

Regulatory Disclosures

31 March 2025



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KM1: Key prudential ratios

		At 31 March 2025	At 31 December 2024	At 30 September 2024	At 30 June 2024	At 31 March 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	53,493,861	52,326,535	53,340,216	50,807,993	50,961,669
2 & 2a	Tier 1	60,915,887	59,748,561	60,762,242	58,230,019	58,383,695
3 & 3a	Total capital	72,862,011	71,541,112	78,612,784	70,664,495	70,937,786
	RWA (amount)					
4	Total RWA	355,712,305	359,746,767	379,723,113	374,116,026	379,659,503
4a	Total RWA (pre-floor)	355,712,305	N/A	N/A	N/A	N/A
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	15.04%	14.55%	14.05%	13.58%	13.42%
5b	CET1 ratio (%) (pre-floor ratio)	15.04%	N/A	N/A	N/A	N/A
6 & 6a	Tier 1 ratio (%)	17.13%	16.61%	16.00%	15.56%	15.38%
6b	Tier 1 ratio (%) (pre-floor ratio)	17.13%	N/A	N/A	N/A	N/A
7 & 7a	Total capital ratio (%)	20.48%	19.89%	20.70%	18.89%	18.68%
7b	Total capital ratio (%) (pre-floor ratio)	20.48%	N/A	N/A	N/A	N/A
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.30%	0.29%	0.57%	0.58%	0.58%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.80%	2.79%	3.07%	3.08%	3.08%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.54%	10.05%	9.55%	9.08%	8.92%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	590,972,515	580,601,607	605,854,903	592,005,986	575,275,888
13a	LR exposure measure based on mean values of gross assets of SFTs	590,720,247	N/A	N/A	N/A	N/A
14, 14a & 14b	LR (%)	10.31%	10.29%	10.03%	9.84%	10.15%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	10.31%	N/A	N/A	N/A	N/A
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	89,333,007	89,483,219	80,175,997	80,028,599	78,043,910
16	Total net cash outflows	34,795,301	42,803,404	34,548,729	38,723,843	46,163,983
17	LCR (%)	261.91%	212.98%	234.62%	214.18%	169.47%
	Applicable to category 2 institutions only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institutions only:					
18	Total available stable funding	389,981,281	387,899,467	397,612,813	382,868,806	364,184,205
19	Total required stable funding	274,896,171	270,019,365	284,743,478	282,268,583	282,680,336
20	NSFR (%)	141.86%	143.66%	139.64%	135.64%	128.83%
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

OV1: Overview of RWA

		RWA		Minimum capital requirements
		At 31 March 2025	At 31 December 2024	At 31 March 2025
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	338,076,599	332,770,796	27,046,128
2	Of which STC approach	338,076,599	332,770,796	27,046,128
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty credit risk and default fund contributions	1,549,637	1,749,148	123,971
7	Of which SA-CCR approach	1,523,454	1,739,726	121,876
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	26,183	9,422	2,095
10	CVA risk	790,575	636,625	63,246
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
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	6,286,675	9,060,475	502,934
21	Of which STM approach	6,286,675	9,060,475	502,934
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	8,620,375	18,853,013	689,630
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	3,741,346	27,458	299,308
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	3,352,902	3,350,748	268,232
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	3,352,902	3,350,748	268,232
29	Total	355,712,305	359,746,767	28,456,985

N/A: Not applicable in the case of Hong Kong

LR2: Leverage ratio

		At 31 March 2025	At 31 December 2024
		HK\$'000	HK\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	557,431,985	542,094,339
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(94,130)	(2,329)
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(4,569,007)	(4,197,930)
6	Less: Asset amounts deducted in determining Tier 1 capital	(10,446,061)	(10,376,634)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	542,322,787	527,517,446
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,021,797	1,126,745
9	Add-on amounts for PFE associated with all derivative contracts	3,716,705	3,316,977
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	4,738,502	4,443,722
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	848,817	282,204
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	80,970	28,260
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	929,787	310,464
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	147,658,837	224,652,448
20	Less: Adjustments for conversion to credit equivalent amounts	(104,619,283)	(176,275,218)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(58,115)	(47,255)
22	Off-balance sheet items (sum of rows 19 to 21)	42,981,439	48,329,975
Capital and total exposures			
23	Tier 1 capital	60,915,887	59,748,561
24	Total exposures (sum of rows 7, 13, 18 and 22)	590,972,515	580,601,607
Leverage ratio			
25 & 25a	Leverage ratio	10.31%	10.29%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	N/A	N/A
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	596,549	N/A
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	848,817	N/A
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	590,720,247	N/A
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	10.31%	N/A
N/A: Not applicable in the case of Hong Kong			

LIQ1: Liquidity Coverage Ratio – for category 1 institution

		For the quarter ended 31 March 2025	
Number of data points used in calculating the average value of the LCR and related components set out in this table: 73		UNWEIGHTED VALUE (Average)	WEIGHTED VALUE (Average)
Basis of disclosure: consolidated		HK\$'000	HK\$'000
A. HQLA			
1	Total HQLA		89,333,007
B. Cash outflows			
2	Retail deposits and small business funding, of which:	244,563,496	14,730,475
3	<i>Stable retail deposits and stable small business funding</i>	47,386,200	1,421,586
4	<i>Less stable retail deposits and less stable small business funding</i>	60,188,126	6,018,813
4a	<i>Retail term deposits and small business term funding</i>	136,989,170	7,290,076
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the AI, of which:	86,948,452	48,437,028
6	<i>Operational deposits</i>	12,203,427	2,782,864
7	<i>Unsecured wholesale funding (other than small business funding) not covered in Row 6</i>	71,214,353	42,123,492
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	3,530,672	3,530,672
9	Secured funding transactions (including securities swap transactions)		585,820
10	Additional requirements, of which:	56,480,266	14,525,106
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	4,638,666	4,638,666
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>	51,841,600	9,886,440
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	7,077,985	7,077,985
15	Other contingent funding obligations (whether contractual or non-contractual)	171,620,014	2,905,797
16	TOTAL CASH OUTFLOWS		88,262,211
C. Cash inflows			
17	Secured lending transactions (including securities swap transactions)	1,330,696	1,330,696
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	76,831,379	46,727,021
19	Other cash inflows	5,506,453	5,409,193
20	TOTAL CASH INFLOWS	83,668,528	53,466,910
D. LIQUIDITY COVERAGE RATIO		Adjusted value	
21	TOTAL HQLA		89,333,007
22	TOTAL NET CASH OUTFLOWS		34,795,301
23	LCR (%)		261.91%

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.

In the first quarter of 2025, the Group has maintained a healthy liquidity position. The LCR remained stable and there was no material change compared with the last quarter. The average LCR of the first quarter of 2025 was 261.91%. The average HKD level 1 HQLA to HKD net cash outflow ratio of the first quarter of 2025 was 281.97%, well above the regulatory requirement of 20%. The ratios have maintained at stable and healthy levels.

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. In the first quarter of 2025, 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. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, were minimal to the LCR.

Majority of the Group's customer deposits are denominated in HKD, USD and RMB. As the supply of HKD denominated HQLA in the market is relatively limited, the Group swaps surplus HKD funding into USD and other foreign currencies, part of funding are deployed to investment in HQLA.