



恒生銀行
HANG SENG BANK

Banking Disclosure Statement

31 March 2022

(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 counterparty credit risk, the Group replaces the current exposure method with standardised (counterparty credit risk) ('SA-CCR') approach to calculate its default risk exposures starting from 30 June 2021. 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 2022 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.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)
Key metrics

Table 1: KM1 – Key prudential ratios

| | | a | b | c | d | e |
|--|--|------------------|----------------|----------------|----------------|----------------|
| | | At | | | | |
| | | 31 Mar 2022 | 31 Dec 2021 | 30 Sep 2021 | 30 Jun 2021 | 31 Mar 2021 |
| | | Footnotes | | | | |
| Regulatory capital (HK\$m) | | <i>1</i> | | | | |
| 1 | Common Equity Tier 1 ('CET1') | 115,032 | 116,599 | 116,583 | 116,224 | 117,488 |
| 2 | Tier 1 | 126,776 | 128,343 | 128,327 | 127,968 | 129,232 |
| 3 | Total capital | 137,299 | 138,758 | 139,061 | 139,010 | 139,806 |
| RWA (HK\$m) | | <i>1</i> | | | | |
| 4 | Total RWA | 758,058 | 734,128 | 713,496 | 734,532 | 707,658 |
| Risk-based regulatory capital ratios (as a percentage of RWA) | | <i>1</i> | | | | |
| 5 | CET1 ratio (%) | 15.2 | 15.9 | 16.3 | 15.8 | 16.6 |
| 6 | Tier 1 ratio (%) | 16.7 | 17.5 | 18.0 | 17.4 | 18.3 |
| 7 | Total capital ratio (%) | 18.1 | 18.9 | 19.5 | 18.9 | 19.8 |
| Additional CET1 buffer requirements (as a percentage of RWA) | | <i>1</i> | | | | |
| 8 | Capital conservation buffer requirement (%) | 2.500 | 2.500 | 2.500 | 2.500 | 2.500 |
| 9 | Countercyclical capital buffer ('CCyB') requirement (%) | 0.796 | 0.799 | 0.811 | 0.821 | 0.824 |
| 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 (%) | 4.296 | 4.299 | 4.311 | 4.321 | 4.324 |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 10.1 | 10.9 | 11.5 | 10.9 | 11.8 |
| Basel III leverage ratio | | <i>3</i> | | | | |
| 13 | Total leverage ratio ('LR') exposure measure (HK\$m) | 1,702,467 | 1,704,064 | 1,662,016 | 1,679,783 | 1,620,143 |
| 14 | LR (%) | 7.4 | 7.5 | 7.7 | 7.6 | 8.0 |
| Liquidity Coverage Ratio ('LCR') | | <i>4</i> | | | | |
| 15 | Total high quality liquid assets ('HQLA') (HK\$m) | 364,894 | 369,454 | 360,010 | 373,629 | 394,118 |
| 16 | Total net cash outflows (HK\$m) | 194,893 | 193,384 | 177,733 | 174,649 | 194,172 |
| 17 | LCR (%) | 188.9 | 191.8 | 203.2 | 214.4 | 204.0 |
| Net Stable Funding Ratio ('NSFR') | | <i>5</i> | | | | |
| 18 | Total available stable funding (HK\$m) | 1,187,908 | 1,169,638 | 1,145,297 | 1,151,904 | 1,146,675 |
| 19 | Total required stable funding (HK\$m) | 785,316 | 793,333 | 781,367 | 785,840 | 762,141 |
| 20 | NSFR (%) | 151.3 | 147.4 | 146.6 | 146.6 | 150.5 |

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 was 1.0% since 31 March 2020. The jurisdictional CCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 1.0% at 31 March 2022.

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 |
| | 2022 | 2021 | 2021 | 2021 | 2021 |
| Of the material entity at LAC consolidation group level | | | | | |
| 1 Internal loss-absorbing capacity available (HK\$m) | 161,797 | 163,242 | 158,556 | 158,496 | 159,296 |
| 2 Risk-weighted amount under the LAC Rules (HK\$m) | 758,058 | 734,128 | 713,496 | 734,532 | 707,658 |
| 3 Internal LAC risk-weighted ratio (%) | 21.3 | 22.2 | 22.2 | 21.6 | 22.5 |
| 4 Exposure measure under the LAC Rules (HK\$m) | 1,701,422 | 1,703,019 | 1,660,971 | 1,678,738 | 1,619,098 |
| 5 Internal LAC leverage ratio (%) | 9.5 | 9.6 | 9.5 | 9.4 | 9.8 |
| 6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB 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 Financial Stability Board ('FSB') Total Loss-absorbing Capacity ('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 2022 HK\$m | 31 Dec 2021 HK\$m |
| On-balance sheet exposures | | |
| 1 On-balance sheet exposures (excluding those arising from derivative contracts and securities financing transactions ('SFTs'), but including collateral) | 1,575,212 | 1,580,253 |
| 2 Less: Asset amounts deducted in determining Tier 1 capital | (28,355) | (28,049) |
| 3 Total on-balance sheet exposures (excluding derivative contracts and SFTs) | 1,546,857 | 1,552,204 |
| 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) | 8,770 | 6,422 |
| 5 Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts | 25,196 | 25,135 |
| 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 | 33,966 | 31,557 |
| Exposures arising from SFTs | | |
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 42,086 | 36,543 |
| 13 Less: Netted amounts of cash payables and cash receivables of gross SFT assets | - | - |
| 14 Counterparty credit risk ('CCR') exposure for SFT assets | 1,246 | 769 |
| 15 Agent transaction exposures | - | - |
| 16 Total exposures arising from SFTs | 43,332 | 37,312 |
| Other off-balance sheet exposures | | |
| 17 Off-balance sheet exposure at gross notional amount | 548,930 | 547,321 |
| 18 Less: Adjustments for conversion to credit equivalent amounts | (462,766) | (457,210) |
| 19 Off-balance sheet items | 86,164 | 90,111 |
| Capital and total exposures | | |
| 20 Tier 1 capital | 126,776 | 128,343 |
| 20a Total exposures before adjustments for specific and collective provisions | 1,710,319 | 1,711,184 |
| 20b Adjustments for specific and collective provisions | (7,852) | (7,120) |
| 21 Total exposures after adjustments for specific and collective provisions | 1,702,467 | 1,704,064 |
| Leverage ratio | | |
| 22 Leverage ratio | 7.4% | 7.5% |

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 2022 HK\$m | 31 Dec 2021 HK\$m | 31 Mar 2022 HK\$m |
| 1 Credit risk for non-securitisation exposures | 606,422 | 586,770 | 51,030 |
| 2 <i>Of which: Standardised (credit risk) ('STC') approach</i> | 82,114 | 79,123 | 6,569 |
| 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> | 31,622 | 29,339 | 2,682 |
| 5 <i>Of which: Advanced IRB approach</i> | 492,686 | 478,308 | 41,779 |
| 6 Counterparty default risk and default fund contributions | 7,593 | 7,247 | 641 |
| 7 <i>Of which: Standardised approach for counterparty credit risk ('SA-CCR')</i> | 7,348 | 6,978 | 620 |
| 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> | 245 | 269 | 21 |
| 10 Credit valuation adjustment ('CVA') risk | 8,545 | 7,191 | 684 |
| 11 Equity positions in banking book under the simple risk-weight method and internal models method | 21,334 | 19,989 | 1,809 |
| 12 Collective investment scheme ('CIS') exposures – Look-through ('LTA') approach* | Not applicable | Not applicable | Not applicable |
| 13 CIS exposures – Mandate-based ('MBA') approach* | Not applicable | Not applicable | Not applicable |
| 14 CIS exposures – Fall-back ('FBA') approach* | Not applicable | Not applicable | Not applicable |
| 14a CIS exposures – combination of approaches* | Not applicable | Not applicable | Not applicable |
| 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 | 14,620 | 13,248 | 1,170 |
| 21 <i>Of which: STM approach</i> | 688 | 313 | 55 |
| 22 <i>Of which: IMM approach</i> | 13,932 | 12,935 | 1,115 |
| 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 | 59,580 | 60,924 | 4,766 |
| 24a Sovereign concentration risk | - | - | - |
| 25 Amounts below the thresholds for deduction (subject to 250% Risk-Weight ('RW')) | 19,082 | 19,097 | 1,618 |
| 26 Capital floor adjustment | - | - | - |
| 26a Deduction to RWA | (13,413) | (13,540) | (1,073) |
| 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> | (13,413) | (13,540) | (1,073) |
| 27 Total | 723,763 | 700,926 | 60,645 |

1 RWA 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 RWA after application of the 1.06 scaling factor, where applicable.

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

Total RWA increased by HK\$22.8bn since last quarter. Credit risk RWA for non-securitisation exposures was the key contributor which increased by HK\$19.7bn mainly driven by change in asset quality.

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 2021) | 507,647 |
| 2 Asset size | 1,343 |
| 3 Asset quality | 15,152 |
| 4 Model updates | - |
| 5 Methodology and policy | - |
| 6 Acquisitions and disposals | - |
| 7 Foreign exchange movements | 382 |
| 8 Other | (216) |
| 9 RWA as at end of reporting period (31 Mar 2022) | 524,308 |

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

RWA increased by HK\$16.7bn in the first quarter of 2022 which was mainly driven by change in asset quality.

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 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 2021) | 4,207 | 8,728 | - | - | - | 12,935 |
| 2 Movement in risk levels | (534) | 1,479 | - | - | - | 945 |
| 3 Model updates/changes | - | - | - | - | - | - |
| 4 Methodology and policy | - | - | - | - | - | - |
| 5 Acquisitions and disposals | - | - | - | - | - | - |
| 6 Foreign exchange movements | 17 | 35 | - | - | - | 52 |
| 7 Other | - | - | - | - | - | - |
| 8 RWA as at end of reporting period (31 Mar 2022) | 3,690 | 10,242 | - | - | - | 13,932 |

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 |
| | 2022 |
| | % |
| Average liquidity coverage ratio | 188.9 |

The average LCR was 188.9% for the the quarter ended 31 March 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 |
| | 2022 |
| | HK\$m |
| Level 1 assets | 344,686 |
| Level 2A assets | 17,109 |
| Level 2B assets | 3,099 |
| Total weighted amount of HQLA | 364,894 |

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. All operating entities are required to monitor material single currency LCR. Limits are approved by local Asset and Liability Management Committee ('ALCO')/Tactical Asset and Liability Management Committee ('TALCO'), and monitored by 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 2021 Annual Report*.

* Refers to printed version. The page reference of Annual Report (text version) is pages 101 to 105.

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 2022 was 73.

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

| | | Quarter ended 31 Mar 2022 (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 | | 364,894 |
| B | Cash outflows | | |
| 2 | Retail deposits and small business funding, of which: | 889,095 | 71,807 |
| 3 | <i>Stable retail deposits and stable small business funding</i> | 244,324 | 7,330 |
| 4 | <i>Less stable retail deposits and less stable small business funding</i> | 644,771 | 64,477 |
| 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: | 308,571 | 144,747 |
| 6 | <i>Operational deposits</i> | 44,936 | 10,577 |
| 7 | <i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i> | 246,832 | 117,367 |
| 8 | <i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i> | 16,803 | 16,803 |
| 9 | Secured funding transactions (including securities swap transactions) | | 740 |
| 10 | Additional requirements, of which: | 74,863 | 16,951 |
| 11 | <i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i> | 5,992 | 5,992 |
| 12 | <i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i> | 2,714 | 2,714 |
| 13 | <i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i> | 66,157 | 8,245 |
| 14 | Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows | 22,468 | 22,468 |
| 15 | Other contingent funding obligations (whether contractual or non-contractual) | 479,944 | 2,931 |
| 16 | Total cash outflows | | 259,644 |
| C | Cash inflows | | |
| 17 | Secured lending transactions (including securities swap transactions) | 7,533 | 2,573 |
| 18 | Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions | 82,002 | 42,711 |
| 19 | Other cash inflows | 31,631 | 19,467 |
| 20 | Total cash inflows | 121,166 | 64,751 |
| D | Liquidity coverage ratio (adjusted value) | | |
| 21 | Total HQLA | | 364,894 |
| 22 | Total net cash outflows | | 194,893 |
| 23 | LCR (%) | | 188.9% |

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 | RW | Risk-weight |
| CET1 | Common equity tier 1 | RWA | Risk-weighted asset(s)/risk-weighted amount(s) |
| 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 | | T | |
| G-SIB | Global systemically important authorised institution | TALCO | Tactical Asset and Liability Management Committee |
| Group | Hang Seng Bank Limited together with its subsidiaries | TLAC | Total Loss-absorbing Capacity |
| H | | V | |
| HK\$bn | Billions (thousands of millions) of Hong Kong dollars | VaR | Value at risk |
| HK\$m | Millions of Hong Kong dollars | | |
| 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 | | |
| I | | | |
| IAA | Internal assessment approach | | |
| 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 | | |