



創興銀行有限公司
Chong Hing Bank Limited
(Incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURES

31 March 2024

(Unaudited)

Regulatory disclosures (unaudited)

Introduction

The information contained in this document is for Chong Hing Bank Limited ("the Bank") and its subsidiaries ("the Group") to comply with the Banking (Disclosure) Rules ("the BDR") made under section 60A of the Banking Ordinance. The banking disclosures are prepared in accordance with the BDR and disclosure templates issued by the Hong Kong Monetary Authority ("the HKMA"). It has been prepared on a consolidated basis for regulatory purposes which is different from the consolidated basis for accounting purposes.

The approaches used in calculating the Group's regulatory capital and risk-weighted assets are in accordance with the Banking (Capital) Rules. The Group uses the standardised (credit risk) approach to calculate its credit risk. For counterparty credit risk, the Group uses the standardised approach (counterparty credit risk) to calculate its default risk exposures. For market risk, the Group uses the standardised (market risk) approach to calculate its market risk. For operational risk, the Group uses the basic indicator approach to calculate its operational risk.

A disclosure policy has been put in place for the disclosure of material information (including inside information) relating to the businesses, state of affairs, profit or loss and capital adequacy ratio to the stakeholders and the public in compliance with the disclosure obligations required by the Banking Ordinance, the Securities and Futures Ordinance and other applicable laws, rules and regulations. The banking disclosures are governed by the Group's disclosure policy, which have been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. The banking disclosures are reviewed by independent party in accordance with the Group's disclosure policy.

The Group's Banking Disclosure Statement at 31 March 2024 comprises Pillar 3 information required under the framework of the Basel Committee on Banking Supervision. The disclosures are made in accordance with the latest BDR issued by the HKMA.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosures section of our website, www.chbank.com.

1: Key prudential ratios (unaudited)

In HK\$'000		(a)	(b)	(c)	(d)	(e)
		As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	32,792,439	32,096,014	30,403,492	29,178,751	28,380,414
2	Tier 1	38,220,435	37,524,010	35,831,488	34,606,747	33,808,410
3	Total Capital	43,092,226	42,394,749	40,689,717	37,886,062	37,149,259
RWA (amount)						
4	Total RWA	216,605,000	215,905,525	210,124,916	212,561,955	216,671,341
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	15.14%	14.87%	14.47%	13.73%	13.10%
6	Tier 1 ratio (%)	17.65%	17.38%	17.05%	16.28%	15.60%
7	Total capital ratio (%)	19.89%	19.64%	19.36%	17.82%	17.15%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.633%	0.610%	0.621%	0.620%	0.585%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.133%	3.110%	3.121%	3.120%	3.085%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.64%	10.37%	9.97%	9.23%	8.60%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	295,071,496	320,788,368	298,815,243	297,809,176	292,197,035
14	LR (%)	12.95%	11.70%	11.99%	11.62%	11.57%
Liquidity Maintenance Ratio (LMR)						
17a	LMR (%)	61.69%	62.63%	61.21%	56.20%	58.51%
Core Funding Ratio (CFR)						
20a	CFR (%)	186.34%	184.63%	180.85%	172.18%	174.55%

2: Overview of RWA (unaudited)

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA.

In HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2024	As at 31 December 2023	As at 31 March 2024
1	Credit risk for non-securitization exposures	188,322,747	190,992,420	15,065,820
2	<i>Of which STC approach</i>	188,322,747	190,992,420	15,065,820
2a	<i>Of which BSC approach</i>	-	-	-
3	<i>Of which foundation IRB approach</i>	-	-	-
4	<i>Of which supervisory slotting criteria approach</i>	-	-	-
5	<i>Of which advanced IRB approach</i>	-	-	-
6	Counterparty default risk and default fund contributions	1,815,727	2,383,690	145,258
7	<i>Of which SA-CCR approach</i>	1,327,483	940,610	106,199
7a	<i>Of which CEM</i>	-	-	-
8	<i>Of which IMM(CCR) approach</i>	-	-	-
9	<i>Of which others</i>	488,244	1,443,080	39,060
10	CVA risk	399,038	309,125	31,923
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	2,045,646	1,933,380	163,652
13	CIS exposures – MBA	-	-	-
14	CIS exposures – FBA	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	32,680	-
17	<i>Of which SEC-IRBA</i>	-	-	-
18	<i>Of which SEC-ERBA (including IAA)</i>	-	-	-
19	<i>Of which SEC-SA</i>	-	32,680	-
19a	<i>Of which SEC-FBA</i>	-	-	-
20	Market risk	13,867,625	10,362,388	1,109,410
21	<i>Of which STM approach</i>	13,867,625	10,362,388	1,109,410
22	<i>Of which IMM approach</i>	-	-	-
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	9,751,463	9,489,088	780,117
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	531,423	531,423	42,514
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	128,669	128,669	10,294
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	-	-	-
26c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	128,669	128,669	10,294
27	Total	216,605,000	215,905,525	17,328,400

Total RWA increased by HK\$0.7 billion as compared with last quarter. It was mainly contributed by increase in RWA for credit risk for nonsecuritization exposures (mostly driven by bank exposures) offset by decrease in RWA for market risk.

3: Leverage ratio (unaudited)

		(a)	(b)
		As at 31 March 2024	As at 31 December 2023
In HK\$'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	281,660,114	297,780,543
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,544,618)	(1,538,618)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	280,115,496	296,241,925
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)	400,403	416,243
5	Add-on amounts for PFE associated with all derivative contracts	2,962,788	2,347,021
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	(229,890)	(269,466)
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	3,133,301	2,493,798
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,695,155	8,369,909
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	78,062	1,828,377
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	1,773,217	10,198,286
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	73,506,855	90,490,044
18	Less: Adjustments for conversion to credit equivalent amounts	(61,114,428)	(76,245,485)
19	Off-balance sheet items	12,392,427	14,244,559
Capital and total exposures			
20	Tier 1 capital	38,220,435	37,524,010
20a	Total exposures before adjustments for specific and collective provisions	297,414,441	323,178,568
20b	Adjustments for specific and collective provisions	(2,342,945)	(2,390,200)
21	Total exposures after adjustments for specific and collective provisions	295,071,496	320,788,368
Leverage ratio			
22	Leverage ratio	12.95%	11.70%