.65%)</i>	<i>(1.90%)</i>
- Individual assessed allowances		612,735		459,981
Analysis of gross amount by countries:				
Hong Kong		178,446		331,988
China		445,340		444,623
Singapore		-		183,912
Others		-		-
Total impaired loans and advances		623,786		960,523

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 30 Jun 2021 HK\$'000	Overdue Loans and Advances As at 30 Jun 2021 HK\$'000	Collateral Value As at 31 Dec 2020 HK\$'000	Overdue Loans and Advances As at 31 Dec 2020 HK\$'000
Gross amount of loans and advances which had been overdue for				
- more than one month and up to three months (as a percentage of total loans and advances to customers)	- (0.00%)	- (0.00%)	- (0.00%)	- (0.00%)
- more than three months and up to six months (as a percentage of total loans and advances to customers)	- (0.00%)	- (0.00%)	- (0.00%)	23,415 (0.05%)
- more than six months and up to one year (as a percentage of total loans and advances to customers)	- (0.00%)	21,164 (0.04%)	327,339 (0.65%)	492,485 (0.98%)
- more than one year (as a percentage of total loans and advances to customers)	- (0.00%)	602,622 (1.18%)	- (0.00%)	444,623 (0.88%)
Total overdue loans and advances	-	623,786	327,339	960,523

Value of collateral held against overdue loans and advances:

	As at 30 Jun 2021 HK\$'000	As at 31 Dec 2020 HK\$'000
Current market value of collateral held against the covered portion of overdue loans and advances	-	327,339
Covered portion of overdue loans and advances	-	327,339
Uncovered portion of overdue loans and advances	623,786	633,184
Analysis of gross amount by countries:		
Hong Kong	178,446	331,988
China	445,340	444,623
Singapore	-	183,912
Others	-	-
Total overdue loans and advances	623,786	960,523

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 30 June 2021 was Nil (31 December 2020: Nil).

8. As at 30 June 2021, there were no loans and advances to banks and other financial institutions that were overdue, rescheduled or impaired (31 December 2020: Nil).

9. Overdue Trade Bills

	As at 30 Jun 2021 HK\$'000	As at 31 Dec 2020 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 30 June 2021, there was no other asset that was overdue (31 December 2020: Nil).

III. Additional balance sheet information *(continued)*

10. There was no repossessed asset held as at 30 June 2021 (31 December 2020: 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 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

As at 31 Dec 2020

HK\$ million	EUR	CNY	USD	Total
Spot assets	3,906	17,531	50,248	71,685
Spot liabilities	(10,850)	(2,700)	(73,204)	(86,754)
Forward purchases	15,873	66,357	232,022	314,252
Forward sales	(9,140)	(81,812)	(208,654)	(299,606)
Net options position	21	(8)	230	243
Net long/(short) position	(190)	(632)	642	(180)

There was no structural position as at 30 June 2021 (at 31 December 2020: 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 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%		

As at 31 Dec 2020

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)	15,422	870	16,292
2. Local governments, local government-owned entities and their subsidiaries and JVs	3,034	-	3,034
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,903	444	8,347
4. Other entities of central government not reported in item 1 above	1,054	2	1,056
5. Other entities of local governments not reported in item 2 above	1,250	-	1,250
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	10,931	2,207	13,138
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	39,594	3,523	43,117
Total assets after provision	128,924		
On-balance sheet exposures as percentage of total assets	30.71%		

IV. Off-balance sheet information

		As at 30 Jun 2021 HK\$'000	As at 31 Dec 2020 HK\$'000
Contingent liabilities and commitments			
(i) Contractual/notional amounts			
Direct credit substitutes		290,399	57,775
Transaction-related contingencies		-	-
Trade-related contingencies		1,214,647	1,849,641
Other commitments			
- over one year		9,554,867	7,433,263
- one year or less		18,654,003	24,864,819
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>844,708</u>	<u>3,643,816</u>
		<u>30,558,624</u>	<u>37,849,314</u>
	Credit Conversion Factor		
(ii) Credit risk weighted amounts			
Direct credit substitutes	100%	290,399	57,775
Transaction-related contingencies	50%	-	-
Trade-related contingencies	20%	242,929	369,928
Other commitments			
- over one year	50%	4,777,434	3,716,632
- 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>844,708</u>	<u>3,643,816</u>
		<u>6,155,470</u>	<u>7,788,151</u>
Derivatives			
(i) Contractual/notional amounts			
Exchange rate contracts		410,596,970	451,394,542
Interest rate contracts		274,832,266	339,813,368
Others		49,571	59,930
		<u>685,478,807</u>	<u>791,267,840</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		(565,934)	(294,490)
Interest rate contracts		128,833	154,250
Others		366	163
		<u>(436,735)</u>	<u>(140,077)</u>

V. Liquidity Information

1. Liquidity Maintenance Ratio

	Quarter ended 30 Jun 2021	Quarter ended 30 Jun 2020
Quarterly average liquidity maintenance ratio	85.30%	70.45%

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 30 Jun 2021	Quarter ended 30 Jun 2020
Quarterly average core funding ratio	102.41%	98.66%

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

3. 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.

Our liquidity management process involves establishing liquidity management policies and limits, regular monitoring against them. We also perform short-term liquidity stress tests based on institution specific, 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.

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.

We also follow the applicable guidance set forth by the HKMA in Supervisory Policy Manual LM-2, Sound Systems and Controls for Liquidity Risk Management.

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

Amounts reported are expressed in Singapore Dollars (The exchange rate as at 30 June 2021 is HKD1 = SGD 0.173109, 31 December 2020 is HKD1 = SGD 0.170486, 30 June 2020 is HKD1 = SGD 0.18007)

I Capital and capital adequacy

	As at 30 Jun 2021 S\$ million	As at 31 Dec 2020 S\$ million
(i) Capital and reserves		
- Issued and paid-up capital	18,184	17,833
- Total shareholders' equity*	53,383	51,176
(ii) Consolidated capital adequacy ratio	18.4%	17.9%

II Other financial information

	As at 30 Jun 2021 S\$ million	As at 31 Dec 2020 S\$ million
(i) Total Assets	521,131	521,395
(ii) Total Liabilities	467,748	470,219
(iii) Total loans and advances to non-bank customers, including bills (net of individual and collectively assessed allowances)	271,027	263,538
(iv) Deposits of non-bank customers	316,776	314,907
	Half-year ended 30 Jun 2021 S\$ million	Half-year ended 30 Jun 2020 S\$ million
(v) Pre-tax profits	3,177	1,767

*: 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 disclosed in our 2020 Annual Report.

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

I, Tan Wing Ming, 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 : 20 September 2021