



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

REGULATORY DISCLOSURES

30 September 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 30 September 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 30 September 2024	As at 30 June 2024	As at 31 March 2024	As at 31 December 2023	As at 30 September 2023
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	34,252,506	33,639,045	32,792,439	32,096,014	30,403,492
2	Tier 1	36,569,187	39,067,041	38,220,435	37,524,010	35,831,488
3	Total Capital	44,163,261	46,593,076	43,092,226	42,394,749	40,689,717
RWA (amount)						
4	Total RWA	221,909,587	222,543,451	216,605,000	215,905,525	210,124,916
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	15.44%	15.12%	15.14%	14.87%	14.47%
6	Tier 1 ratio (%)	16.48%	17.55%	17.65%	17.38%	17.05%
7	Total capital ratio (%)	19.90%	20.94%	19.89%	19.64%	19.36%
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 (%)	0.570%	0.578%	0.633%	0.610%	0.621%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.070%	3.078%	3.133%	3.110%	3.121%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.94%	10.62%	10.64%	10.37%	9.97%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	313,144,939	306,680,517	295,071,496	320,788,368	298,815,243
14	LR (%)	11.68%	12.75%	12.95%	11.70%	11.99%
Liquidity Maintenance Ratio (LMR)						
17a	LMR (%)	66.53%	70.41%	61.69%	62.63%	61.21%
Core Funding Ratio (CFR)						
20a	CFR (%)	199.44%	188.72%	186.34%	184.63%	180.85%

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.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
In HK\$'000		As at 30 September 2024	As at 30 June 2024	As at 30 September 2024
1	Credit risk for non-securitization exposures	190,710,837	186,835,012	15,256,867
2	<i>Of which STC approach</i>	190,710,837	186,835,012	15,256,867
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	1,325,001	1,405,812	106,000
7	<i>Of which SA-CCR approach</i>	1,313,239	1,132,242	105,059
7a	<i>Of which CEM</i>	-	-	-
8	<i>Of which IMM(CCR) approach</i>	-	-	-
9	<i>Of which others</i>	11,762	273,570	941
10	CVA risk	400,213	350,313	32,017
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	544,566	-	43,565
13	CIS exposures – MBA	5,115,228	11,529,521	409,218
14	CIS exposures – FBA	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	<i>Of which SEC-IRBA</i>	-	-	-
18	<i>Of which SEC-ERBA (including IAA)</i>	-	-	-
19	<i>Of which SEC-SA</i>	-	-	-
19a	<i>Of which SEC-FBA</i>	-	-	-
20	Market risk	13,155,725	11,949,063	1,052,458
21	<i>Of which STM approach</i>	13,155,725	11,949,063	1,052,458
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	10,254,950	10,070,663	820,396
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	128,356	128,356	10,268
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>	128,356	128,356	10,268
27	Total	221,909,587	222,543,451	17,752,767

3: Leverage ratio (unaudited)

		(a)	(b)
		As at 30 September 2024	As At 30 June 2024
In HK\$'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	299,462,327	290,821,930
2	Less: Asset amounts deducted in determining Tier 1 capital	-1,574,162	-1,617,920
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	297,888,165	289,204,010
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)	482,409	363,529
5	Add-on amounts for PFE associated with all derivative contracts	2,830,039	2,583,006
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	-641,131	-261,546
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	2,671,317	2,684,989
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	30,842	2,924,646
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	5,486	78,320
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	36,328	3,002,966
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	73,432,773	73,603,648
18	Less: Adjustments for conversion to credit equivalent amounts	-58,444,179	-59,575,626
19	Off-balance sheet items	14,988,594	14,028,022
Capital and total exposures			
20	Tier 1 capital	36,569,187	39,092,567
20a	Total exposures before adjustments for specific and collective provisions	315,584,404	308,919,987
20b	Adjustments for specific and collective provisions	-2,439,465	-2,239,470
21	Total exposures after adjustments for specific and collective provisions	313,144,939	306,680,517
Leverage ratio			
22	Leverage ratio	11.68%	12.75%