



恒生銀行
HANG SENG BANK

Banking Disclosure Statement

31 March 2023

(Unaudited)

BANKING DISCLOSURE STATEMENT *(unaudited)*

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BANKING DISCLOSURE STATEMENT *(unaudited) (continued)*

Introduction

Purpose

The information contained in this document is for Hang Seng Bank Limited ('the Bank') and its subsidiaries (together 'the Group') to 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 ('FIRO').

These banking disclosures are governed by the Group's disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the Banking 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 ('RWA') 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 risk-weighted amount. For counterparty credit risk ('CCR'), the Group uses the standardised (counterparty credit risk) ('SA-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 the standardised (market risk) ('STM') approach for calculating other market risk positions. For operational risk, the Group uses the standardised (operational risk) ('STO') approach to calculate its operational risk.

For loss-absorbing capacity ('LAC') disclosures, the basis of calculating the Group's LAC and RWA is in accordance with the LAC Rules.

The Banking Disclosure Statement

The Group's Banking Disclosure Statement at 31 March 2023 comprises 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 Disclosures section of our website, www.hangseng.com.

The Banking Disclosure Statement includes the majority of the information required under the BDR and the LAC Rules. The remainder of the disclosure requirements are covered in the Group's 2022 Annual Report which can be found in the Investor Relations – Financial Statements section of our website, www.hangseng.com. There is no substantial change in the Group's operations in the first quarter of 2023.

Disclosure requirements covered in the Group's 2022 Annual Report:	Reference in Annual Report (Printed version)	Reference in Annual Report (Text version)
– BDR Section 16(1)(b) - Operations of the Group	Note 20 on pages 207 to 210	Note 20 on pages 255 to 258

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Key metrics

Table 1: KM1 – Key prudential ratios

		a	b	c	d	e
		At				
		31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	Footnotes	2023	2022	2022	2022	2022
Regulatory capital (HK\$m)						
1	Common Equity Tier 1 ('CET1')	116,999	116,422	113,609	114,117	115,032
2	Tier 1 ('T1')	128,743	128,166	125,353	125,861	126,776
3	Total capital	138,946	138,676	135,571	136,307	137,299
RWA (HK\$m)						
4	Total RWA	722,516	764,726	751,753	781,467	758,058
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	16.2	15.2	15.1	14.6	15.2
6	Tier 1 ratio (%)	17.8	16.8	16.7	16.1	16.7
7	Total capital ratio (%)	19.2	18.1	18.0	17.4	18.1
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer ('CCyB') requirement (%)	0.813	0.816	0.800	0.798	0.796
10	Higher loss absorbency requirements (%) (applicable only to Global systemically important authorised institutions ('G-SIBs') or Domestic systemically important authorised institutions ('D-SIBs'))	1.000	1.000	1.000	1.000	1.000
11	Total authorised institution ('AI')-specific CET1 buffer requirements (%)	4.313	4.316	4.300	4.298	4.296
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.2	10.1	10.0	9.4	10.1
Basel III leverage ratio						
13	Total leverage ratio ('LR') exposure measure (HK\$m)	1,665,439	1,752,201	1,672,587	1,709,100	1,702,467
14	LR (%)	7.7	7.3	7.5	7.4	7.4
Liquidity Coverage Ratio ('LCR')						
15	Total high quality liquid assets ('HQLA') (HK\$m)	471,195	415,870	398,286	372,355	364,894
16	Total net cash outflows (HK\$m)	171,100	152,258	173,470	180,721	194,893
17	LCR (%)	276.7	275.3	230.5	206.8	188.9
Net Stable Funding Ratio ('NSFR')						
18	Total available stable funding (HK\$m)	1,192,396	1,215,966	1,158,921	1,201,071	1,187,908
19	Total required stable funding (HK\$m)	728,638	742,246	746,834	775,046	785,316
20	NSFR (%)	163.6	163.8	155.2	155.0	151.3

1 The regulatory capital, RWA, 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 - (MA(BS)3)' 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 used in the calculation of CCyB 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.

3 The Basel III leverage ratios are disclosed in accordance with the information contained in the 'Leverage Ratio - (MA(BS)27)' 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 - (MA(BS)1E)' 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 - (MA(BS)26)' return submitted to the HKMA under the requirements specified in rule 11(1) of the BLR.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

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

	a	b	c	d	e
	At				
	31 Mar	31 Dec	30 Sep	30 Jun	31 Mar
	2023	2022	2022	2022	2022
Of the material entity at LAC consolidation group level					
1 Internal loss-absorbing capacity available (HK\$m)	166,447	166,155	163,069	163,803	161,797
2 Risk-weighted amount under the LAC Rules (HK\$m)	722,516	764,726	751,753	781,467	758,058
3 Internal LAC risk-weighted ratio (%)	23.0	21.7	21.7	21.0	21.3
4 Exposure measure under the LAC Rules (HK\$m)	1,664,394	1,751,156	1,671,542	1,708,055	1,701,422
5 Internal LAC leverage ratio (%)	10.0	9.5	9.8	9.6	9.5
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?	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?	Not applicable	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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

1 The subordination exemptions under Section 11 of the FSB TLAC Term Sheet do not apply in Hong Kong under the LAC Rules.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Capital and RWA

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
	31 Mar 2023 HK\$m	31 Dec 2022 HK\$m
On-balance sheet exposures		
1 On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	1,561,735	1,616,853
2 Less: Asset amounts deducted in determining Tier 1 capital	(27,993)	(27,456)
3 Total on-balance sheet exposures (excluding derivative contracts and SFTs)	1,533,742	1,589,397
Exposures arising from derivative contracts		
4 Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	10,632	15,379
5 Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	19,492	20,850
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	-	-
8 Less: Exempted central counterparty ('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 Total exposures arising from derivative contracts	30,124	36,229
Exposures arising from SFTs		
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	33,643	56,989
13 Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14 CCR exposure for SFT assets	456	1,107
15 Agent transaction exposures	-	-
16 Total exposures arising from SFTs	34,099	58,096
Other off-balance sheet exposures		
17 Off-balance sheet exposure at gross notional amount	551,688	545,908
18 Less: Adjustments for conversion to credit equivalent amounts	(470,348)	(463,807)
19 Off-balance sheet items	81,340	82,101
Capital and total exposures		
20 Tier 1 capital	128,743	128,166
20a Total exposures before adjustments for specific and collective provisions	1,679,305	1,765,823
20b Adjustments for specific and collective provisions	(13,866)	(13,622)
21 Total exposures after adjustments for specific and collective provisions	1,665,439	1,752,201
Leverage ratio		
22 Leverage ratio ¹ (%)	7.7%	7.3%

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

Leverage ratio increased by 0.4 percentage point in the first quarter of 2023 that is mainly due to a decrease in total exposures. Total exposures decreased by HK\$86.8bn, primarily due to a decrease in holdings in treasury bills and debt securities, loans to customer and SFT transaction exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Overview of RWA and the minimum capital requirements

Table 4: OV1 – Overview of RWA

	a	b	c
	RWA ¹		Minimum capital requirements ²
	31 Mar 2023 HK\$m	31 Dec 2022 HK\$m	31 Mar 2023 HK\$m
1 Credit risk for non-securitisation exposures	574,045	611,208	48,361
2 <i>Of which: Standardised (credit risk) ('STC') approach</i>	66,236	72,217	5,299
2a <i>Of which: Basic ('BSC') approach</i>	-	-	-
3 <i>Of which: Foundation IRB approach</i>	-	-	-
4 <i>Of which: Supervisory slotting criteria approach</i>	53,527	50,985	4,539
5 <i>Of which: Advanced IRB approach</i>	454,282	488,006	38,523
6 Counterparty default risk and default fund contributions	5,909	7,183	499
7 <i>Of which: SA-CCR approach</i>	5,532	6,604	468
7a <i>Of which: Current exposure method ('CEM')</i>	-	-	-
8 <i>Of which: Internal models (counterparty credit risk) ('IMM(CCR)') approach</i>	-	-	-
9 <i>Of which: Others</i>	377	579	31
10 Credit valuation adjustment ('CVA') risk	8,115	9,500	649
11 Equity positions in banking book under the simple risk-weight method and internal models method	19,738	19,797	1,674
12 CIS exposures – LTA approach	484	481	41
13 CIS exposures – Mandate-based ('MBA') approach	-	-	-
14 CIS exposures – Fall-back ('FBA') approach	-	-	-
14a CIS exposures – combination of approaches	-	-	-
15 Settlement risk	-	-	-
16 Securitisation exposures in banking book	-	-	-
17 <i>Of which: Securitisation internal ratings-based ('SEC-IRBA') approach</i>	-	-	-
18 <i>Of which: Securitisation external ratings-based ('SEC-ERBA') approach (including internal assessment approach ('IAA'))</i>	-	-	-
19 <i>Of which: Securitisation standardised ('SEC-SA') approach</i>	-	-	-
19a <i>Of which: Securitisation fall-back ('SEC-FBA') approach</i>	-	-	-
20 Market risk	19,595	19,883	1,567
21 <i>Of which: STM approach</i>	417	473	33
22 <i>Of which: IMM approach</i>	19,178	19,410	1,534
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	57,135	57,311	4,571
24a Sovereign concentration risk	-	-	-
25 Amounts below the thresholds for deduction (subject to 250% Risk-Weight ('RW'))	17,769	17,769	1,507
26 Capital floor adjustment	-	-	-
26a Deduction to RWA	(13,345)	(13,430)	(1,068)
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>	(13,345)	(13,430)	(1,068)
27 Total	689,445	729,702	57,801

1 RWA in this table are presented 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 RWA after application of the 1.06 scaling factor, where applicable.

3 Item marked with an asterisk (*) will be applicable only after the respective policy frameworks take effect. Until then, 'Not applicable' is reported in this row.

Total RWA decreased by HK\$40.3bn in the first quarter of 2023. Credit risk RWA for non-securitisation exposures decreased by HK\$37.2bn mainly driven by lowering the risk-weight floor of residential mortgage loans under advanced IRB approach and a drop in total loan size. RWA from counterparty default risk and credit valuation adjustment decreased by HK\$2.7bn in total as overall replacement cost for derivative transactions dropped.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

RWA flow statements

RWA flow statement for credit risk

Table 5: CR8 – RWA flow statement of credit risk¹ exposures under IRB approach

	a
	Amount HK\$m
1 RWA as at end of previous reporting period (31 Dec 2022)	538,991
2 Asset size	(9,330)
3 Asset quality	(2,375)
4 Model updates	502
5 Methodology and policy	(20,525)
6 Acquisitions and disposals	-
7 Foreign exchange movements	882
8 Other	(336)
9 RWA as at end of reporting period (31 Mar 2023)	507,809

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

RWA decreased by HK\$31.2bn in the first quarter of 2023. HKMA lowered the risk-weight floor of residential mortgage loans under advanced IRB approach starting from 1 January 2023 leading to a fall of HK\$20.5bn in methodology and policy. There is an RWA decrease in asset size of HK\$9.3bn as loans to customers dropped.

RWA flow statement for market risk

Table 6: MR2 – RWA flow statement of market risk exposures under IMM approach

	a	b	c	d	e	f
	Value at risk (‘VaR’) HK\$m	Stressed VaR (‘SVaR’) HK\$m	Incremental risk charge (‘IRC’) HK\$m	Comprehensive risk charge (‘CRC’) HK\$m	Other HK\$m	Total RWA HK\$m
1 RWA as at end of previous reporting period (31 Dec 2022)	4,199	15,211	-	-	-	19,410
2 Movement in risk levels	463	(2,465)	-	-	-	(2,002)
3 Model updates/changes	-	-	-	-	-	-
4 Methodology and policy	-	1,635	-	-	-	1,635
5 Acquisitions and disposals	-	-	-	-	-	-
6 Foreign exchange movements	29	106	-	-	-	135
7 Other	-	-	-	-	-	-
8 RWA as at end of reporting period (31 Mar 2023)	4,691	14,487	-	-	-	19,178

The change in market risk RWA is mainly driven by HKD interest rate positions and structural foreign exchange reclassification.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Liquidity information

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

Table 7: Average liquidity coverage ratio

	Quarter ended
	31 Mar
	2023
	%
Average liquidity coverage ratio	276.7

The average LCR was 276.7% for the quarter ended 31 March 2023 and remained stable when compared with 275.3% for the quarter ended 31 December 2022. The liquidity position of the Group remained strong and above statutory requirement of 100%.

The composition of the Group's HQLA as defined under Schedule 2 of the BLR is shown as below. The majority of the HQLA held by the Group are Level 1 assets which comprise mainly of government debt securities.

Table 8: Total weighted amount of high quality liquid assets

	Weighted value (average) for the quarter ended
	31 Mar
	2023
	HK\$m
Level 1 assets	454,223
Level 2A assets	12,928
Level 2B assets	4,044
Total weighted amount of HQLA	471,195

Sources of funding

Our primary sources of funding are customer deposits. We issue wholesale securities to supplement our customer deposits and change the currency mix or maturity profile of our liabilities.

Currency mismatch

In times of stress it cannot automatically be assumed that one currency can always be converted for another, even if those currencies are 'hard' currencies. LCR is therefore assessed by single currency for those that are material. In some currencies, convertibility is restricted by regulators and central banks and this restriction results in local currency not being convertible offshore or even onshore. Group policy requires all operating entities to monitor material single currency Internal Liquidity Metric ('ILM') and LCR. Limits are set to ensure that outflows can be met, given assumptions on stressed capacity in the FX swap markets. Limits are approved by the local Asset and Liability Management Committee ('ALCO')/Tactical Asset and Liability Management Committee ('TALCO'), and monitored by the local ALCO.

Additional contractual obligations

Most of the Group's derivative transactions are exchange rate contracts and interest rate contracts. Under the terms of our current collateral obligations under derivative contracts (which are International Swaps and Derivatives Association ('ISDA') compliant Credit Support Annex ('CSA') contracts), the additional collateral required to post in the event of one-notch and two-notch downgrade in credit ratings is nil.

A summary of the Group's current policies and practices for the management of liquidity and funding risk is set out in pages 96 to 101 of the Group's 2022 Annual Report*.

* Refers to printed version. The page reference of Annual Report (text version) is page 108 to 112.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

The following table sets out the required disclosure items under the Liquidity Coverage Ratio Standard Disclosure Template as specified by the HKMA. 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 on 31 March 2023 was 73.

Table 9: LIQ1 – Liquidity coverage ratio – for category 1 institution

		Quarter ended 31 Mar 2023 (73 data points)	
		a	b
Basis of disclosure: consolidated		Unweighted value (average) HK\$m	Weighted value (average) HK\$m
A	High quality liquid assets		
1	Total HQLA		471,195
B	Cash outflows		
2	Retail deposits and small business funding, of which:	940,835	77,846
3	<i>Stable retail deposits and stable small business funding</i>	231,962	6,959
4	<i>Less stable retail deposits and less stable small business funding</i>	708,873	70,887
4a	<i>Retail term deposits and small business term funding</i>	-	-
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	242,501	115,328
6	<i>Operational deposits</i>	29,560	6,796
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	198,559	94,150
8	<i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i>	14,382	14,382
9	Secured funding transactions (including securities swap transactions)		82
10	Additional requirements, of which:	100,861	18,431
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	4,473	4,473
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	2,290	2,290
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	94,098	11,668
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	25,782	25,782
15	Other contingent funding obligations (whether contractual or non-contractual)	457,008	2,675
16	Total cash outflows		240,144
C	Cash inflows		
17	Secured lending transactions (including securities swap transactions)	18,625	7,051
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	89,178	45,864
19	Other cash inflows	28,385	16,129
20	Total cash inflows	136,188	69,044
D	Liquidity coverage ratio (adjusted value)		
21	Total HQLA		471,195
22	Total net cash outflows		171,100
23	LCR (%)		276.7%

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Other information

Abbreviations

A		L	
AI	Authorised institution	LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements - Banking Sector) Rules
ALCO	Asset and Liability Management Committee	LAC	Loss-absorbing Capacity
B		LCR	Liquidity coverage ratio
Bank	Hang Seng Bank Limited	LR	Leverage ratio
BCBS	Basel Committee on Banking Supervision	LTA	Look-through approach
BCR	Banking (Capital) Rules	M	
BDR	Banking (Disclosure) Rules	MBA	Mandate-based approach
BLR	Banking (Liquidity) Rules	N	
BSC	Basic approach	N/A	Not applicable
C		NSFR	Net stable funding ratio
CCP	Central counterparty	P	
CCR	Counterparty credit risk	PFE	Potential future exposure
CCyB	Countercyclical capital buffer	R	
CEM	Current exposure method	RWA	Risk-weighted asset(s)/risk-weighted amount(s)
CET1	Common Equity Tier 1	RW	Risk-Weight
CIS	Collective investment scheme	S	
CRC	Comprehensive risk charge	SA-CCR	Standardised approach for counterparty credit risk
CSA	Credit Support Annex	SEC-ERBA	Securitisation external ratings-based approach
CVA	Credit valuation adjustment	SEC-FBA	Securitisation fall-back approach
D		SEC-IRBA	Securitisation internal ratings-based approach
D-SIB	Domestic systemically important authorised institution	SEC-SA	Securitisation standardised approach
F		SFT	Securities financing transaction
FBA	Fall-back approach	STC	Standardised (credit risk) approach
FIRO	Financial Institutions (Resolution) Ordinance	STM	Standardised (market risk) approach
FSB	Financial Stability Board	STO	Standardised (operational risk) approach
G		SVaR	Stressed VaR
G-SIB	Global systemically important authorised institution	T	
Group	Hang Seng Bank Limited together with its subsidiaries	T1	Tier 1
H		T2	Tier 2
HK\$bn	Billions (thousands of millions) of Hong Kong dollars	TALCO	Tactical Asset and Liability Management Committee
HK\$m	Millions of Hong Kong dollars	TLAC	Total Loss-absorbing Capacity
HKMA	Hong Kong Monetary Authority	V	
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China	VaR	Value at risk
HQLA	High quality liquid assets		
I			
IAA	Internal assessment approach		
ILM	Internal Liquidity Metric		
IMM	Internal models approach		
IMM(CCR)	Internal models (counterparty credit risk) approach		
IRB	Internal ratings-based approach		
IRC	Incremental risk charge		
ISDA	International Swaps and Derivatives Association		