



OCBC Wing Hang Bank Limited
華僑永亨銀行有限公司

Banking Disclosure Statement
For the period ended
31st March, 2023

(Expressed in millions of Hong Kong dollars unless otherwise stated)

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OCBC Wing Hang Bank Limited

Introduction

Purpose

The information contained in this document is for OCBC Wing Hang Bank Limited ("the Bank") and its subsidiaries (together "the Group") to comply with the Banking (Disclosure) Rules ("BDR") made under section 60A of the Banking Ordinance and disclosure templates issued by the Hong Kong Monetary Authority ("HKMA").

These banking disclosures are governed by the Group's disclosure policy, which has been approved by the Board of Directors ("Board"). The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the Banking Disclosure Statement is not required to be externally audited, the document has been subject to independent review in accordance with the Group's policies on disclosure and its financial reporting and governance processes.

Basis of preparation

Except where indicated otherwise, the financial information contained in this Banking Disclosure Statement has been prepared on a consolidated basis. The basis of consolidation for regulatory purposes is different from that for accounting purposes.

Effective from 31st March, 2023, the Group has adopted the Internal Ratings-Based ("IRB") approach to compute the credit risk weighted asset ("RWA") for the majority of its non-securitisation portfolios, in accordance with the Banking (Capital) Rules ("BCR"). The Standardised (Credit Risk) ("STC") approach for credit risk applies to exempted portfolio.

The Banking Disclosure Statement

The Group's Banking Disclosure Statement at 31st March, 2023 comprises Pillar 3 information required under the framework of the Basel Committee on Banking Supervision ("BCBS"). 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 on our website: www.ocbcwhhk.com.

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Template KM1: Key prudential ratios as at 31st March, 2023

		(a)	(b)	(c)	(d)	(e)
		31st March, 2023	31st December, 2022	30th September, 2022	30th June, 2022	31st March, 2022
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	38,031	36,968	35,616	36,418	37,050
2	Tier 1	41,031	39,968	38,616	39,418	40,050
3	Total capital	43,275	43,041	41,680	42,441	43,048
	RWA (amount)					
4	Total RWA	189,865	226,569	223,519	230,814	226,635
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	20.0%	16.3%	15.9%	15.8%	16.3%
6	Tier 1 ratio (%)	21.6%	17.6%	17.3%	17.1%	17.7%
7	Total capital ratio (%)	22.8%	19.0%	18.6%	18.4%	19.0%
	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 (%)	0.535%	0.527%	0.513%	0.515%	0.499%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	3.035%	3.027%	3.013%	3.015%	2.999%
12	CET1 available after meeting the AI's minimum capital requirements (%)	15.530%	11.816%	11.434%	11.278%	11.848%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	375,361	373,503	366,107	366,283	363,993
14	LR (%)	10.93%	10.70%	10.55%	10.76%	11.00%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institutions only:					
17a	LMR (%)	44.0%	42.9%	41.4%	37.0%	35.7%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	151.4%	148.8%	144.2%	138.7%	135.4%

Note: Except for CAR ratios, there were no material changes to the key prudential ratios during the quarterly reporting period. The changes were due to normal business activities. The Group has adopted the IRB approach to calculate its exposure to credit risk from 31st March, 2023, with regulatory approved exempted portfolios remaining on the STC approach.

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Template OV1: Overview of RWA as at 31st March, 2023

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 31st March, 2023 and 31st December, 2022 respectively:

Items	(a)	(b)	(c)	
	RWA		Minimum capital requirements	
	31st March, 2023	31st December, 2022	31st March, 2023	
1	Credit risk for non-securitisation exposures	145,594	203,068	12,273
2	Of which STC approach	15,365	203,068	1,229
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	118,776	0	10,072
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	11,452	0	971
6	Counterparty default risk and default fund contributions	1,722	2,011	143
7	Of which SA-CCR approach	1,015	1,275	86
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	707	736	57
10	CVA risk	675	384	54
11	Equity positions in banking book under the simple risk-weight method and internal models method	9,946	0	843
12	Collective investment scheme ("CIS") exposures - LTA	0	0	0
13	CIS exposures - MBA	0	0	0
14	CIS exposures - FBA	0	0	0
14a	CIS exposures - combination of approaches	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in banking book	0	0	0
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0
20	Market risk	11,423	9,825	914
21	Of which STM approach	11,423	9,825	914
22	Of which IMM approach	0	0	0
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	N/A	N/A	N/A
24	Operational risk #	12,007	11,781	961
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,216	1,216	103
26	Capital floor adjustment	451	0	36
26a	Deduction to RWA	1,716	1,716	137
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	0	0
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	1,716	1,716	137
27	Total	181,319	226,569	15,190

Note:

- a Items marked with an asterisk (*) will be applicable only after their respective policy frameworks take effect.
- b The Group used the Basic Indicator Approach (#) to calculate its exposure to operational risk at 31st March, 2023 and 31st December, 2022
- c The Group has adopted the Internal Ratings-based approach to calculate its exposure to credit risk from 31st March, 2023, with regulatory approved exempted portfolios remaining on the Standardized approach.
- d RWAs in this table are presented before the application of the 1.06 scaling factor, where applicable.
- e Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWAs after application of the 1.06 scaling factor, where applicable.

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Template LR2: Leverage Ratio ("LR") as at 31st March, 2023

		(a)	(b)
		31st March, 2023	31st December, 2022
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	321,885	323,951
2	Less: Asset amounts deducted in determining Tier 1 capital	(5,285)	(5,145)
3	Total on-balance sheet exposures (excluding derivative contract and SFTs)	316,600	318,806
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)	8,343	11,843
5	Add-on amounts for PFE associated with all derivative contracts	27,301	23,340
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(188)	(417)
8	Less: Exempted CCP leg of client-cleared trade exposures	0	0
9	Adjusted effective notional amount of written credit derivative contracts	1,781	1,745
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	(1,781)	(1,745)
11	Total exposures arising from derivative contracts	35,456	34,766

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Template LR2: Leverage Ratio ("LR") as at 31st March, 2023

		(a)	(b)
		31st March, 2023	31st December, 2022
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	9,259	4,943
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	544	254
15	Agent transaction exposures	0	0
16	Total exposures arising from SFTs	9,803	5,197

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Template LR2: Leverage Ratio ("LR") as at 31st March, 2023

		(a)	(b)
		31st March, 2023	31st December, 2022
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	66,937	68,803
18	Less: Adjustments for conversion to credit equivalent amounts	(53,027)	(53,742)
19	Off-balance sheet items	13,910	15,061
Capital and total exposures			
20	Tier 1 capital	41,031	39,968
20a	Total exposures before adjustments for specific and collective provisions	375,769	373,830
20b	Adjustments for specific and collective provisions	(408)	(327)
21	Total exposures	375,361	373,503
Leverage ratio			
22	Leverage ratio	10.93%	10.70%

Note: There were no material changes to the leverage ratios during the quarterly reporting period. The changes were due to normal business activities.

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Template CR8: RWA flow statements of credit risk exposures under IRB approach as at 31st March, 2023

		(a)
		Amount
1	RWA as at end of previous reporting period	0
2	Asset size	0
3	Asset quality	0
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	0
7a	Adoption of IRB approach	130,229
8	Other	0
9	RWA as at end of reporting period	130,229

Note: RWAs under the IRB approach increased over 31st December, 2022, due to the Group's adoption of the IRB approach from 31st March, 2023, to compute the credit risk weighted asset RWA for the majority of its non-securitisation portfolios.