



創興銀行有限公司  
**Chong Hing Bank Limited**  
(Incorporated in Hong Kong with limited liability)

**REGULATORY DISCLOSURES**

**31 March 2022**

**(Unaudited)**

## **Regulatory disclosures (unaudited)**

### **Introduction**

The information contained in this document is for Chong Hing Bank Limited ("the Bank") and its subsidiaries ("the Group") to comply with the Banking (Disclosure) Rules ("the BDR") made under section 60A of the Banking Ordinance. The banking disclosures are prepared in accordance with the BDR and disclosure templates issued by the Hong Kong Monetary Authority ("the HKMA"). It has been prepared on a consolidated basis for regulatory purposes which is different from the consolidated basis for accounting purposes.

The approaches used in calculating the Group's regulatory capital and risk-weighted assets are in accordance with the Banking (Capital) Rules. The Group uses the standardised (credit risk) approach to calculate its credit risk. For counterparty credit risk, the Group uses the standardised approach (counterparty credit risk) to calculate its default risk exposures starting from 30 June 2021. For market risk, the Group uses the standardised (market risk) approach to calculate its market risk. For operational risk, the Group uses the basic indicator approach to calculate its operational risk.

A disclosure policy has been put in place for the disclosure of material information (including inside information) relating to the businesses, state of affairs, profit or loss and capital adequacy ratio to the stakeholders and the public in compliance with the disclosure obligations required by the Banking Ordinance, the Securities and Futures Ordinance and other applicable laws, rules and regulations. The banking disclosures are governed by the Group's disclosure policy, which have been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. The banking disclosures are reviewed by independent party in accordance with the Group's disclosure policy.

The Group's Banking Disclosure Statement at 31 March 2022 comprises Pillar 3 information required under the framework of the Basel Committee on Banking Supervision. 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 in the Regulatory Disclosures section of our website, [www.chbank.com](http://www.chbank.com).

**1: Key prudential ratios (unaudited)**

In HK\$'000		(a)	(b)	(c)	(d)	(e)
		As at 31 March 2022	As at 31 December 2021	As at 30 September 2021	As at 30 June 2021	As at 31 March 2021
	<b>Regulatory capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	26,559,686	26,274,359	20,910,898	20,466,063	20,304,706
2	Tier 1	31,987,682	31,702,355	26,338,894	25,894,059	25,732,702
3	Total Capital	36,484,521	36,169,029	30,717,688	30,258,589	30,074,871
	<b>RWA (amount)</b>					
4	Total RWA	188,112,306	188,669,987	184,822,639	182,464,542	178,286,936
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	14.12%	13.93%	11.31%	11.22%	11.39%
6	Tier 1 ratio (%)	17.00%	16.80%	14.25%	14.19%	14.43%
7	Total capital ratio (%)	19.40%	19.17%	16.62%	16.58%	16.87%
	<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 (%)	0.595%	0.616%	0.618%	0.625%	0.651%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.095%	3.116%	3.118%	3.125%	3.151%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.62%	9.43%	6.81%	6.72%	6.89%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	260,517,000	263,932,522	249,535,043	251,347,508	252,208,811
14	LR (%)	12.28%	12.01%	10.56%	10.30%	10.20%
	<b>Liquidity Maintenance Ratio (LMR)</b>					
17a	LMR (%)	47.91%	45.76%	45.19%	46.88%	44.56%
	<b>Core Funding Ratio (CFR)</b>					
20a	CFR (%)	172.65%	164.87%	173.16%	181.89%	175.37%

**2: Overview of RWA (unaudited)**

The following table sets out the RWA by risk types and the corresponding minimum capital requirements (i.e. 8% of RWA), as required by the HKMA.

In HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2022	As at 31 December 2021	As at 31 March 2022
1	Credit risk for non-securitization exposures	172,728,460	173,572,811	13,818,277
2	<i>Of which STC approach</i>	172,728,460	173,572,811	13,818,277
2a	<i>Of which BSC approach</i>	-	-	-
3	<i>Of which foundation IRB approach</i>	-	-	-
4	<i>Of which supervisory slotting criteria approach</i>	-	-	-
5	<i>Of which advanced IRB approach</i>	-	-	-
6	Counterparty default risk and default fund contributions	800,248	1,029,264	64,020
7	<i>Of which SA-CCR approach</i>	776,819	784,411	62,146
7a	<i>Of which CEM</i>	-	-	-
8	<i>Of which IMM(CCR) approach</i>	-	-	-
9	<i>Of which others</i>	23,429	244,853	1,874
10	CVA risk	247,875	245,038	19,830
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	Not applicable	Not applicable	Not applicable
13	CIS exposures – MBA	Not applicable	Not applicable	Not applicable
14	CIS exposures – FBA	Not applicable	Not applicable	Not applicable
14a	CIS exposures – combination of approaches	Not applicable	Not applicable	Not applicable
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	9,248	9,225	740
17	<i>Of which SEC-IRBA</i>	-	-	-
18	<i>Of which SEC-ERBA (including IAA)</i>	-	-	-
19	<i>Of which SEC-SA</i>	9,248	9,225	740
19a	<i>Of which SEC-FBA</i>	-	-	-
20	Market risk	6,465,213	6,158,550	517,217
21	<i>Of which STM approach</i>	6,465,213	6,158,550	517,217
22	<i>Of which IMM approach</i>	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	Not applicable	Not applicable	Not applicable
24	Operational risk	7,468,313	7,262,150	597,465
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	531,423	531,423	42,514
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	138,474	138,474	11,078
26b	<i>Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital</i>	-	-	-
26c	<i>Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital</i>	138,474	138,474	11,078
27	Total	188,112,306	188,669,987	15,048,985

Total RWA decreased by HK\$0.6 billion as compared with last quarter. RWA for credit risk for non-securitization exposures was the main contributor and the key driver for the decrease was the decrease in bank exposures.

**3: Leverage ratio (unaudited)**

		(a)	(b)
		As at 31 March 2022	As at 31 December 2021
In HK\$'000			
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	247,793,970	250,959,614
2	Less: Asset amounts deducted in determining Tier 1 capital	(1,496,697)	(1,787,181)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	246,297,273	249,172,433
<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)	422,455	664,065
5	Add-on amounts for PFE associated with all derivative contracts	1,666,019	1,468,885
6	Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(585,408)	(1,143,103)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit-related derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	-	-
11	<b>Total exposures arising from derivative contracts</b>	1,503,066	989,847
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	3,260,876	3,595,997
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	2,237	12,035
15	Agent transaction exposures	-	-
16	<b>Total exposures arising from SFTs</b>	3,263,113	3,608,032
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	58,535,610	59,726,687
18	Less: Adjustments for conversion to credit equivalent amounts	(47,484,412)	(48,228,836)
19	<b>Off-balance sheet items</b>	11,051,198	11,497,851
<b>Capital and total exposures</b>			
20	Tier 1 capital	31,987,682	31,702,355
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	262,114,650	265,268,163
20b	<b>Adjustments for specific and collective provisions</b>	(1,597,650)	(1,335,641)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	260,517,000	263,932,522
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	12.28%	12.01%