

CONTENTS	PAGE
1. Key prudential ratios, key metrics and overview of RWA	
KM1: Key prudential ratios	1
KM2(A): Key metrics – LAC requirements for material subsidiaries (at LAC consolidation group level)	2
KM2(B): Key metrics – TLAC requirements for non-HK resolution entity (at resolution group level)	3
OV1: Overview of RWA	4
2. Composition of regulatory capital	
CC1: Composition of regulatory capital	5
CC2: Reconciliation of regulatory capital to balance sheet	11
CCA(A): Main features of regulatory capital instruments and non-capital LAC debt instruments	13
TLAC1(A): LAC composition of material subsidiary (at LAC consolidation group level)	17
TLAC2: Material subsidiary – creditor ranking at legal entity level	18
3. Macroprudential supervisory measures	
CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer	19
4. Leverage ratio	
LR1: Summary comparison of accounting assets against leverage ratio exposure measure	19
LR2: Leverage ratio	20
5. Liquidity	
LIQ1: Liquidity Coverage Ratio – for category 1 institution	21
LIQ2: Net Stable Funding Ratio – for category 1 institution	23
6. Credit risk for non-securitization exposures	
CR1: Credit quality of exposures	25
CR2: Changes in defaulted loans and debt securities	25
CR3: Overview of recognized credit risk mitigation	25
CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach	26
CR5: Credit risk exposures by asset classes and by risk weights – for STC approach	27
CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach	28
CR7: Effects on RWA of recognized credit derivative contracts used as recognized credit risk mitigation – for IRB approach	36
CR8: RWA flow statements of credit risk exposures under IRB approach	37
CR10: Specialized lending under supervisory slotting criteria approach and equities under simple risk-weight method – for IRB approach	38

CONTENTS	PAGE
7. Counterparty credit risk	
CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches	39
CCR2: CVA capital charge	39
CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach	40
CCR4: Counterparty default risk exposures (other than those to CCPs) by portfolio and PD range – for IRB approach	41
CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)	42
CCR6: Credit-related derivatives contracts	42
CCR7: RWA flow statements of default risk exposures under IMM(CCR) approach	42
CCR8: Exposures to CCPs	43
8. Securitization exposures	
SEC1: Securitization exposures in banking book	44
SEC2: Securitization exposures in trading book	44
SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator	44
SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor	44
9. Market risk	
MR1: Market risk under STM approach	45
MR2: RWA flow statements of market risk exposures under IMM approach	45
MR3: IMM approach values for market risk exposures	46
MR4: Comparison of VaR estimates with gains or losses	47

2. Composition of regulatory capital (continued)

CCA(A): Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

(ii) Instruments that meet only regulatory capital (but not LAC) requirements		(b) Additional Tier 1 Capital Subordinated capital securities
1	Issuer	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Rule 144A: CUSIP - 06428JAA7 ISIN - US06428JAA79 Regulation S: CUSIP - 06428YAA4 ISIN - US06428YAA47
3	Governing law(s) of the instrument	English law, except that the provisions of the Capital Securities relating to subordination shall be governed by Hong Kong law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	Not applicable
<i>Regulatory treatment</i>		
4	Transitional Basel III rules ¹	Not applicable
5	Post-transitional Basel III rules ²	Additional Tier 1
6	Eligible at solo*/group/solo and group (for regulatory capital purposes)	Solo and Group
6a	Eligible at solo*/LAC consolidation group/solo and LAC consolidation group (for LAC purposes)	Not applicable
7	Instrument type (types to be specified by each jurisdiction)	Perpetual debt instruments
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$23,476m (as of 30 June 2022)
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	Not applicable
9	Par value of instrument	USD3,000m
10	Accounting classification	Shareholders' equity
11	Original date of issuance	14 September 2018
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption price	First call date: 14 September 2023 The issuer may redeem all but not some only of the Capital Securities then outstanding Also early redemption for tax reasons; tax deduction reasons; capital event; at the option of the issuer etc (please refer to "Terms & Conditions of the Capital Securities" at p.100 of the Supplemental Offering Circular dated 11 September 2018 for further details on call dates and redemption amounts)
16	Subsequent call dates, if applicable	Any distribution payment date after the first call date
<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Fixed

2. Composition of regulatory capital (continued)

CCA(A): Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

		(b)
		Additional Tier 1 Capital Subordinated capital securities
18	Coupon rate and any related index	Years 1-5: 5.90% per annum payable semi-annually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at the then prevailing 5-year US Treasury rate plus 3.036% p.a.
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible (refer to Note 3 for details)
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Upon the occurrence of a Non-Viability Event
32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	(i) Subordinate to (a) all unsubordinated creditors of the issuer (including its depositors), (b) creditors in respect of Tier 2 Capital Securities, and (c) all other subordinated creditors whose claims are stated to rank senior to the Capital Securities; (ii) Pari passu to parity obligations; and (iii) Senior to junior obligations (Please refer to Condition 3(B) of the "Terms & Conditions of the Capital Securities")
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable
Full terms and conditions		Click here to download

Footnote:

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

2. Composition of regulatory capital (continued)

CCA(A): Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

Note 1:

Pursuant to the Hong Kong Companies Ordinance (Chapter 622) which commenced operation on 3 March 2014, all shares issued by a company incorporated in Hong Kong before, on and after that commencement date shall have no par value and the relevant concept of authorised share capital is abolished.

Note 2:

- The authorised share capital of Bank of China (Hong Kong) Limited (“BOCHK”), comprising 4 million ordinary shares of HK\$100 each, was subdivided into 400 million ordinary shares of HK\$1 each pursuant to shareholders written resolution of BOCHK passed on 3 September 2001.
- On 30 September 2001, 400 million shares in the capital of BOCHK were transferred from Bank of China Limited to BOC Hong Kong (Holdings) Limited (“BOCHK Holdings”) pursuant to Supplemental Merger Agreement.
- BOCHK then issued a total of 42,642,840,858 ordinary shares at par value of HK\$1 each to BOCHK Holdings on 1 October 2001. Hence, the total issued and paid-up share capital of BOCHK was HK\$43,042,840,858 since 2001.
- The concepts of par value for shares and authorised share capital have been abolished following the commencement of the Hong Kong Companies Ordinance (Chapter 622) as mentioned in Note 1.

Note 3:

Contractually, the Additional Tier 1 capital securities are non-convertible.

2. Composition of regulatory capital (continued)

TLAC1(A): LAC composition of material subsidiary (at LAC consolidation group level)

		At 30 June 2022
		(a)
		HK\$m
	Regulatory capital elements of internal loss-absorbing capacity and adjustments	
1	Common Equity Tier 1 ("CET1") capital	229,606
2	Additional Tier 1 ("AT1") capital before LAC adjustments	23,476
3	AT1 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	(23,476)
4	Other adjustments	-
5	AT1 capital eligible under the LAC Rules	-
6	Tier 2 ("T2") capital before LAC adjustments	30,185
7	Amortized portion of T2 capital instruments that are internal LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	-
8	T2 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	-
9	Other adjustments	-
10	T2 capital eligible under the LAC Rules	30,185
11	Internal loss-absorbing capacity arising from regulatory capital	259,791
	Non-regulatory capital elements of internal loss-absorbing capacity	
12	Internal non-capital LAC debt instruments issued directly or indirectly to, and held indirectly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	-
17	Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments	-
	Non-regulatory capital elements of internal loss-absorbing capacity: adjustments	
18	Internal loss-absorbing capacity before deductions	259,791
19	Deductions of exposures between the material subsidiary's LAC consolidation group and group companies outside that group that correspond to non-capital items eligible for internal loss-absorbing capacity	-
20	Deduction of holdings of its own non-capital LAC liabilities	-
21	Other adjustments to internal loss-absorbing capacity	-
22	Internal loss-absorbing capacity after deductions	259,791
	Risk-weighted amount and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes	
23	Risk-weighted amount under the LAC Rules	1,294,797
24	Exposure measure under the LAC Rules	3,295,379
	Internal LAC ratios and buffers	
25	Internal LAC risk-weighted ratio	20.06%
26	Internal LAC leverage ratio	7.88%
27	CET1 capital (as a percentage of RWA under the Banking (Capital) Rules ("BCR")) available after meeting the LAC consolidation group's minimum capital and LAC requirements	13.23%
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA under the BCR)	4.811%
29	Of which: capital conservation buffer requirement	2.500%
30	Of which: institution-specific countercyclical capital buffer requirement	0.811%
31	Of which: higher loss absorbency requirement	1.500%

2. Composition of regulatory capital (continued)

TLAC2: Material subsidiary – creditor ranking at legal entity level

		At 30 June 2022		
		Creditor ranking		Sum of values in columns 1
		1 (most junior)	1 (most junior)	
		HK\$m	HK\$m	HK\$m
1	Is a resolution entity or a non-HK resolution entity the creditor/investor?	No	Yes	
2	Description of creditor ranking	Ordinary shares ¹		
3	Total capital and liabilities net of credit risk mitigation	14,609	28,434	43,043
4	Subset of row 3 that are excluded liabilities	-	-	-
5	Total capital and liabilities less excluded liabilities	14,609	28,434	43,043
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	14,609	28,434	43,043
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	-
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-
11	Subset of row 6 that is perpetual securities	14,609	28,434	43,043

Footnote:

¹ Issued and fully paid ordinary shares.

3. Macroprudential supervisory measures

CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer

		At 30 June 2022			
		(a)	(c)	(d)	(e)
		Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
Geographical breakdown by Jurisdiction (J)		%	HK\$m	%	HK\$m
1	Hong Kong SAR	1.000%	781,050		
2	Luxembourg	0.500%	514		
	Sum		781,564		
	Total		963,001	0.811%	10,501

4. Leverage ratio

LR1: Summary comparison of accounting assets against leverage ratio exposure measure

		At 30 June 2022
		(a)
Item		Value under the LR framework
		HK\$m
1	Total consolidated assets as per published financial statements	3,424,891
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(7,712)
2a	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
3a	Adjustments for eligible cash pooling transactions	-
4	Adjustments for derivative contracts	(4,237)
5	Adjustment for SFTs (i.e. repos and similar secured lending)	51
6	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	153,590
6a	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(590)
7	Other adjustments	(270,614)
	<i>of which: Hong Kong SAR Government certificates of indebtedness</i>	<i>(212,660)</i>
8	Leverage ratio exposure measure	3,295,379

4. Leverage ratio (continued)

LR2: Leverage ratio

		At 30 June 2022	At 31 March 2022
		(a)	(b)
		HK\$m	HK\$m
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	3,081,174	3,081,659
2	Less: Asset amounts deducted in determining Tier 1 capital	(57,954)	(57,319)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	3,023,220	3,024,340
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)	22,983	15,673
5	Add-on amounts for PFE associated with all derivative contracts	31,673	26,579
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	-	(185)
8	Less: Exempted 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	54,656	42,067
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	76,057	83,986
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	51	53
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	76,108	84,039
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	746,559	767,017
18	Less: Adjustments for conversion to credit equivalent amounts	(592,969)	(600,381)
19	Off-balance sheet items	153,590	166,636
Capital and total exposures			
20	Tier 1 capital	253,082	249,800
20a	Total exposures before adjustments for specific and collective provisions	3,307,574	3,317,082
20b	Adjustments for specific and collective provisions	(12,195)	(11,749)
21	Total exposures after adjustments for specific and collective provisions	3,295,379	3,305,333
Leverage ratio			
22	Leverage ratio	7.68%	7.56%

5. Liquidity

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 template: (71)		For the quarter ended 30 June 2022	
		(a)	(b)
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)
		HK\$m	HK\$m
A. HQLA			
1	Total HQLA		886,662
B. Cash Outflows			
2	Retail deposits and small business funding, of which:	1,141,944	75,923
3	<i>Stable retail deposits and stable small business funding</i>	405,937	12,178
4	<i>Less stable retail deposits and less stable small business funding</i>	530,584	53,058
4a	<i>Retail term deposits and small business term funding</i>	205,423	10,687
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	1,272,970	590,262
6	<i>Operational deposits</i>	491,478	121,381
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	781,492	468,881
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-
9	Secured funding transactions (including securities swap transactions)		2,324
10	Additional requirements, of which:	463,158	77,856
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	33,556	33,554
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	429,602	44,302
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	79,620	79,620
15	Other contingent funding obligations (whether contractual or non-contractual)	338,462	3,850
16	Total Cash Outflows		829,835
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	14,705	3,250
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	247,036	168,351
19	Other cash inflows	68,971	63,951
20	Total Cash Inflows	330,712	235,552
D. Liquidity Coverage Ratio			Adjusted value
21	Total HQLA		886,662
22	Total Net Cash Outflows		594,283
23	LCR (%)		149.49%

5. Liquidity (continued)

LIQ1: Liquidity Coverage Ratio – for category 1 institution (continued)

Notes:

- The weighted amount of HQLA is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principal amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

The Group's average LCR of the first and second quarter in 2022 were 159.16% and 149.49% respectively, continuously maintained at stable and healthy level.

The HQLA consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks and non-financial corporate debt securities. The majority of the HQLA was composed of Level 1 HQLA.

The net cash outflow was mainly from retail and corporate customer deposit which are the Group's primary source of funds, together with deposit and balance from bank and other financial institution. To ensure stable, sufficient and diversified source of funds, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market or by issuing debts in the capital market. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, had a minimal impact to the LCR.

The majority of the Group's customer deposits are denominated in HKD, USD and RMB. As the supply of HQLA denominated in HKD in the market is relatively limited, the Group exchanges surplus funds in HKD for USD and other currencies through swap transactions, part of which being used for investment in HQLA.

5. Liquidity (continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution

For the quarter ended 30 June 2022 (HK\$m)		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: consolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	319,379	-	-	-	319,379
2	Regulatory capital	319,379	-	-	-	319,379
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	1,125,363	39,973	1,171	1,071,871
5	Stable deposits	-	431,879	6,072	195	416,248
6	Less stable deposits	-	693,484	33,901	976	655,623
7	Wholesale funding:	-	1,523,003	43,283	1,652	502,613
8	Operational deposits	-	486,270	-	-	243,135
9	Other wholesale funding	-	1,036,733	43,283	1,652	259,478
10	Liabilities with matching interdependent assets	212,660	-	-	-	-
11	Other liabilities:	60,475	51,345	2,318	12,222	13,381
12	Net derivative liabilities	-	-	-	-	-
13	All other funding and liabilities not included in the above categories	60,475	51,345	2,318	12,222	13,381
14	Total ASF					1,907,244
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes		932,937			94,386
16	Deposits held at other financial institutions for operational purposes	-	1,229	-	-	614
17	Performing loans and securities:	19,799	664,728	227,084	1,186,874	1,284,260
18	Performing loans to financial institutions secured by Level 1 HQLA	-	3,766	-	-	377
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	66	258,782	31,207	33,312	87,799
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	18,999	351,487	152,684	752,374	887,954
21	With a risk-weight of less than or equal to 35% under the STC approach	4	3,052	334	38,824	26,931
22	Performing residential mortgages, of which:	-	8,819	8,313	344,738	232,783
23	With a risk-weight of less than or equal to 35% under the STC approach	-	8,327	8,195	344,050	231,893
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	734	41,874	34,880	56,450	75,347
25	Assets with matching interdependent liabilities	212,660	-	-	-	-
26	Other assets:	128,267	42,088	801	1,226	103,392
27	Physical traded commodities, including gold	4,820	-	-	-	4,097
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	6,403	-	-	-	5,443
29	Net derivative assets	398	-	-	-	398
30	Total derivative liabilities before adjustments for deduction of variation margin posted	31,411	-	-	-	1,571
31	All other assets not included in the above categories	85,235	42,088	801	1,226	91,883
32	Off-balance sheet items			746,621		20,661
33	Total RSF					1,503,313
34	Net Stable Funding Ratio (%)					126.87%

5. Liquidity (continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (continued)

For the quarter ended 31 March 2022 (HK\$m)		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: consolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	316,124	-	-	-	316,124
2	Regulatory capital	316,124	-	-	-	316,124
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and small business funding:	-	1,137,452	14,393	672	1,059,059
5	Stable deposits	-	432,141	2,403	105	412,920
6	Less stable deposits	-	705,311	11,990	567	646,139
7	Wholesale funding:	-	1,578,720	28,501	1,698	489,924
8	Operational deposits	-	488,520	-	-	244,260
9	Other wholesale funding	-	1,090,200	28,501	1,698	245,664
10	Liabilities with matching interdependent assets	210,180	-	-	-	-
11	Other liabilities:	52,849	36,048	177	12,691	12,779
12	Net derivative liabilities	2,380	-	-	-	-
13	All other funding and liabilities not included in the above categories	50,469	36,048	177	12,691	12,779
14	Total ASF					1,877,886
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes		937,800			98,360
16	Deposits held at other financial institutions for operational purposes	-	5,970	-	-	2,985
17	Performing loans and securities:	18,239	686,098	220,902	1,184,570	1,289,493
18	Performing loans to financial institutions secured by Level 1 HQLA	-	13,247	-	-	1,325
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	79	287,661	33,197	34,306	94,133
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	17,401	336,870	150,807	701,904	853,070
21	With a risk-weight of less than or equal to 35% under the STC approach	11	2,511	-	2,832	3,103
22	Performing residential mortgages, of which:	-	8,712	8,718	377,491	254,242
23	With a risk-weight of less than or equal to 35% under the STC approach	-	8,712	8,718	376,703	253,572
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	759	39,608	28,180	70,869	86,723
25	Assets with matching interdependent liabilities	210,180	-	-	-	-
26	Other assets:	122,690	20,357	825	1,329	103,521
27	Physical traded commodities, including gold	7,119	-	-	-	6,050
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	4,805	-	-	-	4,085
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before adjustments for deduction of variation margin posted	23,700	-	-	-	1,185
31	All other assets not included in the above categories	87,066	20,357	825	1,329	92,201
32	Off-balance sheet items			768,031		21,822
33	Total RSF					1,516,181
34	Net Stable Funding Ratio (%)					123.86%

6. Credit risk for non-securitization exposures

CR1: Credit quality of exposures

		At 30 June 2022						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Loans	6,896	2,097,833	(11,129)	(1,470)	(1,164)	(8,495)	2,093,600
2	Debt securities	-	882,534	(59)	-	(29)	(30)	882,475
3	Off-balance sheet exposures	320	746,239	(590)	(17)	(61)	(512)	745,969
4	Total	7,216	3,726,606	(11,778)	(1,487)	(1,254)	(9,037)	3,722,044

The Group identifies the exposures as "default" if the exposure is past due for more than 90 days or the borrower is unlikely to pay in full for the credit obligations to the Group.

CR2: Changes in defaulted loans and debt securities

		(a)
		HK\$m
1	Defaulted loans and debt securities at 31 December 2021	3,681
2	Loans and debt securities that have defaulted since the last reporting period	3,758
3	Returned to non-defaulted status	(36)
4	Amounts written off	(299)
5	Other changes	(208)
6	Defaulted loans and debt securities at 30 June 2022	6,896

The increase in defaulted exposures in the current reporting period was due to default of a few corporate loans.

CR3: Overview of recognized credit risk mitigation

		At 30 June 2022				
		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Loans	1,593,257	500,343	82,881	417,462	-
2	Debt securities	837,760	44,715	-	44,715	-
3	Total	2,431,017	545,058	82,881	462,177	-
4	Of which defaulted	2,705	827	700	127	-

6. Credit risk for non-securitization exposures (continued)

CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

		At 30 June 2022					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	%
1	Sovereign exposures	673,529	1,105	673,529	221	13,753	2
2	PSE exposures	58,088	4,558	61,376	4,648	7,056	11
2a	Of which: domestic PSEs	8,602	4,558	11,890	4,648	3,308	20
2b	Of which: foreign PSEs	49,486	-	49,486	-	3,748	8
3	Multilateral development bank exposures	57,674	-	57,674	-	-	-
4	Bank exposures	756	237	2,133	133	872	38
5	Securities firm exposures	248	25	248	9	128	50
6	Corporate exposures	46,392	36,169	42,105	8,404	47,438	94
7	CIS exposures	-	-	-	-	-	-
8	Cash items	402	-	402	-	-	-
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-
10	Regulatory retail exposures	7,916	18,632	7,388	737	6,093	75
11	Residential mortgage loans	5,144	6,849	1,853	-	966	52
12	Other exposures which are not past due exposures	28,826	23,770	10,114	97	10,211	100
13	Past due exposures	365	-	365	-	545	149
14	Significant exposures to commercial entities	-	-	-	-	-	-
15	Total	879,340	91,345	857,187	14,249	87,062	10

6. Credit risk for non-securitization exposures (continued)

CR5: Credit risk exposures by asset classes and by risk weights – for STC approach

Risk Weight Exposure class		At 30 June 2022										Total credit risk exposures amount (post CCF and post CRM) HK\$m
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(ha)	(i)	
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Others	
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Sovereign exposures	652,215	-	3,475	-	12,442	-	3,180	2,438	-	-	673,750
2	PSE exposures	40,243	-	19,447	-	6,334	-	-	-	-	-	66,024
2a	Of which: domestic PSEs	-	-	16,538	-	-	-	-	-	-	-	16,538
2b	Of which: foreign PSEs	40,243	-	2,909	-	6,334	-	-	-	-	-	49,486
3	Multilateral development bank exposures	57,674	-	-	-	-	-	-	-	-	-	57,674
4	Bank exposures	-	-	875	-	1,389	-	2	-	-	-	2,266
5	Securities firm exposures	-	-	-	-	257	-	-	-	-	-	257
6	Corporate exposures	-	-	1,035	-	4,951	-	44,059	464	-	-	50,509
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-
8	Cash items	402	-	-	-	-	-	-	-	-	-	402
9	Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis	-	-	-	-	-	-	-	-	-	-	-
10	Regulatory retail exposures	-	-	-	-	-	8,125	-	-	-	-	8,125
11	Residential mortgage loans	-	-	-	1,067	-	776	10	-	-	-	1,853
12	Other exposures which are not past due exposures	-	-	-	-	-	-	10,211	-	-	-	10,211
13	Past due exposures	2	-	-	-	-	-	-	363	-	-	365
14	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-
15	Total	750,536	-	24,832	1,067	25,373	8,901	57,462	3,265	-	-	871,436

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach

(a) FIRB approach

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (ii) – Bank	0.00 to < 0.15	387,813	22,480	35	406,864	0.06	275	45	2.50	115,039	28	103	
	0.15 to < 0.25	13,356	8,547	3	13,976	0.22	61	43	2.50	8,052	58	13	
	0.25 to < 0.50	1,919	3,377	-	1,919	0.39	18	38	2.50	1,211	63	3	
	0.50 to < 0.75	1,022	4,789	-	1,047	0.57	21	14	2.50	289	28	1	
	0.75 to < 2.50	636	497	-	636	1.06	17	43	2.50	566	89	3	
	2.50 to < 10.00	1,846	15	-	1,846	4.78	12	45	2.50	2,717	147	39	
	10.00 to < 100.00	1	-	-	1	18.00	1	45	2.50	4	265	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	406,593	39,705	20	426,289	0.09	405	45	2.50	127,878	30	162	1,795	
Portfolio (iii) – Corporate – specialized lending (other than HVCRE) – FIRB/AIRB	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (iv) – Corporate – small-and-medium sized corporates	0.00 to < 0.15	10,474	3,937	8	12,612	0.09	244	43	2.50	3,016	24	5	
	0.15 to < 0.25	3,088	3,476	11	9,455	0.22	174	42	2.50	3,272	35	9	
	0.25 to < 0.50	5,002	3,661	7	11,921	0.39	236	42	2.50	5,849	49	19	
	0.50 to < 0.75	10,334	6,567	5	12,051	0.57	311	41	2.50	6,659	55	28	
	0.75 to < 2.50	35,028	8,427	16	29,489	1.23	587	42	2.50	22,694	77	153	
	2.50 to < 10.00	23,364	4,360	27	20,455	3.85	263	39	2.50	20,272	99	302	
	10.00 to < 100.00	536	137	1	490	11.78	28	39	2.50	687	140	23	
	100.00 (Default)	34	1	-	21	100.00	4	45	2.50	28	130	14	
Sub-total	87,860	30,566	12	96,494	1.43	1,847	41	2.50	62,477	65	553	812	
Portfolio (v) – Corporate – HVCRE – FIRB/AIRB	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	
Portfolio (vi) – Corporate – other (including purchased corporate receivables)	0.00 to < 0.15	354,012	110,411	43	606,291	0.10	632	45	2.50	183,887	30	277	
	0.15 to < 0.25	83,999	56,369	16	112,911	0.22	238	45	2.50	53,402	47	111	
	0.25 to < 0.50	95,571	54,436	26	153,151	0.39	259	43	2.50	92,311	60	255	
	0.50 to < 0.75	269,530	104,416	16	132,087	0.59	489	44	2.50	97,564	74	345	
	0.75 to < 2.50	245,225	82,478	17	176,228	1.24	866	42	2.50	159,940	91	881	
	2.50 to < 10.00	69,901	34,693	9	37,960	3.45	287	42	2.50	47,366	125	550	
	10.00 to < 100.00	8,660	2,734	24	5,653	18.29	41	42	2.50	12,628	223	427	
	100.00 (Default)	5,217	237	50	5,220	100.00	41	43	2.50	5,160	99	2,362	
Sub-total	1,132,115	445,774	26	1,229,501	0.97	2,853	44	2.50	652,258	53	5,208	10,767	

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%	%	Year	HK\$m	%	HK\$m	HK\$m		
Portfolio (vii) – Equity – PD/LGD approach	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	
Portfolio (viii) – Retail – QRRE	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	
Portfolio (ix) – Retail – Residential mortgage exposures (including both to individuals and to property- holding shell companies)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (x) – Retail – small business retail exposures	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (xi) – Other retail exposures to individuals	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Total (sum of all portfolios)		1,626,568	516,045	50	1,752,284	0.78	5,105	43	2.50	842,613	48	5,923	13,374

Compared with 31 December 2021, the 13% decrease in RWA of “Portfolio (ii) – Bank” was mainly due to decrease in “EAD post-CRM and post-CCF”.

6. Credit risk for non-securitization exposures (continued)
CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)
(b) Retail IRB approach

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (ii) – Bank	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (iii) – Corporate – specialized lending (other than HVCRE) – FIRB/AIRB	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-

6. Credit risk for non-securitization exposures (continued)
CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)
(b) Retail IRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (iv) – Corporate – small-and- medium sized corporates	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (v) – Corporate – HVCRE – FIRB/AIRB	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (vi) – Corporate – other (including purchased corporate receivables)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (vii) – Equity – PD/LGD approach	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (viii) – Retail – QRRE	0.00 to < 0.15	5,000	55,553	-	33,839	0.10	674,834	90		1,874	6	31	
	0.15 to < 0.25	1,351	30,548	-	24,487	0.23	697,624	89		2,645	11	51	
	0.25 to < 0.50	481	15,237	-	12,484	0.33	421,643	89		1,766	14	36	
	0.50 to < 0.75	777	2,684	-	2,665	0.57	73,111	93		610	23	14	
	0.75 to < 2.50	647	1,289	-	1,757	1.28	40,515	94		758	43	21	
	2.50 to < 10.00	1,155	1,046	-	1,873	5.53	32,492	95		2,259	121	98	
	10.00 to < 100.00	479	156	-	611	17.44	12,356	96		1,341	219	101	
	100.00 (Default)	43	82	-	107	100.00	2,592	88		744	698	37	
Sub-total	9,933	106,595	-	77,823	0.63	1,955,167	90		11,997	15	389	186	
Portfolio (ix) – Retail – Residential mortgage exposures (including both to individuals and to property- holding shell companies)	0.00 to < 0.15	136,527	-	-	136,527	0.11	68,557	11		27,941	20	16	
	0.15 to < 0.25	59,697	-	-	59,697	0.22	17,667	11		13,279	22	15	
	0.25 to < 0.50	61,111	-	-	61,111	0.39	17,385	11		14,661	24	27	
	0.50 to < 0.75	84,600	-	-	84,600	0.61	25,045	13		21,788	26	68	
	0.75 to < 2.50	51,523	-	-	51,523	0.97	13,158	14		13,555	26	72	
	2.50 to < 10.00	1,174	-	-	1,174	5.22	504	12		487	42	8	
	10.00 to < 100.00	660	-	-	660	25.63	281	12		449	68	20	
	100.00 (Default)	203	-	-	203	100.00	127	13		316	156	1	
Sub-total	395,495	-	-	395,495	0.50	142,724	12		92,476	23	227	1,182	

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2022											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
%	HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m	
Portfolio (x) – Retail – small business retail exposures	0.00 to < 0.15	865	1,683	34	1,444	0.08	1,260	13		40	3	-	
	0.15 to < 0.25	354	174	39	422	0.22	238	13		23	5	-	
	0.25 to < 0.50	382	255	37	477	0.39	284	13		37	8	-	
	0.50 to < 0.75	438	295	32	533	0.58	331	13		55	10	-	
	0.75 to < 2.50	762	333	31	867	1.33	699	17		156	18	2	
	2.50 to < 10.00	185	27	59	201	3.50	155	14		41	20	2	
	10.00 to < 100.00	8	-	99	8	22.36	9	18		3	38	-	
	100.00 (Default)	22	1	109	22	100.00	21	43		38	171	13	
Sub-total	3,016	2,768	35	3,974	1.26	2,997	14		393	10	17	18	
Portfolio (xi) – Other retail exposures to individuals	0.00 to < 0.15	3,537	9,305	-	12,273	0.05	3,691	16		312	3	1	
	0.15 to < 0.25	4,884	67	-	4,939	0.22	5,622	13		279	6	1	
	0.25 to < 0.50	35,181	30	-	35,204	0.37	16,839	12		2,463	7	15	
	0.50 to < 0.75	17,790	35	1	17,818	0.61	7,877	14		1,947	11	15	
	0.75 to < 2.50	15,957	19,267	1	17,777	1.38	9,589	31		6,541	37	93	
	2.50 to < 10.00	744	10	-	752	3.93	326	24		255	34	7	
	10.00 to < 100.00	408	-	-	408	17.51	771	27		222	54	22	
	100.00 (Default)	113	-	-	113	100.00	771	58		592	526	21	
Sub-total	78,614	28,714	-	89,284	0.80	45,486	17		12,611	14	175	182	
Total (sum of all portfolios)	487,058	138,077	1	566,576	0.57	2,146,374	24		117,477	21	808	1,568	

6. Credit risk for non-securitization exposures (continued)

CR7: Effects on RWA of recognized credit derivative contracts used as recognized credit risk mitigation – for IRB approach

		At 30 June 2022	
		(a)	(b)
		Pre-credit derivatives RWA	Actual RWA
		HK\$m	HK\$m
1	Corporate – Specialized lending under supervisory slotting criteria approach (project finance)	2,426	2,426
2	Corporate – Specialized lending under supervisory slotting criteria approach (object finance)	-	-
3	Corporate – Specialized lending under supervisory slotting criteria approach (commodities finance)	-	-
4	Corporate – Specialized lending under supervisory slotting criteria approach (income-producing real estate)	-	-
5	Corporate – Specialized lending (high-volatility commercial real estate)	-	-
6	Corporate – Small-and-medium sized corporates	62,477	62,477
7	Corporate – Other corporates	652,258	652,258
8	Sovereigns	-	-
9	Sovereign foreign public sector entities	-	-
10	Multilateral development banks	-	-
11	Bank exposures – Banks	127,572	127,572
12	Bank exposures – Securities firms	306	306
13	Bank exposures – Public sector entities (excluding sovereign foreign public sector entities)	-	-
14	Retail – Small business retail exposures	393	393
15	Retail – Residential mortgages to individuals	92,018	92,018
16	Retail – Residential mortgages to property-holding shell companies	458	458
17	Retail – Qualifying revolving retail exposures (QRRE)	11,997	11,997
18	Retail – Other retail exposures to individuals	12,611	12,611
19	Equity – Equity exposures under market-based approach (simple risk-weight method)	-	-
20	Equity – Equity exposures under market-based approach (internal models method)	-	-
21	Equity – Equity exposures under PD/LGD approach (publicly traded equity exposures held for long-term investment)	-	-
22	Equity – Equity exposures under PD/LGD approach (privately owned equity exposures held for long-term investment)	-	-
23	Equity – Equity exposures under PD/LGD approach (other publicly traded equity exposures)	-	-
24	Equity – Equity exposures under PD/LGD approach (other equity exposures)	-	-
25	Equity – Equity exposures associated with equity investments in funds (CIS exposures)	-	-
26	Other – Cash items	-	-
27	Other – Other items	66,027	66,027
28	Total (under the IRB calculation approaches)	1,028,543	1,028,543

The Group did not use any recognised credit derivative contracts for credit risk mitigation.

6. Credit risk for non-securitization exposures (continued)

CR8: RWA flow statements of credit risk exposures under IRB approach

		(a)
		HK\$m
1	RWA as at 31 March 2022	1,053,128
2	Asset size	(12,220)
3	Asset quality	(7,190)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(5,175)
8	Other	-
9	RWA as at 30 June 2022	1,028,543

6. Credit risk for non-securitization exposures (continued)

CR10: Specialized lending under supervisory slotting criteria approach and equities under simple risk-weight method – for IRB approach

I. Specialized lending under supervisory slotting criteria approach – HVCRE

There were no specialised lending under supervisory slotting criteria approach – HVCRE as at 30 June 2022.

II. Specialized lending under supervisory slotting criteria approach – other than HVCRE

		At 30 June 2022									
Supervisory Rating Grade	Remaining Maturity	(a)	(b)	(c)	(d)(i)	(d)(ii)	(d)(iii)	(d)(iv)	(d)(v)	(e)	(f)
		On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW	EAD amount					RWA	Expected loss amount
		HK\$m	HK\$m		PF	OF	CF	IPRE	Total	HK\$m	HK\$m
Strong [^]	Less than 2.5 years	-	-	50%	-	-	-	-	-	-	-
Strong	Equal to or more than 2.5 years	-	-	70%	-	-	-	-	-	-	-
Good [^]	Less than 2.5 years	-	-	70%	-	-	-	-	-	-	-
Good	Equal to or more than 2.5 years	1,803	56	90%	1,804	-	-	-	1,804	1,624	15
Satisfactory		697	-	115%	697	-	-	-	697	802	20
Weak		-	-	250%	-	-	-	-	-	-	-
Default		-	-	0%	-	-	-	-	-	-	-
Total		2,500	56		2,501	-	-	-	2,501	2,426	35

[^] Use of preferential risk-weights.

III. Equity exposures under simple risk-weight method

The Group did not use simple risk-weight method to measure equities exposures as at 30 June 2022.

7. Counterparty credit risk

CCR1: Analysis of counterparty default risk exposures (other than those to CCPs) by approaches

		At 30 June 2022					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$m	HK\$m	HK\$m		HK\$m	HK\$m
1	SA-CCR approach (for derivative contracts)	8,929	20,077		1.4	40,608	15,880
1a	CEM (for derivative contracts)	-	-		1.4	-	-
2	IMM(CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					-	-
4	Comprehensive approach (for SFTs)					75,381	48
5	VaR (for SFTs)					-	-
6	Total						15,928

Compared with 31 December 2021, the 31% increase in SA-CCR's default risk exposure after CRM was mainly driven by change in outstanding transactions' market value and increase in outstanding transaction volume. The 10% decrease in SFTs' default risk exposure after CRM was mainly driven by decrease in outstanding transaction volume.

CCR2: CVA capital charge

		At 30 June 2022	
		(a)	(b)
		EAD post CRM	RWA
		HK\$m	HK\$m
	Netting sets for which CVA capital charge is calculated by the advanced CVA method	-	-
1	(i) VaR (after application of multiplication factor if applicable)		-
2	(ii) Stressed VaR (after application of multiplication factor if applicable)		-
3	Netting sets for which CVA capital charge is calculated by the standardized CVA method	40,461	6,954
4	Total	40,461	6,954

7. Counterparty credit risk (continued)

CCR3: Counterparty default risk exposures (other than those to CCPs) by asset classes and by risk weights – for STC approach

Risk Weight Exposure class		At 30 June 2022										Total default risk exposure after CRM HK\$m	
		(a)	(b)	(c)	(ca)	(d)	(e)	(f)	(g)	(ga)	(h)		(i)
		0% HK\$m	10% HK\$m	20% HK\$m	35% HK\$m	50% HK\$m	75% HK\$m	100% HK\$m	150% HK\$m	250% HK\$m	Others HK\$m		
1	Sovereign exposures	531	-	1	-	5	-	-	-	-	-	-	537
2	PSE exposures	-	-	84	-	-	-	-	-	-	-	-	84
2a	Of which: domestic PSEs	-	-	84	-	-	-	-	-	-	-	-	84
2b	Of which: foreign PSEs	-	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	20	-	-	-	-	-	-	-	-	-	-	20
4	Bank exposures	-	-	3	-	-	-	-	-	-	-	-	3
5	Securities firm exposures	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporate exposures	-	-	-	-	-	-	214	-	-	-	-	214
7	CIS exposures	-	-	-	-	-	-	-	-	-	-	-	-
8	Regulatory retail exposures	-	-	-	-	-	196	-	-	-	-	-	196
9	Residential mortgage loans	-	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures which are not past due exposures	-	-	-	-	-	-	1,021	-	-	-	-	1,021
11	Significant exposures to commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
12	Total	551	-	88	-	5	196	1,235	-	-	-	-	2,075

Compared with 31 December 2021, the 421% increase in sovereign exposures, 200% increase in PSE exposures and 47% decrease in multilateral development bank exposures, were mainly driven by changes in respective outstanding transaction volumes.

7. Counterparty credit risk (continued)

CCR4: Counterparty default risk exposures (other than those to CCPs) by portfolio and PD range – for IRB approach

FIRB approach

	PD scale	At 30 June 2022						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		EAD post-CRM HK\$m	Average PD %	Number of obligors	Average LGD %	Average maturity Year	RWA HK\$m	RWA density %
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	
Portfolio (ii) – Bank	0.00 to < 0.15	102,896	0.05	133	13	1.08	8,687	8
	0.15 to < 0.25	5,063	0.22	28	37	2.15	2,512	50
	0.25 to < 0.50	547	0.39	16	34	2.02	314	57
	0.50 to < 0.75	1,332	0.52	6	3	0.65	83	6
	0.75 to < 2.50	1,165	1.02	8	36	2.11	1,056	91
	2.50 to < 10.00	7	2.67	1	45	2.50	11	153
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Sub-total	111,010	0.08	192	14	1.14	12,663	11	
Portfolio (iii) – Corporate	0.00 to < 0.15	1,469	0.09	30	45	2.50	531	36
	0.15 to < 0.25	87	0.22	14	45	2.50	40	46
	0.25 to < 0.50	102	0.39	11	45	2.50	65	64
	0.50 to < 0.75	333	0.61	28	45	2.50	251	75
	0.75 to < 2.50	834	1.49	32	45	2.50	866	104
	2.50 to < 10.00	75	3.49	15	45	2.50	100	135
	10.00 to < 100.00	4	13.77	1	45	2.50	10	216
	100.00 (Default)	-	-	-	-	-	-	-
Sub-total	2,904	0.68	131	45	2.50	1,863	64	
Portfolio (iv) – Retail	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	
Total (sum of all portfolios)	113,914	0.09	323	15	1.18	14,526	13	

Compared with 31 December 2021, the 34% increase in RWA of “Portfolio (ii) – Bank” was mainly due to increase in “EAD post-CRM”.

7. Counterparty credit risk (continued)

CCR5: Composition of collateral for counterparty default risk exposures (including those for contracts or transactions cleared through CCPs)

	At 30 June 2022					
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
Cash	-	29,432	-	10,714	63,615	12,442
Debt securities	-	-	-	-	12,498	63,269
Equity securities	-	-	-	-	428	-
Total	-	29,432	-	10,714	76,541	75,711

Compared with 31 December 2021, the 151% increase in fair value of recognised collateral received (unsegregated) under derivative contracts was mainly driven by change in outstanding transactions' market value and increase in outstanding transaction volume.

The 15% decrease in fair value of recognised collateral received and 31% decrease in fair value of posted collateral under SFTs were mainly driven by decrease in outstanding transaction volume.

CCR6: Credit-related derivatives contracts

	At 30 June 2022	
	(a)	(b)
	Protection bought	Protection sold
	HK\$m	HK\$m
Notional amounts		
Index credit default swaps	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

CCR7: RWA flow statements of default risk exposures under IMM(CCR) approach

The Group did not use IMM(CCR) approach to measure default risk exposures as at 30 June 2022.

7. Counterparty credit risk (continued)

CCR8: Exposures to CCPs

		At 30 June 2022	
		(a)	(b)
		Exposure after CRM	RWA
		HK\$m	HK\$m
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		201
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	1,670	41
3	(i) OTC derivative transactions	1,215	32
4	(ii) Exchange-traded derivative contracts	455	9
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	-
8	Unsegregated initial margin	171	7
9	Funded default fund contributions	320	153
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	-
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

8. Securitization exposures

SEC1: Securitization exposures in banking book

There was no securitisation exposure in the banking book as at 30 June 2022.

SEC2: Securitization exposures in trading book

There was no securitisation exposure in the trading book as at 30 June 2022.

SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

There was no securitisation exposure in the banking book and the associated capital requirements where the Group acts as an originator as at 30 June 2022.

SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

There was no securitisation exposure in the banking book and the associated capital requirements where the Group acts as an investor as at 30 June 2022.

9. Market risk

MR1: Market risk under STM approach

		At 30 June 2022
		(a)
		RWA
		HK\$m
	Outright product exposures	
1	Interest rate exposures (general and specific risk)	626
2	Equity exposures (general and specific risk)	204
3	Foreign exchange (including gold) exposures	-
4	Commodity exposures	1,045
	Option exposures	
5	Simplified approach	-
6	Delta-plus approach	3
7	Other approach	-
8	Securitization exposures	-
9	Total	1,878

MR2: RWA flow statements of market risk exposures under IMM approach

		(a)	(b)	(c)	(d)	(e)	(f)
		VaR	Stressed VaR	IRC	CRC	Other	Total RWA
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	RWA as at 31 March 2022	3,208	16,410	-	-	-	19,618
1a	Regulatory adjustment	(1,987)	(11,090)	-	-	-	(13,077)
1b	RWA as at day-end of 31 March 2022	1,221	5,320	-	-	-	6,541
2	Movement in risk levels*	(522)	(1,409)	-	-	-	(1,931)
3	Model updates/changes	-	-	-	-	-	-
4	Methodology and policy	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-
7	Other	-	-	-	-	-	-
7a	RWA as at day-end of 30 June 2022	699	3,911	-	-	-	4,610
7b	Regulatory adjustment	2,067	10,713	-	-	-	12,780
8	RWA as at 30 June 2022	2,766	14,624	-	-	-	17,390

* Movements as a result of changes in positions and risk levels.

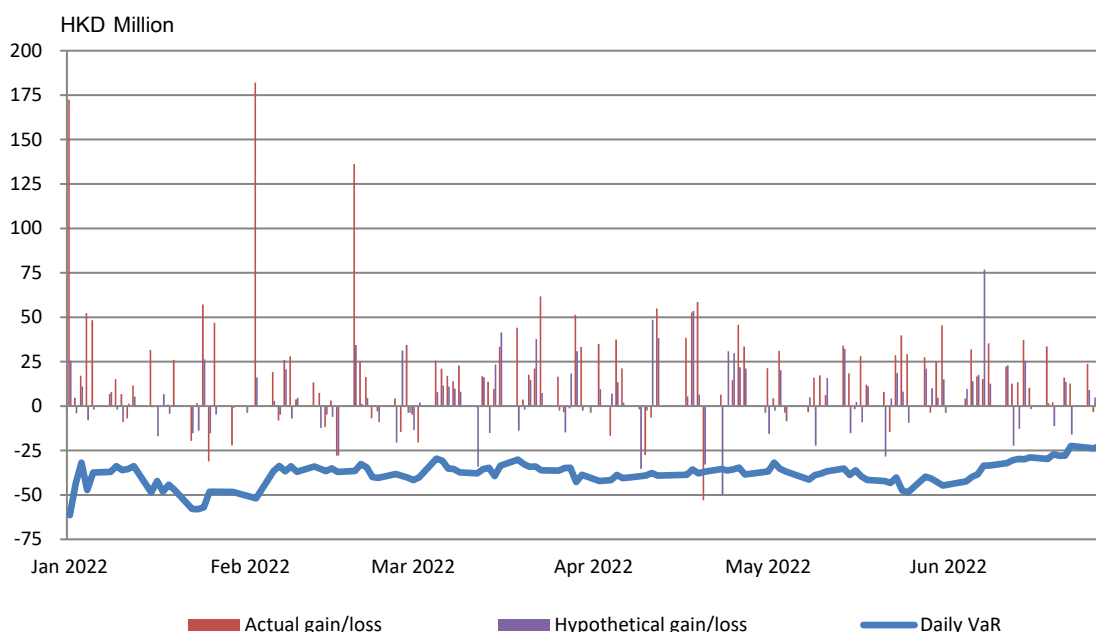
9. Market risk (continued)

MR3: IMM approach values for market risk exposures

		(a)
		HK\$m
VaR (10 days – one-tailed 99% confidence interval)		
1	Maximum Value	134
2	Average Value	80
3	Minimum Value	46
4	Period End	56
Stressed VaR (10 days – one-tailed 99% confidence interval)		
5	Maximum Value	678
6	Average Value	415
7	Minimum Value	262
8	Period End	313
Incremental risk charge (IRC) (99.9% confidence interval)		
9	Maximum Value	-
10	Average Value	-
11	Minimum Value	-
12	Period End	-
Comprehensive risk charge (CRC) (99.9% confidence interval)		
13	Maximum Value	-
14	Average Value	-
15	Minimum Value	-
16	Period End	-
17	Floor	-

9. Market risk (continued)

MR4: Comparison of VaR estimates with gains or losses



Regulatory VaR and stressed VaR for determining market risk capital requirements are calculated at a 99% confidence level for a 10-day holding period. The stressed VaR uses the same methodology as the VaR model and is generated with inputs calibrated to the historical market data from a continuous 12-month period of significant financial stress relevant to the Group's portfolio.

The Group adopts a regulatory VaR model, using a historical simulation approach and two years of historical data, to capture general interest rate and foreign exchange risks over a 10-day holding period with a 99% confidence level. The Group adopts back-testing to measure the accuracy of VaR model results. Actual and hypothetical P&L are compared against the corresponding 99% one-day regulatory VaR. The numbers of exception over the recent 250 business days (Actual or hypothetical P&L exceeds the VaR) determines the value of VaR multiplication factor.

Actual P&Ls are the P&Ls in respect to trading activities within the scope of regulatory VaR model, which includes intraday P&Ls; excludes commissions, fees and reserves. Hypothetical P&Ls are the hypothetical changes in portfolio value assuming unchanged end-of-day position.

One exception was noted in actual P&L back-testing on 22 April (excess amount: HK\$16 million); one exception was noted in hypothetical P&L back-testing on 25 April (excess amount: HK\$14 million) in the first-half of 2022. Those exceptions were both driven by unexpected market movements.