



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

Banking Disclosure Statement  
**For the period ended**  
**30th September, 2023**

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

## Table of contents

	Page
Introduction	1
KM1: Key prudential ratios	2
OV1: Overview of RWA	3
LR2: Leverage ratio ("LR")	4
CR8: RWA flow statements of credit risk exposures under IRB approach	7

## **OCBC Bank (Hong Kong) Limited**

### **Introduction**

#### **Purpose**

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

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

#### **Basis of preparation**

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

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

#### **The Banking Disclosure Statement**

The Group's Banking Disclosure Statement at 30 September, 2023 comprises Pillar 3 information required under the framework of the Basel Committee on Banking Supervision ("BCBS"). The disclosures are made in accordance with the latest BDR issued by the HKMA.

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

## OCBC Bank (Hong Kong) Limited

### KM1: Key prudential ratios as at 30th September, 2023

		(a)	(b)	(c)	(d)	(e)
		30th September, 2023	30th June, 2023	31st March, 2023	31st December, 2022	30th September, 2022
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	36,637	37,081	38,031	36,968	35,616
2	Tier 1	39,637	40,081	41,031	39,968	38,616
3	Total capital	41,683	42,153	43,275	43,041	41,680
	<b>RWA (amount)</b>					
4	Total RWA	187,344	186,664	189,865	226,569	223,519
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	19.6%	19.9%	20.0%	16.3%	15.9%
6	Tier 1 ratio (%)	21.2%	21.5%	21.6%	17.6%	17.3%
7	Total capital ratio (%)	22.2%	22.6%	22.8%	19.0%	18.6%
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.552%	0.551%	0.535%	0.527%	0.513%
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 (%)	3.052%	3.051%	3.035%	3.027%	3.013%
12	CET1 available after meeting the AI's minimum capital	15.056%	15.365%	15.530%	11.816%	11.434%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	376,670	376,791	375,361	373,503	366,107
14	LR (%)	10.52%	10.64%	10.93%	10.70%	10.55%
	<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 institution only:					
17a	LMR (%)	49.9%	48.4%	44.0%	42.9%	41.4%
	<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 (%)	155.7%	151.6%	151.4%	148.8%	144.2%

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

The Group has adopted the IRB approach to calculate its exposure to credit risk from 31st March, 2023, with regulatory approved exempted portfolios remaining on the STC approach.

# OCBC Bank (Hong Kong) Limited

## OV1: Overview of RWA as at 30th September, 2023

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as at 30th September, 2023 and 30th June, 2023 respectively:

Items	(a)	(b)	(c)	
	RWA		Minimum capital requirements	
	30th September, 2023	30th June, 2023	30th September, 2023	
1	Credit risk for non-securitisation exposures	140,386	143,880	11,839
2	Of which STC approach	13,699	14,354	1,096
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	115,917	118,343	9,830
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	10,770	11,183	913
6	Counterparty default risk and default fund contributions	1,543	1,671	127
7	Of which SA-CCR approach	661	799	56
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	882	872	71
10	CVA risk	454	631	36
11	Equity positions in banking book under the simple risk-weight method and internal models method	8,456	8,456	717
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	12,296	11,771	984
21	Of which STM approach	12,296	11,771	984
22	Of which IMM approach	0	0	0
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)*	N/A	N/A	N/A
24	Operational risk #	12,851	12,388	1,028
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,209	1,209	102
26	Capital floor adjustment	3,665	0	293
26a	Deduction to RWA	1,741	1,741	139
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	1,741	1,741	139
27	Total	179,120	178,265	14,987

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 September, 2023 and 30th June, 2023.

c The Group has adopted the Internal Ratings-based approach to calculate its exposure to credit risk from 31st March, 2023, with regulatory approved exempted portfolios remaining on the Standardized approach.

d RWAs in this table are presented before the application of the 1.06 scaling factor, where applicable.

e Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWAs after application of the 1.06 scaling factor, where applicable.

**OCBC Bank (Hong Kong) Limited**

**LR2: Leverage Ratio ("LR") as at 30th September, 2023**

		(a)	(b)
		30th September, 2023	30th June, 2023
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	313,259	312,651
2	Less: Asset amounts deducted in determining Tier 1 capital	(5,269)	(5,229)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	307,990	307,422
<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)	17,276	19,666
5	Add-on amounts for PFE associated with all derivative contracts	29,120	27,826
6	Gross-up for collateral provided in respect of derivatives 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	(125)	(136)
8	Less: Exempted CCP leg of client-cleared trade exposures	0	0
9	Adjusted effective notional amount of written credit-related derivative contracts	1,691	1,699
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	(1,691)	(1,699)
11	<b>Total exposures arising from derivative contracts</b>	46,271	47,356

**OCBC Bank (Hong Kong) Limited****LR2: Leverage Ratio ("LR") as at 30th September, 2023**

		(a)	(b)
		30th September, 2023	30th June, 2023
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	7,230	7,759
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
14	CCR exposure for SFT assets	481	395
15	Agent transaction exposures	0	0
16	<b>Total exposures arising from SFTs</b>	<b>7,711</b>	<b>8,154</b>

**OCBC Bank (Hong Kong) Limited****LR2: Leverage Ratio ("LR") as at 30th September, 2023**

		(a)	(b)
		30th September, 2023	30th June, 2023
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	67,043	69,073
18	Less: Adjustments for conversion to credit equivalent amounts	(52,077)	(54,936)
19	<b>Off-balance sheet items</b>	14,966	14,137
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	39,637	40,081
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	376,939	377,070
20b	<b>Adjustments for specific and collective provisions</b>	(269)	(279)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	376,670	376,791
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>10.52%</b>	<b>10.64%</b>

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



## OCBC Bank (Hong Kong) Limited

### CR8: RWA flow statements of credit risk exposures under IRB approach as at 30th September, 2023

The following table presents a flow statement explaining variations in the RWA for credit risk determined under the IRB approach for the period from 30th June, 2023 to 30th September, 2023:

		(a)
		Amount
1	<b>RWA at end of 30th June, 2023</b>	129,526
2	Asset size	3
3	Asset quality	(2,545)
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	(297)
8	Other	0
9	<b>RWA at end of 30th September, 2023</b>	126,687