



浦发硅谷银行
SPD Silicon Valley Bank

SPD Silicon Valley Bank

2023 Q2 (1st half-year)

Capital Adequacy Ratio Report
(English translation version)

For the period ended
30 June 2023





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1. Bank Briefing

SPD Silicon Valley Bank ("SSVB" or "the Bank") was established as a Sino-foreign joint venture bank hold 50%-50% by Shanghai Pudong Development Bank ("SPDB") and Silicon Valley Bank ("SVB") in the People's Republic of China ("China").

2. Calculation scope of capital adequacy ratio

The capital adequacy ratio of the bank is calculated in accordance with the requirement of "Administrative Measures for the Capital of Commercial Banks (Trial Implementation)" issued by former China Banking & Insurance Regulatory Commission ("former CBIRC" and now National Financial Regulatory Administration ("NFRA")). There is no subsidiaries for the bank, the basis of capital adequacy ratio preparation is the same as financial statement. The basis is at incorporation level of the bank, including headquarter and branches.

3. Capital quantity and capital adequacy ratio

As at 30 June 2023, the capital quantity, capital composition and capital adequacy ratio are as following

RMB'000

Items	Amount
Core Tier 1 capital	2,141,859.0
Core Tier 1 capital deductions	151,434.8
Net Core Tier 1 capital	1,990,424.2
Other Tier 1 capital	0.0
Net Tier 1 capital	1,990,424.2
Tier 2 capital	60,889.0
Surplus provision for loan impairment eligible for inclusion in Tier 2 capital	60,889.0
Total regulatory capital	2,051,313.2
Total risk-weighted assets	11,074,822.2
Core Tier 1 capital adequacy ratio	17.97%
Tier 1 capital adequacy ratio	17.97%
Capital adequacy ratio	18.52%
Minimum capital requirements imposed by the regulator:	
Core Tier 1 capital adequacy ratio	5%
Tier 1 capital adequacy ratio	6%
Capital adequacy ratio	8%
Capital conservation buffer requirement	2.5% of Risk-weighted assets Covered by Core Tier 1 capital
Countercyclical capital buffer requirement	Not applicable
Additional capital requirement	Not applicable

4. Credit risk exposures

As at 30 June 2023, credit risk exposures of the bank:

RMB'000

Item	Total risk exposure	Risk exposure after mitigation	Risk-weighted-assets
On-balance sheet	16,113,271.1	15,041,584.5	9,640,325.7
Off-balance sheet	324,850.7	324,850.7	324,850.7
Counterparty risk	62,332.8	62,332.8	20,681.6
Total	16,500,454.6	15,428,768.0	9,985,858.0

As at 30 June 2023, overdue loan, non-performing loan and loan loss provision of the bank:

RMB'000

Item	Amount
Non-performing loan	111,887.5
Overdue loan	111,887.5
Loan loss provision	172,776.5

The figures and definition of the items are in line with the indication of NFRA return “G01 Balance Sheet and Notes” and “G03 Provisions for assets”

5. Market risk exposures

As at 30 June 2023, market risk exposures of the bank:

RMB'000

Item	Risk-weighted-assets	Capital requirement
General market risk	306,518.8	24,521.5
Interest rate exposures	276,591.3	22,127.3
Foreign exchange exposures	29,927.5	2,394.2
Option exposures	0.0	0.0

6. Operational risk exposures

As at 30 June 2023, operational risk exposures of the bank:

RMB'000

Item	Risk-weighted-assets	Capital requirement
Operational risk	782,445.4	62,595.6

7. Securitization risk exposures

As at 30 June 2023, the bank holds no securitization risk exposures.

8. Equity investment and its profit and loss

As at 30 June 2023, the bank holds no equity investment.

9. Interest rate risk exposures of the banking book

Interest rate risk of the banking book is caused by the fluctuation of market interest rate, including basis risk arising from interest rate re-pricing risk, different interest rate benchmarks, yield curve risks and option risk, etc.

According to the indication from “Report of the measurement of Interest rate risk of banking book (standard simplified version)” issued by NFRA. Based on the mismatch status for the coming 12 months of all the interest bearing asset and interest bearing liabilities (“the Bank’s exposure”) as at 30 June 2023, the impact of a 250bps parallel upward in yield curves on the net interest income is estimated to decrease by RMB 47.87 million. Meanwhile, a 250bps downward in yield curves impact on the Bank’s exposure, except for deposits, net interest income is estimated to decrease by RMB 223.72 million. The report to NFRA is prepared on quarterly basis.

10. Net Stable Funding Ratio (“NSFR”)

The period ended NSFR for the bank:

RMB’000	31 March 2023	30 June 2023
Available stable funding	10,963,684.2	11,587,997.8
Required stable funding	9,154,738.5	8,749,354.4
NSFR	119.76%	132.44%

Note: The bank is not a listed company with no audited quarterly/half-year financial statements. So all the financial information disclosed above are unaudited. Please refer to annual report for the audited financial information.