

# The Hongkong and Shanghai Banking Corporation Limited

**Banking Disclosure Statement at 30 September 2022  
(Unaudited)**

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## Introduction

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### Purpose

The information contained in this document relates to The Hongkong and Shanghai Banking Corporation Limited ('the Bank') and its subsidiaries (together 'the group'). The Banking Disclosure Statement complies 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').

References to 'HSBC', 'the Group' or 'the HSBC Group' within this document mean HSBC Holdings plc together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. The abbreviations 'HK\$m' and 'HK\$bn' represent millions and billions (thousands of millions) of Hong Kong dollars respectively.

These banking disclosures are governed by the group's disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the disclosure statement is not required to be externally audited, the document has been subject to independent review in accordance with the group's policies on disclosure and its financial reporting and governance processes.

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### Basis of preparation

Except where indicated otherwise, the financial information contained in this Banking Disclosure Statement has been prepared on a consolidated basis. The basis of consolidation for regulatory purposes is different from that for accounting purposes.

The approaches used in calculating the group's regulatory capital and risk-weighted assets ('RWAs') are in accordance with the Banking (Capital) Rules ('BCR'). The group uses the advanced internal ratings-based ('IRB') approach to calculate its credit risk for the majority of its non-securitisation exposures. For collective investment scheme ('CIS') exposures, the group uses the look-through approach and mandate-based approach to calculate the risk-weighted amount. For securitisation exposures, the group uses the securitisation internal ratings-based approach ('SEC-IRBA'), securitisation external ratings-based approach ('SEC-ERBA'), securitisation standardised approach ('SEC-SA') or securitisation fall-back approach ('SEC-FBA') to determine credit risk for its banking book securitisation exposures. For counterparty credit risk ('CCR'), the group uses both the standardised (counterparty credit risk) approach ('SA-CCR') and the internal models (counterparty credit risk) ('IMM(CCR)') approach to calculate its default risk exposures for derivatives, and the comprehensive approach for securities financing transactions ('SFTs'). For market risk, the group uses an internal models ('IMM') approach to calculate its general market risk for the risk categories of interest rate and foreign exchange (including gold) exposures, and equity exposures. The group also uses an IMM approach to calculate its market risk in respect of specific risk for interest rate exposures and equity exposures. The group uses the standardised (market risk) ('STM') approach for calculating other market risk positions, as well as trading book securitisation exposures, and the standardised (operational risk) ('STO') approach to calculate its operational risk.

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## The Banking Disclosure Statement

The group's Banking Disclosure Statement at 30 September 2022 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 issued by the Hong Kong Monetary Authority ('HKMA'). According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosure section of our website, [www.hsbc.com.hk](http://www.hsbc.com.hk).

The Banking Disclosure Statement includes the majority of the information required under the BDR and the LAC Rules. The Main Features of Regulatory Capital Instruments and Non-capital LAC Debt Instruments are published as a standalone document. The remainder of the disclosure requirements are covered in the group's *Annual Report and Accounts 2021* which can be found in the Regulatory Disclosure section of our website, [www.hsbc.com.hk](http://www.hsbc.com.hk).

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### Loss-absorbing Capacity Disclosures

The group's loss-absorbing capacity ('LAC') disclosures are included as part of this Banking Disclosure Statement while the LAC disclosures of HSBC Asia Holdings Limited ('HAHO') will be included as part of the HSBC Group's disclosures which can be found in the Investors section of the Group's website, [www.hsbc.com](http://www.hsbc.com). The location of HAHO's LAC disclosure can be found in the following table:

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#### Location of HAHO's LAC disclosures at 3Q22:

- KM2 – Key metrics of the Asian resolution group
  - Page 9 of the HSBC Group's Pillar 3 Disclosures
- CCA(A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments
- A standalone document which can be found in : [www.hsbc.com/investors/fixed-income-investors/regulatory-debt-main-features](http://www.hsbc.com/investors/fixed-income-investors/regulatory-debt-main-features)
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## Banking Disclosure Statement at 30 September 2022

### Key metrics

Table 1: KM1 – Key prudential ratios

	a	b	c	d	e	
	At					
	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	
<b>Regulatory capital (HK\$m)<sup>1</sup></b>						
1	Common Equity Tier 1 ('CET1')	469,133	467,359	468,885	484,654	490,668
2	Tier 1	523,053	521,391	515,037	530,701	536,766
3	Total capital	582,105	583,691	571,095	590,478	596,090
<b>RWAs (HK\$m)<sup>1</sup></b>						
4	Total RWAs	3,186,026	3,252,522	3,206,381	3,156,553	3,068,069
<b>Risk-based regulatory capital ratios (as a percentage of RWA)<sup>1</sup></b>						
5	CET1 ratio (%)	14.7	14.4	14.6	15.4	16.0
6	Tier 1 ratio (%)	16.4	16.0	16.1	16.8	17.5
7	Total capital ratio (%)	18.3	17.9	17.8	18.7	19.4
<b>Additional CET1 buffer requirements (as a percentage of RWA)<sup>1</sup></b>						
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical capital buffer ('CCyB') requirement (%) <sup>2</sup>	0.51	0.51	0.50	0.50	0.51
10	Higher loss absorbency requirement (%) (applicable only to Global systemically important authorised institution ('G-SIBs') or Domestic systemically important authorised institution ('D-SIBs'))	2.50	2.50	2.50	2.50	2.50
11	Total authorised institution ('AI')-specific CET1 buffer requirements (%)	5.51	5.51	5.50	5.50	5.51
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.2	9.9	9.8	10.7	11.4
<b>Basel III leverage ratio<sup>3</sup></b>						
13	Total leverage ratio ('LR') exposure measure (HK\$m)	9,266,023	9,422,058	9,462,765	9,192,814	9,154,966
14	LR (%)	5.6	5.5	5.4	5.8	5.9
<b>Liquidity Coverage Ratio ('LCR')<sup>4</sup></b>						
15	Total high quality liquid assets ('HQLA') (HK\$m)	1,902,154	1,953,032	2,016,383	1,911,407	1,866,862
16	Total net cash outflows (HK\$m)	1,230,424	1,266,403	1,317,227	1,241,508	1,180,720
17	LCR (%)	154.8	154.5	153.2	154.3	158.3
<b>Net Stable Funding Ratio ('NSFR')<sup>5</sup></b>						
18	Total available stable funding (HK\$m)	5,381,772	5,559,766	5,561,953	5,514,833	5,423,463
19	Total required stable funding (HK\$m)	3,649,224	3,719,911	3,697,289	3,631,003	3,607,383
20	NSFR (%)	147.5	149.5	150.4	151.9	150.3

1 The regulatory capital, RWAs, 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 was 1.0% since 31 March 2020. The jurisdictional CCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 1% at 30 September 2022.

3 The Basel III leverage ratios 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 Liquidity Coverage Ratios 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 Net Stable Funding Ratio 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.

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

	a	b	c	d	e	
	At					
	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	
<b>At LAC consolidation group level</b>						
1	Internal loss-absorbing capacity available (HK\$m)	<b>802,755</b>	808,512	756,510	794,544	802,415
2	Risk-weighted amount under the LAC Rules (HK\$m)	<b>3,186,026</b>	3,252,522	3,206,381	3,156,553	3,068,069
3	Internal LAC risk-weighted ratio (%)	<b>25.2</b>	24.9	23.6	25.2	26.2
4	Exposure measure under the LAC Rules (HK\$m)	<b>9,259,655</b>	9,415,660	9,454,727	9,184,770	9,147,311
5	Internal LAC leverage ratio (%)	<b>8.7</b>	8.6	8.0	8.7	8.8
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? <sup>1</sup>	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>1</sup>	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable	Not applicable
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 (%) <sup>1</sup>	<b>Not applicable</b>	Not applicable	Not applicable	Not applicable	Not applicable

<sup>1</sup> The subordination exemptions in the antepenultimate and penultimate paragraphs of Section 11 of the FSB TLAC Term Sheet do not apply in Hong Kong under the LAC Rules.

At 30 September 2022, the internal LAC risk-weighted ratio increased to 25.2% from 24.9% at 30 June 2022 and the internal LAC leverage ratio increased to 8.7% from 8.6% at 30 June 2022. The increases in the internal LAC risk-weighted ratio and the internal LAC leverage ratio were mainly due to lower risk-weighted assets and lower exposure measure under LAC rules respectively, partly offset by lower internal LAC available.

Internal LAC available decreased by HK\$5.8bn in the third quarter of 2022, mainly from a decrease of HK\$4.2bn in non-regulatory capital elements and a decrease of HK\$1.6bn in regulatory capital elements. The decrease in non-regulatory capital elements was due to a decrease in carrying value of LAC instruments of HK\$9.6bn, partly offset by the issuance of new LAC instruments of HK\$5.4bn.

## Capital and RWAs

### Leverage ratio

The following table shows the leverage ratio, Tier 1 capital and total exposure measure as contained in the 'Leverage Ratio' return submitted to the HKMA under the requirements specified in Part 1C of the BCR.

Table 3: LR2 – Leverage ratio

	a	b
	30 Sep 2022 HK\$m	30 Jun 2022 HK\$m
<b>On-balance sheet exposures</b>		
1 On-balance sheet exposures (excluding those arising from derivative contracts and securities financing transactions ('SFTs'), but including collateral)	7,332,464	7,510,342
2 Less: Asset amounts deducted in determining Tier 1 capital	(256,654)	(271,352)
3 <b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>7,075,810</b>	<b>7,238,990</b>
<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)	217,276	167,343
5 Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	300,147	303,275
7 Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(134,625)	(26,175)
8 Less: Exempted central counterparty ('CCP') leg of client-cleared trade exposures	(44,615)	(31,201)
9 Adjusted effective notional amount of written credit-related derivative contracts	234,647	206,874
10 Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts	(212,233)	(188,936)
11 <b>Total exposures arising from derivative contracts</b>	<b>360,597</b>	<b>431,180</b>
<b>Exposures arising from SFTs</b>		
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	1,229,383	1,140,449
13 Less: Netted amounts of cash payables and cash receivables of gross SFT assets	(36,591)	(42,023)
14 CCR exposure for SFT assets	24,885	38,268
16 <b>Total exposures arising from SFTs</b>	<b>1,217,677</b>	<b>1,136,694</b>
<b>Other off-balance sheet exposures</b>		
17 Off-balance sheet exposure at gross notional amount	3,452,304	3,431,359
18 Less: Adjustments for conversion to credit equivalent amounts	(2,804,231)	(2,780,864)
19 <b>Off-balance sheet items</b>	<b>648,073</b>	<b>650,495</b>
<b>Capital and total exposures</b>		
20 Tier 1 capital	523,053	521,391
20a <b>Total exposures before adjustments for specific and collective provisions</b>	<b>9,302,157</b>	<b>9,457,359</b>
20b Adjustments for specific and collective provisions	(36,134)	(35,301)
21 <b>Total exposures after adjustments for specific and collective provisions</b>	<b>9,266,023</b>	<b>9,422,058</b>
<b>Leverage ratio</b>		
22 Leverage ratio (%)	5.6	5.5

The leverage ratio was 5.6% at 30 September 2022, which increased from 5.5% at 30 June 2022 due to higher Tier 1 capital and a decrease in exposures. Total exposures decreased by HK\$156.0bn in the third quarter of 2022, mainly due to:

- a HK\$70.6bn decrease in derivative exposures;
- a HK\$67.8bn decrease in term lending and trade loans;
- a HK\$62.0bn decrease in exposures to debt securities and treasury bills; and
- a HK\$23.6bn decrease in trading assets;

partly offset by

- a HK\$81.0bn increase from SFTs mainly as a result of higher demand for reverse repo trades.

## Overview of RWAs and the minimum capital requirements

Table 4: OV1 – Overview of RWAs

	a	b	c
	RWAs <sup>1</sup>	RWAs <sup>1</sup>	Minimum capital requirements <sup>2</sup>
	30 Sep 2022	30 Jun 2022	30 Sep 2022
	HK\$m	HK\$m	HK\$m
1 <b>Credit risk for non-securitisation exposures</b>	<b>2,268,436</b>	2,313,457	<b>191,200</b>
2 – of which: standardised (credit risk) ('STC') approach	242,205	262,906	19,376
4 – of which: supervisory slotting criteria approach	128,447	116,684	10,892
5 – of which: advanced IRB approach	1,897,784	1,933,867	160,932
6 <b>Counterparty default risk and default fund contributions</b>	<b>104,015</b>	104,462	<b>8,742</b>
7 – of which: SA-CCR	39,294	38,316	3,313
8 – of which: IMM(CCR) approach	41,911	36,471	3,510
9 – of which: Others	22,810	29,675	1,919
10 <b>Credit valuation adjustment ('CVA') Risk</b>	<b>38,284</b>	41,149	<b>3,063</b>
11 <b>Equity positions in banking book under the simple risk-weight method and the internal models method</b>	<b>25,345</b>	31,147	<b>2,149</b>
12 <b>Collective investment scheme ('CIS') exposures – look-through approach ('LTA')</b>	<b>1,155</b>	–	<b>98</b>
13 <b>CIS exposures – mandate-based approach ('MBA')</b>	<b>321</b>	–	<b>27</b>
15 <b>Settlement risk</b>	<b>197</b>	142	<b>17</b>
16 <b>Securitisation exposures in banking book</b>	<b>5,179</b>	6,467	<b>415</b>
18 – of which: SEC-ERBA including internal assessment approach ('IAA')	2,185	2,409	175
19 – of which: SEC-SA	2,994	4,058	240
20 <b>Market risk</b>	<b>157,609</b>	169,064	<b>12,612</b>
21 – of which: STM approach	1,996	3,822	163
22 – of which: IMM approach	155,613	165,242	12,449
24 <b>Operational risk</b>	<b>332,589</b>	330,769	<b>26,607</b>
24a <b>Sovereign concentration risk</b>	<b>1,789</b>	1,126	<b>143</b>
25 <b>Amounts below the thresholds for deduction (subject to 250% RW)</b>	<b>150,928</b>	153,339	<b>12,799</b>
26a <b>Deduction to RWAs</b>	<b>37,358</b>	37,870	<b>2,989</b>
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	37,358	37,870	2,989
27 <b>Total</b>	<b>3,048,489</b>	3,113,252	<b>254,883</b>

1 RWAs in this table are before the application of the 1.06 scaling factor, where applicable.

2 Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWAs after application of the 1.06 scaling factor, where applicable.

### Credit risk for non-securitisation exposures

RWAs decreased by HK\$45.0bn in the third quarter of 2022, mainly due to foreign currency translation differences of HK\$43.8bn.

**RWA flow statements**

**RWA flow statement for credit risk**

Table 5: CR8 – RWA flow statement of credit risk<sup>1</sup> exposures under IRB approach

		a
		HK\$m
1	<b>RWAs as at 30 Jun 2022</b>	<b>2,050,551</b>
2	Asset size	<b>24,333</b>
3	Asset quality	<b>(5,248)</b>
4	Model updates	<b>5,132</b>
5	Methodology and policy	<b>(10,651)</b>
7	Foreign exchange movements	<b>(37,886)</b>
9	<b>RWAs as at 30 Sep 2022</b>	<b>2,026,231</b>

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

RWAs under the IRB approach decreased by HK\$24.3bn in the third quarter of 2022. Excluding the decrease arising from foreign currency translation differences of HK\$37.9bn, the increase of HK\$13.6bn was mainly due to:

- an increase in asset size of HK\$24.3bn largely driven by growth in the loan book in mainland China, India and Australia; partly offset by
- a decrease in methodology and policy of HK\$10.7bn mainly driven by reductions from risk parameter requirements.

**RWA flow statement for counterparty credit risk**

Table 6: CCR7 – RWA flow statement of default risk exposures under IMM (CCR) approach

		a
		HK\$m
1	<b>RWAs as at 30 Jun 2022</b>	<b>36,471</b>
2	Asset size	<b>6,727</b>
3	Credit quality of counterparties	<b>(1,303)</b>
7	Foreign exchange movements	<b>16</b>
9	<b>RWAs as at 30 Sep 2022</b>	<b>41,911</b>

**RWA flow statement for market risk**

Table 7: MR2 – RWA flow statement of market risk exposures under IMM approach

		a	b	c	e	f
		Value at risk (‘VaR’)	Stressed VaR	Incremental risk charge (‘IRC’)	Other	Total RWAs
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	<b>RWAs as at 30 Jun 2022</b>	<b>17,278</b>	<b>62,953</b>	<b>25,626</b>	<b>59,385</b>	<b>165,242</b>
2	Movement in risk levels	<b>(2,100)</b>	<b>(2,677)</b>	<b>(2,450)</b>	<b>(2,305)</b>	<b>(9,532)</b>
3	Model updates/changes	<b>(26)</b>	<b>(143)</b>	<b>–</b>	<b>–</b>	<b>(169)</b>
6	Foreign exchange movements	<b>8</b>	<b>27</b>	<b>11</b>	<b>26</b>	<b>72</b>
8	<b>RWAs as at 30 Sep 2022</b>	<b>15,160</b>	<b>60,160</b>	<b>23,187</b>	<b>57,106</b>	<b>155,613</b>



## Liquidity information

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

Table 8: Average liquidity coverage ratio

	Quarter ended
	30 Sep 2022
	%
Average liquidity coverage ratio	154.8

Table 9: Total weighted amount of high-quality liquid assets

	Weighted amount (average value at quarter ended)
	30 Sep 2022
	HK\$m
Level 1 assets	1,750,104
Level 2A assets	88,061
Level 2B assets	63,989
<b>Total</b>	<b>1,902,154</b>

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

All operating entities are required to monitor their material single currency LCR. Limits are set to ensure that outflows can be met, given assumptions on stressed capacity in the foreign exchange swap markets.

Under the terms of our current collateral obligations of 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 a one-notch and two-notch downgrade in credit ratings is not significant.

Information relating to the Bank's approach to liquidity risk management and its interaction with the HSBC Group's Asset, Liability and Capital Management function can be found in the Risk Report of the group's *Annual Report and Accounts 2021*.

## Banking Disclosure Statement at 30 September 2022

Table 10: LIQ1 – Liquidity coverage ratio – for category 1 institution

		a	b
		Quarter ended 30 Sep 2022	
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 30 September 2022: 76		Unweighted value (average) HK\$m	Weighted value (average) HK\$m
Basis of disclosure: consolidated			
<b>A</b>	<b>HQLA</b>		
1	Total HQLA		1,902,154
<b>B</b>	<b>Cash outflows</b>		
2	Retail deposits and small business funding, of which:	3,550,138	334,997
3	<i>Stable retail deposits and stable small business funding</i>	285,789	8,562
4	<i>Less stable retail deposits and less stable small business funding</i>	3,264,349	326,435
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the AI, of which:	2,704,579	1,262,720
6	<i>Operational deposits</i>	844,124	206,790
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	1,848,099	1,043,574
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	12,356	12,356
9	Secured funding transactions (including securities swap transactions)		78,510
10	Additional requirements, of which:	1,025,931	344,831
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	240,434	240,408
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	3,369	3,369
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	782,128	101,054
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	252,141	252,141
15	Other contingent funding obligations (whether contractual or non-contractual)	2,706,629	24,040
16	<b>Total cash outflows</b>		2,297,239
<b>C</b>	<b>Cash inflows</b>		
17	Secured lending transactions (including securities swap transactions)	978,950	116,570
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	1,029,441	593,622
19	Other cash inflows	357,874	356,623
20	<b>Total cash inflows</b>	2,366,265	1,066,815
<b>D</b>	<b>Liquidity coverage ratio (adjusted value)</b>		
21	Total HQLA		1,902,154
22	Total net cash outflows		1,230,424
23	LCR (%)		154.8

## Other information

### Abbreviations

The following abbreviated terms are used throughout this document:

#### Currencies

HK\$m	Millions of Hong Kong dollars
HK\$b	Billions (thousands of millions) of Hong Kong dollars

#### A

AI	Authorised institution
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#### B

BCBS	Basel Committee on Banking Supervision
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BLR	Banking (Liquidity) Rules

#### C

CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CET1 <sup>1</sup>	Common equity tier 1
CIS	Collective investment scheme
CSA <sup>1</sup>	Credit Support Annex
CVA	Credit valuation adjustment

#### D

D-SIB	Domestic systemically important bank
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#### F

FIRO	The Financial Institutions (Resolution) Ordinance
FSB	Financial Stability Board

#### G

Group	HSBC Holdings together with its subsidiary undertakings
group	The Hongkong and Shanghai Banking Corporation Limited together with its subsidiary undertakings
G-SIB <sup>1</sup>	Global systemically important bank

#### H

HAHO	HSBC Asia Holdings Limited
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
HSBC	HSBC Holdings together with its subsidiary undertakings

#### I

IAA	Internal assessment approach
IMM <sup>1</sup>	Internal model method
IMM(CCR)	Internal models (counterparty credit risk)
IPO	Initial public offering
IRB <sup>1</sup>	Internal ratings-based approach
IRC <sup>1</sup>	Incremental risk charge
ISDA	International Swaps and Derivatives Association

#### L

LAC	Loss-absorbing capacity
LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirement – Banking Sector) Rules
LCR	Liquidity coverage ratio
LR	Leverage ratio
LTA	Look-through approach

#### M

MBA	Mandate-based approach
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#### N

NSFR	Net stable funding ratio
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#### P

PFE <sup>1</sup>	Potential future exposure
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#### R

RNIV	Risks not in VaR
RWA <sup>1</sup>	Risk-weighted asset/risk-weighted amount

#### S

SA-CCR	Standardised (counterparty credit risk) 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
STC	Standardised (credit risk) approach
STM	Standardised (market risk) approach
STO	Standardised (operational risk) approach
SVaR	Stressed Value at risk

#### T

TLAC	Total loss-absorbing capacity
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#### V

VaR <sup>1</sup>	Value at risk
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<sup>1</sup> Full definition included in the Glossary published on HSBC website [www.hsbc.com](http://www.hsbc.com)

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