

# The Hongkong and Shanghai Banking Corporation Limited

**Banking Disclosure Statement at 31 March 2023  
(Unaudited)**

## Contents

<b>2</b>	<b>Introduction</b>
2	Purpose
2	Basis of preparation
2	The Banking Disclosure Statement
2	Loss-absorbing Capacity Disclosures
3	Key metrics
<b>5</b>	<b>Capital and RWAs</b>
5	Leverage ratio
6	Overview of RWAs and the minimum capital requirements
7	RWA flow statements
<b>8</b>	<b>Liquidity information</b>
<b>10</b>	<b>Other information</b>
10	Abbreviations

## Tables

<b>3</b>	1 KM1 – Key prudential ratios
<b>4</b>	2 KM2(A) – Key metrics – LAC requirements for material subsidiaries
<b>5</b>	3 LR2 – Leverage ratio
<b>6</b>	4 OV1 – Overview of RWAs
<b>7</b>	5 CR8 – RWA flow statement of credit risk exposures under IRB approach
<b>7</b>	6 CCR7 – RWA flow statement of default risk exposures under IMM (CCR) approach
<b>7</b>	7 MR2 – RWA flow statement of market risk exposures under IMM approach
<b>8</b>	8 Average liquidity coverage ratio
<b>8</b>	9 Total weighted amount of high-quality liquid assets
<b>9</b>	10 LIQ1 – Liquidity coverage ratio – for category 1 institution

# Introduction

## Purpose

The information contained in this document relates to The Hongkong and Shanghai Banking Corporation Limited ('the Bank') and its subsidiaries (together 'the group'). The Banking Disclosure Statement complies with both the Banking (Disclosure) Rules ('BDR') made under section 60A of the Banking Ordinance and the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ('LAC Rules') made under section 19(1) of the Financial Institutions (Resolution) Ordinance ('FIRO').

References to 'HSBC', 'the Group' or 'the HSBC Group' within this document mean HSBC Holdings plc together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. The abbreviations 'HK\$m' and 'HK\$bn' represent millions and billions (thousands of millions) of Hong Kong dollars respectively.

These banking disclosures are governed by the group's disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the 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 approaches used in calculating the group's regulatory capital and risk-weighted assets ('RWAs') are in accordance with the Banking (Capital) Rules ('BCR'). The group uses the advanced internal ratings-based ('IRB') approach to calculate its credit risk for the majority of its non-securitisation exposures. For collective investment scheme ('CIS') exposures, the group uses the look-through approach and mandate-based approach to calculate the risk-weighted amount. For securitisation exposures, the group uses the securitisation internal ratings-based approach ('SEC-IRBA'), securitisation external ratings-based approach ('SEC-ERBA'), or securitisation standardised approach ('SEC-SA') to determine credit risk for its banking book securitisation exposures. For counterparty credit risk ('CCR'), the group uses both the standardised (counterparty credit risk) approach ('SA-CCR') and the internal models (counterparty credit risk) ('IMM(CCR)') approach to calculate its default risk exposures for derivatives, and the comprehensive approach for securities financing transactions ('SFTs'). For market risk, the group uses an internal models ('IMM') approach to calculate its general market risk for the risk categories of interest rate and foreign exchange (including gold) exposures, and equity exposures. The group also uses an IMM approach to calculate its market risk in respect of specific risk for interest rate exposures and equity exposures. The group uses the standardised (market risk) ('STM') approach for calculating other market risk positions, as well as trading book securitisation exposures, and the standardised (operational risk) ('STO') approach to calculate its operational risk.

## The Banking Disclosure Statement

The group's Banking Disclosure Statement at 31 March 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 and the LAC Rules issued by the Hong Kong Monetary Authority ('HKMA'). According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosure section of our website, [www.hsbc.com.hk](http://www.hsbc.com.hk).

The Banking Disclosure Statement includes the majority of the information required under the BDR and the LAC Rules. The Main Features of Regulatory Capital Instruments and Non-capital LAC Debt Instruments are published as a standalone document. The remainder of the disclosure requirements are covered in the group's *Annual Report and Accounts 2022* which can be found in the Regulatory Disclosure section of our website, [www.hsbc.com.hk](http://www.hsbc.com.hk).

## Loss-absorbing Capacity Disclosures

HSBC Asia Holdings Limited ('HAHO'), a wholly-owned subsidiary of HSBC Holdings plc and the intermediate holding company of the group, is designated as the resolution entity for the group, where adequate loss-absorbing capacity ('LAC') has to be available in a form that will be bailed-in at the point of resolution. The group's LAC disclosures are included as part of this Banking Disclosure Statement while the LAC disclosures of HAHO will be included as part of the HSBC Group's disclosures which can be found in the Investors section of the Group's website, [www.hsbc.com](http://www.hsbc.com). The location of HAHO's LAC disclosures can be found in the following table:

### Location of HAHO's LAC disclosures at 1Q23:

KM2 – Key metrics of the Asian resolution group

- Page 9 of the HSBC Group's Pillar 3 Disclosures CCA(A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments
- A standalone document which can be found in : [www.hsbc.com/investors/fixed-income-investors/regulatory-debt-main-features](http://www.hsbc.com/investors/fixed-income-investors/regulatory-debt-main-features)

## Key metrics

Table 1: KM1 – Key prudential ratios

	a	b	c	d	e	
	At					
	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	
<b>Regulatory capital (HK\$m)<sup>1</sup></b>						
1	Common Equity Tier 1 ('CET1')	510,956	491,562	469,133	467,359	468,885
2	Tier 1	564,908	545,572	523,053	521,391	515,037
3	Total capital	629,800	607,312	582,105	583,691	571,095
<b>RWAs (HK\$m)<sup>1</sup></b>						
4	Total RWAs	3,173,613	3,222,168	3,186,026	3,252,522	3,206,381
<b>Risk-based regulatory capital ratios (as a percentage of RWA)<sup>1</sup></b>						
5	CET1 ratio (%)	16.1	15.3	14.7	14.4	14.6
6	Tier 1 ratio (%)	17.8	16.9	16.4	16.0	16.1
7	Total capital ratio (%)	19.8	18.8	18.3	17.9	17.8
<b>Additional CET1 buffer requirements (as a percentage of RWA)<sup>1</sup></b>						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical capital buffer ('CCyB') requirement (%) <sup>2</sup>	0.56	0.56	0.51	0.51	0.50
10	Higher loss absorbency requirement (%) (applicable only to Global systemically important authorised institution ('G-SIBs') or Domestic systemically important authorised institution ('D-SIBs'))	2.50	2.50	2.50	2.50	2.50
11	Total authorised institution ('AI')-specific CET1 buffer requirements (%)	5.56	5.56	5.51	5.51	5.50
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.6	10.8	10.2	9.9	9.8
<b>Basel III leverage ratio<sup>3</sup></b>						
13	Total leverage ratio ('LR') exposure measure (HK\$m)	9,475,334	9,301,363	9,266,023	9,422,058	9,462,765
14	LR (%)	6.0	5.9	5.6	5.5	5.4
<b>Liquidity Coverage Ratio ('LCR')<sup>4</sup></b>						
15	Total high quality liquid assets ('HQLA') (HK\$m)	1,896,005	1,886,003	1,902,154	1,953,032	2,016,383
16	Total net cash outflows (HK\$m)	1,215,253	1,196,437	1,230,424	1,266,403	1,317,227
17	LCR (%)	156.5	157.8	154.8	154.5	153.2
<b>Net Stable Funding Ratio ('NSFR')<sup>5</sup></b>						
18	Total available stable funding (HK\$m)	5,646,959	5,542,592	5,381,772	5,559,766	5,561,953
19	Total required stable funding (HK\$m)	3,703,516	3,639,518	3,649,224	3,719,911	3,697,289
20	NSFR (%)	152.5	152.3	147.5	149.5	150.4

- <sup>1</sup> The regulatory capital, RWAs, risk-based regulatory capital ratios and additional CET1 buffer requirements above are based on or derived from the information as contained in the 'Capital Adequacy Ratio' return submitted to the HKMA on a consolidated basis under the requirements of section 3C(1) of the BCR.
- <sup>2</sup> The jurisdictional CCyB of Hong Kong used in the calculation of the CCyB buffer requirement has been 1.0% since 31 March 2020. The jurisdictional CCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 2.5% at 31 March 2023.
- <sup>3</sup> The Basel III leverage ratios are disclosed in accordance with the information contained in the 'Leverage Ratio' return submitted to the HKMA under the requirements specified in Part 1C of the BCR.
- <sup>4</sup> The Liquidity Coverage Ratios shown are the simple average values of all working days in the reporting periods and are made in accordance with the requirements specified in the 'Liquidity Position' return submitted to the HKMA under rule 11(1) of the Banking (Liquidity) Rules ('BLR').
- <sup>5</sup> The Net Stable Funding Ratio disclosures are made in accordance with the information contained in the 'Stable Funding Position' return submitted to the HKMA under the requirements specified in rule 11(1) of the BLR.

Table 2: KM2(A) – Key metrics – LAC requirements for material subsidiaries

	a	b	c	d	e	
	At					
	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022	
<b>At LAC consolidation group level</b>						
1	Internal loss-absorbing capacity available (HK\$m)	904,573	841,962	802,755	808,512	756,510
2	Risk-weighted amount under the LAC Rules (HK\$m)	3,173,613	3,222,168	3,186,026	3,252,522	3,206,381
3	Internal LAC risk-weighted ratio (%)	28.5	26.1	25.2	24.9	23.6
4	Exposure measure under the LAC Rules (HK\$m)	9,469,537	9,294,951	9,259,655	9,415,660	9,454,727
5	Internal LAC leverage ratio (%)	9.6	9.1	8.7	8.6	8.0
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the Financial Stability Board ('FSB') Total Loss-absorbing Capacity ('TLAC') Term Sheet apply? <sup>1</sup>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>1</sup>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6c	If the capped subordination exemption applies, the amount of funding issued that ranks <i>pari passu</i> with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks <i>pari passu</i> with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied (%) <sup>1</sup>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

<sup>1</sup> The subordination exemptions in the antepenultimate and penultimate paragraphs of Section 11 of the FSB TLAC Term Sheet do not apply in Hong Kong under the LAC Rules.

At 31 March 2023, the internal LAC risk-weighted ratio increased to 28.5% from 26.1% at 31 December 2022 and the internal LAC leverage ratio increased to 9.6% from 9.1% at 31 December 2022. Both increases in the internal LAC risk-weighted ratio and the internal LAC leverage ratio were mainly due to higher internal LAC available.

Internal LAC available increased by HK\$62.6bn in the first quarter of 2023, arising from an increase of HK\$22.5bn in regulatory capital elements and an increase of HK\$40.1bn in non-regulatory capital elements. The increase in regulatory capital was mainly due to:

- higher regulatory profits net of dividend paid of HK\$21.9bn;
- favourable foreign currency translation differences of HK\$4.1bn; and
- the issuance of a new Tier 2 capital instrument of HK\$5.9bn;

partly offset by

- an increase in the threshold deduction for significant investments in financial sector entities of HK\$7.8bn.

The increase in non-regulatory capital was driven by the issuance of new LAC instruments of HK\$39.2bn and an increase in the carrying value of LAC instruments of HK\$6.4bn, partly offset by the redemption of LAC instruments of HK\$5.5bn.

## Capital and RWAs

### Leverage ratio

The following table shows the leverage ratio, Tier 1 capital and total exposure measure as contained in the 'Leverage Ratio' return submitted to the HKMA under the requirements specified in Part 1C of the BCR.

Table 3: LR2 – Leverage ratio

	a	b	
	<b>31 Mar 2023 HK\$m</b>	31 Dec 2022 HK\$m	
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and securities financing transactions ('SFTs'), but including collateral)	7,713,134	7,374,467
2	Less: Asset amounts deducted in determining Tier 1 capital	<b>(271,948)</b>	(264,393)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>7,441,186</b>	7,110,074
<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)	<b>108,735</b>	129,310
5	Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	<b>277,082</b>	292,434
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	<b>(90,534)</b>	(103,400)
8	Less: Exempted central counterparty ('CCP') leg of client-cleared trade exposures	<b>(38,139)</b>	(42,752)
9	Adjusted effective notional amount of written credit-related derivative contracts	<b>218,114</b>	225,248
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	<b>(198,959)</b>	(204,221)
11	<b>Total exposures arising from derivative contracts</b>	<b>276,299</b>	296,619
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	<b>1,103,517</b>	1,254,471
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	<b>(27,118)</b>	(29,470)
14	CCR exposure for SFT assets	<b>36,621</b>	36,535
16	<b>Total exposures arising from SFTs</b>	<b>1,113,020</b>	1,261,536
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	<b>3,687,520</b>	3,605,101
18	Less: Adjustments for conversion to credit equivalent amounts	<b>(3,000,971)</b>	(2,930,280)
19	<b>Off-balance sheet items</b>	<b>686,549</b>	674,821
<b>Capital and total exposures</b>			
20	Tier 1 capital	<b>564,908</b>	545,572
20a	<b>Total exposures before adjustments for specific and collective provisions</b>	<b>9,517,054</b>	9,343,050
20b	Adjustments for specific and collective provisions	<b>(41,720)</b>	(41,687)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>9,475,334</b>	9,301,363
<b>Leverage ratio</b>			
22	Leverage ratio (%)	<b>6.0</b>	5.9

The leverage ratio was 6.0% at 31 March 2023, an increase from 5.9% at 31 December 2022 due to higher Tier 1 capital, partly offset by an increase in exposures. Total exposures increased by HK\$174.0bn in the first quarter of 2023, mainly due to:

- an increase in trading assets of HK\$70.2bn;
  - an increase in exposures to debt securities of HK\$67.5bn; and
  - an increase from SFTs of HK\$44.5bn mainly as a result of higher demand for reverse repo trades;
- partly offset by
- a decrease in derivative exposures of HK\$20.3bn.

## Overview of RWAs and the minimum capital requirements

Table 4: OV1 – Overview of RWAs

	a	b	c
	RWAs <sup>1</sup>	RWAs <sup>1</sup>	Minimum capital requirements <sup>2</sup>
	31 Mar 2023	31 Dec 2022	31 Mar 2023
	HK\$m	HK\$m	HK\$m
1 <b>Credit risk for non-securitisation exposures</b>	<b>2,240,536</b>	2,301,218	<b>188,826</b>
2 – of which: standardised (credit risk) ('STC') approach	244,006	249,634	19,520
4 – of which: supervisory slotting criteria approach	134,714	133,756	11,424
5 – of which: advanced IRB approach	1,861,816	1,917,828	157,882
6 <b>Counterparty default risk and default fund contributions</b>	<b>84,261</b>	90,494	<b>7,073</b>
7 – of which: SA-CCR	35,694	43,136	2,996
8 – of which: IMM(CCR) approach	29,384	28,548	2,469
9 – of which: Others	19,183	18,810	1,608
10 <b>Credit valuation adjustment ('CVA') Risk</b>	<b>37,830</b>	38,167	<b>3,026</b>
11 <b>Equity positions in banking book under the simple risk-weight method and the internal models method</b>	<b>28,960</b>	27,954	<b>2,456</b>
12 <b>Collective investment scheme ('CIS') exposures – look-through approach ('LTA')</b>	<b>1,258</b>	1,191	<b>107</b>
13 <b>CIS exposures – mandate-based approach ('MBA')</b>	<b>319</b>	317	<b>27</b>
15 <b>Settlement risk</b>	<b>167</b>	213	<b>14</b>
16 <b>Securitisation exposures in banking book</b>	<b>4,673</b>	4,224	<b>374</b>
17 – of which: securitisation internal ratings-based approach ('SEC-IRBA')	22	24	2
18 – of which: SEC-ERBA including internal assessment approach ('IAA')	1,200	1,598	96
19 – of which: SEC-SA	3,451	2,602	276
20 <b>Market risk</b>	<b>158,119</b>	160,495	<b>12,653</b>
21 – of which: STM approach	1,182	988	98
22 – of which: IMM approach	156,937	159,507	12,555
24 <b>Operational risk</b>	<b>346,045</b>	337,004	<b>27,684</b>
24a <b>Sovereign concentration risk</b>	<b>8,258</b>	1,708	<b>661</b>
25 <b>Amounts below the thresholds for deduction (subject to 250% RW)</b>	<b>164,933</b>	158,137	<b>13,986</b>
26a <b>Deduction to RWAs</b>	<b>37,467</b>	37,984	<b>2,997</b>
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	37,467	37,984	2,997
27 <b>Total</b>	<b>3,037,892</b>	3,083,138	<b>253,890</b>

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

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

### Credit risk for non-securitisation exposures

RWAs decreased by HK\$60.7bn in the first quarter of 2023. Excluding the increase arising from foreign currency translation differences of HK\$14.0bn, the decrease of HK\$74.7bn was mainly due to:

- a decrease of HK\$57.8bn arising from a lower risk-weight floor for Hong Kong residential mortgage exposures; and
- a decrease of HK\$24.8bn as a result of an improvement in asset quality of corporate portfolios.

## RWA flow statements

### RWA flow statement for credit risk

Table 5: CR8 – RWA flow statement of credit risk<sup>1</sup> exposures under IRB approach

	a
	HK\$m
1 <b>RWAs as at 31 Dec 2022</b>	<b>2,051,584</b>
2 Asset size	15,494
3 Asset quality	(24,750)
5 Methodology and policy	(57,913)
7 Foreign exchange movements	12,115
9 <b>RWAs as at 31 Mar 2023</b>	<b>1,996,530</b>

1 Credit risk in this table represents the credit risk for non-securitisation exposures excluding counterparty credit risk.

RWAs under the IRB approach decreased by HK\$55.1bn in the first quarter of 2023. Excluding the increase arising from foreign currency translation differences of HK\$12.1bn, the decrease of HK\$67.2bn was mainly due to:

- a decrease of HK\$57.8bn arising from a lower risk-weight floor for Hong Kong residential mortgage exposures; and
- a decrease of HK\$24.8bn as a result of an improvement in asset quality of corporate portfolios.

### RWA flow statement for counterparty credit risk

Table 6: CCR7 – RWA flow statement of default risk exposures under IMM (CCR) approach

	a
	HK\$m
1 <b>RWAs as at 31 Dec 2022</b>	<b>28,548</b>
2 Asset size	2,382
3 Credit quality of counterparties	(1,744)
7 Foreign exchange movements	198
9 <b>RWAs as at 31 Mar 2023</b>	<b>29,384</b>

### RWA flow statement for market risk

Table 7: MR2 – RWA flow statement of market risk exposures under IMM approach

	a	b	c	e	f
	Value at risk (‘VaR’)	Stressed VaR (‘SVaR’)	Incremental risk charge (‘IRC’)	Other	Total RWAs
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1 <b>RWAs as at 31 Dec 2022</b>	<b>23,419</b>	<b>57,121</b>	<b>26,255</b>	<b>52,712</b>	<b>159,507</b>
2 Movement in risk levels	447	(7,788)	9,319	(5,655)	(3,677)
6 Foreign exchange movements	163	396	182	366	1,107
8 <b>RWAs as at 31 Mar 2023</b>	<b>24,029</b>	<b>49,729</b>	<b>35,756</b>	<b>47,423</b>	<b>156,937</b>



## Liquidity information

The group is required to calculate its LCR on a consolidated basis in accordance with rule 11(1) of the BLR, and is required to maintain an LCR of not less than 100%.

Table 8: Average liquidity coverage ratio

	Quarter ended
	31 Mar 2023
	%
Average liquidity coverage ratio	156.5

Table 9: Total weighted amount of high-quality liquid assets

	Weighted amount (average value at quarter ended)
	31 Mar 2023
	HK\$m
Level 1 assets	1,755,769
Level 2A assets	78,095
Level 2B assets	62,141
<b>Total</b>	<b>1,896,005</b>

Our primary sources of funding are customer current accounts and customer savings deposits payable on demand or at short notice. We issue wholesale securities (secured and unsecured) to supplement customer deposits and change the currency mix, maturity profile or location of our liabilities.

All operating entities are required to monitor their material single currency LCR. Limits are set to ensure that outflows can be met, given assumptions on stressed capacity in the foreign exchange swap markets.

Under the terms of our current collateral obligations of derivative contracts (which are International Swaps and Derivatives Association ('ISDA') compliant Credit Support Annex ('CSA') contracts), the additional collateral we would be required to post in the event of a one-notch and two-notch downgrade in our credit ratings is not significant.

Information relating to the Bank's approach to liquidity risk management and its interaction with the HSBC Group's Asset, Liability and Capital Management function can be found in the Risk Report of the group's *Annual Report and Accounts 2022*.

# Banking Disclosure Statement at 31 March 2023

Table 10: LIQ1 – Liquidity coverage ratio – for category 1 institution

Number of data points used in calculating the average value of the LCR and related components set out in this table for the quarter ended 31 March 2023: 73		a	b
		Unweighted value (average) HK\$m	Weighted value (average) HK\$m
<b>Basis of disclosure: consolidated</b>			
<b>A</b>	<b>HQLA</b>		
1	Total HQLA		1,896,005
<b>B</b>	<b>Cash outflows</b>		
2	Retail deposits and small business funding, of which:	3,625,813	343,090
3	<i>Stable retail deposits and stable small business funding</i>	279,003	8,410
4	<i>Less stable retail deposits and less stable small business funding</i>	3,346,810	334,680
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the AI, of which:	2,556,046	1,181,240
6	<i>Operational deposits</i>	782,845	191,539
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	1,760,757	977,257
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	12,444	12,444
9	Secured funding transactions (including securities swap transactions)		63,713
10	Additional requirements, of which:	1,295,067	394,184
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	276,641	276,623
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	2,610	2,610
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	1,015,816	114,951
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	170,496	170,496
15	Other contingent funding obligations (whether contractual or non-contractual)	2,603,272	23,343
16	<b>Total cash outflows</b>		2,176,066
<b>C</b>	<b>Cash inflows</b>		
17	Secured lending transactions (including securities swap transactions)	1,030,478	116,503
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	942,537	532,678
19	Other cash inflows	312,666	311,632
20	<b>Total cash inflows</b>	2,285,681	960,813
<b>D</b>	<b>Liquidity coverage ratio (adjusted value)</b>		
21	Total HQLA		1,896,005
22	Total net cash outflows		1,215,253
23	LCR (%)		156.5

# Other information

## Abbreviations

The following abbreviated terms are used throughout this document:

### Currencies

HK\$m	Millions of Hong Kong dollars
HK\$bn	Billions (thousands of millions) of Hong Kong dollars

### A

AI	Authorised institution
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### B

Bank	The Hongkong and Shanghai Banking Corporation Limited
BCBS	Basel Committee on Banking Supervision
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BLR	Banking (Liquidity) Rules

### C

CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CET1 <sup>1</sup>	Common equity tier 1
CIS	Collective investment scheme
CSA <sup>1</sup>	Credit Support Annex
CVA	Credit valuation adjustment

### D

D-SIB	Domestic systemically important bank
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### F

FIRO	The Financial Institutions (Resolution) Ordinance
FSB	Financial Stability Board

### G

Group	HSBC Holdings together with its subsidiary undertakings
group	The Hongkong and Shanghai Banking Corporation Limited together with its subsidiary undertakings
G-SIB <sup>1</sup>	Global systemically important bank

### H

HAHO	HSBC Asia Holdings Limited
HKMA	Hong Kong Monetary Authority
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
HQLA	High quality liquid assets
HSBC	HSBC Holdings together with its subsidiary undertakings
HSBC Group	HSBC Holdings together with its subsidiary undertakings

### I

IAA	Internal assessment approach
IMM <sup>1</sup>	Internal model method
IMM(CCR)	Internal models (counterparty credit risk)
IRB <sup>1</sup>	Internal ratings-based approach
IRC <sup>1</sup>	Incremental risk charge
ISDA	International Swaps and Derivatives Association

### L

LAC	Loss-absorbing capacity
LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirement – Banking Sector) Rules
LCR	Liquidity coverage ratio
LR	Leverage ratio
LTA	Look-through approach

### M

MBA	Mandate-based approach
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### N

NSFR	Net stable funding ratio
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### P

PFE <sup>1</sup>	Potential future exposure
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### R

RWA <sup>1</sup>	Risk-weighted asset/risk-weighted amount
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### S

SA-CCR	Standardised (counterparty credit risk) approach
SEC-ERBA	Securitisation external ratings-based approach
SEC-IRBA	Securitisation internal ratings-based approach
SEC-SA	Securitisation standardised approach
SFT	Securities financing transaction
STC	Standardised (credit risk) approach
STM	Standardised (market risk) approach
STO	Standardised (operational risk) approach
SVaR	Stressed Value at risk

### T

TLAC	Total loss-absorbing capacity
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### V

VaR <sup>1</sup>	Value at risk
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<sup>1</sup> Full definition included in the Glossary published on HSBC website [www.hsbc.com](http://www.hsbc.com)

**The Hongkong and Shanghai Banking Corporation Limited**

HSBC Main Building  
1 Queen's Road Central, Hong Kong  
Telephone: (852) 2822 1111  
Facsimile: (852) 2810 1112  
[www.hsbc.com.hk](http://www.hsbc.com.hk)