

**Key Financial Information
Disclosure Statement**

2022
Half-Year End
Results



Oversea-Chinese Banking Corporation Limited
Hong Kong Branch
(Incorporated in Singapore with limited liability)

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT

For the half-year ended 30 June 2022

- 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 2022 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 2022 HK\$'000	Half-year ended 30 Jun 2021 HK\$'000
(i) Interest income	784,066	655,173
(ii) Interest expense	(351,689)	(153,400)
(iii) Other operating income		
- Gains less losses arising from trading in foreign currencies	130,244	169,977
- Gains less losses arising from other trading activities	(130,649)	(56,397)
- Gains less losses on securities held for trading purposes	(32,070)	(10,478)
- Fees and commissions		
- Income	39,548	32,939
- Expense	-	-
- Others	60,827	17,430
(iv) Operating expenses		
- Staff expenses	(23,960)	(85,618)
- Rental expenses	(2,916)	(14,513)
- Other expenses	(193,492)	(39,823)
(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	(82,728)	(136,751)
(vii) Profit / (Loss) before taxation	197,181	378,539
(viii) Taxation (charge) / credit	(33,083)	(63,133)
(ix) Profit / (Loss) after taxation	164,098	315,406

II. Balance sheet information

	As at 30 Jun 2022 HK\$'000	As at 31 Dec 2021 HK\$'000
Assets		
(i) Cash and short term funds <i>(except those included in amount due from overseas offices)</i>	1,814,440	1,447,796
(ii) Placements with banks maturing between one and twelve months <i>(except those included in amount due from overseas offices)</i>	5,670,319	3,713,704
(iii) Due from Exchange Fund	51,879	71,132
(iv) Amount due from overseas offices	1,316,107	7,694,372
(v) Trade bills	1,537,669	1,991,016
(vi) Certificates of deposit held	25,273,012	15,598,944
(vii) Investment securities	16,069,134	21,040,936
(viii) Trading securities	715,276	1,579,039
(ix) Loans and advances and other accounts		
- Loans and advances to customers	61,004,867	55,107,874
- Placement with banks maturing over twelve months	-	-
- Accrued interest and other accounts	6,086,740	1,879,138
(x) Impairment allowances on loans and advances and other accounts		
- Collectively assessed	(196,354)	(114,533)
- Individual assessed	(404,547)	(404,532)
(xi) Derivative receivables	8,401,458	4,968,323
(xii) Investment in subsidiaries	34,568	34,568
(xiii) Other investments	630	750
(xiv) Property, plant and equipment and investment properties	-	-
Total assets	127,375,198	114,608,527
Liabilities		
(i) Deposits and balances from banks <i>(except those included in amount due to overseas offices)</i>	16,768,707	6,474,434
(ii) Due to Exchange Fund	-	-
(iii) Deposits from customers		
- Demand deposits and current accounts	313,496	371,010
- Saving deposits	2,071,469	3,327,946
- Time, call and notice deposits	17,426,934	16,806,482
(iv) Amount due to overseas offices	44,548,079	54,248,353
(v) Certificates of deposit issued	32,832,520	26,404,661
(vi) Other liabilities	5,604,545	1,553,868
(vii) Provisions	68,880	84,045
(viii) Derivative payables	7,582,553	5,100,415
(ix) Reserve	158,015	237,313
Total liabilities	127,375,198	114,608,527

III. Additional balance sheet information

1. Gross loans and advances to customers

	Collateral Value As at 30 Jun 2022 HK\$'000	Gross Loans and Advances As at 30 Jun 2022 HK\$'000	Collateral Value As at 31 Dec 2021 HK\$'000	Gross Loans and Advances As at 31 Dec 2021 HK\$'000
Analysed by industry:				
Loans and advances for use in Hong Kong				
- Industrial, commercial and financial				
- Property development	2,788,193	10,957,811	702,104	9,807,268
- Property investment	3,394,717	9,041,965	2,243,392	8,065,551
- Financial concerns	-	-	-	-
- Stockbrokers	-	-	-	-
- Wholesale and retail trade	-	3,056,274	-	2,711,440
- Manufacturing	-	-	-	77,000
- Transport and transport equipment	57,272	720,593	56,927	1,300,204
- Recreational activities	-	-	-	-
- Information technology	-	300,000	-	300,000
- Others	1,740,500	3,483,286	1,742,000	3,344,703
	7,980,682	27,559,929	4,744,423	25,606,166
- Individuals				
- Loans for the purchase of other residential properties	-	-	957	957
- Others	-	-	5,000	5,000
	-	-	5,957	5,957
Loans and advances for use in Hong Kong	7,980,682	27,559,929	4,750,380	25,612,123
Trade finance	-	444,730	-	286,239
Loans and advances for use outside Hong Kong	2,887,920	33,000,208	1,531,387	29,209,512
Total loans and advances to customers	10,868,602	61,004,867	6,281,767	55,107,874

	Gross Loans and Advances As at 30 Jun 2022 HK\$'000	Gross Loans and Advances As at 31 Dec 2021 HK\$'000
Analysed by countries:		
Hong Kong	24,377,056	21,425,817
China	30,790,523	30,246,793
Others	5,837,288	3,435,264
Total loans and advances to customers	61,004,867	55,107,874

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 2022 HK\$'000	As at 31 Dec 2021 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	<u>Non-bank private sector</u>					Total
	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	
As at 30 Jun 2022						
Developed countries	5,154	771	4,567	1,049	-	11,541
Offshore centres	17,042	-	3,460	12,303	-	32,805
of which - Hong Kong	4,170	-	3,325	12,303	-	19,798
of which - Singapore	11,960	-	135	-	-	12,095
Developing Asia and Pacific	16,816	3,267	2,311	8,928	-	31,322
of which - China	16,794	-	624	8,754	-	26,172
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

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 2022	As at 31 Dec 2021
	HK\$'000	HK\$'000
Collectively assessed allowances	196,354	114,533
Individual assessed allowances		
- Loans and Advances	404,547	404,532
- Trade Bills	-	-
- Other Assets	-	-
	600,901	519,065

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 2022	advances	As at 31 Dec 2021	Advances
	HK\$'000	As at 30 Jun 2022	As at 31 Dec 2021	As at 31 Dec 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
- Gross amount	-	560,303	-	569,023
<i>(as a percentage of total loans and advances to customers)</i>	(0.00%)	(0.92%)	(0.00%)	(1.03%)
- Individual assessed allowances		404,547		404,532
Analysis of gross amount by countries:				
Hong Kong		178,929		179,113
China		381,374		389,910
Singapore		-		-
Others		-		-
Total impaired loans and advances		560,303		569,023

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 2022 HK\$'000	Overdue Loans and Advances As at 30 Jun 2022 HK\$'000	Collateral Value As at 31 Dec 2021 HK\$'000	Overdue Loans and Advances As at 31 Dec 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>	-	381,374	-	-
- more than six months and up to one year <i>(as a percentage of total loans and advances to customers)</i>	-	-	-	-
- more than one year <i>(as a percentage of total loans and advances to customers)</i>	-	178,929	-	179,113
Total overdue loans and advances	-	560,303	-	179,113

Value of collateral held against overdue loans and advances:

	As at 30 Jun 2022 HK\$'000	As at 31 Dec 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	560,303	179,113
Individual assessed allowances of overdue loans and advances	404,547	167,881
Analysis of gross amount by countries:		
Hong Kong	178,929	179,113
China	381,374	-
Singapore	-	-
Others	-	-
Total overdue loans and advances	560,303	179,113

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 2022 was Nil (31 December 2021: Nil).
8. As at 30 June 2022, there were no loans and advances to banks and other financial institutions that were overdue, rescheduled or impaired (31 December 2021: Nil).

III. Additional balance sheet information *(continued)*

9. Overdue Trade Bills

	As at 30 Jun 2022 HK\$'000	As at 31 Dec 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 30 June 2022, there was no other asset that was overdue (31 December 2021: Nil).

10. There was no repossessed asset held as at 30 June 2022 (31 December 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 30 Jun 2022

HK\$ million	CNY	USD	Total
Spot assets	10,506	47,995	58,501
Spot liabilities	(3,486)	(87,719)	(91,205)
Forward purchases	84,213	264,860	349,073
Forward sales	(91,835)	(224,543)	(316,378)
Net options position	70	(370)	(300)
Net long/(short) position	(532)	223	(309)

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)

There was no structural position as at 30 June 2022 (at 31 December 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 30 Jun 2022

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)	11,533	2,000	13,533
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,457	-	2,457
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	10,270	227	10,497
4. Other entities of central government not reported in item 1 above	3,095	42	3,137
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	8,125	1,977	10,102
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	37,330	4,246	41,576
Total assets after provision	127,375		
On-balance sheet exposures as percentage of total assets	29.31%		

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%		

IV. Off-balance sheet information

		As at 30 Jun 2022 HK\$'000	As at 31 Dec 2021 HK\$'000
Contingent liabilities and commitments			
(i) Contractual/notional amounts			
Direct credit substitutes		65,675	172,726
Transaction-related contingencies		-	-
Trade-related contingencies		1,352,728	1,466,215
Other commitments			
- over one year		13,968,482	9,162,206
- one year or less		13,367,812	16,308,174
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>7,618,418</u>	<u>8,967,930</u>
		<u>36,373,115</u>	<u>36,077,251</u>
	Credit Conversion Factor		
(ii) Credit risk weighted amounts			
Direct credit substitutes	100%	65,675	172,726
Transaction-related contingencies	50%	-	-
Trade-related contingencies	20%	270,546	293,243
Other commitments			
- over one year	50%	6,984,241	4,581,103
- 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>7,618,418</u>	<u>8,967,930</u>
		<u>14,938,880</u>	<u>14,015,002</u>
Derivatives			
(i) Contractual/notional amounts			
Exchange rate contracts		496,909,391	475,016,677
Interest rate contracts		282,430,955	260,543,227
Others		66,299	2,717
		<u>779,406,645</u>	<u>735,562,621</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		523,869	(330,963)
Interest rate contracts		294,677	198,789
Others		359	82
		<u>818,905</u>	<u>(132,092)</u>

V. Liquidity Information

1. Liquidity Maintenance Ratio

	Quarter ended 30 Jun 2022	Quarter ended 30 Jun 2021
Quarterly average liquidity maintenance ratio	62.03%	85.30%

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 2022	Quarter ended 30 Jun 2021
Quarterly average core funding ratio	89.89%	102.41%

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 2022 is HKD1 = SGD 0.177276, 31 December 2021 is HKD1 = SGD 0.173307, 30 June 2021 is HKD1 = SGD 0.173109)

I Capital and capital adequacy

	As at 30 Jun 2022 S\$ million	As at 31 Dec 2021 S\$ million
(i) Capital and reserves		
- Issued and paid-up capital	18,057	18,040
- Total shareholders' equity [#]	54,419	54,338
(ii) Consolidated capital adequacy ratio	17.5%	17.6%

II Other financial information

	As at 30 Jun 2022 S\$ million	As at 31 Dec 2021 S\$ million
(i) Total Assets	554,862	542,187
(ii) Total Liabilities	500,443	487,849
(iii) Total loans and advances to non-bank customers, including bills (net of individual and collectively assessed allowances)	294,480	286,281
(iv) Deposits of non-bank customers	348,821	342,395
	Half-year ended 30 Jun 2022 S\$ million	Half-year ended 30 Jun 2021 S\$ million
(v) Pre-tax profits	3,395	3,177

[#]: includes non-controlling interest

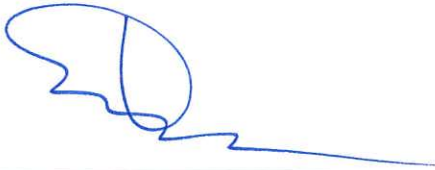
III Bank profile

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.

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

:

20 September 2022