

Banking Disclosure Statement

31 March 2025

(Unaudited)

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Prefixes contained in the table names, where applicable, represent the reference codes of the standard disclosure templates and tables issued by the Hong Kong Monetary Authority ('HKMA').

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 by the Group's 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 capital 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 and the foundation 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 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 credit valuation adjustment ('CVA'), the Group uses reduced basic CVA approach ('BA-CVA') to calculate CVA risk capital charge. The Group uses the standardised (market risk) approach ('STM approach') to calculate its market risk capital charge and the standardised operational risk approach to calculate its operational risk capital charge.

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

Regulatory reporting processes and controls

We are advancing a comprehensive initiative aimed at strengthening our regulatory reporting processes and making them more sustainable. This multifaceted programme includes enhancing data, consistency and controls. This remains a key priority for both management and regulatory authorities.

The Banking Disclosure Statement

The Group's Banking Disclosure Statement at 31 March 2025 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, including those under the Basel III final reform package which took effect on 1 January 2025, issued by the HKMA.

According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Comparative information disclosed in the standard disclosure templates for periods before 1 January 2025 are made in accordance with the BDR and the LAC Rules issued by the HKMA under Basel III and re-presented to align with the revised Pillar 3 disclosure package. 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 2024 Annual Report which can be found in the Investor Relations – Financial Statements section of our website, www.hangseng.com. Effective from 1 January 2025, the Group's reportable segments comprise three businesses, namely Hong Kong Business, International Wealth and Premier Banking and Corporate and Institutional Banking, along with Corporate Centre to

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

align with the prevailing business management and operation. Despite the change in reportable operating segments, the products and services offered to customers are substantially the same as that stated in the 2024 Annual Report.

Disclosure requirements covered in the Group's 2024 Annual Report:	Reference in Annual Report (Printed version)	Reference in Annual Report (Text version)
– BDR Section 16(1)(b) - Operations of the Group	Note 19 on pages 217 to 220	Note 19 on pages 243 to 246

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Key metrics

Table 1: KM1 – Key prudential ratios

		a	b	c	d	e
		At				
		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
Regulatory capital (HK\$m)¹						
1 & 1a	Common Equity Tier 1 ('CET1')	118,908	120,405	118,568	116,236	120,557
2 & 2a	Tier 1 ('T1')	130,495	131,992	130,155	127,967	132,301
3 & 3a	Total capital	139,797	141,454	139,963	137,999	142,487
RWA (HK\$m)¹						
4	Total RWA	560,366	680,082	691,201	701,271	679,785
4a	Total RWA (pre-floor) ⁶	560,366	N/A	N/A	N/A	N/A
Risk-based regulatory capital ratios (as a percentage of RWA)¹						
5 & 5a	CET1 ratio (%)	21.2	17.7	17.2	16.6	17.7
5b	CET1 ratio (%) (pre-floor ratio) ⁶	21.2	N/A	N/A	N/A	N/A
6 & 6a	T1 ratio (%)	23.3	19.4	18.8	18.2	19.5
6b	T1 ratio (%) (pre-floor ratio) ⁶	23.3	N/A	N/A	N/A	N/A
7 & 7a	Total capital ratio (%)	24.9	20.8	20.2	19.7	21.0
7b	Total capital ratio (%) (pre-floor ratio) ⁶	24.9	N/A	N/A	N/A	N/A
Additional CET1 buffer requirements (as a percentage of RWA)¹						
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer ('CCyB') requirement (%) ²	0.443	0.432	0.855	0.858	0.854
10	Higher loss absorbency requirement (%) (applicable only to Global systemically important authorised institution ('G-SIBs') or Domestic systemically important authorised institution ('D-SIBs'))	1.000	1.000	1.000	1.000	1.000
11	Total authorised institution ('AI')-specific CET1 buffer requirements (%)	3.943	3.932	4.355	4.358	4.354
12	CET1 available after meeting the AI's minimum capital requirements (%)	16.7	12.8	12.2	11.7	13.0
Basel III leverage ratio ('LR')³						
13	Total LR exposure measure (HK\$m)	1,625,034	1,657,571	1,655,155	1,575,287	1,544,703
13a	LR exposure measure based on mean values of gross assets of SFTs ⁶ (HK\$m)	1,618,648	N/A	N/A	N/A	N/A
14, 14a & 14b	LR (%)	8.0	8.0	7.9	8.1	8.6
14c & 14d	LR (%) based on mean values of gross assets of SFTs ⁶	8.1	N/A	N/A	N/A	N/A
Liquidity Coverage Ratio ('LCR')⁴						
15	Total high quality liquid assets ('HQLA') (HK\$m)	515,145	499,584	442,130	407,185	393,230
16	Total net cash outflows (HK\$m)	157,145	149,755	143,948	148,175	142,720
17	LCR (%)	328.7	335.2	307.9	277.2	276.8
Net Stable Funding Ratio ('NSFR')⁵						
18	Total available stable funding ('ASF') (HK\$m)	1,230,950	1,226,750	1,220,784	1,171,893	1,151,589
19	Total required stable funding ('RSF') (HK\$m)	683,496	677,642	684,047	696,783	670,874
20	NSFR (%)	180.1	181.0	178.5	168.2	171.7

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' 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 the CCyB buffer requirement is 0.5% with effect from October 2024 which was reduced from 1.0%. The jurisdictional CCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 2.5% at 31 March 2025.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

- 3 The Basel III LR 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.
- 6 Prior year disclosure is not required, as this is a new requirement under the Basel III final reform package, effective from 1 January 2025.

Total capital ratio increased by 4.1 percentage point ('p.p.') compared with the position at Dec 2024. It is a net effect of a decrease in total capital and a decrease in total RWA.

The decrease in total capital of HK\$1.7bn was mainly driven by:

- a decrease of HK\$6.3bn due to distribution of dividends and payment of Additional Tier 1 ('AT1') coupons; partially offset by
- an increase of HK\$4.4bn from profits for the first quarter of 2025.

Total RWA decreased by HK\$119.7bn. Please refer to Table 4 for details of movement. (Please note that the 1.06 scaling factor was applied to the Dec 2024 RWA in Table 1 where necessary but not to that in Table 4.)

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

	a	b	c	d	e
	At				
	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
Of the material entity at LAC consolidation group level					
1 Internal loss-absorbing capacity available (HK\$m)	167,279	168,929	167,439	165,490	169,983
2 RWA under the LAC Rules (HK\$m)	560,366	680,082	691,201	701,271	679,785
3 Internal LAC risk-weighted ratio (%)	29.9	24.8	24.2	23.6	25.0
4 Exposure measure under the LAC Rules (HK\$m)	1,623,989	1,656,526	1,654,110	1,574,242	1,543,658
5 Internal LAC leverage ratio (%)	10.3	10.2	10.1	10.5	11.0
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? ¹	N/A	N/A	N/A	N/A	N/A
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ¹	N/A	N/A	N/A	N/A	N/A
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 (%) ¹	N/A	N/A	N/A	N/A	N/A

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

Internal LAC risk-weighted ratio increased by 5.1 p.p. in the first quarter of 2025 mainly due to decrease in total RWA.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Capital and RWA

Leverage ratio

The following table shows the LR, T1 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 2025 HK\$m	31 Dec 2024 HK\$m
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	1,522,015	1,551,149
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	–	–
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	–	–
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from T1 capital ²	(14,245)	(12,986)
6	Less: Asset amounts deducted in determining T1 capital	(32,918)	(32,394)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)²	1,474,852	1,505,769
	Exposures arising from derivative contracts		
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	12,160	14,727
9	Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	28,094	26,878
10	Less: Exempted Central counterparty ('CCP') leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit-related derivative contracts	–	–
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	–	–
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	40,254	41,605
	Exposures arising from SFTs		
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	36,739	33,799
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	404	607
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs (sum of rows 14 to 17)	37,143	34,406
	Other off-balance sheet ('OBS') exposures		
19	OBS exposure at gross notional amount	508,829	513,684
20	Less: Adjustments for conversion to credit equivalent amounts	(435,857)	(437,727)
21	Less: Specific and collective provisions associated with OBS exposures that are deducted from T1 capital ²	(187)	(166)
22	OBS items (sum of rows 19 to 21)²	72,785	75,791
	Capital and total exposures		
23	Tier 1 capital	130,495	131,992
24	Total exposures (sum of rows 7, 13, 18 and 22)²	1,625,034	1,657,571
	LR		
25 & 25a	LR ¹ (%)	8.0	8.0
26	Minimum LR requirement ² (%)	3.0	3.0

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 3: LR2 – Leverage ratio

		a	b
		31 Mar 2025 HK\$m	31 Dec 2024 HK\$m
27	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables ³	30,353	N/A
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables ³	36,739	N/A
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables) ³	1,618,648	N/A
31 & 31a	LR based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables) ³ (%)	8.1	N/A

1 LR is the ratio of T1 capital to the total exposures after adjustments for specific and collective provisions.

2 Comparative information have been re-presented to align with the Revised Pillar 3 Disclosure Package.

3 Prior period disclosure is not required, as this is a new requirement under the Basel III final reform package, effective from 1 January 2025.

Overview of RWA and the minimum capital requirements

Table 4: OV1 – Overview of RWA

		a	b	c
		RWA		Minimum capital requirements ¹
		31 Mar 2025 HK\$m	31 Dec 2024 HK\$m	31 Mar 2025 HK\$m
1	Credit risk for non-securitisation exposures	475,014	524,925	38,000
2	Of which: Standardised (credit risk) ('STC') approach	68,170	52,766	5,454
2a	Of which: Basic ('BSC') approach	–	–	–
3	Of which: Foundation IRB approach	123,836	–	9,906
4	Of which: Supervisory slotting criteria approach	35,365	40,045	2,829
5	Of which: Advanced IRB approach ²	122,958	310,513	9,836
5a	Of which: Retail IRB approach ²	89,221	84,894	7,138
5b	Of which: Specific risk-weight approach ²	35,464	36,707	2,837
6	Counterparty credit risk and default fund contributions	7,924	7,935	634
7	Of which: SA-CCR	7,224	7,037	578
7a	Of which: Current exposure method ('CEM')	–	–	–
8	Of which: Internal models (counterparty credit risk) ('IMM(CCR)') approach	–	–	–
9	Of which: Others	700	898	56
10	CVA Risk	12,230	8,867	978
11	Equity positions in banking book under the simple risk-weight method and the internal models method ⁴	N/A	17,713	N/A
12	CIS exposures – LTA	587	577	47
13	CIS exposures – Mandated-based approach ('MBA')	–	–	–
14	CIS exposures – Fall-back approach ('FBA')	–	–	–
14a	CIS exposures – combination of approaches	–	–	–
15	Settlement risk	–	–	–
16	Securitisation exposures in banking book	–	–	–
17	Of which: Securitisation internal ratings-based approach ('SEC-IRBA')	–	–	–
18	Of which: Securitisation external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))	–	–	–
19	Of which: Securitisation standardised approach ('SEC-SA')	–	–	–
19a	Of which: Securitisation fall-back approach ('SEC-FBA')	–	–	–
20	Market risk	12,759	14,749	1,021
21	Of which: STM approach	12,759	351	1,021
22	Of which: Internal models approach ('IMA')	–	14,398	–
22a	Of which: Simplified standardised approach ('SSTM approach')	–	N/A	–
23	Capital charge for moving exposures between trading book and banking book	–	N/A	–
24	Operational risk	46,558	69,358	3,725
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% risk weight ('RW'))	17,594	17,594	1,408
26	Output floor level applied ³ (%)	50	N/A	
27	Floor adjustment (before application of transitional cap) ³	–	N/A	–
28a	Deduction to RWA	(12,300)	(12,505)	(984)
28b	Of which: Portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 ('T2') Capital	–	–	–
28c	Of which: Portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in T2 Capital	(12,300)	(12,505)	(984)
29	Total	560,366	649,213	44,829

1 Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWA.

2 Comparative information have been re-presented to align with the Revised Pillar 3 Disclosure Package.

3 Prior year disclosure is not required, as this is a new requirement under the Basel III final reform package, effective from 1 January 2025.

4 Equity positions in banking book are risk-weighted under the STC approach in accordance with the Basel III final reform package.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Total RWA decreased by HK\$88.8bn in the first quarter of 2025. Below are the key drivers:

Credit risk for non-securitisation exposures

The RWA of credit risk for non-securitisation exposure under non-STC approach decreased by HK\$65.3bn, primarily driven by the RWA reduction following the implementation of the Basel III final reform package (Please refer to Table 6 for details).

Operational risk

RWA decreased by HK\$22.8bn mainly due to the introduction of internal loss multiplier in the Basel III final reform package.

Comparison of modelled and standardised RWA

Table 5: CMS1 – Comparison of modelled and standardised RWA at risk level

	(a)	(b)	(c)	(d)
	RWA			
	RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for portfolios where standardised approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardised approach (i.e. used in the computation of the output floor)
At 31 Mar 2025	HK\$m	HK\$m	HK\$m	HK\$m
1 Credit risk for non-securitisation exposures	406,844	68,170	475,014	684,671
2 Counterparty credit risk and default fund contributions	5,628	2,296	7,924	13,758
3 CVA risk	–	12,230	12,230	12,230
4 Securitisation exposures in banking book	–	–	–	–
5 Market risk	–	12,759	12,759	12,759
6 Operational risk	–	46,558	46,558	46,558
7 Residual RWA	587	17,594	18,181	18,181
8 Total	413,059	159,607	572,666	788,157

The difference between the RWA calculated under the model-based approaches and the RWA disclosed under the full standardised approach is mainly from credit risk for non-securitisation exposures. The main driver is corporate exposures (excluding specialised lending).

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

RWA flow statements

RWA flow statement for credit risk

Table 6: CR8 – RWA flow statement of credit risk exposures¹ under IRB approach

		a
		Amount
		HK\$m
1	RWA as at end of previous reporting period (31 Dec 2024)	472,159
2	Asset size	(11,871)
3	Asset quality	(3,120)
4	Model updates	(3,627)
5	Methodology and policy	(47,122)
6	Acquisitions and disposals	—
7	Foreign exchange movements	857
8	Other	(432)
9	RWA as at end of reporting period (31 Mar 2025)	406,844

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

RWA decreased by HK\$65.3bn, of which HK\$47.1bn was from methodology and policy primarily driven by the RWA reduction following the implementation of the Basel III final reform package. RWA decreased by HK\$11.9bn from asset size as there was a drop in corporate lending.

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

Table 7: Average liquidity coverage ratio

	Quarter ended 31 Mar 2025
	%
Average LCR	328.7

The average LCR was 328.7% for the quarter ended 31 Mar 2025 and remained stable when compared with 335.2% for the quarter ended 31 Dec 2024. The liquidity position of the Group remained strong and above the 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 included in the LCR are Level 1 assets as defined in BLR, which consist mainly of government debt securities.

Table 8: Total weighted amount of high quality liquid assets

	Weighted value (average) for the quarter ended 31 Mar 2025
	HK\$m
Level 1 assets	479,390
Level 2A assets	31,163
Level 2B assets	4,592
Total weighted amount of HQLA	515,145

Source of funding

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

Currency mismatch

We manage currency mismatch risks for material currencies. Limits are set to ensure that outflows can be met, given assumptions on stressed capacity in the foreign exchange swap markets.

Additional contractual obligations

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 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 84 to 89 of the Group's 2024 Annual Report*.

* Refers to printed version. The page reference of Annual Report (text version) is pages 88 to 93.

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 Mar 2025 was 73.

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

		Quarter ended 31 Mar 2025 (73 data points)	
		a	b
		Unweighted value (average) HK\$m	Weighted value (average) HK\$m
Basis of disclosure: consolidated			
A	HQLA		
1	Total HQLA		515,145
B	Cash outflows		
2	Retail deposits and small business funding, of which:	989,967	81,273
3	Stable retail deposits and stable small business funding	253,191	7,595
4	Less stable retail deposits and less stable small business funding	736,776	73,678
4a	Retail term deposits and small business term funding	–	–
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the AI, of which:	215,796	96,716
6	Operational deposits	22,940	4,956
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6	191,162	90,066
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	1,694	1,694
9	Secured funding transactions (including securities swap transactions)		–
10	Additional requirements, of which:	153,047	22,326
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	5,058	5,058
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	2,674	2,674
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	145,315	14,594
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	29,291	29,291
15	Other contingent funding obligations (whether contractual or non-contractual)	371,740	2,311
16	Total cash outflows		231,917
C	Cash inflows		
17	Secured lending transactions (including securities swap transactions)	19,148	12,577
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	77,936	43,926
19	Other cash inflows	31,636	18,269
20	Total cash inflows	128,720	74,772
D	LCR (adjusted value)		
21	Total HQLA		515,145
22	Total net cash outflows		157,145
23	LCR (%)		328.7

Other information

Abbreviations

A	
AI	Authorised institution
ASF	Available stable funding
AT1	Additional Tier 1
B	
Bank	Hang Seng Bank Limited
BA-CVA	Basic CVA approach
BCBS	Basel Committee on Banking Supervision
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BLR	Banking (Liquidity) Rules
BSC	Basic
C	
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CEM	Current exposure method
CET1	Common Equity Tier 1
CIS	Collective investment scheme
CRC	Comprehensive risk charge
CSA	Credit Support Annex
CVA	Credit valuation adjustment
D	
D-SIB	Domestic systemically important authorised institution
Dec	December
E	
EAD	Exposure at default
F	
FBA	Fall-back approach
FIRO	Financial Institutions (Resolution) Ordinance
FSB	Financial Stability Board
G	
G-SIB	Global systemically important authorised institution
Group	Hang Seng Bank Limited together with its subsidiaries
H	
HK\$bn	Billions (thousands of millions) of Hong Kong dollars
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
IMA	Internal models approach
IMM(CCR)	Internal models (counterparty credit risk)
IRB	Internal ratings-based
ISDA	International Swaps and Derivatives Association
J	
Jun	June
L	
LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements - Banking Sector) Rules
LAC	Loss-absorbing Capacity
LCR	Liquidity coverage ratio
LGD	Loss given default
LR	Leverage ratio
LTA	Look-through approach
M	
MBA	Mandate-based approach
Mar	March
N	
N/A	Not applicable
NSFR	Net stable funding ratio
O	
OBS	Off-balance sheet
P	
PFE	Potential future exposure
p.p.	Percentage point
R	
RSF	Required stable funding
RWA	Risk-weighted asset(s)/risk-weighted amount(s)
RW	Risk-Weight
S	
SA-CCR	Standardised (counterparty credit risk)
SA-CVA	Standardised CVA approach
SEC-ERBA	Securitisation external ratings-based approach
SEC-FBA	Securitisation fall-back approach
SEC-IRBA	Securitisation internal ratings-based approach
SEC-SA	Securitisation standardised approach
SFT	Securities financing transaction
SSTM approach	Simplified standardised approach
STC	Standardised (credit risk)
STM approach	Standardised (market risk) approach

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

S	
Sep	September
T	
T1	Tier 1
T2	Tier 2
TLAC	Total Loss-absorbing Capacity