



BANK OF SHANGHAI (HONG KONG) LIMITED

**REGULATORY DISCLOSURE STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2024**

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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 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023
	Regulatory Capital (amount)					
1	Common Equity Tier 1 (CET1)	5,317,499	5,442,252	5,838,205	6,120,821	6,413,315
2	Tier 1	5,317,499	5,442,252	5,838,205	6,120,821	6,413,315
3	Total Capital	5,629,307	5,765,727	6,153,336	6,426,054	6,716,445
	RWA (amount)					
4	Total RWA	27,372,482	28,169,395	27,591,394	26,859,816	26,838,936
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)	19.4	19.3	21.2	22.8	23.9
6	Tier 1 ratio (%)	19.4	19.3	21.2	22.8	23.9
7	Total Capital ratio (%)	20.6	20.5	22.3	23.9	25.0
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer requirement (%)	0.538	0.576	0.533	0.477	0.465
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	–	–	–	–	–
11	Total AI-specific CET1 buffer requirements (%)	3.038	3.076	3.033	2.977	2.965
12	CET1 available after meeting the AI's minimum capital requirements (%)	12.6	12.5	14.3	15.9	17.0
	Basel III Leverage ratio					
13	Total Leverage ratio (LR) exposure measure	33,869,484	33,532,736	32,252,117	33,567,710	34,746,897
14	LR (%)	15.7	16.2	18.1	18.2	18.5

1 Key Prudential Ratios (continued)

HK\$'000		As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023
	Liquidity Coverage Ratio (LCR)/ Liquidity Maintenance Ratio (LMR)					
	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 (%)	118.7	121.3	145.0	182.9	160.7
	Net Stable Funding Ratio (NSFR)/ Core Funding Ratio (CFR)					
	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 (%)	105.9	112.8	112.5	112.2	123.5

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):

HK\$'000		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2024	As at 31 December 2023	As at 31 March 2024
1	Credit risk for non-securitization exposures	24,630,255	25,549,905	2,043,992
2	Of which STC approach	24,630,255	25,549,905	2,043,992
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	57,070	67,042	5,363
7	Of which SA-CCR approach	55,575	55,230	4,418
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	1,495	11,812	945
9	Of which others	–	–	–
10	CVA risk	29,263	27,038	2,163
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	623,588	724,675	57,974
21	Of which STM approach	623,588	724,675	57,974
22	Of which IMM approach	–	–	–

2 Overview of Risk-weighted amount (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2024	As at 31 December 2023	As at 31 March 2024
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	1,774,988	1,539,675	123,174
24a	Sovereign concentration risk	NA	NA	NA
25	Amounts below the thresholds for deduction (subject to 250% RW)	257,318	261,060	20,885
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	Total	27,372,482	28,169,395	2,253,552

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

3 Leverage Ratio

		As at 31 March 2024 HK\$'000	As at 31 December 2023 HK\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	33,370,863	33,140,588
2	Less: Asset amounts deducted in determining Tier 1 capital	(196,879)	(249,968)
3	Total on-balance sheet exposures (excluding derivatives contracts and SFTs)	33,173,984	32,890,620
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)	39,641	43,386
5	Add-on amounts for PFE associated with all derivatives contracts	123,161	109,967
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	–	(34,050)
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	162,802	119,303
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	150,098	828,157
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	(6,511)	–
14	CCR exposure for SFT assets	7,477	59,060
15	Agent transaction exposures	–	–
16	Total exposures arising from SFTs	151,064	887,217
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	6,407,103	5,100,454
18	Less: Adjustments for conversion to credit equivalent amounts	(5,444,265)	(4,231,676)
19	Off-balance sheet items	962,838	868,778
Capital and total exposures			
20	Tier 1 capital	5,317,499	5,442,252
20a	Total exposures before adjustments for specific and collective provisions	34,450,688	34,765,918
20b	Adjustments for specific and collective provisions	(581,204)	(1,233,182)
21	Total exposures after adjustments for specific and collective provisions	33,869,484	33,532,736
Leverage ratio			
22	Leverage ratio	15.7%	16.2%

Leverage ratio remained stable during the quarter.