



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

**REGULATORY DISCLOSURE STATEMENT  
FOR THE QUARTER ENDED 30 SEPTMEBER 2023**

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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 required to calculate the key prudential ratios on both unconsolidated and consolidated basis and the financial information contained in this Regulatory Disclosure Statement has been prepared on a consolidated basis.

## 1 Key Prudential Ratios

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

HK\$’000		As at 30 September 2023	As at 30 June 2023	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022
	<b>Regulatory Capital (amount)</b>					
1	Common Equity Tier 1 (CET1)	5,838,205	6,120,821	6,413,315	3,816,131	3,660,441
2	Tier 1	5,838,205	6,120,821	6,413,315	3,816,131	3,660,441
3	Total Capital	6,153,336	6,426,054	6,716,445	4,058,756	3,947,831
	<b>RWA (amount)</b>					
4	Total RWA	27,591,394	26,859,816	26,838,936	22,054,158	25,836,485
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>					
5	CET1 ratio (%)	21.2	22.8	23.9	17.3	14.2
6	Tier 1 ratio (%)	21.2	22.8	23.9	17.3	14.2
7	Total Capital ratio (%)	22.3	23.9	25.0	18.4	15.3
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer requirement (%)	0.533	0.477	0.465	0.392	0.400
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	–	–	–	–	–
11	Total AI-specific CET1 buffer requirements (%)	3.033	2.977	2.965	2.892	2.900
12	CET1 available after meeting the AI’s minimum capital requirements (%)	14.3	15.9	17.0	10.4	7.3
	<b>Basel III Leverage ratio</b>					
13	Total Leverage ratio (LR) exposure measure	32,252,117	33,567,710	34,746,897	29,298,980	32,640,293
14	LR (%)	18.1	18.2	18.5	13.0	11.2

## 1 Key Prudential Ratios (continued)

HK\$'000		As at 30 September 2023	As at 30 June 2023	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022
	<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 (%)	145.0	182.9	160.7	129.2	132.2
	<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 (%)	112.5	112.2	123.5	113.7	137.0

## 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
		As at 30 September 2023	As at 30 June 2023	As at 30 September 2023
HK\$'000				
1	Credit risk for non-securitization exposures	24,909,188	24,124,903	1,992,735
2	Of which STC approach	24,909,188	24,124,903	1,992,735
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	46,695	38,217	3,736
7	Of which SA-CCR approach	46,695	38,217	3,736
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
9	Of which others	–	–	–
10	CVA risk	21,938	27,700	1,755
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	612,600	623,763	49,008
21	Of which STM approach	612,600	623,763	49,008
22	Of which IMM approach	–	–	–

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

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 September 2023	As at 30 June 2023	As at 30 September 2023
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	1,746,413	1,789,700	139,713
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	254,560	255,533	20,365
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>	27,591,394	26,859,816	2,207,312

Total RWA increase was mainly attributable to increase in RWA for credit risk, which was driven by the increase in proportion of corporate exposures on the Bank's portfolio.

### 3 Leverage Ratio

		As at 30 September 2023 HK\$'000	As at 30 June 2023 HK\$'000
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	32,911,298	34,314,492
2	Less: Asset amounts deducted in determining Tier 1 capital	(372,386)	(344,760)
3	Total on-balance sheet exposures (excluding derivatives contracts and SFTs)	32,538,912	33,969,732
<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)	17,289	34,300
5	Add-on amounts for PFE associated with all derivatives contracts	120,226	80,797
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	–	(2,586)
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	137,515	112,511
<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	5,743,198	4,850,856
18	Less: Adjustments for conversion to credit equivalent amounts	(4,819,101)	(4,136,353)
19	Off-balance sheet items	924,097	714,503
<b>Capital and total exposures</b>			
20	Tier 1 capital	5,838,205	6,120,821
20a	Total exposures before adjustments for specific and collective provisions	33,600,524	34,796,746
20b	Adjustments for specific and collective provisions	(1,348,407)	(1,229,036)
21	Total exposures after adjustments for specific and collective provisions	32,252,117	33,567,710
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	18.1%	18.2%

Leverage ratio remained stable during the quarter.