

Comparison between the existing SFR regime and the refined SFR regime

	Criteria	Existing Regime	Refined Regime
1	Loan filter	Banks whose loan book exceeds HK\$5 billion and its annualised year-to-date loan growth exceeds 20%. (excluding banks that engaged in solely private banking business)	Authorized institutions (“AIs”) with total loans of HK\$10 billion or more and annualised average loan growth in the latest 8 quarters exceeding 15%. (excluding AIs that engaged in solely private banking business)
2	SFR ratio for calculating stable funding to be obtained	A progressive scale with four tiers (40%, 60%, 80% and 100%) according to individual bank’s annualised year-to-date loan growth.	Based on individual AI’s quarterly loan growth rate, subject to a cap of 100%.
3	Review and report submission frequency	Monthly	Quarterly
4	Loans exempted	On a case by case basis taking into account funding arrangement and balance sheet structure of individual banks.	Loans with remaining maturity of 6 months or less and supported by matched-term funds from its Head Office or overseas offices on a back-to-back basis, subject to a cap of 25% of total loans.
5	Other funding support from Head Office recognised as stable funding		Head Office’s irrevocable committed liquidity facility, subject to the HKMA’s consent and a cap of 25% of total loans in any case for SFR calculation purpose.
			Negotiable debt instruments (“NDIs”) held by Head Office placed at Central Moneymarkets Unit, subject to the HKMA’s consent. The NDIs should be free from any encumbrances and should be no legal or regulatory barriers that would prevent from converting the NDIs into liquidity support.