

# The Hongkong and Shanghai Banking Corporation Limited

**Banking Disclosure Statement at 30 September 2024  
(Unaudited)**

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## Contents

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

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## 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 LCR
<b>8</b>	9	Total weighted amount of HQLA
<b>9</b>	10	LIQ1 – Liquidity coverage ratio – for category 1 institution

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# Introduction

## Purpose

The information contained in this document relates to The Hongkong and Shanghai Banking Corporation Limited and its subsidiaries (together 'the group'). The Banking Disclosure Statement and the Main Features of Regulatory Capital Instruments and Non-capital LAC Debt Instruments document, taken together, comply 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.

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 by the HSBC Global Internal Audit team and has been approved by the Audit Committee as delegated by the Board.

## 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 ('LTA') to calculate the RWA. 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 credit valuation adjustment ('CVA'), the group uses standardized CVA method and advanced CVA method to calculate CVA capital charge. 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) approach to calculate its operational risk.

## Regulatory reporting processes and controls

The quality of regulatory reporting remains a key priority for management and regulators. We are progressing with a multi-year comprehensive programme to strengthen our processes, improve consistency, and enhance controls across regulatory reports, focusing on our prudential regulatory reporting and other priority regulatory reports.

## The Banking Disclosure Statement

The group's Banking Disclosure Statement at 30 September 2024 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 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 2023 which can be found in the Regulatory Disclosure section of our website, [www.hsbc.com.hk](http://www.hsbc.com.hk).

## Loss-absorbing Capacity ('LAC') 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 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 3Q24:

KM2 – Key metrics of the Asian resolution group

- Page 14 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					
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	
<b>Regulatory capital (HK\$m)<sup>1</sup></b>						
1	Common Equity Tier 1 ('CET1')	550,343	518,355	512,708	508,604	491,960
2	Tier 1	616,083	571,703	566,581	562,454	545,780
3	Total capital	683,744	636,561	635,993	631,701	610,604
<b>RWAs (HK\$m)<sup>1</sup></b>						
4	Total RWAs	3,294,730	3,280,191	3,276,454	3,212,387	3,165,255
<b>Risk-based regulatory capital ratios (as a percentage of RWA)<sup>1</sup></b>						
5	CET1 ratio (%)	16.7	15.8	15.6	15.8	15.5
6	Tier 1 ratio (%)	18.7	17.4	17.3	17.5	17.2
7	Total capital ratio (%)	20.8	19.4	19.4	19.7	19.3
<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>	0.58	0.58	0.56	0.56	0.57
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 (%)	5.58	5.58	5.56	5.56	5.57
12	CET1 available after meeting the AI's minimum capital requirements (%)	12.2	11.3	11.1	11.3	11.0
<b>Basel III leverage ratio<sup>3</sup></b>						
13	Total leverage ratio ('LR') exposure measure (HK\$m)	10,348,254	9,820,509	9,840,623	9,672,960	9,582,574
14	LR (%)	6.0	5.8	5.8	5.8	5.7
<b>Liquidity Coverage Ratio ('LCR')<sup>4</sup></b>						
15	Total high quality liquid assets ('HQLA') (HK\$m)	1,993,634	1,906,757	1,945,667	1,938,900	1,968,975
16	Total net cash outflows (HK\$m)	1,224,497	1,211,691	1,205,406	1,149,294	1,217,708
17	LCR (%)	163.0	157.5	161.6	168.9	161.7
<b>Net Stable Funding Ratio ('NSFR')<sup>5</sup></b>						
18	Total available stable funding (HK\$m)	5,952,478	5,746,864	5,629,126	5,747,599	5,533,607
19	Total required stable funding (HK\$m)	3,928,367	3,832,433	3,747,073	3,685,357	3,609,806
20	NSFR (%)	151.5	150.0	150.2	156.0	153.3

1 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.

2 The jurisdictional CCyB of Hong Kong as at 30 September 2024 and used in the calculation of the CCyB buffer requirement was 1.0%, a level which was the case 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 30 September 2024.

3 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.

4 The LCRs 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').

5 The NSFR 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.

## Risk-based regulatory capital ratios

Tier 1 capital ratio and total capital ratio increased to 18.7% and 20.8% respectively at 30 September 2024 from 17.4% and 19.4% at 30 June 2024, mainly driven by an increase in Tier 1 capital.

## Liquidity Coverage Ratio

The 3-month average LCR increased to 163.0% at 30 September 2024 from 157.5% at 30 June 2024, mainly as a result of an increase in customer deposits.

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

		a	b	c	d	e
		At				
		30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
<b>At LAC consolidation group level</b>						
1	Internal loss-absorbing capacity available (HK\$m)	<b>921,965</b>	866,205	867,205	864,931	847,264
2	Risk-weighted amount under the LAC Rules (HK\$m)	<b>3,294,730</b>	3,280,191	3,276,454	3,212,387	3,165,255
3	Internal LAC risk-weighted ratio (%)	<b>28.0</b>	26.4	26.5	26.9	26.8
4	Exposure measure under the LAC Rules (HK\$m)	<b>10,345,105</b>	9,817,376	9,837,444	9,669,807	9,576,735
5	Internal LAC leverage ratio (%)	<b>8.9</b>	8.8	8.8	8.9	8.8
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>	<b>Not applicable</b>	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>	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable	Not applicable
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied (%) <sup>1</sup>	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable	Not applicable

1 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 30 September 2024, the internal LAC risk-weighted ratio increased to 28.0% from 26.4% at 30 June 2024, mainly due to higher internal LAC available.

Internal LAC available increased by HK\$55.8bn in the third quarter of 2024, arising from an increase of HK\$47.2bn in regulatory capital elements and an increase of HK\$8.6bn in non-regulatory capital elements.

The increase in regulatory capital was mainly due to:

- an increase of HK\$15.2bn from favourable foreign currency translation differences;
- an increase of HK\$12.3bn in additional tier 1 capital instruments from new issuances, net of redemption;
- an increase of HK\$8.8bn in regulatory profits, net of dividends;
- an increase of HK\$7.3bn in fair value through other comprehensive income reserve.

The increase in non-regulatory capital elements was driven by the increase in carrying value of LAC instruments of HK\$8.6bn.

# 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	
	30 Sep 2024	30 Jun 2024	
	HK\$m	HK\$m	
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	8,596,385	8,251,586
2	Less: Asset amounts deducted in determining Tier 1 capital	<b>(260,425)</b>	(257,321)
3	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>8,335,960</b>	7,994,265
<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)	111,444	120,184
5	Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	382,209	354,438
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	<b>(106,165)</b>	(109,104)
8	Less: Exempted central counterparty ('CCP') leg of client-cleared trade exposures	<b>(20,165)</b>	(33,211)
9	Adjusted effective notional amount of written credit-related derivative contracts	185,544	184,113
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	<b>(165,350)</b>	(164,198)
11	<b>Total exposures arising from derivative contracts</b>	<b>387,517</b>	352,222
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	948,315	808,243
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	<b>(45,633)</b>	(35,050)
14	CCR exposure for SFT assets	36,067	34,987
16	<b>Total exposures arising from SFTs</b>	<b>938,749</b>	808,180
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	3,853,445	3,791,457
18	Less: Adjustments for conversion to credit equivalent amounts	<b>(3,122,130)</b>	(3,084,004)
19	<b>Off-balance sheet items</b>	<b>731,315</b>	707,453
<b>Capital and total exposures</b>			
20	<b>Tier 1 capital</b>	<b>616,083</b>	571,703
20a	Total exposures before adjustments for specific and collective provisions	10,393,541	9,862,120
20b	Adjustments for specific and collective provisions	<b>(45,287)</b>	(41,611)
21	<b>Total exposures after adjustments for specific and collective provisions</b>	<b>10,348,254</b>	9,820,509
<b>Leverage ratio</b>			
22	Leverage ratio (%) <sup>1</sup>	<b>6.0</b>	5.8

<sup>1</sup> Leverage ratio is the ratio of Tier 1 capital to the total exposures after adjustments for specific and collective provisions.

The leverage ratio was 6.0% at 30 September 2024, an increase from 5.8% at 30 June 2024 arising from higher Tier 1 capital and partly offset by an increase in exposures. Total exposures increased by HK\$527.7bn in the third quarter of 2024, most notably in financial investments, SFTs and central bank loans.

## 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>
	30 Sep 2024	30 Jun 2024	30 Sep 2024
	HK\$m	HK\$m	HK\$m
1 <b>Credit risk for non-securitisation exposures</b>	<b>2,240,159</b>	2,272,520	<b>188,826</b>
2 of which: standardised (credit risk) ('STC') approach	<b>237,289</b>	225,698	<b>18,983</b>
4 of which: supervisory slotting criteria approach	<b>118,880</b>	119,661	<b>10,081</b>
5 of which: advanced IRB approach	<b>1,883,990</b>	1,927,161	<b>159,762</b>
6 <b>Counterparty default risk and default fund contributions</b>	<b>93,218</b>	87,399	<b>7,833</b>
7 of which: SA-CCR	<b>41,700</b>	40,225	<b>3,505</b>
8 of which: IMM(CCR) approach	<b>29,973</b>	28,090	<b>2,538</b>
9 of which: Others	<b>21,545</b>	19,084	<b>1,790</b>
10 <b>Credit valuation adjustment ('CVA') Risk</b>	<b>57,114</b>	42,103	<b>4,569</b>
11 <b>Equity positions in banking book under the simple risk-weight method and the internal models method</b>	<b>28,670</b>	24,994	<b>2,431</b>
12 <b>Collective investment scheme ('CIS') exposures – LTA</b>	<b>1,685</b>	1,609	<b>143</b>
15 <b>Settlement risk</b>	<b>62</b>	21	<b>5</b>
16 <b>Securitisation exposures in banking book</b>	<b>12,265</b>	12,438	<b>982</b>
17 of which: SEC-IRBA	<b>201</b>	24	<b>16</b>
18 of which: SEC-ERBA including internal assessment approach ('IAA')	<b>3,820</b>	3,283	<b>306</b>
19 of which: SEC-SA	<b>8,244</b>	9,131	<b>660</b>
20 <b>Market risk</b>	<b>163,669</b>	165,012	<b>13,096</b>
21 of which: STM approach	<b>1,569</b>	1,469	<b>128</b>
22 of which: IMM approach	<b>162,100</b>	163,543	<b>12,968</b>
24 <b>Operational risk</b>	<b>426,483</b>	409,903	<b>34,119</b>
25 <b>Amounts below the thresholds for deduction (subject to 250% risk weight ('RW'))</b>	<b>170,913</b>	162,885	<b>14,493</b>
26a <b>Deduction to RWAs</b>	<b>36,490</b>	37,287	<b>2,919</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	<b>36,490</b>	37,287	<b>2,919</b>
27 <b>Total</b>	<b>3,157,748</b>	3,141,597	<b>263,578</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\$32.4bn in the third quarter of 2024. Excluding the increase from foreign currency translation of HK\$30.5bn, the decrease of HK\$62.9bn was mostly driven by:

- removal of the cap on capital benefit from using the parental support framework as permitted by the regulator of HK\$97.9bn; partly offset by
- deterioration in asset quality of HK\$17.7bn, mainly in corporate lending due to customer risk rating migrations; and
- an increase in asset size of HK\$15.1bn mainly from an underlying increase in bank and sovereign exposures.

### Operational risk

RWAs increased by HK\$16.6bn in the third quarter of 2024, mainly contributed by the increase in net interest income in Hong Kong.

Operational risk RWAs are calculated by applying capital charge factors to the average gross income of individual business lines in the last three years.

## 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 30 Jun 2024</b>	<b>2,046,822</b>
2	Asset size	<b>6,206</b>
3	Asset quality	<b>17,710</b>
5	Methodology and policy	<b>(93,976)</b>
7	Foreign exchange movements	<b>26,108</b>
9	<b>RWAs as at 30 Sep 2024</b>	<b>2,002,870</b>

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

RWAs for credit risk exposures under the IRB approach decreased by HK\$44.0bn in the third quarter of 2024. Excluding the increase from foreign currency translation of HK\$26.1bn, the decrease of HK\$70.1bn was mostly driven by:

- removal of the cap on capital benefit from using the parental support framework as permitted by the regulator of HK\$97.9bn; partly offset by
- deterioration in asset quality of HK\$17.7bn, mainly in corporate lending due to customer risk rating migrations.

### RWA flow statement for CCR

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

		a
		HK\$m
1	<b>RWAs as at 30 Jun 2024</b>	<b>28,090</b>
2	Asset size	<b>2,935</b>
3	Credit quality of counterparties	<b>(898)</b>
4	Model updates	<b>–</b>
7	Foreign exchange movements	<b>(154)</b>
9	<b>RWAs as at 30 Sep 2024</b>	<b>29,973</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’) HK\$m	Stressed VaR (‘SVaR’) HK\$m	Incremental risk charge (‘IRC’) HK\$m	Other HK\$m	Total RWAs HK\$m
1	<b>25,667</b>	<b>54,889</b>	<b>44,605</b>	<b>38,382</b>	<b>163,543</b>
2	<b>(4,745)</b>	<b>9,951</b>	<b>(4,848)</b>	<b>(373)</b>	<b>(15)</b>
3	<b>–</b>	<b>–</b>	<b>(528)</b>	<b>–</b>	<b>(528)</b>
6	<b>(141)</b>	<b>(302)</b>	<b>(245)</b>	<b>(212)</b>	<b>(900)</b>
8	<b>20,781</b>	<b>64,538</b>	<b>38,984</b>	<b>37,797</b>	<b>162,100</b>



# Liquidity information

The LCR aims to ensure that a bank has sufficient unencumbered HQLA to meet its liquidity needs in a 30 calendar day liquidity stress scenario.

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%.

The group's primary sources of funding are customer current accounts, customer savings deposits payable on demand or at short notice and term deposits. The group issues 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 currency liquidity position. 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 compliant Credit Support Annex 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 immaterial.

The average LCR of the group for the period is as follows:

Table 8: Average LCR

	Quarter ended
	30 Sep 2024
	%
Average LCR	163.0

The majority of HQLA included in the LCR are Level 1 assets as defined in the BLR, which consist mainly of government debt securities.

The total weighted amount of HQLA of the group for the period are as follows:

Table 9: Total weighted amount of HQLA

	Weighted amount (average value at quarter ended)
	30 Sep 2024
	HK\$m
Level 1 assets	1,818,248
Level 2A assets	100,763
Level 2B assets	74,623
<b>Total</b>	<b>1,993,634</b>

Information relating to the Bank's approach to liquidity risk management can be found in the Risk Report of the group's Annual Report and Accounts 2023.

# Banking Disclosure Statement at 30 September 2024

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 30 September 2024: 76		a	b
		Quarter ended 30 Sep 2024	
		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		1,993,634
<b>B</b>	<b>Cash outflows</b>		
2	Retail deposits and small business funding, of which:	3,807,169	362,966
3	Stable retail deposits and stable small business funding	254,051	7,654
4	Less stable retail deposits and less stable small business funding	3,553,118	355,312
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the AI, of which:	2,505,250	1,135,500
6	Operational deposits	750,569	182,968
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6	1,749,063	946,914
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	5,618	5,618
9	Secured funding transactions (including securities swap transactions)		59,062
10	Additional requirements, of which:	1,328,625	325,501
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	186,373	186,286
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	3,473	3,473
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	1,138,779	135,742
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	157,786	157,786
15	Other contingent funding obligations (whether contractual or non-contractual)	2,640,038	24,187
16	<b>Total cash outflows</b>		2,065,002
<b>C</b>	<b>Cash inflows</b>		
17	Secured lending transactions (including securities swap transactions)	632,825	133,445
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	814,412	467,214
19	Other cash inflows	240,909	239,846
20	<b>Total cash inflows</b>	1,688,146	840,505
<b>D</b>	<b>Liquidity coverage ratio (adjusted value)</b>		
21	Total HQLA		1,993,634
22	Total net cash outflows		1,224,497
23	LCR (%)		163.0

# Other information

## Abbreviations

The following abbreviated terms are used throughout this document:

### Currencies

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

### A

AI	Authorised institution
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### B

BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BLR	Banking (Liquidity) Rules

### C

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

### D

D-SIB	Domestic systemically important authorised institution
Dec	December

### F

FSB	Financial Stability Board
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### 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 authorised institution

### 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	Incremental risk charge
Jun	June

### L

LAC	Loss-absorbing capacity
LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirement – Banking Sector) Rules
LCR	Liquidity coverage ratio
LR <sup>1</sup>	Leverage ratio
LTA	Look-through approach

### M

MBA	Mandate-based approach
Mar	March

### N

NSFR	Net stable funding ratio
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### P

PFE	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
SVaR	Stressed Value at risk
Sep	September

### T

TLAC <sup>1</sup>	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).

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