



# **BANK OF SHANGHAI (HONG KONG) LIMITED**

**REGULATORY DISCLOSURE STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

<b>Contents</b>	<b>Page(s)</b>
Key Prudential Ratios	1
Overview of Risk-weighted amount	3
Leverage Ratio	5

This document contains Pillar 3 disclosures of Bank of Shanghai (Hong Kong) Limited (the “Bank”) relating to key prudential ratios, leverage ratio and risk-weighted amount (“RWA”) by risk types. The following disclosures are prepared in accordance with the Banking (Disclosure) Rules and standard disclosure templates promulgated by the Hong Kong Monetary Authority (the “HKMA”). The Bank is only required to calculate capital adequacy ratio and leverage ratio on an unconsolidated basis.

## 1 Key Prudential Ratios

The following table provides an overview of the Bank’s key prudential ratios.

	HK\$'000	As at 30 September 2021	As at 30 June 2021	As at 31 March 2021	As at 31 December 2020	As at 30 September 2020
		<b>Regulatory Capital (amount)</b>				
1		4,605,111	4,555,639	4,587,428	4,465,317	4,502,677
2		4,605,111	4,555,639	4,587,428	4,465,317	4,502,677
3		4,872,279	4,782,964	4,790,542	4,711,522	4,748,816
		<b>RWA (amount)</b>				
4		24,695,024	26,025,484	25,307,458	25,143,135	25,906,784
		<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>				
5		18.6	17.5	18.1	17.8	17.4
6		18.6	17.5	18.1	17.8	17.4
7		19.7	18.4	18.9	18.7	18.3
		<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>				
8		2.500	2.500	2.500	2.500	2.500
9		0.481	0.451	0.433	0.472	0.443
10		–	–	–	–	–
11		2.981	2.951	2.933	2.972	2.943
12		11.7	10.4	10.9	10.7	10.3
		<b>Basel III Leverage ratio</b>				
13		31,093,077	30,979,169	30,842,619	29,162,128	29,413,775
14		14.8	14.7	14.9	15.3	15.3

## 1 Key Prudential Ratios (continued)

HK\$'000		As at 30 September 2021	As at 30 June 2021	As at 31 March 2021	As at 31 December 2020	As at 30 September 2020
	<b>Liquidity Coverage Ratio (LCR)/ Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	NA	NA	NA	NA	NA
16	Total net cash outflows	NA	NA	NA	NA	NA
17	LCR (%)	NA	NA	NA	NA	NA
	Applicable to category 2 institution only:					
17a	LMR (%)	109.7	74.1	66.1	77.2	70.1
	<b>Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required Stable funding	NA	NA	NA	NA	NA
20	NSFR (%)	NA	NA	NA	NA	NA
	Applicable to category 2A institution only:					
20a	CFR (%)	114.9	128.2	120.6	116.6	125.7

## 2 Overview of Risk-weighted amount

The table below sets out the RWA by risk types and their corresponding capital requirements (i.e. 8% of the RWA):

		(a)	(b)	(c)
		RWA		Minimum capital requirements
HK\$'000		As at 30 September 2021	As at 30 June 2021	As at 30 September 2021
1	Credit risk for non-securitization exposures	21,559,035	22,904,512	1,724,723
2	Of which STC approach	21,559,035	22,904,512	1,724,723
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	–	–	–
4	Of which supervisory slotting criteria approach	–	–	–
5	Of which advanced IRB approach	–	–	–
6	Counterparty default risk and default fund contributions	26,325	34,708	2,106
7	Of which SA-CCR approach	26,325	34,708	2,106
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
9	Of which others	–	–	–
10	CVA risk	23,738	29,875	1,899
11	Equity positions in banking book under the simple risk-weight method and internal models method	–	–	–
12	Collective investment scheme (“CIS”) exposures – LTA	NA	NA	NA
13	CIS exposures – MBA	NA	NA	NA
14	CIS exposures – FBA	NA	NA	NA
14a	CIS exposures – combination of approaches	NA	NA	NA
15	Settlement risk	–	–	–
16	Securitization exposures in banking book	–	–	–
17	Of which SEC-IRBA	–	–	–
18	Of which SEC-ERBA (including IAA)	–	–	–
19	Of which SEC-SA	–	–	–
19a	Of which SEC-FBA	–	–	–
20	Market risk	814,188	830,588	65,135
21	Of which STM approach	814,188	830,588	65,135
22	Of which IMM approach	–	–	–

## 2 Overview of Risk-weighted amount (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2021	As at 30 June 2021	As at 30 September 2021
HK\$'000				
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	NA	NA	NA
24	Operational risk	1,045,963	1,011,888	83,677
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,225,775	1,213,913	98,062
26	Capital floor adjustment	–	–	–
26a	Deduction to RWA	–	–	–
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	–	–	–
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	–	–	–
27	<b>Total</b>	24,695,024	26,025,484	1,975,602

Total RWA decreased mainly attributable to decrease in RWA for credit risk, which was driven by the decrease in loans and advances to customers and debt securities investments during the quarter.

### 3 Leverage Ratio

		As at 30 September 2021 HK\$'000	As at 30 June 2021 HK\$'000
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	31,083,667	30,998,303
2	Less: Asset amounts deducted in determining Tier 1 capital	(339,852)	(335,477)
3	Total on-balance sheet exposures (excluding derivatives contracts and SFTs)	30,743,815	30,662,826
<b>Exposures arising from derivative contracts</b>			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	13,601	19,089
5	Add-on amounts for PFE associated with all derivatives contracts	56,112	72,274
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	(20,637)	(24,382)
8	Less: Exempted CCP leg of client-cleared trade exposures	–	–
9	Adjusted effective notional amount of written credit-related derivatives contracts	–	–
10	Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivatives contracts	–	–
11	Total exposures arising from derivative contracts	49,076	66,981
<b>Exposures arising from SFTs</b>			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	–	–
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total exposures arising from SFTs	–	–
<b>Other off-balance sheet exposures</b>			
17	Off-balance sheet exposure at gross notional amount	4,849,319	3,806,429
18	Less: Adjustments for conversion to credit equivalent amounts	(4,149,554)	(3,194,204)
19	Off-balance sheet items	699,765	612,225
<b>Capital and total exposures</b>			
20	Tier 1 capital	4,605,111	4,555,639
20a	Total exposures before adjustments for specific and collective provisions	31,492,656	31,342,032
20b	Adjustments for specific and collective provisions	(399,579)	(362,863)
21	Total exposures after adjustments for specific and collective provisions	31,093,077	30,979,169
<b>Leverage ratio</b>			
22	Leverage ratio	14.8%	14.7%

Leverage ratio remained stable during the quarter.