



OCBC Bank (Hong Kong) Limited
華僑銀行（香港）有限公司

Banking Disclosure Statement
For the period ended
30th June, 2024

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

| Table of Contents | Page |
|--|-------------|
| Introduction | 2 |
| Scope of consolidation | 3 |
| KM1: Key Prudential Ratios | 4 |
| OV1: Overview of RWA..... | 5 |
| CC1: Composition of Regulatory Capital | 7 |
| CC2: Reconciliation of Regulatory Capital to Consolidated Statement of Financial Position | 14 |
| CCA: Main Features of Regulatory Capital Instruments | 16 |
| CCyB1: Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)..... | 19 |
| LR1: Summary Comparison of Accounting Assets against Leverage Ratio (“LR”) Exposure Measure | 20 |
| LR2: Leverage Ratio (“LR”) | 21 |
| CR1: Credit Quality of Exposures..... | 22 |
| CR2: Changes in Defaulted Loans and Debt Securities | 23 |
| CR3: Overview of Recognised Credit Risk Mitigation | 24 |
| CR4: Credit Risk Exposures and Effects of Recognised Credit Risk Mitigation – for STC Approach..... | 25 |
| CR5: Credit Risk Exposures by Asset Classes and by Risk Weights – for STC Approach | 26 |
| CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach | 27 |
| CR7: Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB Approach..... | 30 |
| CR8: RWA Flow Statements of Credit Risk Exposures under IRB Approach | 31 |
| CR10: Specialized Lending under Supervisory Slotting Criteria Approach and Equities under the Simple Risk-Weight Method – for IRB Approach | 32 |
| CCR1: Analysis of Counterparty Default Risk Exposures (other than those to CCPs) by Approaches..... | 34 |
| CCR2: CVA Capital Charge | 35 |
| CCR3: Counterparty Default Risk Exposures (other than those to CCPs) by Asset Classes and by Risk Weights – for STC Approach | 36 |
| CCR4: Counterparty Default Risk Exposures (other than those to CCPs) by Portfolio and PD Range – for IRB Approach..... | 37 |
| CCR5: Composition of Collateral for Counterparty Default Risk Exposures (including those for Contracts or Transactions Cleared through CCPs) | 39 |
| CCR6: Credit-Related Derivatives Contracts | 40 |
| CCR8: Exposure to CCPs | 41 |
| MR1: Market Risk under Standardised (Market Risk) Approach (STM Approach) | 42 |
| International Claims | 43 |
| Advances to customers | 44 |
| Overdue and rescheduled assets | 47 |
| Mainland Activities | 49 |
| Off-balance sheet exposures – Contingent liabilities and commitments | 50 |
| Currency risk | 51 |
| Capital Buffer | 52 |

Introduction

Purpose

The information contained in this document is for OCBC Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (together "the Group"). It should be read in conjunction with the Group's 2024 Interim Report. The Group's Interim Report and the Banking Disclosure Statement, taken together, comply with the Banking (Disclosure) Rules ("BDR") made under section 60A of the Banking Ordinance.

These banking disclosures are governed by the Group's disclosure policy, which has been approved by the Board of Directors ("the 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. The details of scope of consolidation under accounting scope and regulatory scope are mentioned in section "Scope of consolidation".

The information in this document is not audited and does not constitute statutory accounts.

Certain financial information in this document is extracted from the Group's 2024 Interim Report. The statutory accounts can be viewed on our website: www.ocbc.com.hk.

The Banking Disclosure Statement

The Group's Banking Disclosure Statement at 30th June, 2024 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.

The Banking Disclosure Statement includes the majority of the information required under the BDR. The remainder of the disclosure requirement is covered in the Group's 2024 Interim Report which can be found in our website: www.ocbc.com.hk.

Scope of consolidation

In calculating the capital ratio of the Group at 30th June, 2024 and 31st December, 2023, the following subsidiaries are excluded from the regulatory scope of consolidation. These are mainly securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance.

| Subsidiaries | Principal activities | 30th June, 2024 | | 31st December, 2023 | |
|---|---------------------------|-----------------|--------------|---------------------|--------------|
| | | Total assets | Total equity | Total assets | Total equity |
| Chekiang First Bank (Nominees) Limited | Inactive/Nominee Services | - | - | - | - |
| OCBC Futures Investment (Hong Kong) Limited | Futures Trading | 22 | 17 | 21 | 17 |
| OCBC Nominees Services (Hong Kong) Limited | Inactive/Nominee Services | - | - | - | - |
| OCBC Trustee (Hong Kong) Limited | Inactive | 4 | 4 | 4 | 4 |
| OCBC Insurance Agency (Hong Kong) Limited | Insurance Agency | 29 | 29 | 31 | 31 |
| OCBC Insurance Brokers (Hong Kong) Limited | Insurance Broker | 212 | 154 | 148 | 101 |
| OCBC Securities Brokerage (Hong Kong) Limited | Securities Dealing | 555 | 351 | 492 | 354 |

At 30th June, 2024, for all subsidiaries included in both the accounting and regulatory scope of consolidation, the same consolidation methodology is applied.

There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

There are no relevant capital shortfalls in any of the Group's subsidiaries at 30th June, 2024 (31st December, 2023: nil) which are not included in the Group's consolidation for regulatory purposes.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

KM1: Key Prudential Ratios as at 30th June, 2024

| | (a) | (b) | (c) | (d) | (e) | |
|---|--|------------------------|---------------------------|----------------------------|-----------------------|---------|
| | 30th June, 2024 | 31st March, 2024 | 31st December, 2023 | 30th September, 2023 | 30th June, 2023 | |
| Regulatory capital (amount) | | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 37,103 | 38,045 | 37,430 | 36,637 | 37,081 |
| 2 | Tier 1 | 40,103 | 41,045 | 40,430 | 39,637 | 40,081 |
| 3 | Total capital | 41,917 | 42,880 | 42,515 | 41,683 | 42,153 |
| RWA (amount) | | | | | | |
| 4 | Total RWA | 193,322 | 193,863 | 196,763 | 187,344 | 186,664 |
| Risk-based regulatory capital ratios (as a percentage of RWA) | | | | | | |
| 5 | CET1 ratio (%) | 19.2% | 19.6% | 19.0% | 19.6% | 19.9% |
| 6 | Tier 1 ratio (%) | 20.7% | 21.2% | 20.5% | 21.2% | 21.5% |
| 7 | Total capital ratio (%) | 21.7% | 22.1% | 21.6% | 22.2% | 22.6% |
| 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 (%) | 0.533% | 0.532% | 0.538% | 0.552% | 0.551% |
| 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 (%) | 3.033% | 3.032% | 3.038% | 3.052% | 3.051% |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 13.682% | 14.119% | 13.607% | 15.056% | 15.365% |
| Basel III leverage ratio | | | | | | |
| 13 | Total leverage ratio (LR) exposure measure | 407,877 | 399,433 | 398,948 | 376,670 | 376,791 |
| 14 | LR (%) | 9.83% | 10.28% | 10.13% | 10.52% | 10.64% |
| 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 (%) | 58.5% | 56.6% | 51.6% | 49.9% | 48.4% |
| 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 (%) | 164.0% | 159.3% | 153.5% | 155.7% | 151.6% |

Note: There were no material changes to the key prudential ratios during the current reporting period.

OV1: Overview of RWA as at 30th June, 2024

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30th June, 2024 and 31st March, 2024 respectively:

| Items | | (a) | (b) | (c) | |
|-------|--|-----------------|------------------|-----------------|------------------------------|
| | | RWA | | | Minimum capital requirements |
| | | 30th June, 2024 | 31st March, 2024 | 30th June, 2024 | |
| 1 | Credit risk for non-securitisation exposures | 148,386 | 149,238 | 12,526 | |
| 2 | Of which STC approach | 11,793 | 12,591 | 943 | |
| 2a | Of which BSC approach | 0 | 0 | 0 | |
| 3 | Of which foundation IRB approach | 125,833 | 125,998 | 10,671 | |
| 4 | Of which supervisory slotting criteria approach | 0 | 0 | 0 | |
| 5 | Of which advanced IRB approach | 10,760 | 10,649 | 912 | |
| 6 | Counterparty default risk and default fund contributions | 2,073 | 1,975 | 171 | |
| 7 | Of which SA-CCR approach | 1,088 | 1,009 | 92 | |
| 7a | Of which CEM | 0 | 0 | 0 | |
| 8 | Of which IMM(CCR) approach | 0 | 0 | 0 | |
| 9 | Of which others | 985 | 966 | 79 | |
| 10 | CVA risk | 681 | 646 | 54 | |
| 11 | Equity positions in banking book under the simple risk-weight method and internal models method | 6,902 | 7,011 | 585 | |
| 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 | 12,710 | 12,887 | 1,017 | |
| 21 | Of which STM approach | 12,710 | 12,887 | 1,017 | |
| 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 # | 14,102 | 13,696 | 1,128 | |
| 24a | Sovereign concentration risk | 0 | 0 | 0 | |

OV1: Overview of RWA as at 30th June, 2024 (continued)

| Items | | (a) | (b) | (c) |
|-------|--|-----------------|------------------|------------------------------|
| | | RWA | | Minimum capital requirements |
| | | 30th June, 2024 | 31st March, 2024 | 30th June, 2024 |
| 25 | Amounts below the thresholds for deduction (subject to 250% RW) | 1,279 | 1,278 | 108 |
| 26 | Capital floor adjustment | 0 | 0 | 0 |
| 26a | Deduction to RWA | 1,568 | 1,630 | 126 |
| 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 | 1,568 | 1,630 | 126 |
| 27 | Total | 184,565 | 185,101 | 15,463 |

- Notes:
- a Item marked with an asterisk (*) will be applicable only after the policy framework takes effect.
 - b The Group used the Basic Indicator Approach (#) to calculate its exposure to operational risk at 30th June, 2024 and 31st March, 2024.
 - c RWAs in this table are presented before the application of the 1.06 scaling factor, where applicable.
 - d Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWAs after application of the 1.06 scaling factor, where applicable.

CC1: Composition of Regulatory Capital as at 30th June, 2024

| | | (a) | (b) |
|---|---|-----------------------|---|
| | | Amount | Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation |
| CET1 capital: instruments and reserves | | | |
| 1 | Directly issued qualifying CET1 capital instruments plus any related share premium | 7,308 | (5) |
| 2 | Retained earnings | 28,042 | (6) |
| 3 | Disclosed reserves | 6,194 | (9) |
| 4 | <i>Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)</i> | Not applicable | Not applicable |
| 5 | Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group) | 0 | |
| 6 | CET1 capital before regulatory deductions | 41,544 | |
| CET1 capital: regulatory deductions | | | |
| 7 | Valuation adjustments | 1 | |
| 8 | Goodwill (net of associated deferred tax liabilities) | 1,306 | (1) |
| 9 | Other intangible assets (net of associated deferred tax liabilities) | 159 | |
| 10 | Deferred tax assets (net of associated deferred tax liabilities) | 113 | |
| 11 | Cash flow hedge reserve | 11 | |
| 12 | Excess of total EL amount over total eligible provisions under the IRB approach | 0 | |
| 13 | Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitisation transactions | 0 | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | 0 | (2) + (4) |
| 15 | Defined benefit pension fund net assets (net of associated deferred tax liabilities) | 0 | |
| 16 | Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet) | 0 | |
| 17 | Reciprocal cross-holdings in CET1 capital instruments | 0 | |
| 18 | Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 19 | Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 20 | Mortgage servicing rights (net of associated deferred tax liabilities) | Not applicable | Not applicable |
| 21 | Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities) | Not applicable | Not applicable |
| 22 | Amount exceeding the 15% threshold | Not applicable | Not applicable |
| 23 | of which: significant investments in the ordinary share of financial sector entities | Not applicable | Not applicable |
| 24 | of which: mortgage servicing rights | Not applicable | Not applicable |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| | | (a) | (b) |
|---|--|----------------|---|
| | | Amount | Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation |
| 25 | of which: deferred tax assets arising from temporary differences | Not applicable | Not applicable |
| 26 | National specific regulatory adjustments applied to CET1 capital | 2,851 | |
| 26a | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 2,851 | (8) + (10) |
| 26b | Regulatory reserve for general banking risks | 0 | (7) |
| 26c | Securitisation exposures specified in a notice given by the MA | 0 | |
| 26d | Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings | 0 | |
| 26e | Capital shortfall of regulated non-bank subsidiaries | 0 | |
| 26f | Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) | 0 | |
| 27 | Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions | 0 | |
| 28 | Total regulatory deductions to CET1 capital | 4,441 | |
| 29 | CET1 capital | 37,103 | |
| AT1 capital: instruments | | | |
| 30 | Qualifying AT1 capital instruments plus any related share premium | 3,000 | (11) |
| 31 | of which: classified as equity under applicable accounting standards | 3,000 | (11) |
| 32 | of which: classified as liabilities under applicable accounting standards | 0 | |
| 33 | <i>Capital instruments subject to phase-out arrangements from AT1 capital</i> | 0 | |
| 34 | AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group) | 0 | |
| 35 | <i>of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements</i> | 0 | |
| 36 | AT1 capital before regulatory deductions | 3,000 | |
| AT1 capital: regulatory deductions | | | |
| 37 | Investments in own AT1 capital instruments | 0 | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments | 0 | |
| 39 | Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 40 | Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 41 | National specific regulatory adjustments applied to AT1 capital | 0 | |
| 42 | Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions | 0 | |
| 43 | Total regulatory deductions to AT1 capital | 0 | |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| | | (a) | (b) |
|---|--|----------------|---|
| | | Amount | Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation |
| 44 | AT1 capital | 3,000 | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 40,103 | |
| Tier 2 capital: instruments and provisions | | | |
| 46 | Qualifying Tier 2 capital instruments plus any related share premium | 0 | |
| 47 | <i>Capital instruments subject to phase-out arrangements from Tier 2 capital</i> | 0 | (3) |
| 48 | Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group) | 0 | |
| 49 | <i>of which: capital instruments issued by subsidiaries subject to phase-out arrangements</i> | 0 | |
| 50 | Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 531 | |
| 51 | Tier 2 capital before regulatory deductions | 531 | |
| Tier 2 capital: regulatory deductions | | | |
| 52 | Investments in own Tier 2 capital instruments | 0 | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities | 0 | |
| 54 | Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold) | 0 | |
| 54a | Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only) | 0 | |
| 55 | Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 0 | |
| 55a | Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 0 | |
| 56 | National specific regulatory adjustments applied to Tier 2 capital | (1,283) | |
| 56a | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | (1,283) | ((8) + (10)) X 45% |
| 56b | Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR | 0 | |
| 57 | Total regulatory adjustments to Tier 2 capital | (1,283) | |
| 58 | Tier 2 capital (T2) | 1,814 | |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| | | (a) | (b) |
|---|---|-----------------------|---|
| | | Amount | Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation |
| 59 | Total regulatory capital (TC = T1 + T2) | 41,917 | |
| 60 | Total RWA | 193,322 | |
| Capital ratios (as a percentage of RWA) | | | |
| 61 | CET1 capital ratio | 19.192% | |
| 62 | Tier 1 capital ratio | 20.744% | |
| 63 | Total capital ratio | 21.682% | |
| 64 | Institution-specific buffer requirement capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements) | 3.033% | |
| 65 | of which: capital conservation buffer requirement | 2.500% | |
| 66 | of which: bank specific countercyclical capital buffer requirement | 0.533% | |
| 67 | of which: higher loss absorbency requirement | 0.000% | |
| 68 | CET1 (as a percentage of RWA) available after meeting minimum capital requirements | 13.682% | |
| National minima (if different from Basel 3 minimum) | | | |
| 69 | National CET1 minimum ratio | Not applicable | |
| 70 | National Tier 1 minimum ratio | Not applicable | |
| 71 | National Total capital minimum ratio | Not applicable | |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 72 | Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation | 1,724 | |
| 73 | Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 511 | |
| 74 | Mortgage servicing rights (net of associated deferred tax liabilities) | Not applicable | |
| 75 | Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities) | Not applicable | |
| Applicable caps on the inclusion of provisions in Tier 2 capital | | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap) | 135 | |
| 77 | Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA | 148 | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap) | 396 | |
| 79 | Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA | 928 | |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| | | (a) | (b) |
|--|--|-----------------------|---|
| | | Amount | Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022) | | | |
| 80 | <i>Current cap on CET1 capital instruments subject to phase-out arrangements</i> | Not applicable | |
| 81 | <i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i> | Not applicable | |
| 82 | <i>Current cap on AT1 capital instruments subject to phase-out arrangements</i> | 0 | |
| 83 | <i>Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)</i> | 0 | |
| 84 | <i>Current cap on Tier 2 capital instruments subject to phase-out arrangements</i> | 0 | |
| 85 | <i>Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)</i> | 0 | |

Notes to the template:

| Description | Hong Kong basis | Basel III basis |
|---|-----------------|-----------------|
| 9 Other intangible assets (net of associated deferred tax liabilities) | 159 | 159 |
| <p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p> | | |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| Description | | Hong Kong basis | Basel III basis |
|-------------|--|-----------------|-----------------|
| 10 | Deferred tax assets (net of associated deferred tax liabilities) | 113 | 113 |
| | <p><u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p> | | |
| 18 | Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | 0 |
| | <p><u>Explanation</u> For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p> | | |
| 19 | Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | 0 |
| | <p><u>Explanation</u> For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p> | | |

CC1: Composition of Regulatory Capital as at 30th June, 2024 (continued)

| Description | | Hong Kong basis | Basel III basis |
|--|--|-----------------|-----------------|
| 39 | Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | 0 |
| | <p><u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p> | | |
| 54 | Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold) | 0 | 0 |
| | <p><u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and non-capital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p> | | |
| Remarks: | | | |
| The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime. | | | |

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

CC2: Reconciliation of Regulatory Capital to Consolidated Statement of Financial Position as at 30th June, 2024

| | (a) Consolidated Statement of Financial Position as in published financial statement 30th June, 2024 | (b) Consolidated Statement of Financial Position under regulatory scope of consolidation 30th June, 2024 | (c) Reference |
|--|--|--|------------------|
| ASSETS | | | |
| Cash and balances with banks and central banks | 8,678 | 8,678 | |
| Placements with banks, central banks and other financial institutions | 2,074 | 2,074 | |
| Amounts due from ultimate holding company and fellow subsidiaries | 26,425 | 26,425 | |
| Trading assets | 15,078 | 15,078 | |
| of which: – insignificant capital investments in financial sector entities exceeding 10% threshold | 0 | 0 | |
| Advances to customers and other accounts | 200,456 | 199,856 | |
| Amounts due from subsidiaries | | 3 | |
| Financial assets measured at fair value through other comprehensive income | 90,713 | 90,713 | |
| of which: – insignificant capital investments in financial sector entities exceeding 10% threshold | 0 | 0 | |
| of which: – significant capital investments in financial sector entities exceeding 10% threshold | 0 | 0 | |
| Investments in subsidiaries | 0 | 20 | |
| of which: – significant capital investments in financial sector entities exceeding 10% threshold | 0 | 0 | |
| Debt securities measured at amortised cost | 8,380 | 8,380 | |
| Investments in associated companies | 575 | 332 | |
| of which: – significant capital investments in financial sector entities exceeding 10% threshold | 0 | 0 | |
| Fixed assets | | | |
| – Investment properties | 327 | 327 | |
| – Bank premises and equipment | 4,682 | 4,682 | |
| Goodwill | 1,306 | 1,306 | (1) |
| Current tax recoverable | 13 | 9 | |
| Deferred tax assets | 157 | 156 | |
| Total assets | <u>358,864</u> | <u>358,039</u> | |

CC2: Reconciliation of Regulatory Capital to Consolidated Statement of Financial Position as at 30th June, 2024 (continued)

| | (a) Consolidated Statement of Financial Position as in published financial statement 30th June, 2024 | (b) Consolidated Statement of Financial Position under regulatory scope of consolidation 30th June, 2024 | (c) Reference |
|--|--|--|------------------|
| EQUITY AND LIABILITIES | | | |
| Deposits and balances of banks | 8,767 | 8,767 | |
| Amounts due to ultimate holding company and fellow subsidiaries | 10,813 | 10,813 | |
| Deposits from customers | 268,113 | 268,113 | |
| Certificates of deposit and fixed rate note issued | 6,802 | 6,802 | |
| of which: – gains or losses due to changes in the own credit risk on fair value liabilities | 0 | 0 | (2) |
| Trading liabilities | 12,040 | 12,040 | |
| Lease liabilities | 60 | 60 | |
| Current tax payable | 544 | 540 | |
| Deferred tax liabilities | 332 | 332 | |
| Other accounts and provisions | 6,039 | 5,463 | |
| Amounts due to subsidiaries | | 534 | |
| Subordinated liabilities | 0 | 0 | |
| of which: – subordinated debt not eligible for inclusion in regulatory capital | | 0 | (3) |
| – subordinated debt eligible for inclusion in regulatory capital | | 0 | |
| – gains or losses due to changes in the own credit risk on fair value liabilities | | 0 | (4) |
| Total liabilities | <u>313,510</u> | <u>313,464</u> | |
| Share capital | 7,308 | 7,308 | (5) |
| Reserves | 35,046 | 34,267 | |
| of which: – Retained earnings | | 28,042 | (6) |
| of which: – regulatory reserve for general banking risks | | 0 | (7) |
| – cumulative fair value gains arising from revaluation of investment properties | | 157 | (8) |
| – Disclosed reserves | | 6,194 | (9) |
| of which: – cumulative fair value gains arising from revaluation of land and buildings | | 2,694 | (10) |
| Perpetual capital securities issued | <u>3,000</u> | <u>3,000</u> | (11) |
| Total equity | <u>45,354</u> | <u>44,575</u> | |
| Total equity and liabilities | <u><u>358,864</u></u> | <u><u>358,039</u></u> | |

CCA: Main Features of Regulatory Capital Instruments as at 30th June, 2024

| | | (a) | (b) | (c) |
|----|--|--------------------------------------|--|---|
| | | Quantitative/qualitative information | Quantitative/qualitative information | Quantitative/qualitative information |
| | | Ordinary shares | HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018) | HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019) |
| 1 | Issuer | OCBC Bank (Hong Kong) Limited | OCBC Bank (Hong Kong) Limited | OCBC Bank (Hong Kong) Limited |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) | N/A | N/A | N/A |
| 3 | Governing law(s) of the instrument | Hong Kong | The Capital Securities are governed by and shall be construed in accordance with Hong Kong law. | The Capital Securities are governed by and shall be construed in accordance with Hong Kong law. |
| | | <i>Regulatory treatment</i> | | |
| 4 | Transitional Basel III rules ¹ | Common Equity Tier 1 | N/A | N/A |
| 5 | Post-transitional Basel III rules ² | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 |
| 6 | Eligible at solo*/group/solo and group | Solo and Group | Solo and Group | Solo and Group |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary shares | Additional Tier 1 capital instruments | Additional Tier 1 capital instruments |
| 8 | Amount recognised in regulatory capital (in HK\$ million, as at 30th June, 2024) | 7,308 | 1,500 | 1,500 |
| 9 | Par value of instrument | N/A | HK\$1,500 million | HK\$1,500 million |
| 10 | Accounting classification | Shareholders' equity | Equity instruments | Equity instruments |
| 11 | Original date of issuance | 11th April, 1960 | 12th December, 2018 | 27th September, 2019 |
| 12 | Perpetual or dated | N/A | Perpetual | Perpetual |
| 13 | Original maturity date | N/A | N/A | N/A |
| 14 | Issuer call subject to prior supervisory approval | N/A | Yes | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | N/A | First optional call date: 12th December, 2023. The securities will have optional call dates on every coupon distribution date thereafter, which are semi-annually on 12th June or 12th December in each year. Contingent call dates: Redemption for tax or regulatory reasons. Redemption amount: Redeem at outstanding principal amount together with accrued dividends | First optional call date: 27th September, 2024. Additional optional redemption for tax reasons, tax deductions reasons and regulatory reasons. Redemption amount in whole at 100% of outstanding principal amount together with accrued distributions subject to adjustment following the occurrence of a Non-Viability Event. |
| 16 | Subsequent call dates, if applicable | N/A | Any distribution payment date thereafter | Any distribution payment date thereafter |
| | | <i>Coupons/dividends</i> | | |
| 17 | Fixed or floating dividend/coupon | N/A | Fixed | Fixed |

CCA: Main Features of Regulatory Capital Instruments as at 30th June, 2024 (continued)

| | | (a) | (b) | (c) |
|----|---|--------------------------------------|---|---|
| | | Quantitative/qualitative information | Quantitative/qualitative information | Quantitative/qualitative information |
| | | Ordinary shares | HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018) | HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019) |
| 18 | Coupon rate and any related index | N/A | Year 1-5: 5.3% per annum payable semi-annually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread; The coupon rate was reset on 12th December, 2023 to 6.63% per annum for 5 years up to 12th December, 2028 | Year 1-5: 4.25% per annum payable semi-annually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread. |
| 19 | Existence of a dividend stopper | N/A | Yes | Yes |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary | Fully discretionary | Fully discretionary |
| 21 | Existence of step-up or other incentive to redeem | N/A | No | No |
| 22 | Non-cumulative or cumulative | N/A | Non-cumulative | Non-cumulative |
| 23 | Convertible or non-convertible | N/A | Non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger(s) | N/A | N/A | N/A |
| 25 | If convertible, fully or partially | N/A | N/A | N/A |
| 26 | If convertible, conversion rate | N/A | N/A | N/A |
| 27 | If convertible, mandatory or optional conversion | N/A | N/A | N/A |
| 28 | If convertible, specify instrument type convertible into | N/A | N/A | N/A |
| 29 | If convertible, specify issuer of instrument it converts into | N/A | N/A | N/A |
| 30 | Write-down feature | N/A | Yes | Yes |
| 31 | If write-down, write-down trigger(s) | N/A | Upon the occurrence of a Non-Viability Event | Upon the occurrence of a Non-Viability Event |
| 32 | If write-down, full or partial | N/A | May be partially or fully written down | May be partially or fully written down |
| 33 | If write-down, permanent or temporary | N/A | Permanent | Permanent |
| 34 | If temporary write-down, description of write-up mechanism | N/A | N/A | N/A |

CCA: Main Features of Regulatory Capital Instruments as at 30th June, 2024 (continued)

| | | (a) | (b) | (c) |
|----|---|--------------------------------------|---|--|
| | | Quantitative/qualitative information | Quantitative/qualitative information | Quantitative/qualitative information |
| | | Ordinary shares | HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018) | HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019) |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned). | N/A | Subordinated to depositors and general creditors, creditors in respect of Tier 2 Capital Instruments and all other Subordinated Indebtedness of the Issuer; pari passu with Parity Obligations; senior to holders of Junior Obligations (including the Issuer's ordinary shares). | Subordinated to depositors, general creditors, other unsubordinated creditors, holders of Loss Absorbing Non-Preferred Instruments of the Issuer, creditors in respect of Tier 2 Capital Instruments of the Issuer, and all other Subordinated Indebtedness of the Issuer; pari passu with Parity Obligations; and senior to holders of Junior Obligations (including the Issuer's ordinary shares). |
| 36 | Non-compliant transitioned features | N/A | No | No |
| 37 | If yes, specify non-compliant features | N/A | N/A | N/A |

Footnote:

1 *Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.*

2 *Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.*

* *Include solo-consolidated basis*

CCyB1: Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer ("CCyB") as at 30th June, 2024

The following table presents the geographical breakdown of RWA in relation to private sector credit exposures as at 30th June, 2024:

| | | (a) | (c) | (d) | (e) |
|-----------|--|--------------------------------------|---------------------------------------|----------------------------|-------------|
| | Geographical breakdown by Jurisdiction (J) | Applicable JCCyB ratio in effect (%) | RWA used in computation of CCyB ratio | AI-specific CCyB ratio (%) | CCyB amount |
| 1 | Hong Kong SAR | 1.000% | 70,095 | | |
| 2 | Mainland China | 0.000% | 55,433 | | |
| 3 | Australia | 1.000% | 402 | | |
| 4 | Austria | 0.000% | 72 | | |
| 5 | Bangladesh | 0.000% | 27 | | |
| 6 | Belgium | 0.500% | 17 | | |
| 7 | Brazil | 0.000% | 4 | | |
| 8 | Canada | 0.000% | 476 | | |
| 9 | Denmark | 2.500% | 0 | | |
| 10 | Finland | 0.000% | 1 | | |
| 11 | France | 1.000% | 1 | | |
| 12 | Germany | 0.750% | 346 | | |
| 13 | Ghana | 0.000% | 45 | | |
| 14 | India | 0.000% | 1 | | |
| 15 | Indonesia | 0.000% | 328 | | |
| 16 | Ireland | 1.000% | 179 | | |
| 17 | Italy | 0.000% | 1 | | |
| 18 | Japan | 0.000% | 255 | | |
| 19 | Jordan | 0.000% | 1 | | |
| 20 | Kenya | 0.000% | 3 | | |
| 21 | Macau | 0.000% | 12,728 | | |
| 22 | Malaysia | 0.000% | 37 | | |
| 23 | Netherlands | 2.000% | 4 | | |
| 24 | New Zealand | 0.000% | 1 | | |
| 25 | Peru | 0.000% | 0 | | |
| 26 | Philippines | 0.000% | 0 | | |
| 27 | Singapore | 0.000% | 430 | | |
| 28 | South Africa | 0.000% | 1 | | |
| 29 | South Korea | 1.000% | 94 | | |
| 30 | Spain | 0.000% | 158 | | |
| 31 | Sweden | 2.000% | 8 | | |
| 32 | Switzerland | 0.000% | 833 | | |
| 33 | Taiwan, China | 0.000% | 33 | | |
| 34 | Thailand | 0.000% | 2 | | |
| 35 | Turkey | 0.000% | 1 | | |
| 36 | United Arab Emirates | 0.000% | 2 | | |
| 37 | United Kingdom | 2.000% | 3,253 | | |
| 38 | United States | 0.000% | 296 | | |
| 39 | Vietnam | 0.000% | 0 | | |
| 40 | Sum | | 145,568 | | |
| 41 | Total | | 145,568 | 0.533% | 776 |

**LR1: Summary Comparison of Accounting Assets against Leverage Ratio ("LR")
Exposure Measure as at 30th June, 2024**

| | | (a) |
|----------|--|-------------------------------------|
| | | Value under the LR framework |
| 1 | Total consolidated assets as per published financial statements | 358,864 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 20 |
| 2a | Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference | 0 |
| 3 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure | 0 |
| 3a | Adjustments for eligible cash pooling transactions | 0 |
| 4 | Adjustments for derivative contracts | 39,245 |
| 5 | Adjustment for SFTs (i.e. repos and similar secured lending) | 436 |
| 6 | Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures) | 15,027 |
| 6a | Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure | (428) |
| 7 | Other adjustments | (5,287) |
| 8 | Leverage ratio exposure measure | 407,877 |

LR2: Leverage Ratio ("LR") as at 30th June, 2024

| | | (a) | (b) |
|--|--|--------------------|---------------------|
| | | 30th June, 2024 | 31st March, 2024 |
| On-balance sheet exposures | | | |
| 1 | On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral) | 338,184 | 329,947 |
| 2 | Less: Asset amounts deducted in determining Tier 1 capital | (4,441) | (4,829) |
| 3 | Total on-balance sheet exposures (excluding derivative contract and SFTs) | 333,743 | 325,118 |
| 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) | 15,028 | 12,528 |
| 5 | Add-on amounts for PFE associated with all derivative contracts | 36,687 | 37,237 |
| 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 | 0 | (28) |
| 8 | Less: Exempted CCP leg of client-cleared trade exposures | 0 | 0 |
| 9 | Adjusted effective notional amount of written credit derivative contracts | 3,550 | 2,234 |
| 10 | Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts | (3,550) | (2,234) |
| 11 | Total exposures arising from derivative contracts | 51,715 | 49,737 |
| Exposures arising from SFTs | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | 7,384 | 10,938 |
| 13 | Less: Netted amounts of cash payables and cash receivables of gross SFT assets | 0 | 0 |
| 14 | CCR exposure for SFT assets | 436 | 483 |
| 15 | Agent transaction exposures | 0 | 0 |
| 16 | Total exposures arising from SFTs | 7,820 | 11,421 |
| Other off-balance sheet exposures | | | |
| 17 | Off-balance sheet exposure at gross notional amount | 70,553 | 68,536 |
| 18 | Less: Adjustments for conversion to credit equivalent amounts | (55,526) | (54,995) |
| 19 | Off-balance sheet items | 15,027 | 13,541 |
| Capital and total exposures | | | |
| 20 | Tier 1 capital | 40,103 | 41,045 |
| 20a | Total exposures before adjustments for specific and collective provisions | 408,305 | 399,817 |
| 20b | Adjustments for specific and collective provisions | (428) | (384) |
| 21 | Total exposures after adjustments for specific and collective provisions | 407,877 | 399,433 |
| Leverage ratio | | | |
| 22 | Leverage ratio | 9.83% | 10.28% |

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

CR1: Credit Quality of Exposures as at 30th June, 2024

The table below provides an overview of the credit quality of on- and off-balance sheet exposures as at 30th June, 2024:

| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
|----------|-----------------------------|----------------------------|----------------------------|--|---|---|-----------------------|----------------|
| | Gross carrying amounts of | | Allowances/ impairments | Of which ECL accounting provisions for credit losses on STC approach exposures | | Of which ECL accounting provisions for credit losses on IRB approach exposures | Net values (a+b-c) | |
| | Defaulted exposures | Non-defaulted exposures | | Allocated in regulatory category of specific provisions | Allocated in regulatory category of collective provisions | | | |
| 1 | Loans | 2,008 | 196,036 | 1,854 | 42 | 113 | 1,699 | 196,190 |
| 2 | Debt securities | - | 106,478 | 30 | - | 1 | 29 | 106,448 |
| 3 | Off-balance sheet exposures | - | 15,838 | 398 | - | 1 | 397 | 15,440 |
| 4 | Total | 2,008 | 318,352 | 2,282 | 42 | 115 | 2,125 | 318,078 |

CR2: Changes in Defaulted Loans and Debt Securities as at 30th June, 2024

The table below provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at 30th June, 2024 and 31st December, 2023 respectively:

| | | (a) |
|----------|---|--------------|
| | | Amount |
| 1 | Defaulted loans and debt securities at end of 31st December, 2023 | 1,944 |
| 2 | Loans and debt securities that have defaulted since the last reporting period | 506 |
| 3 | Returned to non-defaulted status | (107) |
| 4 | Amounts written off | (171) |
| 5 | Other changes* | (164) |
| 6 | Defaulted loans and debt securities at end of 30th June, 2024 | 2,008 |

* Other changes include loan repayment.

CR3: Overview of Recognised Credit Risk Mitigation as at 30th June, 2024

The following table presents the extent of credit risk exposures covered by different types of recognised CRM as at 30th June, 2024:

| | | (a) | (b1) | (b) | (d) | (f) |
|----------|--------------------|--------------------------------------|-------------------------|--|--|---|
| | | Exposures unsecured: carrying amount | Exposures to be secured | Exposures secured by recognised collateral | Exposures secured by recognised guarantees | Exposures secured by recognised credit derivative contracts |
| 1 | Loans | 110,397 | 85,793 | 84,605 | 1,188 | 0 |
| 2 | Debt securities | 106,448 | 0 | 0 | 0 | 0 |
| 3 | Total | 216,845 | 85,793 | 84,605 | 1,188 | 0 |
| 4 | Of which defaulted | 946 | 1,020 | 975 | 45 | 0 |

CR4: Credit Risk Exposures and Effects of Recognised Credit Risk Mitigation – for STC Approach as at 30th June, 2024

The following table illustrates the effect of any recognised CRM (including recognised collateral under both comprehensive and simple approaches) on the calculation of credit risk capital requirements under STC approach as at 30th June, 2024:

| | | (a) | (b) | (c) | (d) | (e) | (f) |
|------------------|---|-------------------------------|--------------------------|---------------------------------|--------------------------|---------------------|--------------|
| | | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM | | RWA and RWA density | |
| Exposure classes | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Sovereign exposures | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 2 | PSE exposures | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 2a | Of which: domestic PSEs | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 2b | Of which: foreign PSEs | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 3 | Multilateral development bank exposures | 271 | 0 | 271 | 0 | 0 | 0.0% |
| 4 | Bank exposures | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 5 | Securities firm exposures | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 6 | Corporate exposures | 2,037 | 1,047 | 2,007 | 15 | 1,419 | 70.2% |
| 7 | CIS exposures | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 8 | Cash items | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 9 | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus- payment basis | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 10 | Regulatory retail exposures | 6,055 | 4,266 | 5,581 | 18 | 4,200 | 75.0% |
| 11 | Residential mortgage loans | 8,712 | 0 | 8,313 | 0 | 3,443 | 41.4% |
| 12 | Other exposures which are not past due exposures | 2,339 | 20 | 2,339 | 0 | 2,339 | 100.0% |
| 13 | Past due exposures | 416 | 0 | 384 | 0 | 392 | 102.0% |
| 14 | Significant exposures to commercial entities | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 15 | Total | 19,830 | 5,333 | 18,895 | 33 | 11,793 | 62.3% |

CR5: Credit Risk Exposures by Asset Classes and by Risk Weights – for STC Approach as at 30th June, 2024

The following table presents a breakdown of credit risk exposures under STC approach by asset classes and by risk weights as at 30th June, 2024:

| | Risk Weight | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (ha) | (i) | (j) |
|-----------|--|------------|----------|------------|--------------|------------|--------------|--------------|-----------|----------|----------|--|
| | | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Others | Total credit risk exposures amount (post CCF and post CRM) |
| 1 | Sovereign exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | PSE exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2a | Of which: domestic PSEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2b | Of which: foreign PSEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Multilateral development bank exposures | 271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 271 |
| 4 | Bank exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Securities firm exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Corporate exposures | 0 | 0 | 235 | 0 | 829 | 0 | 958 | 0 | 0 | 0 | 2,022 |
| 7 | CIS exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Cash items | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Regulatory retail exposures | 0 | 0 | 0 | 0 | 0 | 5,599 | 0 | 0 | 0 | 0 | 5,599 |
| 11 | Residential mortgage loans | 0 | 0 | 0 | 7,113 | 0 | 987 | 213 | 0 | 0 | 0 | 8,313 |
| 12 | Other exposures which are not past due exposures | 0 | 0 | 0 | 0 | 0 | 0 | 2,339 | 0 | 0 | 0 | 2,339 |
| 13 | Past due exposures | 0 | 0 | 0 | 0 | 0 | 0 | 369 | 15 | 0 | 0 | 384 |
| 14 | Significant exposures to commercial entities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Total | 271 | 0 | 235 | 7,113 | 829 | 6,586 | 3,879 | 15 | 0 | 0 | 18,928 |

CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 30th June, 2024

The following tables present the main parameters of internal models used for the calculation of credit risk capital requirements under the foundation and retail IRB approaches respectively at 30th June, 2024:

Foundation IRB Approach

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
|-----------|-------------------|--|-------------------------------------|-------------|---------------------------|------------|--------------------|-------------|------------------|--------|-------------|-----|------------|
| | PD scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre-CCF | Average CCF | EAD post-CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | RWA | RWA density | EL | Provisions |
| Sovereign | 0.00 to < 0.15 | 50,701 | 117 | 100.0% | 50,818 | 0.02% | 14 | 45.0% | 1.68 | 3,949 | 7.8% | 4 | |
| | 0.15 to < 0.25 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 0.25 to < 0.50 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 0.50 to < 0.75 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 0.75 to < 2.50 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 2.50 to < 10.00 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 10.00 to < 100.00 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 100.00 (Default) | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | Sub-total | 50,701 | 117 | 100.0% | 50,818 | 0.02% | 14 | 45.0% | 1.68 | 3,949 | 7.8% | 4 | |
| Bank | 0.00 to < 0.15 | 61,941 | 63 | 32.7% | 63,152 | 0.04% | 144 | 45.0% | 0.94 | 7,446 | 11.8% | 11 | |
| | 0.15 to < 0.25 | 3,131 | 0 | 0.0% | 3,131 | 0.19% | 12 | 45.0% | 0.81 | 1,145 | 36.6% | 3 | |
| | 0.25 to < 0.50 | 2,636 | 21 | 0.0% | 2,636 | 0.37% | 5 | 44.1% | 0.93 | 1,474 | 55.9% | 4 | |
| | 0.50 to < 0.75 | 824 | 0 | 0.0% | 824 | 0.54% | 4 | 45.0% | 0.31 | 497 | 60.3% | 2 | |
| | 0.75 to < 2.50 | 586 | 108 | 0.0% | 586 | 1.87% | 15 | 43.2% | 0.10 | 572 | 97.6% | 5 | |
| | 2.50 to < 10.00 | 39 | 53 | 0.0% | 39 | 3.20% | 5 | 0.0% | 1.00 | 0 | 0.0% | 0 | |
| | 10.00 to < 100.00 | 0 | 0 | 0.0% | 0 | 0.00% | 1 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 100.00 (Default) | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | Sub-total | 69,157 | 245 | 8.4% | 70,368 | 0.08% | 186 | 44.9% | 0.92 | 11,134 | 15.8% | 25 | |

CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 30th June, 2024 (continued)

Foundation IRB Approach (continued)

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
|---|-------------------|--|-------------------------------------|-------------|---------------------------|------------|--------------------|-------------|------------------|--------|-------------|-------|------------|
| | PD scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre-CCF | Average CCF | EAD post-CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | RWA | RWA density | EL | Provisions |
| Corporate – Small-and-medium sized corporates | 0.00 to < 0.15 | 291 | 21 | 0.6% | 291 | 0.14% | 6 | 44.5% | 1.31 | 60 | 20.6% | 0 | |
| | 0.15 to < 0.25 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% | 0 | |
| | 0.25 to < 0.50 | 345 | 67 | 31.3% | 366 | 0.37% | 9 | 43.2% | 1.28 | 136 | 37.3% | 1 | |
| | 0.50 to < 0.75 | 303 | 852 | 0.9% | 310 | 0.54% | 20 | 41.0% | 1.98 | 145 | 46.9% | 1 | |
| | 0.75 to < 2.50 | 3,367 | 1,431 | 27.8% | 3,704 | 1.41% | 156 | 37.2% | 2.25 | 2,404 | 64.9% | 19 | |
| | 2.50 to < 10.00 | 3,428 | 316 | 2.4% | 3,367 | 5.11% | 128 | 35.2% | 1.75 | 2,865 | 85.1% | 61 | |
| | 10.00 to < 100.00 | 1,886 | 111 | 0.4% | 1,871 | 14.51% | 48 | 38.7% | 1.46 | 2,725 | 145.6% | 108 | |
| | 100.00 (Default) | 29 | 0 | 0.0% | 29 | 100.00% | 2 | 37.3% | 3.01 | 134 | 458.5% | 0 | |
| Sub-total | 9,649 | 2,798 | 15.5% | 9,938 | 5.32% | 369 | 37.4% | 1.86 | 8,469 | 85.2% | 190 | 105 | |
| Corporate – Other corporates | 0.00 to < 0.15 | 30,203 | 12,110 | 12.6% | 31,731 | 0.11% | 133 | 44.7% | 1.70 | 9,020 | 28.4% | 16 | |
| | 0.15 to < 0.25 | 74 | 0 | 0.0% | 74 | 0.19% | 2 | 45.0% | 1.00 | 29 | 38.9% | 0 | |
| | 0.25 to < 0.50 | 19,041 | 15,317 | 6.6% | 20,045 | 0.37% | 134 | 44.8% | 1.29 | 10,608 | 52.9% | 33 | |
| | 0.50 to < 0.75 | 22,022 | 13,707 | 24.1% | 25,309 | 0.54% | 154 | 43.1% | 1.71 | 16,368 | 64.7% | 59 | |
| | 0.75 to < 2.50 | 31,306 | 18,144 | 21.1% | 35,105 | 1.41% | 395 | 41.4% | 1.71 | 30,034 | 85.6% | 205 | |
| | 2.50 to < 10.00 | 14,630 | 2,073 | 28.2% | 15,134 | 4.47% | 249 | 36.7% | 2.35 | 17,465 | 115.4% | 249 | |
| | 10.00 to < 100.00 | 7,181 | 419 | 14.0% | 7,231 | 13.00% | 160 | 38.4% | 2.30 | 12,734 | 176.1% | 363 | |
| | 100.00 (Default) | 1,093 | 0 | 0.0% | 1,079 | 100.00% | 20 | 35.6% | 3.52 | 374 | 34.7% | 416 | |
| Sub-total | 125,550 | 61,770 | 16.7% | 135,708 | 2.53% | 1,247 | 42.3% | 1.76 | 96,632 | 71.2% | 1,341 | 1,632 | |

CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 30th June, 2024 (continued)

Retail IRB Approach

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
|---|-------------------|--|-------------------------------------|--------------|---------------------------|--------------|--------------------|--------------|------------------|----------------|--------------|--------------|--------------|
| | PD scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre-CCF | Average CCF | EAD post-CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | RWA | RWA density | EL | Provisions |
| Retail - Residential mortgage exposures (including individuals and property- holding shell companies) | 0.00 to < 0.15 | 2,250 | 0 | 0.0% | 2,250 | 0.10% | 1,011 | 10.1% | | 337 | 15.0% | 0 | |
| | 0.15 to < 0.25 | 17,603 | 1 | 100.0% | 17,604 | 0.20% | 7,020 | 10.6% | | 2,641 | 15.0% | 4 | |
| | 0.25 to < 0.50 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | | 0 | 0.0% | 0 | |
| | 0.50 to < 0.75 | 11,315 | 0 | 0.0% | 11,315 | 0.50% | 4,555 | 11.2% | | 1,731 | 15.3% | 6 | |
| | 0.75 to < 2.50 | 9,571 | 73 | 109.0% | 9,651 | 1.51% | 3,870 | 11.4% | | 1,803 | 18.7% | 17 | |
| | 2.50 to < 10.00 | 2,446 | 225 | 100.0% | 2,671 | 4.85% | 1,098 | 13.3% | | 1,161 | 43.5% | 18 | |
| | 10.00 to < 100.00 | 364 | 13 | 100.0% | 377 | 21.52% | 123 | 11.9% | | 210 | 55.7% | 13 | |
| | 100.00 (Default) | 319 | 0 | 0.0% | 319 | 100.00% | 113 | 12.7% | | 244 | 76.5% | 24 | |
| Sub-total | 43,868 | 312 | 102.0% | 44,187 | 1.74% | 17,790 | 11.1% | | 8,127 | 18.4% | 82 | 123 | |
| Retail - Small business retail exposures | 0.00 to < 0.15 | 379 | 0 | 0.0% | 379 | 0.10% | 1,811 | 25.3% | | 24 | 6.3% | 0 | |
| | 0.15 to < 0.25 | 836 | 0 | 0.0% | 836 | 0.20% | 2,433 | 29.1% | | 98 | 11.8% | 0 | |
| | 0.25 to < 0.50 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | | 0 | 0.0% | 0 | |
| | 0.50 to < 0.75 | 569 | 0 | 0.0% | 569 | 0.50% | 1,451 | 32.2% | | 132 | 23.2% | 1 | |
| | 0.75 to < 2.50 | 175 | 0 | 0.0% | 175 | 1.50% | 468 | 33.6% | | 70 | 39.8% | 1 | |
| | 2.50 to < 10.00 | 37 | 0 | 0.0% | 37 | 6.02% | 147 | 33.3% | | 19 | 50.3% | 1 | |
| | 10.00 to < 100.00 | 16 | 0 | 0.0% | 16 | 17.80% | 75 | 30.3% | | 9 | 55.0% | 1 | |
| | 100.00 (Default) | 21 | 0 | 0.0% | 21 | 100.00% | 40 | 37.5% | | 30 | 146.3% | 8 | |
| Sub-total | 2,033 | 0 | 0.0% | 2,033 | 1.63% | 6,425 | 29.8% | | 382 | 18.8% | 12 | 12 | |
| Other retail exposures to individuals | 0.00 to < 0.15 | 911 | 0 | 0.0% | 911 | 0.10% | 7,917 | 25.4% | | 57 | 6.3% | 0 | |
| | 0.15 to < 0.25 | 2,804 | 1 | 100.0% | 2,805 | 0.20% | 7,963 | 21.3% | | 242 | 8.6% | 1 | |
| | 0.25 to < 0.50 | 0 | 0 | 0.0% | 0 | 0.00% | 0 | 0.0% | | 0 | 0.0% | 0 | |
| | 0.50 to < 0.75 | 3,037 | 1 | 100.0% | 3,038 | 0.50% | 4,763 | 23.1% | | 504 | 16.6% | 4 | |
| | 0.75 to < 2.50 | 1,352 | 3 | 100.0% | 1,355 | 1.43% | 2,519 | 45.9% | | 735 | 54.2% | 9 | |
| | 2.50 to < 10.00 | 955 | 5 | 112.5% | 960 | 4.55% | 1,201 | 29.7% | | 419 | 43.6% | 14 | |
| | 10.00 to < 100.00 | 97 | 0 | 100.0% | 98 | 25.23% | 303 | 60.9% | | 115 | 117.7% | 16 | |
| | 100.00 (Default) | 45 | 0 | 0.0% | 45 | 100.00% | 86 | 48.6% | | 179 | 395.9% | 10 | |
| Sub-total | 9,201 | 10 | 106.0% | 9,212 | 1.68% | 24,752 | 27.4% | | 2,251 | 24.4% | 54 | 37 | |
| Total (sum of all portfolios) | | 310,159 | 65,252 | 17.2% | 322,264 | 1.55% | 50,783 | 38.3% | | 130,944 | 40.6% | 1,708 | 2,109 |

CR7: Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB Approach as at 30th June, 2024

The following table presents the effect of recognised credit derivative contracts on the calculation of credit risk capital requirements under the IRB approach as at 30th June, 2024:

| | | (a) | (b) |
|-----------|--|----------------------------|----------------|
| | | Pre-credit derivatives RWA | Actual RWA |
| 1 | Corporate - Specialized lending under supervisory slotting criteria approach (project finance) | 0 | 0 |
| 2 | Corporate - Specialized lending under supervisory slotting criteria approach (object finance) | 0 | 0 |
| 3 | Corporate - Specialized lending under supervisory slotting criteria approach (commodities finance) | 0 | 0 |
| 4 | Corporate - Specialized lending under supervisory slotting criteria approach (income-producing real estate) | 0 | 0 |
| 5 | Corporate - Specialized lending (high-volatility commercial real estate) | 0 | 0 |
| 6 | Corporate - Small-and-medium sized corporates | 8,469 | 8,469 |
| 7 | Corporate - Other corporates | 96,632 | 96,632 |
| 8 | Sovereigns | 3,949 | 3,949 |
| 9 | Sovereign foreign public sector entities | 0 | 0 |
| 10 | Multilateral development banks | 0 | 0 |
| 11 | Bank exposures - Banks | 10,632 | 10,632 |
| 12 | Bank exposures - Securities firms | 70 | 70 |
| 13 | Bank exposures - Public sector entities (excluding sovereign foreign public sector entities) | 432 | 432 |
| 14 | Retail - Small business retail exposures | 382 | 382 |
| 15 | Retail - Residential mortgages to individuals | 7,734 | 7,734 |
| 16 | Retail - Residential mortgages to property-holding shell companies | 393 | 393 |
| 17 | Retail - Qualifying revolving retail exposures (QRRE) | 0 | 0 |
| 18 | Retail - Other retail exposures to individuals | 2,251 | 2,251 |
| 19 | Equity - Equity exposures under market-based approach (simple risk-weight method) | 6,902 | 6,902 |
| 20 | Equity - Equity exposures under market-based approach (internal models method) | 0 | 0 |
| 21 | Equity - Equity exposures under PD/LGD approach (publicly traded equity exposures held for long-term investment) | 0 | 0 |
| 22 | Equity - Equity exposures under PD/LGD approach (privately owned equity exposures held for long-term investment) | 0 | 0 |
| 23 | Equity - Equity exposures under PD/LGD approach (other publicly traded equity exposures) | 0 | 0 |
| 24 | Equity - Equity exposures under PD/LGD approach (other equity exposures) | 0 | 0 |
| 25 | Equity - Equity exposures associated with equity investments in funds (CIS exposures) | 0 | 0 |
| 26 | Other - Cash items | 0 | 0 |
| 27 | Other - Other items | 5,649 | 5,649 |
| 28 | Total (under the IRB calculation approaches) | 143,495 | 143,495 |

* The Bank does not have credit derivative contracts used as recognised credit risk mitigation.

CR8: RWA Flow Statements of Credit Risk Exposures under IRB Approach as at 30th June, 2024

The following table presents a flow statement explaining variations in the RWA for credit risk determined under the IRB approach for the period from 31st March, 2024 to 30th June, 2024:

| | | (a) |
|----------|--|----------------|
| | | Amount |
| 1 | RWA as at end of 31st March, 2024 | 136,647 |
| 2 | Asset size | 1,706 |
| 3 | Asset quality | (1,464) |
| 4 | Model updates | 0 |
| 5 | Methodology and policy | 0 |
| 6 | Acquisitions and disposals | 0 |
| 7 | Foreign exchange movements | (296) |
| 8 | Other | 0 |
| 9 | RWA as at end of 30th June, 2024 | 136,593 |

CR10: Specialized Lending under Supervisory Slotting Criteria Approach and Equities under the Simple Risk-Weight Method – for IRB Approach as at 30th June, 2024

The following table presents quantitative information in respect of specialised lending – HVCRE under the supervisory slotting criteria approach as at 30th June, 2024:

I. Specialised Lending under supervisory slotting criteria approach – HVCRE

| | | (a) | (b) | (c) | (d) | (e) | (f) |
|--------------------------|---------------------------------|----------------------------------|-----------------------------------|----------|------------|----------|----------------------|
| Supervisory Rating Grade | Remaining Maturity | On-balance sheet exposure amount | Off-balance sheet exposure amount | SRW | EAD amount | RWA | Expected loss amount |
| Strong ^ | Less than 2.5 years | 0 | 0 | 70% | 0 | 0 | 0 |
| Strong | Equal to or more than 2.5 years | 0 | 0 | 95% | 0 | 0 | 0 |
| Good ^ | Less than 2.5 years | 0 | 0 | 95% | 0 | 0 | 0 |
| Good | Equal to or more than 2.5 years | 0 | 0 | 120% | 0 | 0 | 0 |
| Satisfactory | | 0 | 0 | 140% | 0 | 0 | 0 |
| Weak | | 0 | 0 | 250% | 0 | 0 | 0 |
| Default | | 0 | 0 | 0% | 0 | 0 | 0 |
| Total | | | 0 | 0 | | 0 | 0 |

^ Use of preferential risk-weights.

Note: The Bank does not adopt supervisory slotting criteria approach to calculate its credit risk in respect of specialised lending.

CR10: Specialized Lending under Supervisory Slotting Criteria Approach and Equities under the Simple Risk-Weight Method – for IRB Approach as at 30th June, 2024 (continued)

The following table presents quantitative information in respect of specialised lending – other than HVCRE under the supervisory slotting criteria approach as at 30th June, 2024:

II. Specialised Lending under supervisory slotting criteria approach – Other than HVCRE

| Supervisory Rating Grade | Remaining Maturity | (a) | (b) | (c) | (d)(i) | (d)(ii) | (d)(iii) | (d)(iv) | (d)(v) | (e) | (f) |
|--------------------------|---------------------------------|----------------------------------|-----------------------------------|------|------------|----------|----------|----------|----------|----------|----------------------|
| | | On-balance sheet exposure amount | Off-balance sheet exposure amount | SRW | EAD Amount | | | | | RWA | Expected loss amount |
| | | | | | PF | OF | CF | IPRE | Total | | |
| Strong ^ | Less than 2.5 years | 0 | 0 | 50% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Strong | Equal to or more than 2.5 years | 0 | 0 | 70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Good ^ | Less than 2.5 years | 0 | 0 | 70% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Good | Equal to or more than 2.5 years | 0 | 0 | 90% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Satisfactory | | 0 | 0 | 115% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Weak | | 0 | 0 | 250% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Default | | 0 | 0 | 0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

^ Use of preferential risk-weights.

Note: The Bank does not adopt supervisory slotting criteria approach to calculate its credit risk in respect of specialised lending.

III. Equity exposures under the simple risk - weight method

The following table presents quantitative information in respect of equity exposures under the simple risk-weight method as at 30th June, 2024:

| Categories | (a) | (b) | (c) | (d) | (e) |
|----------------------------------|----------------------------------|-----------------------------------|------|--------------|--------------|
| | On-balance sheet exposure amount | Off-balance sheet exposure amount | SRW | EAD amount | RWA |
| Publicly traded equity exposures | 0 | 0 | 300% | 0 | 0 |
| All other equity exposures | 1,726 | 0 | 400% | 1,726 | 6,902 |
| Total | 1,726 | 0 | | 1,726 | 6,902 |

CCR1: Analysis of Counterparty Default Risk Exposures (other than those to CCPs) by Approaches as at 30th June, 2024

The following table presents a comprehensive breakdown of counterparty default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs as at 30th June, 2024:

| | (a) | (b) | (c) | (d) | (e) | (f) |
|----------|--|-----|---------------|--|---------------------------------|--------------|
| | Replacement cost (RC) | PFE | Effective EPE | Alpha (a) used for computing default risk exposure | Default risk exposure after CRM | RWA |
| 1 | SA-CCR approach (for derivative contracts) | 448 | 2,480 | 1.4 | 4,100 | 1,088 |
| 1a | CEM (for derivative contracts) | 0 | 0 | 1.4 | 0 | 0 |
| 2 | IMM (CCR) approach | | 0 | 0 | 0 | 0 |
| 3 | Simple Approach (for SFTs) | | | | 0 | 0 |
| 4 | Comprehensive Approach (for SFTs) | | | | 840 | 99 |
| 5 | VaR (for SFTs) | | | | 0 | 0 |
| 6 | Total | | | | | 1,187 |

CCR2: CVA Capital Charge as at 30th June, 2024

The following table presents information on portfolios subject to the CVA capital charge and the CVA calculations based on standardised CVA method and advanced CVA method as at 30th June, 2024:

| | | (a) | (b) |
|----------|--|--------------|------------|
| | | EAD post CRM | RWA |
| | Netting sets for which CVA capital charge is calculated by the advanced CVA method | 0 | 0 |
| 1 | (i) VaR (after application of multiplication factor if applicable) | | 0 |
| 2 | (ii) Stressed VaR (after application of multiplication factor if applicable) | | 0 |
| 3 | Netting sets for which CVA capital charge is calculated by the standardised CVA method | 4,127 | 681 |
| 4 | Total | 4,127 | 681 |

CCR3: Counterparty Default Risk Exposures (other than those to CCPs) by Asset Classes and by Risk Weights – for STC Approach as at 30th June, 2024

The following table presents a breakdown of default risk exposures as at 30th June, 2024, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by asset classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

| | Exposure class | (a) | (b) | (c) | (ca) | (d) | (e) | (f) | (g) | (ga) | (h) | (i) |
|-----------|--|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|---------------------------------------|
| | | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Others | Total default risk exposure after CRM |
| 1 | Sovereign exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | PSE exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2a | Of which: domestic PSEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2b | Of which: foreign PSEs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Multilateral development bank exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Bank exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Securities firm exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Corporate exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | CIS exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Regulatory retail exposures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Residential mortgage loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Other exposures which are not past due exposures | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 11 |
| 11 | Significant exposures to commercial entities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Total | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 11 |

CCR4: Counterparty Default Risk Exposures (other than those to CCPs) by Portfolio and PD Range – for IRB Approach as at 30th June, 2024

The following table presents all the relevant parameters used for the calculation of counterparty default risk capital requirements for exposures subject to the foundation IRB approach (other than those to CCPs) as at 30th June, 2024:

Foundation IRB Approach

| | PD scale | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|-----------|-------------------|--------------|------------|--------------------|-------------|------------------|-----|-------------|
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | RWA | RWA density |
| Sovereign | 0.00 to < 0.15 | 191 | 0.05% | 1 | 45.0% | 0.00 | 15 | 7.6% |
| | 0.15 to < 0.25 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 0.25 to < 0.50 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 0.50 to < 0.75 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 0.75 to < 2.50 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 2.50 to < 10.00 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 10.00 to < 100.00 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 100.00 (Default) | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | Sub-total | 191 | 0.05% | 1 | 45.0% | 0.00 | 15 | 7.6% |
| Bank | 0.00 to < 0.15 | 3,598 | 0.05% | 39 | 45.0% | 0.88 | 471 | 13.1% |
| | 0.15 to < 0.25 | 283 | 0.19% | 6 | 45.0% | 0.81 | 104 | 36.6% |
| | 0.25 to < 0.50 | 115 | 0.37% | 1 | 45.0% | 0.28 | 55 | 47.6% |
| | 0.50 to < 0.75 | 141 | 0.54% | 4 | 45.0% | 1.00 | 100 | 71.0% |
| | 0.75 to < 2.50 | 3 | 1.11% | 1 | 45.0% | 1.00 | 2 | 97.5% |
| | 2.50 to < 10.00 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 10.00 to < 100.00 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 100.00 (Default) | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | Sub-total | 4,140 | 0.08% | 51 | 45.0% | 0.86 | 732 | 17.7% |

CCR4: Counterparty Default Risk Exposures (other than those to CCPs) by Portfolio and PD Range – for IRB Approach as at 30th June, 2024 (continued)

Foundation IRB Approach (continued)

| | PD scale | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|--------------------------------------|-------------------|--------------|--------------|--------------------|--------------|------------------|--------------|--------------|
| | | EAD post-CRM | Average PD | Number of obligors | Average LGD | Average maturity | RWA | RWA density |
| Corporate | 0.00 to < 0.15 | 57 | 0.12% | 9 | 45.0% | 1.06 | 12 | 20.8% |
| | 0.15 to < 0.25 | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | 0.25 to < 0.50 | 83 | 0.37% | 5 | 45.0% | 1.01 | 37 | 44.2% |
| | 0.50 to < 0.75 | 165 | 0.54% | 13 | 45.0% | 1.07 | 90 | 54.7% |
| | 0.75 to < 2.50 | 207 | 1.18% | 27 | 45.0% | 1.15 | 161 | 78.0% |
| | 2.50 to < 10.00 | 50 | 4.23% | 18 | 45.0% | 1.37 | 63 | 125.2% |
| | 10.00 to < 100.00 | 36 | 11.10% | 10 | 45.0% | 1.12 | 66 | 184.7% |
| | 100.00 (Default) | 0 | 0.00% | 0 | 0.0% | 0.00 | 0 | 0.0% |
| | Sub-total | 598 | 1.64% | 82 | 45.0% | 1.12 | 429 | 71.8% |
| Total (sum of all portfolios) | | 4,929 | 0.27% | 134 | 45.0% | 0.86 | 1,176 | 23.9% |

CCR5: Composition of Collateral for Counterparty Default Risk Exposures (including those for Contracts or Transactions Cleared through CCPs) as at 30th June, 2024

The following table presents a breakdown of all types of collateral posted or recognised collateral received to support or reduce the exposures to counterparty default risk exposures as at 30th June, 2024 in respect of derivative contracts or SFTs entered into, including contracts or transactions cleared through a CCP:

| | (a) | (b) | (c) | (d) | (e) | (f) |
|--------------------------|--|--------------|---------------------------------|--------------|--|---------------------------------|
| | Derivative contracts | | | | SFTs | |
| | Fair value of recognised collateral received | | Fair value of posted collateral | | Fair value of recognised collateral received | Fair value of posted collateral |
| | Segregated | Unsegregated | Segregated | Unsegregated | | |
| Cash – domestic currency | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash – other currencies | 415 | 903 | 1,224 | 88 | 4,967 | 1,295 |
| Debt securities | 0 | 0 | 0 | 0 | 1,731 | 6,243 |
| Equity securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 415 | 903 | 1,224 | 88 | 6,698 | 7,538 |

CCR6: Credit-Related Derivatives Contracts as at 30th June, 2024

The following table presents the amount of credit-related derivative contracts as at 30th June, 2024 broken down into credit protection bought and credit protection sold:

| | (a) | (b) |
|---|-------------------|-----------------|
| | Protection bought | Protection sold |
| Notional amounts | | |
| Single-name credit default swaps | 1,329 | 1,329 |
| Index credit default swaps | 0 | 0 |
| Total return swaps | 2,221 | 2,221 |
| Credit-related options | 0 | 0 |
| Other credit-related derivative contracts | 0 | 0 |
| Total notional amounts | 3,550 | 3,550 |
| Fair values | | |
| Positive fair value (asset) | 20 | 30 |
| Negative fair value (liability) | 30 | 20 |

CCR8: Exposure to CCPs as at 30th June, 2024

The following table presents a breakdown of the exposures to CCPs.

| | | (a) | (b) |
|-----------|---|--------------------|------------|
| | | Exposure after CRM | RWA |
| 1 | Exposures of the AI as clearing member or client to qualifying CCPs (total) | | 886 |
| 2 | Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which: | 42,270 | 856 |
| 3 | (i) OTC derivative transactions | 42,249 | 854 |
| 4 | (ii) Exchange-traded derivative contracts | 21 | 2 |
| 5 | (iii) Securities financing transactions | 0 | 0 |
| 6 | (iv) Netting sets subject to valid cross-product netting agreements | 0 | 0 |
| 7 | Segregated initial margin | 1,224 | |
| 8 | Unsegregated initial margin | 97 | 6 |
| 9 | Funded default fund contributions | 105 | 24 |
| 10 | Unfunded default fund contributions | 0 | 0 |
| 11 | Exposures of the AI as clearing member or client to non-qualifying CCPs (total) | | 0 |
| 12 | Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which: | 0 | 0 |
| 13 | (i) OTC derivative transactions | 0 | 0 |
| 14 | (ii) Exchange-traded derivative contracts | 0 | 0 |
| 15 | (iii) Securities financing transactions | 0 | 0 |
| 16 | (iv) Netting sets subject to valid cross-product netting agreements | 0 | 0 |
| 17 | Segregated initial margin | 0 | |
| 18 | Unsegregated initial margin | 0 | 0 |
| 19 | Funded default fund contributions | 0 | 0 |
| 20 | Unfunded default fund contributions | 0 | 0 |

MR1: Market Risk under Standardised (Market Risk) Approach (STM Approach) as at 30th June, 2024

The table below provides the components of the market risk capital requirements calculated using the STM approach exposures as at 30th June, 2024:

| | | (a) |
|----------|---|---------------|
| | | RWA |
| | Outright product exposures | |
| 1 | Interest rate exposures (general and specific risk) | 8,701 |
| 2 | Equity exposures (general and specific risk) | 0 |
| 3 | Foreign exchange (including gold) exposures | 4,009 |
| 4 | Commodity exposures | 0 |
| | Option exposures | |
| 5 | Simplified approach | 0 |
| 6 | Delta-plus approach | 0 |
| 7 | Other approach | 0 |
| 8 | Securitisation exposures | 0 |
| 9 | Total | 12,710 |

International Claims

Analysis of the Bank's international claims by location and by type of counterparty is as follows:

| 30th June 2024 | | | | | |
|--------------------------------------|----------------------|----------------------|---------------------------------------|---------------------------------|-----------------------|
| <u>Non-bank private sector</u> | | | | | |
| | Banks | Official sector | Non-bank financial institutions | Non-financial private sector | Total |
| Offshore centres, of which | | | | | |
| – Hong Kong | 581 | 8,037 | 14,735 | 118,922 | 142,275 |
| – Macau | 155 | 4,826 | 136 | 17,896 | 23,013 |
| – Singapore | 26,107 | 1 | 19 | 1,051 | 27,178 |
| Developing Asia-Pacific, of which | | | | | |
| – Mainland China | <u>38,021</u> | <u>10,402</u> | <u>24,273</u> | <u>37,140</u> | <u>109,836</u> |
| | <u>64,864</u> | <u>23,266</u> | <u>39,163</u> | <u>175,009</u> | <u>302,302</u> |
| 31st December 2023 | | | | | |
| <u>Non-bank private sector</u> | | | | | |
| | Banks | Official sector | Non-bank financial institutions | Non-financial private sector | Total |
| Offshore centres, of which | | | | | |
| – Hong Kong | 1,200 | 7,201 | 17,637 | 119,582 | 145,620 |
| – Macau | 0 | 4,205 | 136 | 18,733 | 23,074 |
| – Singapore | 23,143 | 1 | 207 | 1,040 | 24,391 |
| Developing Asia-Pacific, of which | | | | | |
| – Mainland China | <u>29,254</u> | <u>15,509</u> | <u>26,318</u> | <u>35,801</u> | <u>106,882</u> |
| | <u>53,597</u> | <u>26,916</u> | <u>44,298</u> | <u>175,156</u> | <u>299,967</u> |

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

Advances to customers

Advances to customers analysed by industry sectors

The information concerning advances to customers by industry sectors is prepared by classifying the advances according to the usage of the advances and is stated gross of any expected credit loss.

| | 30th June, 2024 | | 31st December, 2023 | |
|---|-----------------------------|---|-----------------------------|---|
| | Gross advances to customers | % of gross advances covered by collateral | Gross advances to customers | % of gross advances covered by collateral |
| Advances for use in Hong Kong | | | | |
| Industrial, commercial and financial | | | | |
| - Property development | 10,357 | 69.7 | 10,569 | 70.8 |
| - Property investment | 32,189 | 93.2 | 29,742 | 92.9 |
| - Financial concerns | 11,792 | 15.1 | 13,877 | 14.6 |
| - Stockbrokers | 112 | 100.0 | 1,291 | 34.2 |
| - Wholesale and retail trade | 5,235 | 39.8 | 5,270 | 40.4 |
| - Manufacturing | 2,955 | 58.2 | 3,553 | 45.6 |
| - Transport and transport equipment | 4,157 | 88.4 | 4,787 | 79.6 |
| - Information technology | 660 | 6.7 | 709 | 11.0 |
| - Share financing | 92 | 92.4 | 92 | 90.2 |
| - Recreational activities | 8 | 100.0 | 9 | 88.9 |
| - Others | 12,821 | 55.3 | 14,573 | 54.2 |
| Individuals | | | | |
| - Advances for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes | 495 | 100.0 | 532 | 100.0 |
| - Advances for the purchase of other residential properties | 31,679 | 100.0 | 32,900 | 100.0 |
| - Credit card advances | 121 | 0.0 | 126 | 0.0 |
| - Others | 7,329 | 76.2 | 7,549 | 75.0 |
| | 120,002 | 76.3 | 125,579 | 73.4 |
| Trade finance | 5,898 | 49.3 | 6,425 | 50.0 |
| Advances for use outside Hong Kong | | | | |
| - Mainland China | 42,308 | 50.0 | 43,524 | 50.2 |
| - Macau | 17,751 | 79.1 | 18,442 | 79.4 |
| - Others | 9,579 | 77.9 | 8,410 | 99.2 |
| | 69,638 | 61.3 | 70,376 | 63.7 |
| | 195,538 | 70.1 | 202,380 | 69.3 |

Advances to customers (continued)

The following information concerning further analysis of advances to customers by industry sectors is prepared by classifying the advances according to the usage of the advances in respect of industry sectors which constitute not less than 10% of gross advances to customers.

| 30th June, 2024 | | | | | |
|---|--|---|--|--|---|
| | Gross advances to customers | Impaired advances to customers | Overdue advances to customers for over three months | Expected credit loss (Stage 3) on advances to customers | Expected credit loss (Stages 1 and 2) on advances to customers |
| Property investment | 32,189 | 924 | 860 | 277 | 418 |
| Advances for the purchase of other residential properties | 31,679 | 205 | 128 | 2 | 26 |
| Advances for use outside Hong Kong | | | | | |
| – Mainland China | 42,308 | 166 | 147 | 43 | 226 |
| – Macau | 17,751 | 99 | 42 | 4 | 110 |
| 31st December, 2023 | | | | | |
| | Gross advances to customers | Impaired advances to customers | Overdue advances to customers for over three months | Expected credit loss (Stage 3) on advances to customers | Expected credit loss (Stages 1 and 2) on advances to customers |
| Property investment | 29,742 | 965 | 260 | 83 | 167 |
| Advances for the purchase of other residential properties | 32,900 | 134 | 51 | 1 | 6 |
| Advances for use outside Hong Kong | | | | | |
| – Mainland China | 43,524 | 159 | 142 | 29 | 231 |
| – Macau | 18,442 | 97 | 27 | 3 | 28 |

Advances to customers (continued)

Advances to customers analysed by geographical area

The geographical information is classified by the geographical location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a geographical location which is different from that of the borrower or if the claims are on an overseas branch of a bank whose head office is located in another geographical location.

| 30th June, 2024 | | | | | |
|------------------------|------------------------------------|---------------------------------------|--|--|---|
| | Gross advances to customers | Impaired advances to customers | Overdue advances to customers for over three months | Expected credit loss (Stage 3) on advances to customers | Expected credit loss (Stages 1 and 2) on advances to customers |
| Hong Kong | 124,489 | 1,730 | 1,452 | 451 | 855 |
| Macau | 17,824 | 110 | 46 | 4 | 168 |
| Mainland China | 49,455 | 155 | 144 | 43 | 266 |
| Others | 3,770 | - | - | - | 67 |
| | 195,538 | 1,995 | 1,642 | 498 | 1,356 |

| 31st December, 2023 | | | | | |
|----------------------------|------------------------------------|---------------------------------------|--|--|---|
| | Gross advances to customers | Impaired advances to customers | Overdue advances to customers for over three months | Expected credit loss (Stage 3) on advances to customers | Expected credit loss (Stages 1 and 2) on advances to customers |
| Hong Kong | 128,166 | 1,680 | 787 | 171 | 531 |
| Macau | 18,645 | 112 | 28 | 3 | 25 |
| Mainland China | 51,198 | 144 | 141 | 29 | 289 |
| Others | 4,371 | - | - | - | 40 |
| | 202,380 | 1,936 | 956 | 203 | 885 |

Overdue and rescheduled assets

Overdue and rescheduled advances to customers

| | 30th June, 2024 | | 31st December, 2023 | |
|--|------------------------|----------------------------------|----------------------------|----------------------------------|
| | Amount | % of total advances to customers | Amount | % of total advances to customers |
| Gross advances to customers which have been overdue with respect to either principal or interest for periods of: | | | | |
| - 6 months or less but over 3 months | 983 | 0.50 | 727 | 0.36 |
| - 1 year or less but over 6 months | 493 | 0.25 | 86 | 0.04 |
| - Over 1 year | 166 | 0.09 | 143 | 0.07 |
| | <u>1,642</u> | <u>0.84</u> | <u>956</u> | <u>0.47</u> |
| Covered portion of overdue advances | 1,311 | | 915 | |
| Uncovered portion of overdue advances | 331 | | 41 | |
| | <u>1,642</u> | | <u>956</u> | |
| Current market values of collateral held against covered portion of overdue advances | <u>1,629</u> | | <u>1,293</u> | |
| Expected credit loss (Stage 3) made on overdue advances | <u>478</u> | | <u>127</u> | |

Collateral held with respect to overdue advances to customers is mainly properties and vehicles.

| | 30th June, 2024 | | 31st December, 2023 | |
|-----------------------------------|------------------------|----------------------------------|----------------------------|----------------------------------|
| | Amount | % of total advances to customers | Amount | % of total advances to customers |
| Rescheduled advances to customers | 50 | 0.03 | 51 | 0.03 |

All rescheduled advances to customers are impaired as at 30th June, 2024 and 31st December, 2023 respectively.

There are no advances to banks which are overdue nor rescheduled as at 30th June, 2024 and 31st December, 2023 respectively.

Overdue and rescheduled assets (continued)

Other overdue assets

| | <u>30th June, 2024</u> | <u>31st December, 2023</u> |
|--|------------------------|----------------------------|
| Trade bills which have been overdue with respect to either principal or interest for periods of: | | |
| - 6 months or less but over 3 months | 0 | 0 |
| - 1 year or less but over 6 months | 0 | 0 |
| - Over 1 year | 0 | 0 |
| | <u>0</u> | <u>0</u> |

There are no debt securities and other assets which are overdue at 30th June, 2024 (31st December, 2023: nil)

Impaired advances to customers

The gross impaired advances to customers, market value of collateral held with respect to such advances and expected credit loss (Stage 3) are as follows:

| | <u>30th June, 2024</u> | <u>31st December, 2023</u> |
|---|------------------------|----------------------------|
| Gross impaired advances to customers | 1,995 | 1,936 |
| Gross impaired advances to customers as a percentage of total advances to customers | 1.02% | 0.96% |
| Market value of collateral held with respect to impaired advances to customers | 1,646 | 1,874 |
| Expected credit loss (Stage 3) | 498 | 203 |

Impaired advances to customers are individually assessed loans with objective evidence of impairment on an individual basis. Individually assessed expected credit loss (Stage 3) were made after taking into account the net present value of future recoverable amounts in respect of such loans and advances, and the collateral held mainly comprised properties and vehicles.

There were no impaired advances to banks nor expected credit loss (Stage 3) made on advances to banks as at 30th June, 2024 and 31st December, 2023.

Reposessed assets

At 30th June, 2024, reposessed assets obtained as securities for impaired advances to customers totaled HK\$170 million (31st December, 2023:HK\$166 million).

Mainland Activities

Analysis of non-bank Mainland China exposures includes exposures of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

| | 30th June, 2024 | | |
|--|----------------------------------|-----------------------------------|--------------------|
| | On-balance sheet exposures | Off-balance sheet exposures | Total exposures |
| (i) Central government, central government-owned entities and their subsidiaries and Joint Ventures ("JVs") | 27,540 | 1,578 | 29,118 |
| (ii) Local government, local government-owned entities and their subsidiaries and JVs | 6,548 | 1,654 | 8,202 |
| (iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 27,556 | 5,729 | 33,285 |
| (iv) Other entities of central government not reported in item (i) above | 24 | 356 | 380 |
| (v) Other entities of local government not reported in item (ii) above | 245 | 249 | 494 |
| (vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in the Mainland China | 2,160 | 1,542 | 3,702 |
| (vii) Other counterparties where the exposures are considered by the Group to be non-bank Mainland China exposures | 3,095 | 192 | 3,287 |
| Total | <u>67,168</u> | <u>11,300</u> | <u>78,468</u> |
| Total assets after provisions | <u>340,662</u> | | |
| On-balance sheet exposures as a percentage of total assets | <u>19.72%</u> | | |

| | 31st December, 2023 | | |
|--|----------------------------------|-----------------------------------|--------------------|
| | On-balance sheet exposures | Off-balance sheet exposures | Total exposures |
| (i) Central government, central government-owned entities and their subsidiaries and Joint Ventures ("JVs") | 27,784 | 1,528 | 29,312 |
| (ii) Local government, local government-owned entities and their subsidiaries and JVs | 7,571 | 3,085 | 10,656 |
| (iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 30,300 | 5,872 | 36,172 |
| (iv) Other entities of central government not reported in item (i) above | 0 | 116 | 116 |
| (v) Other entities of local government not reported in item (ii) above | 197 | 27 | 224 |
| (vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in the Mainland China | 2,064 | 952 | 3,016 |
| (vii) Other counterparties where the exposures are considered by the Group to be non-bank Mainland China exposures | 3,527 | 210 | 3,737 |
| Total | <u>71,443</u> | <u>11,790</u> | <u>83,233</u> |
| Total assets after provisions | <u>336,565</u> | | |
| On-balance sheet exposures as a percentage of total assets | <u>21.23%</u> | | |

Off-balance sheet exposures – Contingent liabilities and commitments

Contingent liabilities and commitments arises from forward asset purchases, amounts owing on partly paid-up shares and securities, forward deposits placed, asset sales or other transactions with recourse, as well as credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contractual amounts is not representative of future cash flows.

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments to extend credit:

| | <u>30th June, 2024</u> | <u>31st December, 2023</u> |
|---|------------------------|----------------------------|
| Direct credit substitutes | 5,638 | 5,291 |
| Transaction-related contingencies | 1,365 | 1,520 |
| Trade-related contingencies | 3,413 | 3,975 |
| Forward asset purchases | 163 | 0 |
| Forward deposits | 15 | 0 |
| Other commitments: | | |
| - With an original maturity of not more than one year | 479 | 576 |
| - With an original maturity over one year | 4,477 | 4,490 |
| - Which are unconditionally cancellable | 54,801 | 51,416 |
| Total | <u>70,351</u> | <u>67,268</u> |
| Credit risk weighted amounts | <u>7,705</u> | <u>6,129</u> |

Currency risk

The Group's foreign exchange positions, which arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures arising from capital investment in subsidiaries outside Hong Kong, mainly in US dollar, Macau Patacas and Renminbi, are managed by ALCO. All foreign exchange positions are managed by the ALCO within limits approved by the Board.

| 30th June, 2024 | | | | | | | | |
|-----------------------------|-----------|------------------|----------------|-------------|----------------|---------------|------------------|-----------|
| | US\$ | Chinese Renminbi | Pound Sterling | Canadian \$ | New Zealand \$ | Macau Patacas | Other currencies | Total |
| Spot assets | 87,861 | 95,376 | 4,554 | 42 | 122 | 14,038 | 16,830 | 218,823 |
| Spot liabilities | (72,689) | (77,956) | (1,985) | (1,937) | (2,171) | (13,792) | (19,429) | (189,959) |
| Forward purchases | 415,251 | 362,236 | 91 | 2,092 | 2,471 | - | 11,923 | 794,064 |
| Forward sales | (429,827) | (382,236) | (2,955) | (9) | (156) | - | (9,248) | (824,431) |
| Net option positions | (1,297) | 1,287 | 2 | 2 | 3 | - | 3 | - |
| Net long /(short) positions | (701) | (1,293) | (293) | 190 | 269 | 246 | 79 | (1,503) |

| 31st December, 2023 | | | | | | | | |
|-----------------------------|-----------|------------------|----------------|-------------|----------------|---------------|------------------|-----------|
| | US\$ | Chinese Renminbi | Pound Sterling | Canadian \$ | New Zealand \$ | Macau Patacas | Other currencies | Total |
| Spot assets | 85,697 | 84,677 | 5,178 | 11 | 133 | 13,799 | 15,511 | 205,006 |
| Spot liabilities | (81,164) | (76,248) | (1,910) | (2,020) | (2,320) | (13,483) | (12,058) | (189,203) |
| Forward purchases | 360,180 | 335,351 | 82 | 2,149 | 2,399 | - | 1,938 | 702,099 |
| Forward sales | (366,228) | (343,900) | (3,539) | - | (1) | - | (5,420) | (719,088) |
| Net option positions | (358) | 351 | 1 | 1 | 2 | - | 3 | - |
| Net long /(short) positions | (1,873) | 231 | (188) | 141 | 213 | 316 | (26) | (1,186) |

The net positions or net structural positions in foreign currencies are disclosed above where each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies.

The net option position is calculated on the basis of delta-weighted positions of all foreign exchange options contracts. The net structural position includes the Bank's overseas branch, banking subsidiaries and other subsidiaries substantially involved in foreign exchange trading and include structural assets or liabilities as follow:

| | 30th June, 2024 | | | | 31st December, 2023 | | | |
|--------------------------|-----------------|------------------|-------|--------|---------------------|------------------|-------|--------|
| | Macau Patacas | Chinese Renminbi | US\$ | Total | Macau Patacas \$ | Chinese Renminbi | US\$ | Total |
| Net structural positions | 3,707 | 9,094 | 1,531 | 14,332 | 3,806 | 8,995 | 1,531 | 14,332 |

Capital Buffer

Countercyclical Capital Buffer Ratio

30th June, 2024 31st December, 2023

| | | |
|--------------------------------------|---------------|--------|
| Countercyclical capital buffer ratio | 0.533% | 0.538% |
|--------------------------------------|---------------|--------|

The relevant disclosures pursuant to section 16FG of the Banking (Disclosure) Rules can be found in Template CCyB1 in this Banking Disclosure Statement.

Capital Conservation Buffer Ratio

Under section 3M of the Banking (Capital) Rules, the capital conservation buffer ratio for calculating the Bank's buffer level is 2.5% for 2024 and 2.5% for 2023.