



OCBC Wing Hang Bank Limited

華僑永亨銀行有限公司

Banking Disclosure Statement

For the period ended

30th September, 2020

(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 ("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 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 finalized 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.

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Template KM1: Key prudential ratios as at 30th September, 2020

		(a)	(b)	(c)	(d)	(e)
		30th September, 2020	30th June, 2020	31st March, 2020	31st December, 2019	30th September, 2019
	Regulatory capital (amount)					
1	Common Equity Tier 1 (CET1)	35,421	34,347	32,718	32,269	31,363
2	Tier 1	38,421	37,347	35,718	35,269	34,363
3	Total capital	41,580	40,513	39,806	39,184	38,424
	RWA (amount)					
4	Total RWA	215,565	220,070	210,021	209,152	208,167
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	16.4%	15.6%	15.6%	15.4%	15.1%
6	Tier 1 ratio (%)	17.8%	17.0%	17.0%	16.9%	16.5%
7	Total capital ratio (%)	19.3%	18.4%	19.0%	18.7%	18.5%
	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 (%)	0.568%	0.572%	0.614%	1.225%	1.515%
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 (%)	3.068%	3.072%	3.114%	3.725%	4.015%
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.932%	11.107%	11.079%	10.929%	10.566%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	316,735	331,273	322,239	306,598	316,409
14	LR (%)	12.13%	11.27%	11.08%	11.50%	10.86%
	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 (%)	35.5%	38.7%	38.6%	38.7%	39.7%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institution only:					
20a	CFR (%)	133.4%	131.7%	127.6%	126.2%	126.8%

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

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Template OV1: Overview of RWA as at 30th September, 2020

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30th September, 2020 and 30th June, 2020 respectively:

Items	(a)	(b)	(c)	
	RWA		Minimum capital requirements	
	30th September, 2020	30th June, 2020	30th September, 2020	
1	Credit risk for non-securitization exposures	186,762	191,819	14,941
2	Of which STC approach	186,762	191,819	14,941
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	3,888	2,928	311
7	Of which SA-CCR	0	0	0
7a	Of which CEM	3,648	2,812	292
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	240	116	19
10	CVA risk	1,125	915	90
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	13,291	13,937	1,063
21	Of which STM approach	13,291	13,937	1,063
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	11,458	11,430	917
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,124	1,124	90
26	Capital floor adjustment	0	0	0
26a	Deduction to RWA	2,083	2,083	167
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	2,083	2,083	167
27	Total	215,565	220,070	17,245

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

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Template LR2: Leverage Ratio ("LR") as at 30th September, 2020

		(a)	(b)
		30th September, 2020	30th June, 2020
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	293,996	304,308
2	Less: Asset amounts deducted in determining Tier 1 capital	(5,950)	(6,011)
3	Total on-balance sheet exposures (excluding derivative contract and SFTs)	288,046	298,297
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)	5,194	4,414
5	Add-on amounts for PFE associated with all derivative contracts	4,392	4,852
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	Total exposures arising from derivative contracts	9,586	9,266

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Template LR2: Leverage Ratio ("LR") as at 30th September, 2020

		(a)	(b)
		30th September, 2020	30th June, 2020
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	7,451	3,628
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	485	310
15	Agent transaction exposures	0	0
16	Total exposures arising from SFTs	7,936	3,938

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Template LR2: Leverage Ratio ("LR") as at 30th September, 2020

		(a)	(b)
		30th September, 2020	30th June, 2020
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	50,715	57,549
18	Less: Adjustments for conversion to credit equivalent amounts	(39,350)	(37,604)
19	Off-balance sheet items	11,365	19,945
Capital and total exposures			
20	Tier 1 capital	38,421	37,347
20a	Total exposures before adjustments for specific and collective provisions	316,933	331,446
20b	Adjustments for specific and collective provisions	(198)	(173)
21	Total exposures after adjustments for specific and collective provisions	316,735	331,273
Leverage ratio			
22	Leverage ratio	12.13%	11.27%

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