



**華僑永亨銀行**  
**OCBC WING HANG**

# **OCBC Wing Hang Bank Limited**

**華僑永亨銀行有限公司**

**Banking Disclosure Statement**

**For the period ended**

**30 September 2019**

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

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# **OCBC Wing Hang Bank Limited**

## **Introduction**

### **Purpose**

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

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

### **Basis of preparation**

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

### **The Banking Disclosure Statement**

The HKMA has implemented the final standards on the Revised Pillar 3 Disclosure Requirements issued by the Basel Committee on Banking Supervision in January 2015, and also incorporated the BCBS Pillar 3 disclosures requirements – consolidated and enhanced framework finalised in the latest BDR. These disclosures are supplemented by specific additional requirements of the HKMA set out in the BDR. The banking disclosure statement includes the information required under the BDR.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosure can be found in our website, [www.ocbcwhhk.com](http://www.ocbcwhhk.com).

# OCBC Wing Hang Bank Limited

## Template KM1: Key prudential ratios as at 30th September, 2019

		(a)	(b)	(c)	(d)	(e)
		30th September, 2019	30th June, 2019	31st March, 2019	31st December, 2018 (restated)	30th September, 2018
<b>Regulatory capital (amount)</b>						
1	Common Equity Tier 1 (CET1)	31,363	32,453	31,590	30,539	31,177
2	Tier 1	34,363	33,953	33,090	32,039	31,177
3	Total capital	38,424	38,049	37,228	36,206	35,245
<b>RWA (amount)</b>						
4	Total RWA	208,167	209,488	212,989	214,419	213,804
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5	CET1 ratio (%)	15.1%	15.5%	14.8%	14.2%	14.6%
6	Tier 1 ratio (%)	16.5%	16.2%	15.5%	14.9%	14.6%
7	Total capital ratio (%)	18.5%	18.2%	17.5%	16.9%	16.5%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	1.875%	1.875%
9	Countercyclical capital buffer requirement (%)	1.515%	1.510%	1.507%	1.142%	1.135%
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 (%)	4.015%	4.010%	4.007%	3.017%	3.010%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.566%	10.992%	10.332%	9.743%	10.082%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	316,409	321,625	318,742	325,127	320,353
14	LR (%)	10.86%	10.56%	10.38%	9.85%	9.73%
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
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 (%)	39.7%	37.7%	38.7%	39.3%	39.0%
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>						
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 (%)	126.8%	131.9%	129.6%	129.9%	131.1%

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

## OCBC Wing Hang Bank Limited

### Template OV1: Overview of RWA as at 30th September, 2019

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30th September 2019 and 30th June 2019 respectively:

Items	(a)	(b)	(c)	
	RWA		Minimum capital requirements	
	30th September, 2019	30th June, 2019	30th September, 2019	
1	Credit risk for non-securitization exposures	176,251	179,692	14,100
2	Of which STC approach	176,251	179,692	14,100
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	0	0	0
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	0	0	0
6	Counterparty default risk and default fund contributions	3,955	2,853	317
7	Of which SA-CCR	0	0	0
7a	Of which CEM	3,748	2,711	300
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	207	142	17
10	CVA risk	1,171	900	94
11	Equity positions in banking book under the simple risk-weight method and internal models method	0	0	0
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	Securitization 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	16,860	16,316	1,349
21	Of which STM approach	16,860	16,316	1,349
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)	0	0	0
24	Operational risk	10,958	10,766	877
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,172	1,188	94
26	Capital floor adjustment	0	0	0
26a	Deduction to RWA	2,200	2,227	176
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	27	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	2,200	2,200	176
27	Total	208,167	209,488	16,655

N/A: Not applicable in the case of Hong Kong

Note: There were no material changes to the risk-weighted amounts during the quarterly reporting period. The changes were due to normal business activities.

## OCBC Wing Hang Bank Limited

Table CCA: Main Features of Regulatory Capital Instruments as at 30th September, 2019

		(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 Wing Hang Bank Limited	OCBC Wing Hang Bank Limited	OCBC Wing Hang Bank 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 <sup>1</sup>	Common Equity Tier 1	N/A	N/A
5	Post-transitional Basel III rules <sup>2</sup>	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 September, 2019)	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 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

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**Table CCA: Main Features of Regulatory Capital Instruments as at 30th September, 2019**

		(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)
	<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	N/A	Fixed	Fixed
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	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

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**Table CCA: Main Features of Regulatory Capital Instruments as at 30th September, 2019**

		(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)
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
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*



**OCBC Wing Hang Bank Limited****Template LR2: Leverage Ratio ("LR") as at 30th September, 2019**

		(a)	(b)
		30th September, 2019	30th June, 2019
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	293,689	302,186
2	Less: Asset amounts deducted in determining Tier 1 capital	(7,148)	(7,129)
3	<b>Total on-balance sheet exposures (excluding derivative contract and SFTs)</b>	<b>286,541</b>	<b>295,057</b>
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	5,162	2,848
5	Add-on amounts for PFE associated with all derivative contracts	4,460	4,368
6	Gross-up for derivatives collateral provided 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	0
8	Less: Exempted CCP leg of client-cleared trade exposures	0	0
9	Adjusted effective notional amount of written credit derivative contracts	0	0
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	0	0
11	<b>Total exposures arising from derivative contracts</b>	<b>9,622</b>	<b>7,216</b>

**OCBC Wing Hang Bank Limited****Template LR2: Leverage Ratio ("LR") as at 30th September, 2019**

		(a)	(b)
		30th September, 2019	30th June, 2019
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	9,010	7,677
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	511	423
15	Agent transaction exposures	0	0
16	<b>Total exposures arising from SFTs</b>	<b>9,521</b>	<b>8,100</b>

## OCBC Wing Hang Bank Limited

### Template LR2: Leverage Ratio ("LR") as at 30th September, 2019

		(a)	(b)
		30th September, 2019	30th June, 2019
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	46,370	45,418
18	Less: Adjustments for conversion to credit equivalent amounts	(35,533)	(34,036)
19	<b>Off-balance sheet items</b>	10,837	11,382
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	34,363	33,953
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	316,521	321,755
20b	<b>Adjustments for specific and collective provisions</b>	(112)	(130)
21	<b>Total exposures</b>	316,409	321,625
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>10.86%</b>	<b>10.56%</b>

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