

**Oversea-Chinese Banking Corporation Limited**

**Pillar 3 Disclosures  
(OCBC Group – As at 31 March 2022)**



Incorporated in Singapore  
Company Registration Number: 193200032W

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## 1. INTRODUCTION

This document presents the information in accordance with Pillar 3 (“P3”) disclosure requirements under Monetary Authority of Singapore (“MAS”) Notice 637 on Risk Based Capital Adequacy Requirements for banks incorporated in Singapore. The P3 requirements specify reporting templates for most of the quantitative disclosures to enable market participants to better compare the capital adequacy and risk profile across banks via improved consistency in public disclosure.

For purpose of the quarterly disclosure for OCBC Group (“Group”) as at 31 March 2022, explanations of the drivers behind significant differences between reporting periods for the respective sections are provided where appropriate. The disclosure on the RWA flow statements for the following are omitted as there is no exposure treated under these approaches:

- Counterparty Credit Risk (“CCR”) under the Internal Models Method (“IMM”)
- Market Risk exposures under the Internal Models Approach (“IMA”)

## 2. KEY METRICS

The table below provides an overview of the Group's prudential regulatory metrics, as stipulated by MAS Notice 637.

	(a)	(b)	(c)	(d)	(e)	
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	
<b>Available Capital (S\$ million)</b>						
1	CET1 Capital	35,145	34,845	35,025	35,293	34,103
2	Tier 1 Capital	36,377	36,076	36,256	36,522	35,333
3	Total Capital	39,823	39,573	40,168	40,384	39,899
<b>Risk Weighted Assets (S\$ million)</b>						
4	Total RWA	231,144	224,866	225,877	219,740	220,150
<b>Risk-based Capital Ratios as a percentage of RWA (%)</b>						
5	CET1 Ratio	15.2	15.5	15.5	16.1	15.5
6	Tier 1 Ratio	15.7	16.0	16.1	16.6	16.0
7	Total Capital Ratio	17.2	17.6	17.8	18.4	18.1
<b>Additional CET1 buffer requirements as a percentage of RWA (%)</b>						
8	Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement	0.1	0.1	0.1	0.1	0.1
10	Bank G-SIB and/or D-SIB additional requirements	-	-	-	-	-
11	Total of Bank CET1 specific requirements <sup>1/</sup>	2.6	2.6	2.6	2.6	2.6
12	CET1 available after meeting the Reporting Bank's minimum capital requirements	7.2	7.6	7.8	8.4	8.0
<b>Leverage Ratio (S\$ million)</b>						
13	Total Leverage Ratio exposure measure	506,113	469,537	467,213	451,172	451,626
14	Leverage Ratio (%) <sup>2/</sup>	7.2	7.7	7.8	8.1	7.8
<b>Liquidity Coverage Ratio (S\$ million) <sup>3/</sup></b>						
15	Total High Quality Liquid Assets	74,186	70,437	65,960	62,172	64,135
16	Total net cash outflow	49,086	44,368	44,007	43,007	42,607
17	Liquidity Coverage Ratio (%)	151	159	150	145	151
<b>Net Stable Funding Ratio (S\$ million)</b>						
18	Total available stable funding	280,653	274,655	271,799	266,099	263,447
19	Total required stable funding	237,212	227,629	217,083	210,990	211,446
20	Net Stable Funding Ratio (%)	118	121	125	126	125

<sup>1/</sup> Sum of rows 8, 9 and 10

<sup>2/</sup> Computed by row 2 / row 13

<sup>3/</sup> Reported as simple averages of daily observations for the respective quarter

### 3. LEVERAGE RATIO

#### 3.1 Leverage Ratio Summary Comparison Table

Item	Amount (S\$m)	
	31 Mar 2022	31 Dec 2021
1 Total consolidated assets as per published financial statements	552,787	542,187
2 Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(108,910)	(108,389)
3 Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of exposure measure	0	0
4 Adjustment for derivative transactions	19,560	3,282
5 Adjustment for SFTs	384	192
6 Adjustment for off-balance sheet items	51,532	41,237
7 Other adjustments	(9,240)	(8,972)
<b>8 Exposure measure</b>	<b>506,113</b>	<b>469,537</b>

#### 3.2 Leverage Ratio Common Disclosure Table

Item	Amount (S\$m)	
	31 Mar 2022	31 Dec 2021
<b>Exposure measures of on-balance sheet items</b>		
1 On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	429,170	421,396
2 Asset amounts deducted in determining Tier 1 capital	(9,240)	(8,972)
<b>3 Total exposures measures of on-balance sheet items (excluding derivative transactions and SFTs)</b>	<b>419,930</b>	<b>412,424</b>
<b>Derivative exposure measures</b>		
4 Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	9,011	5,781
5 Potential future exposure associated with all derivative transactions	20,235	6,733
6 Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7 Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	(5)
8 CCP leg of trade exposures excluded	-	-
9 Adjusted effective notional amount of written credit derivatives	276	136
10 Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
<b>11 Total derivative exposure measures</b>	<b>29,522</b>	<b>12,645</b>
<b>SFT exposure measures</b>		
12 Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	4,745	3,039
13 Eligible netting of cash payables and cash receivables	-	-
14 SFT counterparty exposures	384	192
15 SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
<b>16 Total SFT exposure measures</b>	<b>5,129</b>	<b>3,231</b>
<b>Exposure measures of off-balance sheet items</b>		
17 Off-balance sheet items at notional amount	205,198	194,971
18 Adjustments for calculation of exposure measures of off-balance sheet items	(153,666)	(153,734)
<b>19 Total exposure measures of off-balance sheet items</b>	<b>51,532</b>	<b>41,237</b>
<b>Capital and Total exposures</b>		
<b>20 Tier 1 capital</b>	<b>36,377</b>	<b>36,076</b>
<b>21 Total exposures</b>	<b>506,113</b>	<b>469,537</b>
<b>Leverage Ratio</b>		
<b>22 Leverage ratio</b>	<b>7.2%</b>	<b>7.7%</b>

SFT: Securities Financing Transactions

CCP: Central Counterparty

#### 4. OVERVIEW OF RISK WEIGHTED ASSETS

The table below provides an overview of the Group's total RWA, broken down by the approaches with which the RWA are computed, as stipulated by MAS Notice 637. The increase in total RWA between December 2021 and March 2022 was mainly due to corporate loan growth and the change in regulatory methodology of computing exposure for derivatives from Current Exposure method to Standardised approach.

S\$ million	RWA		Minimal Capital Requirements <sup>1/</sup>	
	(a) Mar-22	(b) Dec-21	(c) Mar-22	
<b>1</b>	Credit Risk (excluding Counterparty Credit Risk)	183,353	180,249	18,335
<b>2</b>	Of which: Standardised Approach	39,129	38,461	3,913
<b>3</b>	Of which: Foundation Internal Ratings-Based Approach (F-IRBA)	124,934	122,857	12,493
<b>4</b>	Of which: Supervisory Slotting Approach	3,570	3,992	357
<b>5</b>	Of which: Advanced Internal Ratings-Based Approach (A-IRBA)	15,720	14,939	1,572
<b>6</b>	Credit Risk: Counterparty Credit Risk (CCR)	5,380	3,020	538
<b>7</b>	Of which: SA-CCR	3,161	2,050	316
<b>8</b>	Of which: Internal Models Method	-	-	-
<b>9</b>	Of which: Other CCR	270	305	27
<b>9a</b>	Of which: Central Counterparties (CCP)	1,949	665	195
<b>10</b>	Credit Valuation Adjustments (CVA)	4,070	3,440	407
<b>11</b>	Equity exposures under Simple Risk Weight Method	-	-	-
<b>11a</b>	Equity exposures under Internal Models Method	-	-	-
<b>12</b>	Equity investments in funds - Look Through Approach	182	211	18
<b>13</b>	Equity investments in funds - Mandate-Based Approach	253	235	25
<b>14</b>	Equity investments in funds - Fall Back Approach	9	9	1
<b>14a</b>	Equity investments in funds - Partial Use of an Approach	146	160	15
<b>15</b>	Unsettled Transactions	2	29	#
<b>16</b>	Securitisation exposures in banking book	-	-	-
<b>17</b>	Of which: SEC-IRBA	-	-	-
<b>18</b>	Of which: SEC-ERBA, including IAA	-	-	-
<b>19</b>	Of which: SEC-SA	-	-	-
<b>20</b>	Market Risk	11,683	11,681	1,168
<b>21</b>	Of which: Standardised Approach	11,683	11,681	1,168
<b>22</b>	Of which: Internal Models Approach	-	-	-
<b>23</b>	Operational Risk	16,119	16,021	1,612
<b>24</b>	Credit RWA pursuant to paragraph 6.1.3(p)(iii) <sup>2/</sup>	9,947	9,811	995
<b>25</b>	Floor Adjustment	-	-	-
<b>26</b>	<b>Total</b>	<b>231,144</b>	<b>224,866</b>	<b>23,114</b>

<sup>1/</sup> Minimum capital requirements are calculated at 10% of RWA

<sup>2/</sup> Refers to Credit RWA attributed to investments in the ordinary shares of unconsolidated major stake companies that are financial institutions, within the prescribed threshold amount in accordance with MAS Notice 637 paragraph 6.1.3 (p)(iii)

# Represents amounts of less than \$0.5 million

## 5. RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES

This table provides an overview of the quarter-on-quarter movement of Credit RWA (“CRWA”) attributed to the key drivers from rows 2 to 8.

The increase in CRWA during first quarter of 2022 was primarily due to corporate loan growth.

S\$ million	(a) RWA
<b>1 RWA as at 31 December 2021 <sup>1/</sup></b>	<b>141,789</b>
<b>2 Asset Size <sup>2/</sup></b>	5,453
<b>3 Asset Quality <sup>3/</sup></b>	(3,213)
<b>4 Model Updates <sup>4/</sup></b>	244
<b>5 Methodology and Policy <sup>5/</sup></b>	-
<b>6 Acquisitions and Disposals <sup>6/</sup></b>	-
<b>7 Foreign exchange movements <sup>7/</sup></b>	(49)
<b>8 Other <sup>8/</sup></b>	-
<b>9 RWA as at 31 March 2022 <sup>1/</sup> (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)</b>	<b>144,224</b>

<sup>1/</sup> Refers to RWA of Credit Risk (excluding Counterparty Credit Risk) exposures under IRB Approach and Supervisory Slotting Approach

<sup>2/</sup> Refers to organic changes in book size and composition (origination of new businesses and maturing loans), excluding acquisitions and disposal of entities

<sup>3/</sup> Refers to changes in the assessed quality of the bank’s assets due to changes in borrower risk, residual maturity or similar effects

<sup>4/</sup> Refers to changes due to model implementation, changes in model scope, or any model enhancements

<sup>5/</sup> Refers to changes driven by methodological changes such as regulatory policy changes

<sup>6/</sup> Refers to changes in book size due to acquisition and disposal of entities or portfolios

<sup>7/</sup> Refers to changes driven by market movements such as foreign exchange movements

<sup>8/</sup> Refers to changes that cannot be attributed to any other category

## 6. LIQUIDITY COVERAGE RATIO

The Group is subjected to the Liquidity Coverage Ratio (“LCR”) requirements under the MAS Notice 649. As at 1 January 2019, the Group is required to maintain daily all-currency and Singapore dollar (“SGD”) LCR of at least 100% on an ongoing basis.

LCR aims to ensure that a Bank maintains an adequate level of unencumbered High Quality Liquid Assets (“HQLA”) that can be quickly and easily converted into cash to meet any liquidity needs for a 30-calendar day liquidity stress scenario.

## 6. Liquidity Coverage Ratio (continued)

The following quarterly disclosures are made pursuant to the MAS Notice 651 “Liquidity Coverage Ratio Disclosure”.

For 1Q22, the average SGD and all-currency LCRs for the Group were 304% and 151% respectively. Compared to 4Q21, the average SGD LCR decreased by 20 percentage points largely driven by higher outflow from derivatives. The average all-currency LCR decreased by 8 percentage points due to higher outflow from wholesale deposits and debt issuances.

The Group continues to focus on acquiring stable deposits and on maintaining a mix of HQLA comprising mainly of Level 1 central bank reserves and liquid sovereign bonds. The Asset & Liability Management Desk in Global Treasury manages the day-to-day liquidity needs of the Group, and is subject to liquidity limits and triggers that serve as risk control on the Group’s liquidity exposure.

### Average Group All Currency LCR for 1Q22

The data presented in the quantitative disclosure are simple averages of daily observations over the quarter. The number of data points in calculating the average figures is 90.

Group - ALL Currency (\$m)		Total Unweighted Value (average)	Total Weighted Value (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		74,186
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	159,258	13,411
3	Stable deposits	50,302	2,515
4	Less stable deposits	108,956	10,896
5	Unsecured wholesale funding, of which:	128,224	57,751
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	41,333	9,989
7	Non-operational deposits (all counterparties)	79,342	40,214
8	Unsecured debt	7,549	7,549
9	Secured wholesale funding		287
10	Additional requirements, of which:	76,882	42,976
11	Outflows related to derivative exposures and other collateral requirements	38,281	38,182
12	Outflows related to loss of funding on debt products	236	236
13	Credit and liquidity facilities	38,365	4,558
14	Other contractual funding obligations	1,340	1,340
15	Other contingent funding obligations	16,559	497
16	<b>TOTAL CASH OUTFLOWS</b>		116,262
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	3,282	410
18	Inflows from fully performing exposures	50,081	29,776
19	Other cash inflows	37,122	36,990
20	<b>TOTAL CASH INFLOWS</b>	90,485	67,176
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		74,186
22	<b>TOTAL NET CASH OUTFLOWS</b>		49,086
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		151



## 6. Liquidity Coverage Ratio (continued)

### Average Group SGD LCR for 1Q22

The data presented in the quantitative disclosure are simple averages of daily observations over the quarter. The number of data points in calculating the average figures is 90.

Group - SGD (\$m)		Total Unweighted Value (average)	Total Weighted Value (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		29,313
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	93,068	7,195
3	Stable deposits	42,245	2,112
4	Less stable deposits	50,823	5,082
5	Unsecured wholesale funding, of which:	27,913	10,606
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	11,820	2,869
7	Non-operational deposits (all counterparties)	16,085	7,729
8	Unsecured debt	8	8
9	Secured wholesale funding		-
10	Additional requirements, of which:	35,007	19,838
11	Outflows related to derivative exposures and other collateral requirements	18,369	18,369
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	16,638	1,469
14	Other contractual funding obligations	898	898
15	Other contingent funding obligations	1,743	52
16	<b>TOTAL CASH OUTFLOWS</b>		38,589
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	483	-
18	Inflows from fully performing exposures	5,804	3,168
19	Other cash inflows	29,554	29,537
20	<b>TOTAL CASH INFLOWS</b>	35,840	32,706
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		29,313
22	<b>TOTAL NET CASH OUTFLOWS</b>		9,652
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		304