



Pillar 3 Disclosures

30 September 2024

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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 the Republic of Singapore. These requirements specify reporting templates for most of the quantitative and qualitative disclosures to enable market participants to better compare the capital adequacy and risk profile across banks via improved consistency in public disclosure.

The P3 disclosure requirements under the final Basel III reforms (“B3R”) came into effect from 1 July 2024 for Leverage Ratio, Credit and Operational Risk. For Market Risk and Credit Valuation Adjustment (“CVA”), the new P3 disclosure requirements will come into effect from 1 January 2025.

The output floor transitional arrangement commenced from 1 July 2024 and will reach full phase-in on 1 January 2029, with the output floor calibration applied on an incremental basis over this period. Refer to section 4 for more details.

For purpose of the quarterly disclosure for OCBC Group (“Group”) as at 30 September 2024, 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”)

The figures in this document are reported in Singapore dollars rounded to the nearest million, unless otherwise stated.

2. KEY METRICS

The table below provides an overview of the Group's prudential regulatory metrics, as stipulated by MAS Notice 637. The increase in Capital Ratios in September 2024 was largely attributed to the drop in Total RWA from the adoption of B3R.

		(a)	(b)	(c)	(d)	(e)
		Sep-24	Jun-24	Mar-24	Dec-23	Sep-23
Available Capital (\$ million)						
1	CET1 Capital	39,001	39,098	39,534	37,685	36,248
2	Tier 1 Capital	40,736	40,834	41,269	38,970	37,532
3	Total Capital	45,036	45,147	45,119	42,738	41,367
Risk Weighted Assets (\$ million)						
4	Total RWA	227,201	251,747	244,678	236,694	245,085
4a	Total RWA (pre-floor)	227,201				
Risk-based Capital Ratios as a percentage of RWA (%)						
5	CET1 Ratio	17.2	15.5	16.2	15.9	14.8
5a	CET1 Ratio (pre-floor)	17.2				
6	Tier 1 Ratio	17.9	16.2	16.9	16.5	15.3
6a	Tier 1 Ratio (pre-floor)	17.9				
7	Total Capital Ratio	19.8	17.9	18.4	18.1	16.9
7a	Total Capital Ratio (pre-floor)	19.8				
Additional CET1 buffer requirements as a percentage of RWA (%)						
8	Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement	0.4	0.3	0.3	0.3	0.3
10	Bank G-SIB and/or D-SIB additional requirements	-	-	-	-	-
11	Total of Bank CET1 specific requirements ^{1/}	2.9	2.8	2.8	2.8	2.8
12	CET1 available after meeting the Reporting Bank's minimum capital requirements	9.8	7.9	8.4	8.1	6.9
Leverage Ratio (\$ million)						
13	Total Leverage Ratio exposure measure	541,204	567,073	567,695	543,936	549,579
14	Leverage Ratio (%) ^{2/}	7.5	7.2	7.3	7.2	6.8
14a	Leverage Ratio (%) incorporating mean values for SFT assets	7.5				
Liquidity Coverage Ratio (\$ million) ^{3/}						
15	Total High Quality Liquid Assets	90,611	92,643	85,611	81,368	87,400
16	Total net cash outflow	64,347	67,340	58,785	56,145	55,253
17	Liquidity Coverage Ratio (%)	141	138	146	145	159
Net Stable Funding Ratio (\$ million)						
18	Total available stable funding	306,618	303,473	301,939	295,181	298,113
19	Total required stable funding	268,759	260,052	262,011	254,966	256,050
20	Net Stable Funding Ratio (%)	114	114	115	116	116

^{1/} Sum of rows 8, 9 and 10

^{2/} Computed by row 2 / row 13

^{3/} Reported as simple averages of daily observations for the respective quarter

3. LEVERAGE RATIO

3.1 Leverage Ratio Summary Comparison Table

This table is to reconcile the total assets in the published financial statements to the leverage ratio exposure measure.

		Amount ^{1/} (S\$ million)
Item		30 Sep 2024
1	Total consolidated assets as per published financial statements	602,006
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(111,895)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the leverage ratio exposure measure	-
5	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
6	Adjustments for eligible cash pooling arrangements	-
7	Adjustment for derivative transactions	15,238
8	Adjustment for SFTs	1,354
9	Adjustment for off-balance sheet items	45,067
10	Adjustments for prudent valuation adjustments and specific and general allowances which have reduced Tier 1 capital	(22)
11	Other adjustments	(10,544)
12	Leverage ratio exposure measure	541,204

^{1/} Computed using quarter-end balances

3.2 Leverage Ratio Common Disclosure Table

This table is to provide a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers. The increase in Leverage Ratio was mainly due to lower asset base.

		Amount ^{1/} (\$ million)	
Item		30 Sep 2024	30 Jun 2024
Exposure measures of on-balance sheet items			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	474,931	470,880
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets in accordance with the Accounting Standards	-	-
3	Deductions of receivable assets for cash variation margin provided in derivatives transactions	-	-
4	Adjustment for collateral received under securities financing transactions that are recognised as assets	-	-
5	Specific and general allowances associated with on-balance sheet exposures that are deducted from Tier 1 capital	(3,990)	
6	Asset amounts deducted in determining Tier 1 capital and regulatory adjustments	(10,567)	(10,002)
7	Total exposures measures of on-balance sheet items (excluding derivative transactions and SFTs)	460,374	460,878
Derivative exposure measures			
8	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins and net of bilateral netting)	6,930	15,256
9	Potential future exposure associated with all derivative transactions	21,316	27,294
10	CCP leg of trade exposures excluded in respect of derivative transactions cleared on behalf of clients	-	-
11	Adjusted effective notional amount of written credit derivatives	865	161
12	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
13	Total derivative exposure measures	29,111	42,711

^{1/} Computed using quarter-end balances

3.2 Leverage Ratio Common Disclosure Table (continued)

Item	Amount ^{1/} (S\$ million)	
	30 Sep 2024	30 Jun 2024
SFT exposure measures		
14 Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	6,004	6,427
15 Eligible netting of cash payables and cash receivables	-	-
16 SFT counterparty exposures	1,339	201
17 SFT exposure measures where the Reporting Bank acts as an agent in the SFTs	-	-
18 Total SFT exposure measures	7,343	6,628
Exposure measures of off-balance sheet items		
19 Off-balance sheet items at notional amount	215,462	232,109
20 Adjustments for calculation of exposure measures of off-balance sheet items	(170,395)	(175,253)
21 Specific and general allowances associated with off-balance sheet exposures deducted in determining Tier 1 capital	(691)	
22 Total exposure measures of off-balance sheet items	44,376	56,856
Capital and Total exposures		
23 Tier 1 capital	40,736	40,834
24 Total exposures	541,204	567,073
Leverage Ratio		
25 Leverage ratio	7.5%	7.2%
26 National minimum leverage ratio requirement	3.0%	3.0%
27 Applicable leverage buffers	-	-
Disclosures of mean values		
28 Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	6,232	
29 Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	6,004	6,427
30 Total exposures incorporating values from row 28	541,432	
31 Leverage ratio incorporating values from row 28	7.5%	

^{1/} Computed using quarter-end balances

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. Movements in Credit Risk and Operational Risk was largely due to the adoption of B3R. Refer to section 6 for more details on Credit Risk.

S\$ million	(a)	(b)	(c)
	RWA		Minimal Capital Requirements ^{1/}
	Sep-24	Jun-24	Sep-24
1 Credit Risk (excluding CCR)	177,157	197,513	17,716
2 Of which: Standardised Approach	28,248	27,375	2,825
3 Of which: F-IRBA	131,112	153,755	13,111
4 Of which: Supervisory Slotting Approach	2,869	3,044	287
5 Of which: A-IRBA	14,928	13,339	1,493
6 CCR	4,869	4,697	487
7 Of which: SA-CCR	4,307	3,918	431
8 Of which: Internal Models Method	-	-	-
9 Of which: Other CCR	326	322	32
10 Of which: CCP	236	457	24
11 CVA	3,374	3,050	337
12 Equity investments in funds - Look Through Approach	144	166	14
13 Equity investments in funds - Mandate-Based Approach	333	231	33
14 Equity investments in funds - Fall Back Approach	29	30	3
15 Equity investments in funds - Partial Use of an Approach	125	126	12
16 Unsettled Transactions	8	13	1
17 Securitisation exposures in banking book	-	-	-
18 Of which: SEC-IRBA	-	-	-
19 Of which: SEC-ERBA	-	-	-
20 Of which: SEC-IAA	-	-	-
21 Of which: SEC-SA	-	-	-
22 Market Risk ^{2/}	16,947	15,175	1,695
23 Of which: SA(MR)	16,947	15,175	1,695
24 Of which: SSA(MR)	-	-	-
25 Of which: IMA	-	-	-
26 Capital Charge for switch between trading book and banking book	-		-
27 Operational Risk	13,020	19,636	1,302
28 Amounts below the threshold for deduction (subject to 250% risk weight)	11,195	11,110	1,120
29 Output Floor Calibration (%)	50.0		
30 Floor Adjustment	-	-	-
31 Total	227,201	251,747	22,720

^{1/} Minimum capital requirements are calculated at 10% of RWA

^{2/} Excluding CCR, CVA and Capital Charge for switch between trading book and banking book

5. COMPARISON OF MODELLED AND STANDARDISED RWA AT RISK LEVEL

This table compares the RWA calculated using the Group's nominated approaches from columns a to c against the RWA calculated using only Standardised approaches under column d.

	(a)	(b)	(c)	(d)
	RWA for portfolios under Modelled Approach	RWA for portfolios under Standardised Approaches	Total RWA (a + b)	Total RWA for portfolios calculated using only Standardised Approaches
S\$ million				
1 Credit Risk (excluding CCR)	148,909	28,248	177,157	297,710
2 CCR	3,616	1,253	4,869	8,620
3 CVA	-	3,374	3,374	3,374
4 Securitisation exposures in the banking book	-	-	-	-
5 Market Risk	-	16,947	16,947	16,947
6 Operational Risk		13,020	13,020	13,020
7 Residual RWA ^{1/}		11,834	11,834	11,834
8 Total	152,525	74,676	227,201	351,505

^{1/} Includes Equity Investment in Funds, Unsettled Transactions, Capital Charge for switch between Trading and Banking Book and Amounts below the threshold for deduction

6. RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES

This table provides an overview of the quarter-on-quarter movement of Credit RWA attributed to the key drivers from rows 2 to 8. The reduction in Credit RWA during September 2024 was primarily due to the adoption of B3R.

	S\$ million	(a) RWA
1	RWA as at 30 June 2024 ^{1/}	170,138
2	Asset Size ^{2/}	(787)
3	Asset Quality ^{3/}	3,069
4	Model Updates	288
5	Methodology and Policy	(22,108)
6	Acquisitions and Disposals	-
7	Foreign exchange movements ^{4/}	(1,691)
8	Other	-
9	RWA as at 30 September 2024 ^{1/} (1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)	148,909

^{1/} Refers to RWA of Credit Risk (excluding CCR) exposures under IRBA and Supervisory Slotting Approach

^{2/} Refers to organic changes in book size and composition excluding acquisitions and disposal of entities

^{3/} Refers to changes in the assessed quality of the bank's assets due to changes in borrower risk, residual maturity or similar effects

^{4/} Refers to changes driven by market movements such as foreign exchange movements

7. LIQUIDITY COVERAGE RATIO

The Group is subjected to the Liquidity Coverage Ratio (“LCR”) requirements under the MAS Notice 649. Starting from 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.

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

For 3Q24, the average SGD and all-currency LCRs for the Group were 337% and 141% respectively. Compared to 2Q24, the average SGD LCR increased by 21 percentage points largely driven by a decrease in Net Cash Outflows (“NCO”) from higher inflow from net FX derivatives, partially offset by decreased HQLA from lower central bank reserves. The average all-currency LCR increased by 3 percentage points due to a decrease in NCO from lower outflows from maturing wholesale funding, partially offset by decreased HQLA from lower central bank reserves.

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 Markets 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.

7.1 Average Group All Currency LCR

For the Quarter ended 30 September 2024

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 92.

Group - All Currency (S\$ million)		Total Unweighted Value (Average)	Total Weighted Value (Average)
High-Quality Liquid Assets (HQLA)			
1	Total High-Quality Liquid Assets (HQLA)		90,611
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	181,265	15,033
3	Stable deposits	59,048	2,952
4	Less stable deposits	122,217	12,081
5	Unsecured wholesale funding, of which:	126,170	61,543
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	37,176	8,930
7	Non-operational deposits (all counterparties)	80,096	43,715
8	Unsecured debt	8,898	8,898
9	Secured wholesale funding		2,250
10	Additional requirements, of which:	53,549	15,573
11	Outflows related to derivative exposures and other collateral requirements	10,884	10,814
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	42,665	4,759
14	Other contractual funding obligations	1,844	1,844
15	Other contingent funding obligations	16,885	507
16	Total Cash Outflows		96,749
Cash Inflows			
17	Secured lending (e.g. reverse repos)	3,615	903
18	Inflows from fully performing exposures	38,513	22,017
19	Other cash inflows	9,606	9,482
20	Total Cash Inflows	51,734	32,403
Total Adjusted Value			
21	Total HQLA		90,611
22	Total Net Cash Outflows (NCO)		64,347
23	Liquidity Coverage Ratio (LCR) (%)		141

7.2 Average Group SGD LCR

For the Quarter ended 30 September 2024

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 92.

Group - SGD (\$ million)		Total Unweighted Value (Average)	Total Weighted Value (Average)
High-Quality Liquid Assets (HQLA)			
1	Total High-Quality Liquid Assets (HQLA)		42,780
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	102,352	7,703
3	Stable deposits	50,651	2,533
4	Less stable deposits	51,701	5,170
5	Unsecured wholesale funding, of which:	26,861	10,549
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	10,552	2,524
7	Non-operational deposits (all counterparties)	16,235	7,951
8	Unsecured debt	74	74
9	Secured wholesale funding		-
10	Additional requirements, of which:	25,549	12,321
11	Outflows related to derivative exposures and other collateral requirements	10,874	10,874
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	14,675	1,447
14	Other contractual funding obligations	1,069	1,069
15	Other contingent funding obligations	2,100	63
16	Total Cash Outflows		31,704
Cash Inflows			
17	Secured lending (e.g. reverse repos)	497	0
18	Inflows from fully performing exposures	5,578	3,086
19	Other cash inflows	15,869	15,840
20	Total Cash Inflows	21,944	18,927
Total Adjusted Value			
21	Total HQLA		42,780
22	Total Net Cash Outflows (NCO)		12,778
23	Liquidity Coverage Ratio (LCR) (%)		337

8. Abbreviations

These abbreviated terms are used in this document.

Abbreviation	Description
A-IRBA	Advanced Internal Ratings-Based Approach
B3R	Basel III Reforms
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Bank
F-IRBA	Foundation Internal Ratings-Based Approach
G-SIB	Global Systemically Important Bank
HQLA	High-Quality Liquid Assets
IMA	Internal Models Approach
IMM	Internal Models Method
LCR	Liquidity Coverage Ratio
MAS	Monetary Authority of Singapore
NCO	Net Cash Outflow
NSFR	Net Stable Funding Ratio
RWA	Risk Weighted Assets
SA-CCR	Standardised Approach for Counterparty Credit Risk
SA(MR)	Standardised Approach for Market Risk
SSA(MR)	Simplified Standardised Approach for Market Risk
SEC-ERBA	Securitisation External Ratings-Based Approach
SEC-IAA	Securitisation Internal Assessment Approach
SEC-IRBA	Securitisation Internal Ratings-Based Approach
SEC-SA	Securitisation Standardised Approach
SFT	Securities Financing Transaction