



星展銀行（香港）有限公司  
**DBS BANK (HONG KONG) LIMITED**  
(Incorporated in Hong Kong with limited liability)

**REGULATORY DISCLOSURE STATEMENTS**  
**31 December 2025**  
(Unaudited)

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### CONTENTS

	Pages
<b>1 INTRODUCTION</b> .....	1
<b>2 SCOPE OF CONSOLIDATION</b> .....	1
<b>3 RISK MANAGEMENT APPROACH</b> .....	2
<b>4 KEY PRUDENTIAL RATIOS AND KEY METRICS</b> .....	5
4.1 KM1 – Key Prudential Ratios	
4.2 KM2(A) – Key Metrics – LAC Requirements for Material Subsidiaries (at LAC Consolidation Group Level)	
4.3 KM2(B) – Key Metrics – TLAC Requirements for Non-HK Resolution Entity (at Resolution Group Level)	
<b>5 OVERVIEW OF RISK-WEIGHTED ASSETS</b> .....	9
5.1 OV1 – Overview of Risk-Weighted Assets	
5.2 CMS1 – Comparison of Modelled and Standardized RWAs at Risk Level	
5.3 CMS2 – Comparison of Modelled and Standardized RWAs for Credit Risk at Exposure Class Level	
<b>6 LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES</b> .....	13
6.1 LI1 – Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories	
6.2 LI2 – Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements	
6.3 PV1 – Prudent Valuation Adjustments	
<b>7 COMPOSITION OF REGULATORY CAPITAL</b> .....	16
7.1 CC1 – Composition of Regulatory Capital	
7.2 CC2 – Reconciliation of Regulatory Capital to Balance Sheet	
7.3 CCA(A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments	
7.4 TLAC1(A) – LAC Composition of Material Subsidiary (at LAC Consolidation Group Level)	
7.5 TLAC2 – Material Subsidiary – Creditor Ranking at Legal Entity Level	
<b>8 COUNTERCYCLICAL CAPITAL BUFFER</b> .....	27
8.1 CCyB1 – Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)	
<b>9 LEVERAGE RATIO</b> .....	28
9.1 LR1 – Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure	
9.2 LR2 – Leverage Ratio	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

	Pages
<b>10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES</b> .....	<b>31</b>
10.1 Qualitative Disclosures	
10.1.1 General Qualitative Disclosures	
10.1.2 Qualitative Disclosures related to CRM techniques	
10.1.3 Qualitative Disclosures on the use of External Credit Ratings under STC approach	
10.1.4 Qualitative Disclosures for IRBA Models	
10.1.5 Additional Disclosures related to Credit Quality of Exposures	
10.2 Quantitative Disclosures	
10.2.1 CR1 – Credit Quality of Exposures	
10.2.2 CR2 – Changes in Defaulted Loans and Debt Securities	
10.2.3 Additional Quantitative Disclosures related to Credit Quality of Assets	
10.2.4 CR3 – Overview of Recognized Credit Risk Mitigation	
10.2.5 CR4 – Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach	
10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach	
10.2.7 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach	
10.2.8 CR7 – Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB approach	
10.2.9 CR8 – RWA Flow Statements of Credit Risk Exposures under IRB approach	
10.2.10 CR9 – Back-Testing of PD per portfolio – for IRB approach	
10.2.11 CR10 – Specialized Lending Under Supervisory Slotting Criteria Approach – for IRB approach	
<b>11 COUNTERPARTY CREDIT RISK</b> .....	<b>62</b>
11.1 Qualitative Disclosures	
11.2 Quantitative Disclosures	
11.2.1 CCR1 – Analysis of Counterparty Credit Risk Exposures (Other than those to CCPs) by Approaches	
11.2.2 CCR3 – Counterparty Credit Risk Exposures (Other than those to CCPs) by Exposure Classes and by Risk Weights – for STC approach	
11.2.3 CCR4 – Counterparty Credit Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach	
11.2.4 CCR5 – Composition of Collateral for Counterparty Credit Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)	
11.2.5 CCR6 – Credit-related Derivatives Contracts	
<b>12 SECURITIZATION EXPOSURES</b> .....	<b>68</b>
12.1 Qualitative Disclosures	
12.2 Quantitative Disclosures	
12.2.1 SEC1 – Securitization Exposures in Banking Book	
12.2.2 SEC4 – Securitization Exposures in Banking Book and Associated Capital Requirements – A Reporting Bank acts as Investor	
<b>13 CREDIT VALUATION ADJUSTMENT RISK</b> .....	<b>70</b>
13.1 Qualitative Disclosures	
13.2 Quantitative Disclosures	
13.2.1 CVA1 – CVA Risk under Reduced Basic CVA Approach	
<b>14 MARKET RISK</b> .....	<b>71</b>
14.1 Qualitative Disclosures	
14.2 Quantitative Disclosures	
14.2.1 MR1 – Market Risk under STM Approach	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

	Pages
<b>15 OPERATIONAL AND TECHNOLOGY RISK</b> .....	73
15.1 Qualitative Disclosures	
15.2 Quantitative Disclosures	
15.2.1 OR1 – Historical Losses	
15.2.2 OR2 – Business Indicator and Business Indicator Components Breakdown	
15.2.3 OR3 – Minimum Operational Risk Capital Requirement	
<b>16 INTEREST RATE RISK IN THE BANKING BOOK</b> .....	77
16.1 Qualitative Disclosures	
16.2 Quantitative Disclosures	
16.2.1 IRRBB1 – Interest Rate Risk in Banking Book	
<b>17 ASSET ENCUMBRANCE</b> .....	78
17.1 ENC – Asset Encumbrance	
<b>18 INTERNATIONAL CLAIMS</b> .....	79
<b>19 LOANS AND ADVANCES TO CUSTOMERS</b> .....	80
19.1 Loans and Advances to Customers by Loan Usage	
19.2 Loans and Advances to Customers by Geographical Area	
<b>20 OVERDUE AND RESCHEDULED ASSETS</b> .....	82
20.1 Overdue Loans and Advances to Customers	
20.2 Rescheduled Advances	
20.3 Repossessed Assets	
20.4 Overdue Other Assets	
<b>21 MAINLAND ACTIVITIES</b> .....	83
<b>22 FOREIGN EXCHANGE EXPOSURES</b> .....	85
<b>23 LIQUIDITY</b> .....	86
23.1 Liquidity Risk Management	
23.2 LIQ1 – Liquidity Coverage Ratio	
23.3 LIQ2 – Net Stable Funding Ratio	
<b>24 SEGMENTAL INFORMATION</b> .....	96
<b>25 REMUNERATION</b> .....	96
25.1 Objectives of DBS Remuneration Strategy	
25.2 Summary of Current Total Compensation Elements	
25.3 Determination of Variable Pay Pool	
25.4 Deferred Remuneration	
25.5 Senior Management and Material Risk Takers	
<b>26 ABBREVIATIONS</b> .....	102

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 1 INTRODUCTION

The information contained in this document is for DBS Bank (Hong Kong) Limited (the “Bank”) and the Bank and its subsidiaries (the “Group”). It is made pursuant to the Banking (Disclosure) Rules (“BDR”), Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (“LAC Rules”), and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These banking disclosures are governed by the Group’s disclosure policy and standard, which have been approved by the senior management and the Board. The disclosure policy and standard set out the governance, control and assurance requirements for publication of this document. The disclosures have been subject to independent review in accordance with the disclosure policy and standard.

For the purposes of calculating its risk-weighted assets (“RWA”), the Bank uses the Internal Ratings-Based (“IRB”) Approach for the majority of its credit risk exposures and the Standardized Approach for those exempted from the IRB approach. The Bank uses the respective Standardized Approach for market and operational risks.

The numbers in this document are expressed in millions of Hong Kong dollars, unless otherwise stated.

### 2 SCOPE OF CONSOLIDATION

For regulatory reporting purposes, the Bank computes key regulatory ratios on a combined basis including the Bank and its overseas branch, unless otherwise specified. It is different from the basis of consolidation for accounting purposes.

The following entities are within the Group’s accounting scope of consolidation but excluded from its regulatory scope of consolidation.

<b>Name of entity</b>	<b>Principal activities</b>	<b>Total Assets In HK\$ millions</b>	<b>Total Equity In HK\$ millions</b>
Dao Heng Finance Limited	Inactive	71	70
Hang Lung Bank (Nominee) Limited	Inactive	–	–
DBS Kwong On (Nominees) Limited	Inactive	–	–
Overseas Trust Bank Nominees Limited	Inactive	–	–
Ting Hong Nominees Limited	Provision of nominee, trustee and agency services	–	–
DBS Trustee (Hong Kong) Limited	Inactive	5	5

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 3 RISK MANAGEMENT APPROACH

In executing our strategic priorities and business opportunities, the Group is faced with economic, financial and other types of risks. These risks are interdependent and require a holistic approach to risk management. Very broadly, these risks can be aligned around the following risk categories:

- (i) Credit
- (ii) Market
- (iii) Liquidity
- (iv) Operational
- (v) Technology
- (vi) Reputational
- (vii) Business and Strategic

The Board oversees the Group's affairs and provides sound leadership for the Chief Executive Officer ("CEO") and management. Authorised by the Board, various board committees oversee specific responsibilities based on clearly defined terms of reference.

Under our risk management approaches, the Board, through the Board Risk Management Committee ("BRMC"), sets our risk appetite, oversees the establishment of enterprise-wide risk management policies and processes, and establishes risk appetite limits to guide risk-taking with the Group. The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational, technology and reputational risks.

To facilitate the BRMC's risk oversight, the following risk management committees have been established:

#### Risk Management Committees

<b>HK Risk Executive Committee ("Risk ExCo")</b>	As the overall executive body regarding risk matters, the Risk ExCo oversees risk management of the Group.
<b>HK Risk Culture and Conduct Committee ("RCCC")</b>	RCCC provides oversight and direction relating to the management and implementation of risk culture and conduct agenda.
<b>HK Product Oversight Committee ("POC")</b>	POC reports to the Risk ExCo and oversees the risks associated with new or changed products and services to ensure these are offered in line with the Bank's strategy and risk appetite, in the interest of protecting the Bank's franchise.
<b>HK Credit Risk Committee ("HK CRC")</b> <b>HK Market and Liquidity Risk Committee ("HK MLRC")</b> <b>HK Operational and Technology Risk Committee ("HK OTRC")</b>	Each of the committees reports to the Risk ExCo, and serves as an executive forum to discuss and implement Group's risk management.  Key responsibilities: <ul style="list-style-type: none"><li>• Assess and approve risk-taking activities</li><li>• Oversee the Group's risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems</li><li>• Approve/endorse risk policies, the evaluation and endorsement of risk models and stress testing programmes</li><li>• Assess and monitor specific risk concentration</li><li>• Recommend stress testing scenarios (including macroeconomic variable projections) and review the results</li></ul> The members of these committees comprise representatives from the Risk Management Group ("RMG") as well as key business and support units.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 3 RISK MANAGEMENT APPROACH (continued)

Our risk appetite takes into account a spectrum of risk types, and is implemented using thresholds, policies, processes and controls.

Setting thresholds is essential in making the Group's Risk Appetite an intrinsic part of our businesses as they help to keep all our risks within acceptable levels. Portfolio risk limits for the quantifiable risk types are established top down, and these are implemented using frameworks. As for the non-quantifiable risk types, these are managed using qualitative principles.

We manage these risks by diversifying our risk across industries and individual exposures. In addition, the Group relies on specialist knowledge of our regional markets and industry segments to effectively assess our risks.

DBS' internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The Board, supported by the BRMC, oversees the Group's system of internal controls and risk management. The Group adopts the Three Lines Model for risk management where each line has clear role and responsibilities. Our business and support units are our first line. Their responsibilities include identification and management of risks arising from and relating to their respective areas of responsibilities and ensuring that our operations remain within approved boundaries of our risk appetite and policies. The Group has an established incident notification protocol that sets out processes for the escalation of incidents according to the level of severity. In this way, appropriate levels of management are made aware of such incidents and can take action accordingly. There are also well-defined procedures for the escalation, investigation and follow-up of any reported wrong-doing by a DBS employee, customer, vendor or third party.

Our second line, including Risk Management Group, Legal and Compliance, provides independent risk oversight, monitoring and reporting. They are responsible for the development and maintenance of risk management policies and processes, and they provide objective review and challenge on the activities undertaken by business and support units.

Group Audit forms the third line. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management, governance framework and processes.

The Group believes that effective safeguards against undesired business conduct have to go beyond a "tick-the-box" mentality. Other than relying on published codes of conduct, the Group also advocates the following organisational safeguards to maintain a strong risk and governance culture:

- Tone from the top
- Aligning strategies and incentives via the balanced scorecard. Performance is assessed against the scorecard to determine remuneration, providing a clear line of sight between employee goals and organisational imperatives.
- Respecting voice of control functions
- Risk ownership
- Having established escalation protocols
- Encouraging constructive challenges at all levels
- Reinforcing cultural alignment

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 3 RISK MANAGEMENT APPROACH (continued)

In addition to cultivating a strong risk and governance culture, robust internal control processes and systems have been designed and implemented to support the respective risk management approaches. These are reviewed regularly by the respective risk units to assess and ensure their effectiveness.

Risk management reports including exposure and position information for all significant risk areas are provided to the BRMC and management on a regular basis, as deemed appropriate. The Group, through various committees, determines the risk reporting requirements that best suit the business.

This includes the following:

- i. risk exposures and profile against risk limits and risk strategy
- ii. large risk events and subsequent remedial action plans
- iii. market developments such as macroeconomic and country risks, financial and operational risks, risk concentrations and stress tests related to these developments.
- iv. key technology risk events and updates

Stress testing is an integral part of our risk management process. It includes both sensitivity analysis and scenario analysis, and is conducted regularly. In particular, the Internal Capital Adequacy Assessment Process ("ICAAP") (a Group-wide exercise spanning across risk types) is performed annually. In addition, stress tests are carried out in response to microeconomic and macroeconomic conditions or portfolio developments. Every stress test is documented and the results are reviewed by senior management and/or the BRMC.

Stress testing alerts the senior management to our potential vulnerability to exceptional but plausible adverse events. As such, stress testing enables us to assess capital adequacy and identify potentially risky portfolio segments as well as inherent systematic risks. This then allows us to develop the right contingency plans, exit strategies and mitigating actions beforehand.

The ICAAP ensures our business plans are consistent with our risk appetite. This is done by comparing the projected demand for capital to the projected supply of capital under various scenarios, including severe macroeconomic stress.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 4 KEY PRUDENTIAL RATIOS AND KEY METRICS

#### 4.1 KM1 – Key Prudential Ratios

The following table provides an overview of the Bank's key prudential ratios which were calculated in accordance with the following Rules, where relevant, issued by the HKMA.

- Banking (Capital) Rules ("BCR")
- Banking (Liquidity) Rules ("BLR")

		(a)	(b)	(c)	(d)	(e)
		As at 31 December 2025	As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024
In HK\$ millions						
<b>Regulatory Capital (amount)</b>						
1 & 1a	Common Equity Tier 1 (CET1)	45,471	47,015	47,330	49,574	48,886
2 & 2a	Tier 1	47,871	48,415	48,730	50,974	50,286
3 & 3a	Total capital	50,667	51,092	51,404	53,699	53,048
<b>RWA (amount)</b>						
4	Total RWA	217,698	226,988	228,046	218,850	269,397
4a	Total RWA (pre-floor) <sup>1</sup>	217,698	226,988	228,046	218,850	NA
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5 & 5a	CET1 ratio (%)	20.9	20.7	20.8	22.7	18.1
5b	CET1 ratio (%) (pre-floor ratio) <sup>1</sup>	20.9	20.7	20.8	22.7	NA
6 & 6a	Tier 1 ratio (%)	22.0	21.3	21.4	23.3	18.7
6b	Tier 1 ratio (%) (pre-floor ratio) <sup>1</sup>	22.0	21.3	21.4	23.3	NA
7 & 7a	Total capital ratio (%)	23.3	22.5	22.5	24.5	19.7
7b	Total capital ratio (%) (pre-floor ratio) <sup>1</sup>	23.3	22.5	22.5	24.5	NA
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical capital buffer requirement (%)	0.351	0.345	0.350	0.365	0.362
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0	0.0	0.0	0.0	0.0
11	Total AI-specific CET1 buffer requirements (%)	2.851	2.845	2.850	2.865	2.862
12	CET1 available after meeting the AI's minimum capital requirements (%)	15.3	14.5	14.5	16.5	11.7
<b>Basel III Leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	578,652	563,452	554,367	535,871	531,114
13a	LR exposure measure based on mean values of gross assets of SFTs <sup>1</sup>	576,967	557,914	557,636	543,533	NA
14, 14a & 14b	LR (%)	8.3	8.6	8.8	9.5	9.5
14c & 14d	LR (%) based on mean values of gross assets of SFTs <sup>1</sup>	8.3	8.7	8.7	9.4	NA

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 4 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

#### 4.1 KM1 – Key Prudential Ratios (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
		As at 31 December 2025	As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024
	<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	162,376	157,351	138,642	132,509	133,638
16	Total net cash outflows	86,901	86,446	73,565	75,760	81,121
17	LCR (%)	187.2	182.5	189.4	175.3	164.9
	Applicable to category 2 institutions only:					
17a	LMR (%)	NA	NA	NA	NA	NA
	<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institutions only:					
18	Total available stable funding	365,577	351,425	351,997	345,462	337,111
19	Total required stable funding	224,716	230,791	232,870	231,035	227,867
20	NSFR (%)	162.7	152.3	151.2	149.5	147.9
	Applicable to category 2A institutions only:					
20a	CFR (%)	NA	NA	NA	NA	NA

*Footnote:*

1 Pursuant to the Banking (Capital) Rules and Banking (Disclosure) Rules effective from 1 January 2025.

The increase in capital ratios in the fourth quarter of 2025 was mainly due to lower total RWA, issuance of the Additional Tier 1 capital and net profit accretion, partially offset by dividend payout.

Commentaries for the quarter explaining significant changes in the above metrics, if any, have been included in subsequent sections of this document.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 4 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

#### 4.2 KM2(A) – Key Metrics – LAC Requirements for Material Subsidiaries (at LAC Consolidation Group Level)

The following table provides a summary of the Bank’s internal loss-absorbing capacity available at LAC consolidation group level.

		(a)	(b)	(c)	(d)	(e)
In HK\$ millions		As at 31 December 2025	As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024 <sup>1</sup>
<b>Of the material entity at LAC consolidation group level</b>						
1	Internal loss-absorbing capacity available	50,667	51,092	51,404	53,699	NA
2	Risk-weighted amount under the LAC Rules	217,698	226,988	228,046	218,850	NA
3	Internal LAC risk-weighted ratio (%)	23.3	22.5	22.5	24.5	NA
4	Exposure measure under the LAC Rules	578,652	563,452	554,367	535,871	NA
5	Internal LAC leverage ratio (%)	8.8	9.1	9.3	10.0	NA
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>2</sup>	NA	NA	NA	NA	NA
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>2</sup>	NA	NA	NA	NA	NA
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognized as external loss-absorbing capacity if no cap was applied <sup>2</sup>	NA	NA	NA	NA	NA

*Footnote:*

- The LAC disclosures for the Bank commences from 31 March 2025 in accordance with the LAC Rules, accordingly the prior periods’ metrics are not applicable.*
- The subordination exemptions under Section 11 of the Financial Stability Board (“FSB”) Total Loss-absorbing Capacity Term Sheet (“TLAC Term Sheet”) do not apply in Hong Kong under the LAC Rules.*

The increase in Internal LAC risk-weighted ratio in the fourth quarter of 2025 was mainly due to lower total RWA, issuance of the Additional Tier 1 capital and net profit accretion, partially offset by dividend payout.

The decrease in Internal LAC leverage ratio in the fourth quarter of 2025 was mainly driven by balance sheet growth and dividend payout, partially offset by the issuance of the Additional Tier 1 capital and net profit accretion.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 4 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

#### 4.3 KM2(B) – Key Metrics – TLAC Requirements for Non-HK Resolution Entity (at Resolution Group Level)

The following table provides a summary on the external loss-absorbing capacity available at resolution group level of the non-HK resolution entity.

		(a)	(b)	(c)	(d)	(e)
In HK\$ millions		As at 31 December 2025 <sup>1</sup>	As at 30 September 2025 <sup>1</sup>	As at 30 June 2025 <sup>1</sup>	As at 31 March 2025 <sup>1</sup>	As at 31 December 2024
<b>Of the non-HK resolution entity resolution group level</b>						
1	External loss-absorbing capacity available	396,739	393,639	398,537	378,193	NA
2	Total risk-weighted amount under the relevant non-HK LAC regime	2,214,967	2,212,143	2,187,402	2,037,906	NA
3	External loss-absorbing capacity as a percentage of risk-weighted amount (%)	17.9	17.8	18.2	18.6	NA
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	6,115,063	6,029,657	5,864,910	5,521,999	NA
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure (%)	6.5	6.5	6.8	6.8	NA
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	NA	NA	NA	NA	NA
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	NA	NA	NA	NA	NA
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognized as external loss-absorbing capacity if no cap was applied	NA	NA	NA	NA	NA

*Footnote:*

<sup>1</sup> With the relevant non-HK LAC regime in the non-HK jurisdiction not having been implemented, the values for rows 1 to 5 are reported on the regulatory capital regime of the non-HK jurisdiction as proxies.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 OVERVIEW OF RISK-WEIGHTED ASSETS

#### 5.1 OV1 – Overview of Risk-Weighted Assets

The following table sets out the Bank's RWA and the corresponding minimum capital requirements by risk types.

In HK\$ millions		(a)	(b)	(c)
		RWA		Minimum capital requirements <sup>1</sup>
		As at 31 December 2025	As at 30 September 2025	As at 31 December 2025
1	Credit risk for non-securitization exposures	191,093	200,426	15,287
2	Of which STC approach	27,018	25,612	2,161
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	106,386	113,551	8,511
4	Of which supervisory slotting criteria approach	21,400	23,527	1,712
5	Of which advanced IRB approach	–	–	–
5a	Of which retail IRB approach	28,778	29,081	2,302
5b	Of which specific risk-weight approach	7,511	8,655	601
6	Counterparty credit risk and default fund contributions	2,513	2,082	202
7	Of which SA-CCR approach	1,319	1,538	106
7a	Of which CEM	NA	NA	NA
8	Of which IMM (CCR) approach	–	–	–
9	Of which others	1,194	544	96
10	CVA Risk	1,150	1,232	92
11	Equity positions in banking book under the simple risk-weight method and internal models method	NA	NA	NA
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	53	–	4
17	Of which SEC – IRBA	–	–	–
18	Of which SEC – ERBA (including IAA)	53	–	4
19	Of which SEC – SA	–	–	–
19a	Of which SEC – FBA	–	–	–
20	Market risk	2,894	3,126	232
21	Of which STM approach	2,894	3,126	232
22	Of which IMA	–	–	–
22a	Of which SSTM approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	–	–	–

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**5 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)**

**5.1 OV1 – Overview of Risk-Weighted Assets (continued)**

		(a)	(b)	(c)
		RWA		Minimum capital requirements <sup>1</sup>
In HK\$ millions		As at 31 December 2025	As at 30 September 2025	As at 31 December 2025
24	Operational risk	18,642	18,787	1,491
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,517	1,494	121
26	Output floor level applied	50%	50%	
27	Floor adjustment (before application of transitional cap)	–	–	
28	Floor adjustment (after application of transitional cap)	NA	NA	NA
28a	Deduction to RWA	164	159	13
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	164	159	13
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	–	–	–
29	Total	217,698	226,988	17,416

Footnote:

<sup>1</sup> Minimum capital requirements correspond to 8% of the RWA.

The decrease in risk-weighted assets during the quarter was mainly driven by credit risk for non-securitization exposures.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 5 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

#### 5.2 CMS1 – Comparison of Modelled and Standardized RWAs at Risk Level

The following table provides the comparison of the RWA calculated under model-based approaches approved by the HKMA against the RWA calculated under full standardized approaches.

		As at 31 December 2025			
		(a)	(b)	(c)	(d)
In HK\$ millions		RWA			
		RWA calculated under model-based approaches that approved by the HKMA	RWA for portfolios where standardized approaches are used	Total actual RWA reports as current requirements (a) + (b)	RWA calculated using full standardized approach used in the output floor computation
1	Credit risk for non-securitization exposures	164,075	27,018	191,093	268,879
2	Counterparty credit risk and default fund contributions	1,410	1,103	2,513	3,744
3	CVA risk		1,150	1,150	1,266
4	Securitization exposures in banking book	–	53	53	53
5	Market risk	–	2,894	2,894	2,894
6	Operational risk		18,642	18,642	18,642
7	Residual RWA	–	1,517	1,517	1,517
8	Total	165,485	52,377	217,862	296,995

The difference in the RWA calculated using model-based approaches and the RWA calculated using full standardized approaches was largely due to credit risk for corporate exposures.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**5 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)**

**5.3 CMS2 – Comparison of Modelled and Standardized RWAs for Credit Risk at Exposure Class Level**

In HK\$ millions		As at 31 December 2025			
		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that approved by the HKMA	RWA for column (a) if re-calculated using the standardized approach	Total actual RWA reports as current requirements	RWA calculated using full standardized approach used in the output floor computation
1	Sovereign exposures	7,693	6,471	7,693	6,471
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	2,797	–	2,797	–
2	Bank exposures	10,604	15,895	12,402	17,694
3	Equity			–	–
4	Corporate exposures (excluding specialized lending)	88,089	165,471	110,961	188,339
4a	Of which: FIRB is applied	88,089	165,471	88,089	165,471
4b	Of which: AIRB is applied	–	–	–	–
5	Retail exposures	28,778	19,998	31,126	22,346
5a	Of which: qualifying revolving retail	19,170	10,410	19,170	10,410
5b	Of which: other retail exposures to individuals and small business retail exposures	6,359	4,763	7,461	5,865
5c	Of which: residential mortgages	3,249	4,825	4,495	6,071
6	Corporate exposures - Specialized lending	21,400	26,518	21,400	26,518
6a	Of which: income-producing real estate and high-volatility commercial real estate	21,338	26,437	21,338	26,437
7	Other exposures	7,511	7,511	7,511	7,511
8	Total	164,075	241,864	191,093	268,879

The difference in the RWA calculated using model-based approaches and the RWA calculated using full standardized approach was largely due to lower risk-weights used to compute corporate exposures under FIRB approach.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 6 LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

#### 6.1 LI1 – Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

The following table shows the differences between the carrying values as reported in the Group's financial statements following the scope of accounting consolidation and the carrying values under the scope of regulatory consolidation, with a breakdown into regulatory risk categories.

The sum of amounts disclosed under column (c) to (g) below can be more than amounts disclosed in column (b) as some of the assets and liabilities, such as derivatives, amount due from/ to banks can be subject to regulatory capital charges for credit risk, counterparty credit risk and market risk.

In HK\$ millions	As at 31 December 2025						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
subject to credit risk framework			subject to counterparty credit risk framework	subject to the securitization framework	subject to the market risk framework		
<b>Assets</b>							
Cash and balances with central banks	5,486	5,486	5,486	–	–	–	–
Government securities and treasury bills	95,402	95,402	89,638	–	–	5,764	–
Due from banks	108,436	108,436	48,835	59,601	–	–	–
Derivatives assets	5,314	5,314	–	3,534	–	3,345	1,780
Bank and corporate securities	51,933	51,933	35,008	–	265	16,660	–
Loans and advances to customers	271,461	271,461	266,752	4,709	–	–	–
Other assets	6,809	6,654	6,096	123	–	–	435
Subsidiaries	–	53	53	–	–	–	–
Properties and other fixed assets	4,632	4,632	4,632	–	–	–	–
<b>Total assets</b>	<b>549,473</b>	<b>549,371</b>	<b>456,500</b>	<b>67,967</b>	<b>265</b>	<b>25,769</b>	<b>2,215</b>
<b>Liabilities</b>							
Due to banks	26,926	26,926	–	7,927	–	7,927	18,999
Deposits and balances from customers	450,381	450,425	–	–	–	–	450,425
Derivatives liabilities	2,876	2,876	–	2,818	–	1,699	58
Other liabilities	18,255	18,255	–	–	–	3,126	15,129
Amounts due to subsidiaries	–	60	–	–	–	–	60
Subordinated liability	2,335	2,335	–	–	–	–	2,335
<b>Total liabilities</b>	<b>500,773</b>	<b>500,877</b>	<b>–</b>	<b>10,745</b>	<b>–</b>	<b>12,752</b>	<b>487,006</b>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 6 LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES (continued)

#### 6.2 LI2 – Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements

The following table provides information on the main sources of differences between regulatory exposure amounts and carrying amounts in the financial statements.

In HK\$ millions		As at 31 December 2025				
		(a)	(b)	(c)	(d)	(e)
		Total	Items subject to:			
credit risk framework	securitization framework		counterparty credit risk framework	market risk framework		
1	Assets carrying value amount under scope of regulatory consolidation	547,156	456,500	265	67,967	25,769
2	Liabilities carrying value amount under regulatory scope of consolidation	13,871	–	–	10,745	12,752
3	Total net amount under regulatory scope of consolidation	533,285	456,500	265	57,222	13,017
4	Off-balance sheet amounts	258,636	73,676	–	–	–
5	Difference due to netting and potential future exposures for derivatives	4,920	–	–	4,920	–
6	Differences due to allowances <sup>1/</sup>	4,792	4,792	–	–	–
7	Other differences	10,429	(1,342)	–	11,771	–
8	<b>Exposure amounts considered for regulatory purposes</b>	<b>812,062</b>	<b>533,626</b>	<b>265</b>	<b>73,913</b>	<b>13,017</b>

#### Explanations of differences between carrying amounts in financial statement and regulatory exposure amounts

The key differences between accounting carrying amounts and regulatory exposures amounts are:

- (i) Off-balance sheet amounts: Off-balance sheet amounts include contingent liabilities and undrawn portions of committed facilities after application of credit conversion factors;
- (ii) Difference due to netting and potential future exposures for derivatives: Derivative regulatory exposures are netted (where an enforceable master netting agreement is in place) and also include potential future exposures;
- (iii) Differences due to allowances<sup>1/</sup>: The carrying values of assets in the financial statement are net of allowances. However, regulatory exposures under IRB approach are gross of all allowances, while those under STD approach are net of specific allowances; and
- (iv) Other differences: These mainly include acceptances that included as contingencies in accordance with the BCR whilst recognized as balance sheet item for accounting purpose, recognition of credit risk mitigation, and inclusion of repurchase agreement for counterparty credit risk, etc.

<sup>1/</sup> Allowances refer to specific allowances (Expected Credit Loss Stage 3) and general allowances (Expected Credit Loss Stage 1 and Stage 2)

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 6 LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES (continued)

#### 6.3 PV1 – Prudent Valuation Adjustments

The following table provides a breakdown of the elements of prudent valuation adjustments.

In HK\$ millions		As at 31 December 2025							
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
1	Close-out uncertainty, of which:	-	-	-	2	-	2	2	-
2	Mid-market value	-	-	-	-	-	-	-	-
3	Close out costs	-	-	-	-	-	-	-	-
4	Concentration	-	-	-	2	-	2	2	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risks	-	-	-	-	-	-	-	-
8	Investing and funding costs	-	-	-	-	-	-	-	-
9	Unearned credit spreads	-	-	-	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other adjustments	-	-	-	-	-	-	-	-
12	<b>Total adjustments</b>	-	-	-	2	-	2	2	-

Section 4A of the BCR sets out the standards for valuing financial instruments that are accounted for at fair value, regardless of whether these are booked in the trading or banking book, for the purpose of determining capital requirements. Banks are required to apply prudence and make appropriate adjustments, taking into account valuation uncertainties. Valuation adjustments taken in addition to that which has been incorporated into the financial statements are known as prudent valuation adjustments (“PVA”). PVA is deducted from CET1 capital.

The Group maintains policies, systems and controls for the calculation of valuation adjustments, including PVA. The Group’s PVA methodology addresses fair value uncertainties arising from the following factors (where relevant): concentrated positions, unearned credit spreads, close out costs, operational risks, early termination costs, investing and funding costs, future administrative costs and model risk.

Please refer to Note 29 Fair Value of Financial Instruments of the financial statements for details of valuation process of the Group.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL

#### 7.1 CC1 – Composition of Regulatory Capital

		(a)	(b)
		Component of regulatory capital In HK\$ millions	Cross-referenced to Section 7.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
<b>As at 31 December 2025</b>			
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	8,995	(4)
2	Retained earnings	34,753	(6)
3	Disclosed reserves	2,346	(9)
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	<b>CET1 capital before regulatory deductions</b>	46,094	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	2	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	–	
10	Deferred tax assets (net of associated deferred tax liabilities)	378	(2)
11	Cash flow hedge reserve	(293)	(10)
12	Excess of total EL amount over total eligible provisions under the IRB approach	–	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in CET1 capital instruments	–	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**7 COMPOSITION OF REGULATORY CAPITAL (continued)**

**7.1 CC1 – Composition of Regulatory Capital (continued)**

		(a)	(b)
		<b>Component of regulatory capital In HK\$ millions</b>	Cross-referenced to Section 7.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
22	Amount exceeding the 15% threshold	NA	NA
23	of which: significant investments in the ordinary share of financial sector entities	NA	NA
24	of which: mortgage servicing rights	NA	NA
25	of which: deferred tax assets arising from temporary differences	NA	NA
26	National specific regulatory adjustments applied to CET1 capital	536	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	481	(7)
26c	Securitization exposures specified in a notice given by the MA	–	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	55	
26e	Capital shortfall of regulated non-bank subsidiaries	–	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	–	
28	<b>Total regulatory deductions to CET1 capital</b>	623	
29	<b>CET1 capital</b>	45,471	
<b>AT1 capital: instruments</b>			
30	Qualifying AT1 capital instruments plus any related share premium	2,400	
31	of which: classified as equity under applicable accounting standards	2,400	(5)
32	of which: classified as liabilities under applicable accounting standards	–	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	
36	<b>AT1 capital before regulatory deductions</b>	2,400	

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**7 COMPOSITION OF REGULATORY CAPITAL (continued)**

**7.1 CC1 – Composition of Regulatory Capital (continued)**

		(a)	(b)
		<b>Component of regulatory capital In HK\$ millions</b>	Cross-referenced to Section 7.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
	<b>AT1 capital: regulatory deductions</b>		
37	Investments in own AT1 capital instruments	–	
38	Reciprocal cross-holdings in AT1 capital instruments	–	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments applied to AT1 capital	–	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	<b>Total regulatory deductions to AT1 capital</b>	–	
44	<b>AT1 capital</b>	2,400	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	47,871	
	<b>Tier 2 capital: instruments and provisions</b>		
46	Qualifying Tier 2 capital instruments plus any related share premium	2,335	(3)
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	–	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	461	(8) – (1)
51	<b>Tier 2 capital before regulatory deductions</b>	2,796	
	<b>Tier 2 capital: regulatory deductions</b>		
52	Investments in own Tier 2 capital instruments	–	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	–	

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**7 COMPOSITION OF REGULATORY CAPITAL (continued)**

**7.1 CC1 – Composition of Regulatory Capital (continued)**

		(a)	(b)
		<b>Component of regulatory capital In HK\$ millions</b>	Cross-referenced to Section 7.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	–	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	–	
58	<b>Tier 2 capital (T2)</b>	2,796	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	50,667	
60	<b>Total RWA</b>	217,698	
<b>Capital ratios (as a percentage of RWA)</b>			
61	<b>CET1 capital ratio</b>	20.9%	
62	<b>Tier 1 capital ratio</b>	22.0%	
63	<b>Total capital ratio</b>	23.3%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	2.851%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical capital buffer requirement	0.351%	
67	of which: higher loss absorbency requirement	0%	
68	<b>CET1 (as a percentage of RWA) available after meeting minimum capital requirements</b>	15.3%	

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**7 COMPOSITION OF REGULATORY CAPITAL (continued)**

**7.1 CC1 – Composition of Regulatory Capital (continued)**

		(a)	(b)
		<b>Component of regulatory capital In HK\$ millions</b>	Cross-referenced to Section 7.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation
<b>National minima (if different from Basel 3 minimum)</b>			
69	National CET1 minimum ratio	NA	NA
70	National Tier 1 minimum ratio	NA	NA
71	National Total capital minimum ratio	NA	NA
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	2,407	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	37	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	NA	NA
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	NA	NA
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC – ERBA, SEC-SA and SEC-FBA (prior to application of cap)	535	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	371	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	90	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	993	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 7.1 CC1 – Composition of Regulatory Capital (continued)

##### Note to the template

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards are disclosed below:

Row No.	Description	Hong Kong basis HK\$M	Basel III basis HK\$M
	<b>Deferred tax assets (net of associated deferred tax liabilities)</b>	378	–
10	<p><u>Explanation</u></p> <p>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.</p> <p>The amount reported under the column “Basel III basis” in this box represents the amount reported in row 10 (i.e. the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 7.2 CC2 – Reconciliation of Regulatory Capital to Balance Sheet

In HK\$ millions	Balance sheet as in published financial statements As at 31 December 2025	Under regulatory scope of consolidation As at 31 December 2025	Cross-referenced to Composition of Regulatory Capital in Section 7.1
<b>Assets</b>			
Cash and balances with central banks	5,486	5,486	
Government securities and treasury bills	95,402	95,402	
Due from banks	108,436	108,436	
Derivatives assets	5,314	5,314	
Bank and corporate securities	51,933	51,933	
Loans and advances to customers	271,461	271,461	
<i>of which: Allowances eligible for inclusion in Tier 2 capital</i>		(410)	(1)
Other assets	6,809	6,654	
<i>of which: Deferred tax assets deducted from CET 1 capital</i>		378	(2)
Subsidiaries	–	53	
Properties and other fixed assets	4,632	4,632	
<b>Total assets</b>	<b>549,473</b>	<b>549,371</b>	
<b>Liabilities</b>			
Due to banks	26,926	26,926	
Deposits and balances from customers	450,381	450,425	
Derivatives liabilities	2,876	2,876	
Other liabilities	18,255	18,255	
Amount due to subsidiaries	–	60	
Subordinated liability	2,335	2,335	(3)
<b>Total liabilities</b>	<b>500,773</b>	<b>500,877</b>	
<b>Equity</b>			
Share capital	8,995	8,995	(4)
Other equity instruments	2,400	2,400	(5)
Reserves	37,305	37,099	
<i>Retained earnings</i>		34,753	(6)
<i>of which: Regulatory reserve for general banking risks</i>		481	(7)
<i>of which: Regulatory reserve eligible for inclusion in Tier 2 capital</i>		51	(8)
<i>Other reserves</i>		2,346	(9)
<i>of which: Cash flow hedge reserves</i>		(293)	(10)
<b>Total equity</b>	<b>48,700</b>	<b>48,494</b>	
<b>Total liabilities and equity</b>	<b>549,473</b>	<b>549,371</b>	

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 7.3 CCA(A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments

The following disclosures are made solely pursuant to the requirements of the Banking (Disclosure) Rules issued by the HKMA. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant transaction documents available at <https://www.dbs.com/hongkong/en/financials/regulatory-capital-instruments.page>. This includes the issuances made over the previous period.

As at 31 December 2025	CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.0b Perpetual Capital Securities issued in November 2025	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
1 Issuer	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited	DBS Bank (Hong Kong) Limited
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA	NA
3 Governing law(s) of the instrument	Hong Kong law	Hong Kong law	Hong Kong law	Hong Kong law
3a Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	NA	NA	NA	NA
<i>Regulatory treatment</i>				
4 Transitional Basel III rules	NA	NA	NA	NA
5 Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Tier 2
6 Eligible at solo/group/group & solo (for regulatory capital purposes)	Solo	Solo	Solo	Solo
6a Eligible at solo/LAC consolidation group/solo and LAC consolidation group (for LAC purposes)	Solo	Solo	Solo	Solo
7 Instrument type	Ordinary shares	Capital securities	Capital securities	Subordinated loan
8 Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	HK\$8,995 million	HK\$1,000 million	HK\$1,400 million	HK\$2,335 million
8a Amount recognized in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$8,995 million	HK\$1,000 million	HK\$1,400 million	HK\$2,335 million
9 Par value of instrument	NA	HK\$1,000 million	HK\$1,400 million	US\$300 million
10 Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity	Liability – amortized cost
11 Original date of issuance	Various dates	27 November 2025	13 January 2022	13 December 2022
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated
13 Original maturity date	No maturity	No maturity	No maturity	13 December 2032
14 Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	NA	First optional call date: 27 November 2030  Contingent call dates: Change of qualification event, redemption for taxation reasons  Redemption amount: Principal amount together with accrued and unpaid distributions	First optional call date: 13 January 2027  Contingent call dates: Change of Qualification Event, redemption for taxation reasons  Redemption amount: Principal amount together with accrued and unpaid distributions	First optional call date: 13 December 2027  Contingent call dates: Change of Qualification Event or Tax Event  Redemption amount: Principal amount together with accrued and unpaid interest
16 Subsequent call dates, if applicable	NA	Optional call dates – any date after 27 November 2030	Optional call dates – any date after 13 January 2027	Optional call dates – any date after 13 December 2027
<i>Coupons/dividends</i>				
17 Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed to floating	Fixed to floating	Floating
18 Coupon rate and any related index	NA	4.13% p.a. up to 27 November 2030. 5Y HK Dollar Swap Rate plus a fixed spread of 1.32% p.a. thereafter, reset every 5 years	2.86% p.a. up to 13 January 2027. 5Y HK Dollar Swap Rate plus 1.29% p.a. thereafter, reset every 5 years	The interest rate shall be calculated by the Benchmark Rate plus 1.87% p.a.  The Benchmark Rate for each Interest Period shall be equal to the value of the compounded average daily Secured Overnight Financing Rates for each day during the relevant Interest Rate Period as calculated on the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period in the manner stated in Clause 4(ii) of the Tier 2 Loan Agreement
19 Existence of a dividend stopper	NA	Yes	Yes	No

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 7.3 CCA(A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments (continued)

		CET 1 Capital Ordinary Shares	Additional Tier 1 Capital HK\$1.0b Perpetual Capital Securities issued in November 2025	Additional Tier 1 Capital HK\$1.4b Perpetual Capital Securities issued in January 2022	Tier 2 Capital US\$300m Subordinated Loan issued in December 2022
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible <sup>1</sup>	Non-convertible <sup>1</sup>	Non-convertible <sup>1</sup>
24	If convertible, conversion trigger(s)	NA	NA	NA	NA
25	If convertible, fully or partially	NA	NA	NA	NA
26	If convertible, conversion rate	NA	NA	NA	NA
27	If convertible, mandatory or optional conversion	NA	NA	NA	NA
28	If convertible, specify instrument type convertible into	NA	NA	NA	NA
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down feature	No	Yes <sup>1</sup>	Yes <sup>1</sup>	Yes <sup>1</sup>
31	If write-down, write-down trigger(s)	NA	Occurrence of a Non-viability Trigger Event, which is the earlier of:  (i) The HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and  (ii) The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.	1) Occurrence of a Non-viable event, which is the earlier of:  (i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and  (ii) The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.  2) Subject to Hong Kong Resolution Authority bail-in power	1) Occurrence of a Non-viable event, which is the earlier of:  (i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and  (ii) The HKMA notifying the Bank in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable.  2) Subject to Hong Kong Resolution Authority bail-in power
32	If write-down, full or partial	NA	Fully or partially	Fully or partially	Fully or partially
33	If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
34a	Type of subordination	Contractual	Contractual	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinated to Additional Tier 1 capital instruments	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to unsubordinated creditors and all other Subordinated Creditors of the Bank whose claims are expressed to rank, by its terms or by operation of law, senior to the Tier 2 Loan.
36	Non-compliant transitioned features	NA	NA	NA	NA
37	If yes, specify non-compliant features	NA	NA	NA	NA

**Footnote:**

<sup>1</sup> The terms and conditions of the Perpetual Capital Securities contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the Financial Institutions (Resolution) Ordinance (Cap. 628) ("FIRO").

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**7 COMPOSITION OF REGULATORY CAPITAL (continued)**

**7.4 TLAC1(A) – LAC Composition of Material Subsidiary (at LAC Consolidation Group Level)**

In HK\$ millions		As at
		31 December 2025
		(a)
<b>Regulatory capital elements of internal loss-absorbing capacity and adjustments</b>		
1	Common Equity Tier 1 (“CET1”) capital	45,471
2	Additional Tier 1 (“AT1”) capital before LAC adjustments	2,400
3	AT1 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary’s resolution group	–
4	Other adjustments	–
5	<b>AT1 capital eligible under the LAC Rules</b>	<b>2,400</b>
6	Tier 2 (“T2”) capital before LAC adjustments	2,796
7	Amortized portion of T2 capital instruments that are internal LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary’s resolution group	–
8	T2 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary’s resolution group	–
9	Other adjustments	–
10	<b>T2 capital eligible under the LAC Rules</b>	<b>2,796</b>
11	<b>Internal loss-absorbing capacity arising from regulatory capital</b>	<b>50,667</b>
<b>Non-regulatory capital elements of internal loss-absorbing capacity</b>		
12	Internal non-capital LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary’s resolution group	–
17	<b>Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments</b>	<b>–</b>
<b>Non-regulatory capital elements of internal loss-absorbing capacity: adjustments</b>		
18	<b>Internal loss-absorbing capacity before deductions</b>	<b>50,667</b>
19	Deductions of exposures between the material subsidiary’s LAC consolidation group and group companies outside that group that correspond to non-capital items eligible for internal loss-absorbing capacity	–
20	Deduction of holdings of its own non-capital LAC liabilities	–
21	Other adjustments to internal loss-absorbing capacity	–
22	<b>Internal loss-absorbing capacity after deductions</b>	<b>50,667</b>
<b>Risk-weighted amount and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes</b>		
23	Risk-weighted amount under the LAC Rules	217,698
24	Exposure measure under the LAC Rules	578,652

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 7 COMPOSITION OF REGULATORY CAPITAL (continued)

#### 7.4 TLAC1(A) – LAC Composition of Material Subsidiary (at LAC Consolidation Group Level) (continued)

In HK\$ millions		As at
		31 December 2025
		(a)
<b>Internal LAC ratios and buffers</b>		
25	Internal LAC risk-weighted ratio	23.3%
26	Internal LAC leverage ratio	8.8%
27	CET1 capital (as a percentage of RWA under the Banking (Capital) Rules (“BCR”) available after meeting the LAC consolidation group’s minimum capital and LAC requirements	15.3%
28	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA under the BCR)	2.851%
29	Of which: capital conservation buffer requirement	2.5%
30	Of which: institution-specific countercyclical capital buffer requirement	0.351%
31	Of which: higher loss absorbency requirement	0.0%

#### 7.5 TLAC2 – Material Subsidiary – Creditor Ranking at Legal Entity Level

In HK\$ millions		As at 31 December 2025			
		Creditor ranking			Sum of values in columns 1 to 3
		1	2	3	
		(most junior)		(most senior)	
1	Is a resolution entity or a non-HK resolution entity the creditor/investor?	Yes	Yes	Yes	
2	Description of creditor ranking	CET1 Capital ordinary shares	Additional Tier 1 capital instrument	Tier 2 capital instrument	
3	Total capital and liabilities net of credit risk mitigation	8,995	2,400	2,335	13,730
4	Subset of row 3 that are excluded liabilities	–	–	–	–
5	Total capital and liabilities less excluded liabilities	8,995	2,400	2,335	13,730
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	8,995	2,400	2,335	13,730
7	Subset of row 6 with 1 year <= residual maturity < 2 years	–	–	–	–
8	Subset of row 6 with 2 years <= residual maturity < 5 years	–	–	–	–
9	Subset of row 6 with 5 years <= residual maturity < 10 years	–	–	2,335	2,335
10	Subset of row 6 with residual maturity >= 10 years, but excluding perpetual securities	–	–	–	–
11	Subset of row 6 that is perpetual securities	8,995	2,400	–	11,395

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 8 COUNTERCYCLICAL CAPITAL BUFFER

#### 8.1 CCyB1 – Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)

The following table provides an overview of the geographical distribution of the RWA of private sector credit exposures relevant for the calculation of the Bank’s Countercyclical Capital Buffer ratio.

In HK\$ millions		As at 31 December 2025			
		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong SAR	0.50	113,064		
2	Australia	1.00	27		
3	Belgium	1.00	220		
4	Chile	0.50	4		
5	Czech Republic	1.25	2		
6	Denmark	2.50	1		
7	France	1.00	406		
8	Germany	0.75	238		
9	South Korea	1.00	1,037		
10	Spain	0.50	33		
11	Sweden	2.00	49		
12	United Kingdom	2.00	577		
	Sum		115,658		
	<b>Total</b>		<b>170,044</b>	<b>0.351</b>	<b>764</b>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 9 LEVERAGE RATIO

##### 9.1 LR1 – Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure

The following tables provide a reconciliation of the Group's balance sheet assets with the leverage ratio exposure measure and the breakdown of the Bank's leverage ratio regulatory elements.

In HK\$ millions		(a)
	Item	Value under the LR framework As at 31 December 2025
1	Total consolidated assets as per published financial statements	549,473
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	37
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	–
4	Adjustments for temporary exemption of central bank reserves	NA
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	–
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustments for eligible cash pooling transactions	–
8	Adjustments for derivative contracts	(229)
9	Adjustment for SFTs (i.e. repos and similar secured lending)	405
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	34,281
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(130)
12	Other adjustments	(5,185)
13	<b>Leverage ratio exposure measure</b>	<b>578,652</b>

DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

REGULATORY DISCLOSURES

9 LEVERAGE RATIO (continued)

9.2 LR2 – Leverage Ratio

In HK\$ millions		(a)	(b)
		As at 31 December 2025	As at 30 September 2025
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	472,141	456,309
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	–	–
4	Less: Adjustment for securities received under SFTs that are recognized as an asset	–	–
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(4,832)	(4,230)
6	Less: Asset amounts deducted in determining Tier 1 capital	(623)	(269)
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	<b>466,686</b>	<b>451,810</b>
<b>Exposures arising from derivative contracts</b>			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,571	1,372
9	Add-on amounts for PFE associated with all derivative contracts	3,513	3,899
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	<b>Total exposures arising from derivative contracts (sum of rows 8 to 12)</b>	<b>5,084</b>	<b>5,271</b>
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	72,321	69,816
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	405	695
17	Agent transaction exposures	–	–
18	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	<b>72,726</b>	<b>70,511</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	215,933	221,803
20	Less: Adjustments for conversion to credit equivalent amounts	(181,652)	(185,794)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(125)	(149)
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>34,156</b>	<b>35,860</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**9 LEVERAGE RATIO (continued)**

**9.2 LR2 – Leverage Ratio (continued)**

In HK\$ millions		(a)	(b)
		As at 31 December 2025	As at 30 September 2025
<b>Capital and total exposures</b>			
23	Tier 1 capital	47,871	48,415
24	Total exposures (sum of rows 7, 13, 18 and 22)	578,652	563,452
<b>Leverage ratio</b>			
25 & 25a	Leverage ratio (%)	8.3	8.6
26	Minimum leverage ratio requirement (%)	3.0	3.0
27	Applicable leverage buffers (%)	NA	NA
<b>Disclosure of mean values</b>			
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	70,636	64,278
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	72,321	69,816
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)	576,967	557,914
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) (%)	8.3	8.7

The difference between the mean value and the quarter-end value of gross SFT assets was mainly driven by the increase in reverse repo transactions. The difference has no material impact on the leverage ratio.

The decrease in leverage ratio was mainly driven by lower Tier 1 capital and balance sheet growth during the quarter.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES

#### 10.1 Qualitative Disclosures

##### 10.1.1 General Qualitative Disclosures

Credit risk arises from borrowers or counterparties failing to meet their debt or contractual obligations. It includes both the risk of lending as well as the pre-settlement and settlement risk of foreign exchange, derivatives and securities.

RMG-Credit Risk unit acts as a second line responsible for the development and maintenance of credit risk management and internal control frameworks. It provides an independent review and challenges the first line (e.g. Business Units) who, together with RMG-Credit Risk unit, are responsible for the identification, assessment and management of risk on an end-to-end basis and in conformity with approved risk appetite and policies.

Various functions under RMG-Credit Risk unit report to the Hong Kong Senior Risk Executive:

- Credit risk managers approve and control credit risk and portfolio quality as well as ensure legal, regulatory and compliance obligation issues are addressed
- Credit control units monitor compliance with credit risk policies and standards of the Group and perform independent checks on completeness of documentation and compliance of credit conditions
- Credit remediation units are responsible for establishing, formalising and standardising the end-to-end process to identify, categorise, review and monitor problem credits

RMG-Credit Risk unit also partners with the Legal and Compliance units to ensure all risk-taking activities abide by all regulations, while Group Audit serves as a third line to provide an independent assessment and assurance on the reliability, adequacy and effectiveness of the internal control, risk management, governance processes throughout the Group.

The Group's credit risk management is supported by policies which cover credit risk management process and establish a consistent Group-wide approach for managing credit risk in a structured, systematic and consistent manner.

These policies, supplemented by a number of operational standards and guides, ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk across the Group, and provide guidance in the formulation of business-specific and/or location-specific credit risk policies and standards.

Day-to-day monitoring of credit exposures, portfolio performance and external environmental factors potentially affecting credit risk profiles is key to the Group's philosophy of effective credit risk management. Credit trends, which may include industry analysis, early warning alerts and significant weak credits are submitted to the various risk committees. Please refer to Section 3 on the risk management committees established to discuss the various risk types.

In managing its portfolio risk profile, the Group has put in place the Target Market & Risk Acceptance Criteria ("TM-RAC") that support the Group's portfolio strategy and ensure well-defined and consistent customer onboarding standards across the Group.

DBS Group Holdings Ltd ("DBSH")'s Delegation of Authority ("DOA") Standard sets out the level of risk-based credit authority required to approve total facilities to a DOA group, taking into consideration credit risk rating and various risk parameters of the facilities. The Group's ultimate credit authority rests with the Group's Board of Directors.

The Group engages in various types of credit stress testing, and these are driven either by regulators or internal requirements and management. Independent risk management functions that report to the Senior Risk Executive are jointly responsible for developing and maintaining a robust credit stress testing programme. These units oversee the implementation of credit stress tests as well as the analysis of the results, of which the management, various risk committees and regulators are informed.

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

##### **10.1 Qualitative Disclosures (continued)**

##### **10.1.2 Qualitative Disclosures related to CRM techniques**

The Group's policies provide detailed policy requirements and references on:

- Eligible collaterals
- Collateral valuation and valuation method
- Appointment of valuers/appraisers
- Loan-to-valuation/margin calls

Core processes for collateral evaluation include:

- Frequency of valuation for the various asset classes
- In the case of classified credits, the minimum discount to be applied to the Net Book Value/Fair Market Value
- Ownership and approving authority
- Deviations

Where possible, the Group takes collateral as a secondary source of repayment. This includes, but not limited to, cash, marketable securities, real estate, trade receivables, inventory, equipment and other physical and/or financial collateral. The Group may also take fixed and floating charges on the assets of borrowers.

The Group's collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of the Group's collateral, with a significantly lower proportion in marketable securities and cash.

For derivatives, repurchase agreements ("repo") and other repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps & Derivatives Association ("ISDA") Agreements and Master Repurchase Agreements. The collateral exchanged mitigates marked-to-market changes at a re-margining frequency that the Group and the counterparties have mutually agreed upon. This is governed by internal guidelines with respect to collateral eligibility. In the event of a default, the credit risk exposure is reduced by master-netting arrangements where the Group is allowed to offset what is owed to a counterparty against what is due from that counterparty in a netting-eligible jurisdiction.

In times of difficulty, the Group will review the customers' specific situation and circumstances to assist them in restructuring their financial obligations. However, should the need arise, disposal and recovery processes are in place to dispose of collateral held. The Group maintains a panel of agents and solicitors to assist in the disposal of non-liquid assets and specialised equipment quickly.

The Group also accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantors for credit risk mitigation are in place.

##### **10.1.3 Qualitative Disclosures on the use of External Credit Ratings under STC approach**

The Bank uses external ratings for credit exposures under the Standardized Approach where relevant and only accepts ratings from Standard & Poor's Rating Services, Moody's Investors Services and Fitch Ratings. There has been no change in this regard during the reporting period. The Bank follows the processes prescribed in the BCR to map the ratings to the relevant risk weights across various asset classes under the Standardized Approach.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.1 Qualitative Disclosures (continued)

##### 10.1.4 Qualitative Disclosures for IRBA Models

###### Structure and control mechanisms for internal rating models

The Bank adopts rating systems for the different asset classes under Internal Ratings Based Approach (“IRB”). There is a robust governance process for the development, independent validation and approval of any credit risk rating model. The roles and responsibilities between various stakeholders in the model development and management process are articulated in the Model Risk Policy. This policy applies to the Group, including its banking subsidiaries on a group basis. The models go through a rigorous review process before they are endorsed by Group Credit Risk Models Committee of DBSH. The models have also been endorsed by Hong Kong Credit Risk Committee, Hong Kong Risk Executive Committee, Risk Executive Committee and Board Risk Management Committee of DBSH and approved by Hong Kong Board Risk Management Committee before submission for relevant regulatory approval.

The performance metrics of the rating models are monitored regularly and reported to the relevant Group Risk Committees; the main findings of the monitoring outcome is also reported to the Board Risk Management Committee of the Bank. To provide assurance to the approving authority, models are independently validated by RMG-Model Validation unit prior to approval. RMG-Model Validation unit also conducts formal validations for the respective models annually. The validation processes are also independently reviewed by Internal Audit.

###### Use of internal estimates

The internal credit risk ratings produced by credit rating models are used to calculate the IRB approach capital requirements. In addition, the ratings from the credit models are used as the basis to support the underwriting of credit, monitoring the performance of the portfolios, reporting, stress testing, risk rating migration and to facilitate the calculation for risk-based pricing as appropriate.

For portfolios under the Foundation Internal Rating Based Approach (“F-IRB”), internal estimates of Probability of Default (“PD”) are used while the supervisory Loss Given Default (“LGD”) and Exposure at Default (“EAD”) estimates are applied. For retail portfolios under the Retail-IRB approach, internal estimates of PD, LGD and EAD are used. Relevant regulatory floors are applied in regulatory capital calculation and reporting.

###### Nature of exposures within IRB approach

###### Retail Portfolios

Retail exposures are categorised into the following asset classes under the Retail IRB approach: residential mortgages, qualifying revolving retail exposures, small business retail exposures and other retail exposures to individuals.

Portfolios on Retail-IRB approach constitute 14% of the Bank’s Credit EAD and 15% of the Bank’s Credit RWA.

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

##### **10.1 Qualitative Disclosures (continued)**

###### **10.1.4 Qualitative Disclosures for IRBA Models (continued)**

Within each asset class, exposures are managed on a portfolio basis. Each customer or account is assigned to a risk pool, considering factors such as borrower characteristics and collateral type. PD, EAD and LGD estimates are based on internal historical default, utilisation and realised losses within a defined period. Product-specific credit risk elements such as underwriting criteria, scoring models, approving authorities, asset quality and business strategy reviews, as well as systems, processes and techniques to monitor portfolio performance, are in place.

##### **Wholesale Portfolios**

Wholesale exposures include sovereign, bank, corporate, corporate small business (which are assessed under Foundation IRB approach for capital computation) and specialised lending (which is assessed under the supervisory slotting criteria approach for capital computation) and wealth management portfolio (which is assessed under Foundation IRB approach for capital computation).

Portfolios on Wholesales Foundation-IRB approach (excluding Specialized Lending) constitute 74% of the Bank's Credit EAD and 55% of the Bank's Credit RWA.

Sovereign exposures are risk rated using internal risk rating models. The models are built through statistical methods using external data (e.g., macroeconomic information and external ratings). Factors related to country-specific macroeconomics risk, political risk, social risk and liquidity risk are included in the sovereign rating models to assess the sovereign credit risk in an objective and systematic manner.

Bank exposures are assessed using a bank rating model, a statistical model that considers both quantitative and qualitative factors such as capital levels and liquidity, asset quality, and management strength.

Large corporate exposures are assessed using internal rating model. Factors considered in the risk assessment process include the counterparty's financial strength and qualitative factors such as industry risk, access to funding, market standing and management strength. The Counterparty Risk Rating assigned to smaller business borrowers is assessed via internal rating model that considers financial and non-financial factors such as liquidity, leverage, debt servicing ratio and borrower profile etc. Risk rating for Wealth Management portfolio is primarily based on borrower characteristics and collateral coverage, market volatility and assessment on the borrower's willingness to repay. The models are a statistical model built based on internal data and calibrated to internal default experiences, including the impact of economic cycles.

Credit ratings under the Foundation IRB portfolios are, at a minimum, reviewed on an annual basis unless credit conditions require more frequent assessment.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.1 Qualitative Disclosures (continued)

##### 10.1.4 Qualitative Disclosures for IRBA Models (continued)

###### Wholesale Portfolios (continued)

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the Bank taking action such as realising security (if held).
- Technical default: Borrower is more than 90 days past due on any credit obligation to the Bank.

Other exposures mainly comprise of premises, equipment and other fixed assets and notes and coins, which are assessed under specific risk-weight approach.

In Other Portfolios, portfolios on Standardized Approach account for 7% of the Bank's Credit EAD and 14% of the Bank's Credit RWA. The remaining portions are mainly Specialized Lending under Supervisory Slotting Criteria Approach and other exposures under Specific Risk Weight Approach.

###### Definitions of variables

The Group-wide credit risk rating framework incorporates PD of a counterparty and loss severity expressed in terms of EAD and LGD.

PD measures the likelihood that a borrower defaults on its credit obligation over a period of one year.

LGD is the loss likely to be incurred on an exposure upon default of an obligor relative to the amount outstanding at default.

EAD is the expected amount of an exposure that the Group is exposed to upon the default of an obligor.

###### Methods and data for estimation and validation of the PD, LGD and EAD

For retail exposures, facilities/borrowers with homogenous nature of facility utilisation, payment history, delinquency trend and other transaction characteristics are segmented into homogenous risk pools. PD is estimated by each risk pool based on long run average of historical internal default experience with appropriate adjustment to reflect adverse economic condition to ensure conservatism for capital calculation. The LGD is estimated by dividing the loss by EAD. Loss represents the written-off or specific provision amounts plus collection costs at the end of LGD workout period after netting off recoveries. The LGD is calibrated to reflect adverse economic condition to ensure conservatism for capital calculation. For retail non-revolving exposures, EAD estimation is based on the sum of current outstanding. For retail revolving exposures, EAD estimation is referring to projected further drawdown prior to defaults based on historical experience.

For wholesale exposures (including corporate, corporate small business, bank and sovereign exposures), PD generated by models and/or rating templates for individual counterparty is reviewed by credit risk managers. An Adjusted Counterparty Risk Rating ("ACRR") is assigned by taking the counterparty's PD and mapping it to the Bank's internal ACRR scale. For wealth management exposures, a risk pool is assigned to each borrower that reflects the likelihood of default. The Bank applies the LGD determined by reference to the supervisory LGD estimates provided by the HKMA based on the nature of the collateral and subordination. EAD estimation is subject to parameters set by the HKMA. These supervisory LGD estimates and EAD estimates are used in the computation of risk-weights and regulatory capital calculations for the portfolios.

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

##### **10.1 Qualitative Disclosures (continued)**

##### **10.1.4 Qualitative Disclosures for IRBA Models (continued)**

###### **Methods and data for estimation and validation of the PD, LGD and EAD (continued)**

ACRR is estimated using a 11-grade scale expanded into 19 risk ratings to provide greater rating granularity that corresponds more closely to the Standard & Poor's ("S&P") rating scale. 14 of which are non-default ratings representing varying degrees of strength of financial condition, and 5 are default ratings. These scales are used group-wide for all distinct borrowers.

Model validation process enables the Bank to reaffirm the continuing appropriateness of the models. The model validation process involves quantitative and qualitative assessment of the model that includes assessment of a model's discriminatory power, calibration, ratings stability and model design. To ensure the models are reliable, an independent validation is conducted by Risk Management Group and an independent review on the validation process is carried out by Group Audit.

The credit risk ratings for the wholesale exposures have been mapped to likely corresponding external rating equivalents. A description of the risk rating is provided in the following table to give a qualitative explanation of the risk benchmark.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

##### 10.1 Qualitative Disclosures (continued)

##### 10.1.4 Qualitative Disclosures for IRBA Models (continued)

##### Methods and data for estimation and validation of the PD, LGD and EAD (continued)

DBS PD Grade (ACRR)	Description of Risk Ratings	S&P's Likely Ratings
1	Exceptional capacity to meet its financial commitments. 1 is the strongest possible assigned credit risk rating in the Group	AAA
2	Excellent capacity to meet its financial commitments. Marginal difference from the strongest rated counterparties	AA+, AA, AA-
3	Strong capacity to meet its financial commitments	A+, A, A-
4A/4B	Very good capacity to meet its financial commitments with adequate protection against adverse economic, social or geopolitical conditions or changing circumstances	BBB+/BBB
5	Good capacity to meet its financial commitments. Entities rated 5 and above are deemed investment grade	BBB-
6A/6B	Satisfactory capacity to meet its financial commitment. However, persistent uncertainties and exposure to adverse business, financial, or economic conditions could weaken its capacity to meet its financial commitments	BB+/BB
7A/7B	Adequate capacity to meet its financial commitments. Onset of adverse economic conditions or changing circumstances heightens the risk on its future capacity to meet its financial commitments	BB-
8A	Acceptable capacity to meet its financial commitments. Susceptible to adverse financial or economic conditions impairing its future capacity or willingness to meet its financial commitments	B+
8B/8C	Vulnerable. Increased risk that adverse financial or economic conditions will impair the obligor's capacity or willingness to meet its financial commitments	B/B-
9	Most vulnerable of the performing credit risk ratings in DBS. Weaknesses, if not corrected in a timely manner, could adversely affect repayment ability and hence, warrant closer attention	CCC – C
10 and Above	An obligor rated "10" or above is in default (as defined under Basel Capital Accord)	D

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.1 Qualitative Disclosures (continued)

##### 10.1.5 Additional Disclosures related to Credit Quality of Exposures

HKMA's Loan Classification System requires credit portfolios to be categorised into one of the following five categories, according to the Group's assessment of a borrower's ability to repay a credit facility from its normal sources of income and/or the repayment behavior of the borrower. Categories of Pass and Special Mention are classified as Performing assets, while Substandard, Doubtful, and Loss are classified as Non-Performing Assets ("NPA").

Pass:	This refers to loans where borrowers are current in meeting commitments and full repayment of interest and principal is not in doubt.
Special Mention:	This refers to loans where borrowers are experiencing difficulties which may threaten the lender's position. Ultimate loss is not identified at this stage but could occur if adverse conditions persist.
Substandard:	This refers to loans where borrowers are displaying a definable weakness that is likely to jeopardise repayment. The Group is relying heavily on available security. This would include loans where some loss of principal or interest is possible after taking account of the net realisable value of the security, and rescheduled loans where concessions have been made to a borrower on interest or principal such as to render the loan "non-commercial" to the Group.
Doubtful:	This refers to loans where collection in full is improbable and the Group expects to sustain a loss of principal and/or interest after taking account of the net realisable value of the security.
Loss:	This refers to loans which are considered uncollectible after exhausting all collection efforts such as realisation of collateral, institution of legal proceedings, etc.

For retail borrower, the categorisation into NPA is consistent with the above except that the NPA is managed and reported at credit facility level.

Credit facilities are classified as restructured assets when the Group grants non-commercial concessions to a borrower because its financial position has deteriorated or is unable to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non-performing grade based on the assessment of the borrower's financial condition and its ability to repay according to the restructured terms.

Such credit facilities are not returned to the performing status until there are reasonable grounds to conclude that the borrower will be able to service all future principal and interest payments on the credit facility in accordance with the restructured terms.

#### **International Harmonisation of Credit Quality Categorisation – Supervisory vs Regulatory vs Accounting**

Currently, different terminology and criteria exist for the categorisation of quality of credit exposures under different regime and for various purpose:

1. Supervisory classification mainly for reporting/monitoring purpose – "Non-Performing"

There are variations in how individual regulators classify exposures/obligors as Non-Performing, mainly in terms of criteria, terminology (e.g. classified, criticized etc.) and granularity (e.g., sub-category for Performing and further classification of Non-Performing based on recovery prospect etc.).

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.1 Qualitative Disclosures (continued)

##### 10.1.5 Additional Disclosures related to Credit Quality of Exposures (continued)

#### International Harmonisation of Credit Quality Categorisation – Supervisory vs Regulatory vs Accounting (continued)

##### 2. Prudential/Regulatory definition for capital adequacy purpose – “Default”

Under Basel, a default is considered to have occurred when an obligor is considered Unlikely to Pay (“UTP”) (with list of such indicators specified in the Basel Accord) its credit obligations in full without recourse to actions such as realizing collateral (if held), or the obligor is more than 90 Days Past Due (“90DPD”) on any material obligation. It should be noted that the Basel UTP and 90DPD criteria are aligned to the DBSH’s definition of Subjective and Technical Default respectively.

##### 3. Accounting definition for valuation/provisioning purpose – “Credit-Impaired”

Under International Financial Reporting Standards 9 (“IFRS 9”), a financial asset is considered credit-impaired when one or more events (with list of such events specified in the IFRS 9 standard) that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. All such financial instruments are classified as Stage 3 and requires individual assessment of provisions under the principle of IFRS 9. This is aligned to DBSH’s definition. In other words exposures which are classified as Default under Basel purpose are considered to be Credit-Impaired for IFRS 9 purpose.

Please refer to Note 2 Summary of Material Accounting Policies of DBS Bank (Hong Kong) Limited’s financial statements for more information on impairment.

Please refer to Note 36 Financial Risk Management of DBS Bank (Hong Kong) Limited’s financial statements for analysis of loans and advances to customers by credit quality.

#### 10.2 Quantitative Disclosures

##### 10.2.1 CR1 – Credit Quality of Exposures

		As at 31 December 2025						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
In HK\$ millions		Gross carrying amount of		Allowances/ Impairments	Of which ECL accounting provisions* for credit losses on STC approach exposures		Of which ECL accounting provision for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
1	Loans	6,339	384,107	4,808	146	54	4,608	385,638
2	Debt securities	–	124,246	9	–	3	6	124,237
3	Off-balance sheet exposures	–	43,941	125	–	3	122	43,816
	<b>Total</b>	<b>6,339</b>	<b>552,294</b>	<b>4,942</b>	<b>146</b>	<b>60</b>	<b>4,736</b>	<b>553,691</b>

\* ECL accounting provisions classified as Stage 1 and Stage 2 are treated as collective provisions while those classified as Stage 3 are treated as specific provisions. Specific and collective provisions are ascribed to the identified Standardized Approach exposures.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

##### 10.2 Quantitative Disclosures (continued)

##### 10.2.1 CR1 – Credit Quality of Exposures (continued)

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- a) Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without DBS taking action such as realising security (if held).
- b) Technical default: Borrower is more than 90 days past due on any credit obligation to DBS.

Loans included balances with banks, loans and advances to customers, balances with central banks, and related accrued interest receivables.

Debt securities included non-trading government securities and treasury bills, banks and corporate securities, and related accrued interest receivables.

Off-balance sheet exposures included direct credit substitutes, transaction-related contingencies, trade-related contingencies and irrevocable loans commitment.

##### 10.2.2 CR2 – Changes in Defaulted Loans and Debt Securities

In HK\$ millions		(a)
		Amount
1	<b>Defaulted loans and debt securities at 30 June 2025</b>	3,840
2	Loans and debt securities that have defaulted since the last reporting period	3,418
3	Returned to non-defaulted status	(54)
4	Amounts written off	(416)
5	Other changes (note)	(449)
6	<b>Defaulted loans and debt securities at 31 December 2025</b>	6,339

Note: Other changes mainly related to settlement and repayments from customers.

##### 10.2.3 Additional Quantitative Disclosures related to Credit Quality of Assets

The following tables show the breakdown of credit risk exposure by geographical areas, industry and residual maturity.

##### Breakdown by geographical areas

HK\$ millions	As at 31 December 2025
Hong Kong	366,239
China	38,954
Singapore	42,458
United States	68,665
Others	42,317
<b>Total</b>	<b>558,633</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.3 Additional Quantitative Disclosures related to Credit Quality of Assets (continued)**

**Breakdown by industry**

<b>HK\$ millions</b>	<b>As at 31 December 2025</b>
<b>Banks</b>	119,396
<b>Official sector</b>	106,530
<b>Non-bank private sector</b>	–
Property development	36,828
Property investment	47,222
Financial concerns	21,750
Stockbrokers	200
Wholesale and retail trade	19,857
Manufacturing	34,154
Transport & transport equipment	14,754
Recreational activities	209
Information technology	18,841
Trade finance	32,032
Individuals	57,526
Others	49,334
<b>Total</b>	<b>558,633</b>

**Breakdown by residual maturity**

<b>HK\$ millions</b>	<b>As at 31 December 2025</b>
Up to and including one year	386,602
Over one year and up to including two years	50,250
Over two years	121,781
<b>Total</b>	<b>558,633</b>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

##### 10.2.3 Additional Quantitative Disclosures related to Credit Quality of Assets (continued)

The following show the breakdown of impaired exposures, specific allowances and write-offs by geographical areas and industry.

Geographical areas HK\$ millions	As at 31 December 2025				
	Hong Kong	China	Singapore	Others	Total
Impaired exposures	5,800	294	–	244	6,338
Specific allowances	2,397	214	–	14	2,625
Write-offs (during the year)	696	2	1	–	699

Please refer to Section 20 Overdue and Rescheduled Assets of this document for the aging analysis of accounting past due exposures.

#### Breakdown of restructured exposures

HK\$ millions	As at 31 December 2025
Impaired	1,186
Not impaired	–
<b>Total</b>	<b>1,186</b>

##### 10.2.4 CR3 – Overview of Recognized Credit Risk Mitigation

		As at 31 December 2025				
		(a)	(b)	(c)	(d)	(e)
In HK\$ millions		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1	Loans	248,743	136,895	104,869	16,238	–
2	Debt securities	124,190	47	–	47	–
<b>3</b>	<b>Total</b>	<b>372,933</b>	<b>136,942</b>	<b>104,869</b>	<b>16,285</b>	<b>–</b>
4	Of which defaulted	2,281	1,433	932	359	–

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.5 CR4 – Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach**

In HK\$ millions		As at 31 December 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM <sup>1</sup>		RWA and RWA density	
Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)	
1	Sovereign exposures	–	–	1,102	15	–	0
2	Public sector entity exposures	2,682	3,201	3,524	1,300	965	20
3	Multilateral development bank exposures	578	–	578	–	–	0
3a	Unspecified multilateral body exposures	1,133	–	1,133	–	227	20
4	Bank exposures	148	1	133	–	199	150
4a	Qualifying non-bank financial institution exposures	100	1,139	859	124	408	41
5	Eligible covered bond exposures	–	–	–	–	–	–
6	General corporate exposures	26,599	9,837	23,585	1,190	21,226	86
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	4,767	1,249	4,767	46	3,966	82
6b	Specialized lending	–	–	–	–	–	–
7	Equity exposures	–	–	–	–	–	–
7a	Significant capital investments in commercial entities	–	–	–	–	–	–
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–	–
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	–

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**
**REGULATORY DISCLOSURES**
**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**
**10.2 Quantitative Disclosures (continued)**
**10.2.5 CR4 – Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach (continued)**

In HK\$ millions		As at 31 December 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM <sup>1</sup>		RWA and RWA density	
Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)	
8	Retail exposures	441	662	436	79	515	100
8a	Exposures arising from IPO financing	–	–	–	–	–	–
9	Real estate exposures	4,516	694	4,516	77	2,841	62
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	2,380	–	2,380	–	790	33
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	528	–	528	–	318	60
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,426	453	1,426	46	1,414	96
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	52	41	52	11	94	150
9g	Of which: land acquisition, development and construction exposures	130	200	130	20	225	150
10	Defaulted exposures	521	–	521	–	637	122
11	Other exposures	–	–	–	–	–	–
11a	Cash and gold	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–
12	<b>Total</b>	<b>36,718</b>	<b>15,534</b>	<b>36,387</b>	<b>2,785</b>	<b>27,018</b>	<b>69</b>

Footnote:

1 Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach**

In HK\$ millions		As at 31 December 2025							Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
Risk Weight	Exposure class	0%	20%	50%	100%	150%	Other		
1	Sovereign exposures	1,117	–	–	–	–	–	–	1,117
2	Public sector entity exposures	–	4,824	–	–	–	–	–	4,824
3	Multilateral development bank exposures	578		–	–	–	–	–	578
3a	Unspecified multilateral body exposures	1,133	–	–	–	–	–	–	1,133
4	Bank exposures	–	–	–	–	–	133	–	133
4a	Qualifying non-bank financial institution exposures	–	732	–	–	251	–	–	983

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)**

In HK\$ millions		As at 31 December 2025									
Risk Weight \ Exposure class		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )	
5	Eligible covered bond exposures	–	–	–	–	–	–	–	–	–	
Risk Weight \ Exposure class		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
6	General corporate exposures	–	–	4,619	4,955	–	15,201	–	–	–	24,775
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	589	2,207	–	2,017	–	–	–	4,813
Risk Weight \ Exposure class		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )	
6b	Specialized lending	–	–	–	–	–	–	–	–	–	
Risk Weight \ Exposure class		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )					
7	Equity exposures	–	–	–	–	–					
Risk Weight \ Exposure class		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )					
7a	Significant capital investments in commercial entities	–	–	–	–	–					

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)**

In HK\$ millions		As at 31 December 2025				
	Risk Weight	150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Exposure class					
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	150%			Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
8	Retail exposures	45%	75%	100%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
		–	–	515	–	515
8a	Exposures arising from IPO financing	0%			Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
			–		–	–

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)**

In HK\$ millions		As at 31 December 2025																			Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Risk Weight	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	
	Exposure class																				
9	Real estate exposures	-	451	237	700	-	691	-	283	522		18	238	-	-	1,240	-	-	213	-	4,593
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		451	237	700		691	-	283	-		18	-				-			-	2,380
9b	Of which: no loan splitting applied		451	237	700		691	-	283	-		18	-				-			-	2,380
9c	Of which: loan splitting applied (secured)																				
9d	Of which: loan splitting applied (unsecured)																				
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)				-	-	-	-	-											-	-
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	522			6							-	528

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)**

In HK\$ millions		As at 31 December 2025																			Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )	
	Risk Weight	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other		
	Exposure class																					
9g	Of which: no loan splitting applied	-	-		-		-		-	522			6	-		-			-	-	528	
9h	Of which: loan splitting applied (secured)																					
9i	Of which: loan splitting applied (unsecured)																					
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											-			-					-	-	
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				232	-		1,240				-	-	1,472
9l	Of which: no loan splitting applied	-	-		-		-		-				232	-		1,240				-	-	1,472
9m	Of which: loan splitting applied (secured)																					
9n	Of which: loan splitting applied (unsecured)																					
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																			63	-	63
9p	Of which: land acquisition, development and construction exposures															-				150	-	150

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

#### 10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

In HK\$ millions		As at 31 December 2025				
	Risk Weight	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Exposure class					
10	Defaulted exposures		–	425	96	521
	Risk Weight	100%	1250%		Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Exposure class					
11	Other exposures	–	–	–	–	–
	Risk Weight	0%	100%		Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Exposure class					
11a	Cash and gold	–	–	–	–	–
	Risk Weight	0%	20%		Other	Total credit exposure amount (post-CCF and post-CRM <sup>1</sup> )
	Exposure class					
11b	Items in the process of clearing or settlement	–	–	–	–	–

*Footnote:*

<sup>1</sup> Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

#### 10.2.6 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

In HK\$ millions		As at 31 December 2025			
		(a)	(b)	(c)	(d)
	Risk Weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF <sup>2</sup> (%)	Exposure (post-CCF and post-CRM <sup>1</sup> )
1	Less than 40%	8,545	3,420	39	9,869
2	40-70%	6,134	–	–	6,134
3	75%	5,233	2,115	10	5,443
4	85%	–	–	–	–
5	90-100%	15,736	8,293	15	16,956
6	105-130%	–	–	–	–
7	150%	739	241	13	770
8	250%	–	–	–	–
9	400%	–	–	–	–
10	1250%	–	–	–	–
11	Total exposures	36,387	14,069	20	39,172

Footnote:

<sup>1</sup> Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.

<sup>2</sup> Weighting is based on off-balance sheet exposure (pre-CCF)

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.7 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach**

**Foundation IRB Approach**

As at 31 December 2025												
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Sovereign</b>												
0.00 to <0.15	111,338	-	-	112,097	0.01	9	45	2.0	7,693	7	6	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>111,338</b>	<b>-</b>	<b>-</b>	<b>112,097</b>	<b>0.01</b>	<b>9</b>	<b>45</b>	<b>2.0</b>	<b>7,693</b>	<b>7</b>	<b>6</b>	<b>116</b>
<b>Bank</b>												
0.00 to <0.15	54,309	168	50	54,430	0.06	66	46	0.9	9,566	18	16	
0.15 to <0.25	744	8	50	749	0.24	8	45	1.0	329	44	1	
0.25 to <0.50	278	1	50	279	0.31	8	45	1.0	146	52	-	
0.50 to <0.75	743	-	-	743	0.61	4	45	0.9	538	72	2	
0.75 to <2.50	30	-	-	30	1.13	6	45	0.9	25	85	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>56,104</b>	<b>177</b>	<b>50</b>	<b>56,231</b>	<b>0.07</b>	<b>92</b>	<b>46</b>	<b>0.9</b>	<b>10,604</b>	<b>19</b>	<b>19</b>	<b>170</b>
<b>Corporate – small-and-medium size corporates</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
0.25 to <0.50	-	16	12	2	0.39	2	31	1.0	-	25	-	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to <2.50	5	20	10	7	1.69	2	32	3.1	5	70	-	
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	<b>5</b>	<b>36</b>	<b>11</b>	<b>9</b>	<b>1.42</b>	<b>4</b>	<b>32</b>	<b>2.7</b>	<b>5</b>	<b>60</b>	<b>-</b>	<b>-</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.7 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)**

**Foundation IRB Approach (continued)**

	As at 31 December 2025											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Corporate – large corporates</b>												
0.00 to <0.15	38,807	35,770	22	50,723	0.05	54	40	1.8	7,397	15	11	
0.15 to <0.25	18,517	23,098	13	22,489	0.22	56	40	1.9	8,096	36	20	
0.25 to <0.50	34,650	21,181	13	34,909	0.33	96	40	1.5	14,234	41	45	
0.50 to <0.75	2,970	6,972	5	3,335	0.56	29	40	1.2	1,705	51	7	
0.75 to <2.50	1,916	7,084	8	2,470	1.20	41	37	1.2	1,647	67	11	
2.50 to <10.00	1,557	2	14	1,556	8.12	6	40	2.2	2,405	155	50	
10.00 to <100.00	2	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	2,950	–	–	2,950	100.00	2	40	1.4	–	–	1,368	
<b>Sub-total</b>	<b>101,369</b>	<b>94,107</b>	<b>15</b>	<b>118,432</b>	<b>2.80</b>	<b>284</b>	<b>40</b>	<b>1.7</b>	<b>35,484</b>	<b>30</b>	<b>1,512</b>	<b>1,907</b>
<b>Corporate – financial institutions treated as corporates</b>												
0.00 to <0.15	8,336	9,483	10	6,535	0.09	110	35	1.5	996	15	2	
0.15 to <0.25	2,498	957	10	2,594	0.22	3	45	1.0	829	32	3	
0.25 to <0.50	3,679	907	24	3,901	0.31	8	44	1.4	1,706	44	5	
0.50 to <0.75	918	142	10	939	0.70	9	33	1.0	426	45	2	
0.75 to <2.50	177	136	13	228	1.02	6	44	1.0	165	72	1	
2.50 to <10.00	173	11	10	195	3.19	6	22	1.2	109	56	1	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
<b>Sub-total</b>	<b>15,781</b>	<b>11,636</b>	<b>11</b>	<b>14,392</b>	<b>0.27</b>	<b>142</b>	<b>39</b>	<b>1.4</b>	<b>4,231</b>	<b>29</b>	<b>14</b>	<b>64</b>
<b>Corporate – other corporates</b>												
0.00 to <0.15	16,000	33,564	10	19,489	0.10	6,750	23	1.7	2,289	12	4	
0.15 to <0.25	1,885	967	8	1,957	0.22	3	40	1.6	650	33	2	
0.25 to <0.50	15,004	6,777	16	16,110	0.30	226	38	1.4	5,712	35	18	
0.50 to <0.75	3,013	6,349	12	4,117	0.61	444	34	2.1	2,212	54	9	
0.75 to <2.50	12,365	13,736	12	14,281	1.59	1,703	32	2.4	10,681	75	72	
2.50 to <10.00	14,566	5,339	14	14,266	5.15	1,930	32	2.5	15,166	106	233	
10.00 to <100.00	4,835	376	11	4,697	24.32	252	32	2.1	7,940	169	373	
100.00 (Default)	2,541	129	49	2,341	100.00	179	33	2.4	3,719	159	876	
<b>Sub-total</b>	<b>70,209</b>	<b>67,237</b>	<b>12</b>	<b>77,258</b>	<b>5.88</b>	<b>11,487</b>	<b>31</b>	<b>2.0</b>	<b>48,369</b>	<b>63</b>	<b>1,587</b>	<b>1,685</b>
<b>Total (all portfolios)</b>	<b>354,806</b>	<b>173,193</b>	<b>14</b>	<b>378,419</b>	<b>2.10</b>	<b>12,018</b>	<b>40</b>	<b>1.7</b>	<b>106,386</b>	<b>28</b>	<b>3,138</b>	<b>3,942</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.7 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)**

**Retail IRB Approach**

	As at 31 December 2025											
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on-sheet gross exposure HK\$'M	Off-balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post-CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Retail – QRRE (transactor)</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	1,809	31,439	73	24,668	0.18	269,670	102	-	2,452	10	45	-
0.25 to <0.50	1,493	6,962	67	6,180	0.33	67,983	98	-	972	16	20	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	1,446	8,409	63	6,768	1.79	94,767	97	-	3,866	57	117	-
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
10.00 to <100.00	-	-	86	1	16.80	13	95	-	2	223	-	-
100.00 (Default)	1	-	-	1	100.00	51	107	-	1	142	1	-
<b>Sub-total</b>	<b>4,749</b>	<b>46,810</b>	<b>70</b>	<b>37,618</b>	<b>0.50</b>	<b>432,484</b>	<b>100</b>		<b>7,293</b>	<b>19</b>	<b>183</b>	<b>110</b>
<b>Retail – QRRE (revolver)</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	635	6,215	73	5,180	0.18	60,818	102	-	519	10	10	-
0.25 to <0.50	697	1,988	71	2,101	0.33	19,168	100	-	337	16	7	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	3,397	8,870	74	9,996	1.75	113,646	101	-	5,879	59	177	-
2.50 to <10.00	291	62	119	365	6.47	1,727	109	-	570	156	26	-
10.00 to <100.00	1,388	178	178	1,705	18.67	12,408	96	-	4,005	235	306	-
100.00 (Default)	118	-	-	118	100.00	1,038	111	-	567	482	85	-
<b>Sub-total</b>	<b>6,526</b>	<b>17,313</b>	<b>75</b>	<b>19,465</b>	<b>3.34</b>	<b>208,805</b>	<b>101</b>		<b>11,877</b>	<b>61</b>	<b>611</b>	<b>264</b>
<b>Retail – residential mortgages exposures (including both to individuals and to property-holding shell companies)</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	4,558	-	-	4,558	0.22	3,098	13	-	261	6	1	-
0.25 to <0.50	351	-	-	351	0.41	46	13	-	32	9	-	-
0.50 to <0.75	14,281	-	-	14,281	0.63	2,626	13	-	1,740	12	12	-
0.75 to <2.50	502	-	-	502	1.80	135	32	-	290	58	3	-
2.50 to <10.00	446	-	-	446	9.84	112	14	-	290	65	6	-
10.00 to <100.00	35	-	-	35	33.97	13	13	-	27	77	2	-
100.00 (Default)	154	-	-	154	100.00	27	32	-	609	395	-	-
<b>Sub-total</b>	<b>20,327</b>	<b>-</b>	<b>-</b>	<b>20,327</b>	<b>1.58</b>	<b>6,057</b>	<b>14</b>		<b>3,249</b>	<b>16</b>	<b>24</b>	<b>49</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.7 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)**

**Retail IRB Approach (continued)**

As at 31 December 2025												
	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	Original on- sheet gross exposure HK\$'M	Off- balance sheet exposures pre-CCF HK\$'M	Average CCF (%)	EAD post- CRM and post-CCF HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)	EL HK\$'M	Provisions HK\$'M
<b>Retail – small business retail exposures</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Retail – other retail exposures to individuals</b>												
0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
0.25 to <0.50	342	-	-	342	0.30	2,037	58	-	106	31	1	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	1,211	-	-	1,211	1.89	5,896	93	-	1,421	117	21	-
2.50 to <10.00	1,407	-	-	1,407	6.50	4,680	94	-	2,041	145	87	-
10.00 to <100.00	2,582	-	-	2,582	25.73	1,963	44	-	2,640	102	280	-
100.00 (Default)	79	-	-	79	100.00	200	64	-	151	192	55	-
<b>Sub-total</b>	<b>5,621</b>	-	-	<b>5,621</b>	<b>15.28</b>	<b>14,776</b>	<b>68</b>	-	<b>6,359</b>	<b>113</b>	<b>444</b>	<b>150</b>
<b>Total (all portfolios)</b>	<b>37,223</b>	<b>64,123</b>	<b>71</b>	<b>83,031</b>	<b>2.43</b>	<b>662,122</b>	<b>77</b>	-	<b>28,778</b>	<b>35</b>	<b>1,262</b>	<b>573</b>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

#### 10.2.8 CR7 – Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB approach

The Bank does not have credit derivative contracts used as recognized credit risk mitigation.

In HK\$ millions		As at 31 December 2025	
		(a)	(b)
		Pre-credit derivatives RWA	Actual RWA
1	Corporate – Specialized lending (project finance)	62	62
2	Corporate – Specialized lending (object finance)	–	–
3	Corporate – Specialized lending (commodities finance)	–	–
4	Corporate – Specialized lending (income-producing real estate)	21,338	21,338
5	Corporate – Specialized lending (high-volatility commercial real estate)	–	–
6	Corporate – Small-and-medium sized corporates	5	5
7	Corporate – Large corporates	35,484	35,484
8	Corporate – Financial institutions treated as corporates	4,231	4,231
9	Corporate – Other corporates	48,369	48,369
10	Sovereign – Sovereigns	4,896	4,896
11	Sovereign – Sovereign foreign public sector entities	2,797	2,797
12	Sovereign – Multilateral development banks	–	–
13	Bank – Banks (excluding covered bonds)	10,483	10,483
14	Bank – Qualifying non-bank financial institutions	–	–
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	121	121
16	Bank – Unspecified multilateral bodies	–	–
17	Bank – Covered bonds	–	–
18	Retail – Small business retail exposures	–	–
19	Retail – Residential mortgages to individuals	3,062	3,062
20	Retail – Residential mortgages to property-holding shell companies	187	187
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	7,293	7,293
22	Retail – QRRE (revolver)	11,877	11,877
23	Retail – Other retail exposures to individuals	6,359	6,359
24	CIS – CIS exposures	–	–
25	Other – Cash items	–	–
26	Other – Other items	7,511	7,511
<b>27</b>	<b>Total (under the IRB calculation approaches)</b>	<b>164,075</b>	<b>164,075</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.9 CR8 – RWA Flow Statements of Credit Risk Exposures under IRB approach**

The following table explains the change in credit RWA under IRB approach for the quarter.

	(a)
In HK\$ millions	RWA
<b>As at 30 September 2025</b>	174,814
Asset size	(3,823)
Asset quality <sup>1</sup>	(7,104)
Model updates	–
Methodology and policy	–
Acquisitions and disposals	–
Foreign exchange movements	188
Others	–
<b>As at 31 December 2025</b>	164,075

*Footnote:*

<sup>1</sup> This represents movements in RWA resulting from factors (other than exposure movements) such as changes in borrower risk, portfolio mix, tenor, credit risk mitigation, etc.

The decrease in credit RWA was mainly arising from asset quality and asset size movement.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

##### 10.2.10 CR9 – Back-Testing of PD per portfolio – for IRB approach

The actual default rate is measured by using the number of obligors or number of accounts defaulted, depending on the exposure class of the annual reporting period.

Please refer to Note 10.1.4 Qualitative Disclosures for IRBA Models of this document for key rating models used for exposures and the percentage of RWA covered by these models.

#### Foundation IRB Approach

As at 31 December 2025									
a	b	c	d	e	f		g	h	i
Foundation IRB	PD scale (%)	External rating equivalent (S&P likely ratings)	Weighted average PD (%)	Arithmetic average PD by obligors (%)	Number of obligors		Defaulted obligors in the year	Of which: New defaulted obligors in the year	Average historical annual default rate (%)
					Beginning of the year	End of the year			
<b>Sovereign</b>									
	0.00 to <0.15	AAA to BBB+	0.01	0.02	10	9	-	-	-
	0.15 to <0.25	BBB+ to BBB	-	-	-	-	-	-	-
	0.25 to <0.50	BBB to BBB-	-	-	-	-	-	-	-
	0.50 to <0.75	BB+	-	-	-	-	-	-	-
	0.75 to <2.50	BB to BB-	-	-	-	-	-	-	-
	2.50 to <10.00	B+ to B	-	-	-	-	-	-	-
	10.00 to <100.00	B- to C	-	-	-	-	-	-	-
<b>Bank</b>									
	0.00 to <0.15	AAA to BBB+	0.06	0.09	61	66	-	-	-
	0.15 to <0.25	BBB+ to BBB	0.24	0.24	5	8	-	-	-
	0.25 to <0.50	BBB to BBB-	0.29	0.37	7	8	-	-	-
	0.50 to <0.75	BB+	0.61	0.61	7	4	-	-	-
	0.75 to <2.50	BB to BB-	1.23	1.12	2	6	-	-	-
	2.50 to <10.00	B+ to B	-	-	-	-	-	-	-
	10.00 to <100.00	B- to C	-	-	-	-	-	-	-
<b>Corporate – small-and-medium sized corporates</b>									
	0.00 to <0.15	AAA to BBB+	-	-	-	-	-	-	-
	0.15 to <0.25	BBB+ to BBB	-	-	-	-	-	-	-
	0.25 to <0.50	BBB to BBB-	0.39	0.39	1	2	-	-	-
	0.50 to <0.75	BB+	0.56	0.56	3	-	-	-	-
	0.75 to <2.50	BB to BB-	1.29	1.29	2	2	-	-	-
	2.50 to <10.00	B+ to B	-	-	-	-	-	-	-
	10.00 to <100.00	B- to C	-	-	-	-	-	-	-

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.10 CR9 – Back-Testing of PD per portfolio – for IRB approach (continued)**

**Foundation IRB Approach (continued)**

As at 31 December 2025									
a	b	c	d	e	f		g	h	i
Foundation IRB	PD scale (%)	External rating equivalent (S&P likely ratings)	Weighted average PD (%)	Arithmetic average PD by obligors (%)	Number of obligors		Defaulted obligors in the year	Of which: New defaulted obligors in the year	Average historical annual default rate (%)
					Beginning of the year	End of the year			
<b>Total Corporates<sup>1</sup></b>									
	0.00 to <0.15	AAA to BBB+	0.06	0.10	6,606	6,914	-	-	0.02
	0.15 to <0.25	BBB+ to BBB	0.22	0.22	65	62	-	-	-
	0.25 to <0.50	BBB to BBB-	0.33	0.33	356	330	-	-	0.12
	0.50 to <0.75	BB+	0.58	0.62	520	482	2	-	0.18
	0.75 to <2.50	BB to BB-	1.61	1.60	1,900	1,750	8	-	0.49
	2.50 to <10.00	B+ to B	5.57	4.19	2,026	1,942	20	-	0.96
	10.00 to <100.00	B- to C	24.17	21.14	245	252	18	-	5.60

Footnote:

1 Changes in corporate asset classification in the Basel III final reform package were incorporated in the Capital Adequacy Ratio reporting at 31 March 2025. Annual information is presented at total corporate exposure level.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

#### 10.2 Quantitative Disclosures (continued)

#### 10.2.10 CR9 – Back-Testing of PD per portfolio – for IRB approach (continued)

##### Retail IRB Approach

As at 31 December 2025									
a	b	c	d	e	f		g	h	i
Retail IRB	PD scale (%)	External rating equivalent (S&P likely ratings)	Weighted average PD (%)	Arithmetic average PD by obligors (%)	Beginning of the year	End of the year	Defaulted obligors in the year	Of which: New defaulted obligors in the year	Average historical annual default rate (%)
<b>Retail – Total QRRE<sup>1</sup></b>									
	0.00 to <0.15		–	–	–	–	–	–	–
	0.15 to <0.25		0.18	0.18	309,653	331,288	279	1	0.07
	0.25 to <0.50		0.33	0.33	62,270	87,292	111	–	0.11
	0.50 to <0.75		–	–	–	–	–	–	–
	0.75 to <2.50		1.75	1.75	288,441	209,997	1,801	37	0.42
	2.50 to <10.00		5.25	5.26	1,986	1,727	74	–	2.80
	10.00 to <100.00		18.22	18.74	14,692	12,583	1,428	–	6.96
<b>Retail – residential mortgages exposures (including both to individuals and to property-holding shell companies)</b>									
	0.00 to <0.15		–	–	–	–	–	–	–
	0.15 to <0.25		0.22	0.22	3,661	3,334	4	–	0.07
	0.25 to <0.50		0.41	0.41	165	58	1	–	0.35
	0.50 to <0.75		0.63	0.63	3,018	2,862	8	–	0.20
	0.75 to <2.50		1.80	1.80	278	137	–	–	–
	2.50 to <10.00		9.84	9.84	136	114	3	–	1.74
	10.00 to <100.00		33.97	33.97	11	13	4	–	26.39
<b>Retail – small business retail exposures</b>									
	0.00 to <0.15		–	–	–	–	–	–	–
	0.15 to <0.25		–	–	–	–	–	–	–
	0.25 to <0.50		0.29	0.29	1	–	–	–	–
	0.50 to <0.75		–	–	–	–	–	–	–
	0.75 to <2.50		–	–	–	–	–	–	–
	2.50 to <10.00		–	–	–	–	–	–	–
	10.00 to <100.00		–	–	–	–	–	–	–
<b>Retail – other retail exposures to individuals</b>									
	0.00 to <0.15		–	–	–	–	–	–	–
	0.15 to <0.25		–	–	–	–	–	–	–
	0.25 to <0.50		0.30	0.31	2,366	2,061	9	–	0.33
	0.50 to <0.75		–	–	–	–	–	–	–
	0.75 to <2.50		1.85	1.89	6,493	5,907	116	16	1.10
	2.50 to <10.00		6.42	6.57	5,542	4,709	255	12	3.15
	10.00 to <100.00		25.85	25.69	2,264	2,103	284	3	11.35

**Footnote:**

- Changes in QRRE asset classification in the Basel III final reform package were incorporated in the Capital Adequacy Ratio reporting at 31 March 2025. Annual information is presented at total QRRE exposure level.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**10 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)**

**10.2 Quantitative Disclosures (continued)**

**10.2.11 CR10 – Specialized Lending Under Supervisory Slotting Criteria Approach – for IRB approach**

Specialized lending under supervisory slotting criteria approach – other than HVCRE

In HK\$ millions		As at 31 December 2025									
		(a)	(b)	(c)	(d) (i)	(d) (ii)	(d) (iii)	(d) (iv)	(d) (v)	(e)	(f)
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW (%)	EAD amount					RWA	Expected loss amount
					PF	OF	CF	IPRE	Total		
Strong <sup>^</sup>	Less than 2.5 years	8,061	4,375	50	44	–	–	8,655	8,699	4,350	–
Strong	Equal to or more than 2.5 years	284	144	70	58	–	–	284	342	239	1
Good <sup>^</sup>	Less than 2.5 years	8,486	460	70	–	–	–	8,655	8,655	6,058	35
Good	Equal to or more than 2.5 years	1,758	–	90	–	–	–	1,758	1,758	1,582	14
Satisfactory		763	140	115	–	–	–	811	811	933	23
Weak		3,029	665	250	–	–	–	3,295	3,295	8,238	264
Default		10	–	0	–	–	–	10	10	–	5
Total		22,391	5,784		102	–	–	23,468	23,570	21,400	342

<sup>^</sup> Use of preferential risk-weights.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 11 COUNTERPARTY CREDIT RISK

#### 11.1 Qualitative Disclosures

Counterparty Credit Risk is defined as the risk that a counterparty could default before the final settlement of the cash flows of derivatives or securities financing transactions.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is quantified by evaluation of the mark-to-market value, plus potential future exposure. This is included within the Bank's overall credit limits to counterparties for internal risk management.

Issuer default risk that may also arise from derivatives, notes and securities is generally measured based on jump-to-default computations.

DBSH's policy documents set out the requirements with respect to counterparty risk for Traded Products which include Securities Trading (Equity and Debt), Over-the-counter ("OTC") Derivatives Trading, Exchange Traded Derivatives and Securities Borrowing and Lending (including repos).

Credit limits and exposures to counterparties are subject to the Group's overarching credit risk management framework. Counterparties (including Central Clearing Counterparties ("CCPs")) are assessed individually using an internal rating model and assigned credit risk ratings. Credit limits take into account current trading and projected volume for novation and are approved by the credit risk function after an independent credit assessment. The Group's assessment for CCPs takes into consideration additional parameters including but not limited to default waterfall protection, margining process, risk management capabilities, segregation of margins, member liability provisions, regulatory oversights etc.

The Group actively monitors and manages our exposure to counterparties for OTC derivative trades to protect our balance sheet in the event of a counterparty default. Counterparty risk exposures that may be adversely affected by market risk events are identified, reviewed and acted upon by management, and highlighted to the appropriate risk committees.

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do netting to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. These agreements include derivative master agreements (including ISDA Master Agreement, global master repurchase agreements and global securities lending agreements). Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet as the legal right to offset the transactions is conditional upon default.

The Group also clears OTC Derivatives trades through CCPs to manage overall counterparty credit risks.

DBSH's policies provide the definition and management of specific wrong-way risk ("SWWR"). SWWR arises when the credit exposure of a counterparty (from the traded product transaction) directly correlates with the probability of default of the counterparty.

The Bank is required to post additional collateral in the event of a rating downgrade. If there is a 3-notch downgrade in the Bank's credit ratings, the impact on the Bank's collateral obligations under derivative contracts is not significant.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**11 COUNTERPARTY CREDIT RISK (continued)**

**11.2 Quantitative Disclosures**

**11.2.1 CCR1 – Analysis of Counterparty Credit Risk Exposures (Other than those to CCPs) by Approaches**

		As at 31 December 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
In HK\$ millions		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR approach (for derivative contracts)	1,122	2,392		1.4	4,920	1,319
2	IMM (CCR) approach			–	–	–	–
3	Simple approach (for SFTs)					–	–
4	Comprehensive approach (for SFTs)					68,993	1,194
5	VaR (for SFTs)					–	–
6	<b>Total</b>						2,513

The Bank uses SA-CCR approach to calculate the counterparty default risk exposures for derivative contracts.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**11 COUNTERPARTY CREDIT RISK (continued)**

**11.2 Quantitative Disclosures (continued)**

**11.2.2 CCR3 – Counterparty Credit Risk Exposures (Other than those to CCPs) by Exposure Classes and by Risk Weights – for STC approach**

In HK\$ millions		As at 31 December 2025											Total default risk exposure after CRM
		(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	
	Risk Weight	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	
	Exposure class												
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-	-
2	Public sector entity exposures	-	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-	-	-	-	-	-
5	Bank exposures	-	-	-	-	-	-	-	-	-	66	-	66
6	Qualifying non-bank financial institution exposures	-	-	-	-	-	-	1,244	-	-	-	-	1,244
7	General corporate exposures	-	-	-	-	-	-	-	-	71	-	-	71
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures	-	-	-	-	-	-	-	-	-	-	-	-
11	<b>Total</b>	-	-	-	-	-	-	1,244	-	71	66	-	1,381

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 11 COUNTERPARTY CREDIT RISK (continued)

#### 11.2 Quantitative Disclosures (continued)

#### 11.2.3 CCR4 – Counterparty Credit Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach

##### Foundation IRB Approach

The following table sets out the parameters used to calculate the Bank's CCR capital requirements for IRB approach models. The Bank adopts FIRB approach for all of its IRB exposures which are subject to CCR capital requirements.

	As at 31 December 2025						
	a	b	c	d	e	f	g
PD scale (%)	EAD post-CRM HK\$M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$M	RWA density (%)
<b>Sovereign</b>							
0.00 to <0.15	-	-	-	-	-	-	-
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-
<b>Bank</b>							
0.00 to <0.15	70,696	0.06	4	3	1.0	713	1
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>70,696</b>	<b>0.06</b>	<b>4</b>	<b>3</b>	<b>1.0</b>	<b>713</b>	<b>1</b>
<b>Corporate – small-and -medium size corporates</b>							
0.00 to <0.15	-	-	-	-	-	-	-
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	-	-	-	-	-	-	-

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**11 COUNTERPARTY CREDIT RISK (continued)**

**11.2 Quantitative Disclosures (continued)**

**11.2.3 CCR4 – Counterparty Credit Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach (continued)**

**Foundation IRB Approach (continued)**

	As at 31 December 2025						
	a	b	c	d	e	f	g
PD scale (%)	EAD post-CRM HK\$'M	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA HK\$'M	RWA density (%)
<b>Corporate – large corporates</b>							
0.00 to <0.15	-	-	-	-	-	-	-
0.15 to <0.25	465	0.22	4	40	1.0	132	28
0.25 to <0.50	368	0.33	9	40	1.1	137	37
0.50 to <0.75	-	0.56	2	40	1.0	-	49
0.75 to <2.50	91	0.95	2	40	3.1	79	87
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>924</b>	<b>0.34</b>	<b>17</b>	<b>40</b>	<b>1.3</b>	<b>348</b>	<b>38</b>
<b>Corporate – financial institutions treated as corporates</b>							
0.00 to <0.15	-	-	-	-	-	-	-
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	-	-	-	-	-	-	-
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to <2.50	-	-	-	-	-	-	-
2.50 to <10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporate – other corporates</b>							
0.00 to <0.15	600	0.10	2	40	1.3	112	19
0.15 to <0.25	15	0.22	1	40	1.0	4	28
0.25 to <0.50	28	0.32	3	40	1.0	10	36
0.50 to <0.75	26	0.60	5	40	1.0	13	51
0.75 to <2.50	205	1.63	23	40	1.3	169	83
2.50 to <10.00	29	5.97	7	40	1.0	36	124
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>903</b>	<b>0.66</b>	<b>41</b>	<b>40</b>	<b>1.3</b>	<b>344</b>	<b>38</b>
<b>Total (all portfolios)</b>	<b>72,523</b>	<b>0.07</b>	<b>62</b>	<b>4</b>	<b>1.0</b>	<b>1,405</b>	<b>2</b>

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**11 COUNTERPARTY CREDIT RISK (continued)**

**11.2 Quantitative Disclosures (continued)**

**11.2.4 CCR5 – Composition of Collateral for Counterparty Credit Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)**

The following table provides a breakdown of all types of collateral posted or recognized collateral received by the Bank to support or reduce the CCR exposures related to derivative transactions or to Securities Financing Transactions (“SFTs”), including transactions cleared through a CCP.

In HK\$ millions	As at 31 December 2025					
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – other currencies	–	11	–	18	7,926	64,434
Debt securities	–	–	–	–	60,300	8,031
Equity securities	–	–	–	–	1,392	–
<b>Total</b>	–	11	–	18	69,618	72,465

**11.2.5 CCR6 – Credit-related Derivatives Contracts**

In HK\$ millions	As at 31 December 2025	
	(a)	(b)
	Protection bought	Protection sold
Notional amounts		
Total return swaps	18,080	1,743
<b>Total notional amounts</b>	18,080	1,743
Fair Values		
Positive fair values (asset)	97	1,743
Negative fair values (liability)	(55)	–

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 12 SECURITIZATION EXPOSURES

#### 12.1 Qualitative Disclosures

The Group arranges securitization transactions for its clients, primarily as a way of providing alternative capital market solutions and for fees. These transactions do not involve special-purpose entities which the Group controls or to which it acts as a sponsor.

For transactions that are not underwritten, no securitization exposures are assumed as a direct consequence of arranging the transactions. Any decision to invest in any of such arranged transactions is subject to independent risk assessment. Where the Group provides an underwriting commitment, any securitization exposure that arises is held in the trading book to be traded or sold down in accordance with our internal policy and risk limits.

The Group invests in its clients' securitization transactions from time to time. These may include securitization transactions arranged by it or with other parties. The Group may also act as a working capital facility provider or swap counterparty. Such exposures require the approval of RMG, and are subject to regular risk reviews after they take place. The Group has processes in place to monitor the credit risk of its securitization exposures.

In addition, the Group does not provide implicit support for any transactions it has invested in.

The Group's securitization positions are recognized as financial assets pursuant to the Group's accounting policies and valued accordingly. Please refer to the financial statements in the latest available annual report on the Group's accounting policies on financial assets.

External Ratings-Based Approach ("SEC-ERBA") is used, where ratings from Fitch Ratings, Moody's Investor Services and/or Standard & Poor's Ratings Services are applied, for calculation of capital for securitization exposures in the banking book.

#### 12.2 Quantitative Disclosures

##### 12.2.1 SEC1 – Securitization Exposures in Banking Book

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	-	-	-	-	-	-	265	-	265
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	265	-	265
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**  
**REGULATORY DISCLOSURES**

**12 SECURITIZATION EXPOSURES (continued)**

**12.2 Quantitative Disclosures (continued)**

**12.2.2 SEC 4 – Securitization Exposures in Banking Book and Associated Capital Requirements – A Reporting Bank acts as Investor**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
	Exposure values (by RW bands)					Exposure values (by regulatory approach)					RWAs (by regulatory approach)					Capital charges after cap	
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
1 Total exposures	265	-	-	-	-	-	265	-	-	-	53	-	-	-	4	-	-
2 Traditional securitization	265	-	-	-	-	-	265	-	-	-	53	-	-	-	4	-	-
3 Of which securitization	265	-	-	-	-	-	265	-	-	-	53	-	-	-	4	-	-
4 Of which retail	265	-	-	-	-	-	265	-	-	-	53	-	-	-	4	-	-
5 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 13 CREDIT VALUATION ADJUSTMENT RISK

#### 13.1 Qualitative Disclosures

The Bank does not hedge CVA separately and manages counterparty credit risk together with all other credit exposures. The Bank adopts the reduced basic CVA (“BA-CVA”) approach to compute CVA risk capital requirements.

Please refer to Note 29 Fair Value of Financial Instruments of the financial statements for details of valuation process of the Group.

#### 13.2 Quantitative Disclosures

##### 13.2.1 CVA1 – CVA Risk under Reduced Basic CVA Approach

		As at 31 December 2025	
		(a)	(b)
In HK\$ millions		Components <sup>1</sup>	CVA risk capital charge under the reduced basic CVA approach <sup>1</sup>
1	Aggregation of systematic components of CVA risk	213	
2	Aggregation of idiosyncratic components of CVA risk	107	
3	Total		92

The Bank does not hold financial instruments to hedge against CVA risk.

Footnote:

1 Pursuant to the Banking (Capital) Rules and Banking (Disclosure) Rules effective from 1 January 2025.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 14 MARKET RISK

#### 14.1 Qualitative Disclosures

Market risk arises from adverse changes in interest rates, foreign exchange rates, equity prices, credit spreads, commodity prices, and digital asset prices, as well as related factors. The Group's exposures in the trading portfolios are from the undertaking of trading activities, for the purpose of market-making, client-facilitation and benefiting from market opportunities.

The Group leverages its review and approval processes to identify and quantify market risks, and ensures that all such risks are effectively managed.

The Group utilises Value-at-Risk ("VaR"), a statistical risk measure, to estimate the potential loss from market movements. This measure uses historical simulation based on data for the previous 12 months. It assumes that historical changes in market values reflect the distribution of potential outcomes in the immediate future.

The Group uses Expected Shortfall ("ES") to monitor and limit market risk exposures. ES is estimated by averaging the portfolio's potential losses beyond the 97.5% confidence interval, under normal market conditions and over a one-day holding period. ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

The Group conducts backtesting to verify the predictiveness of the VaR model. To monitor the Group's vulnerability to unexpected but plausible extreme market risk-related events, multiple market risk stress tests are conducted regularly.

The Group uses a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements. These positions and hedges that give rise to market risk are measured and monitored daily, to ensure that such risks are effectively managed within the boundaries established by the Board and management.

Business units are responsible for the day-to-day management of market risk arising from their operations, in accordance with established policies and processes. The RMG-Market and Liquidity Risk unit – an independent market risk management function reporting to the Senior Risk Executive – monitors, controls and analyses the Group's market risk regularly. The unit comprises risk control, risk analytics and reporting teams. Key market risk issues and material developments are regularly highlighted to senior management and Board-level committees.

The criteria for determining positions to be included in the trading book are stipulated in the Trading Book Policy Statement. Pursuant to section 281B(4) of the BCR, the Bank assigns non-trading debt securities that failed SPPI test and external banking book FX swap to the banking book after obtaining HKMA's approval. As at 31 December 2025, the market value and gross fair values for these instruments are HK\$748 million and HK\$1,958 million respectively. In 2025, the Bank did not move any instruments between the trading and banking books.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 14 MARKET RISK (Continued)

##### 14.1 Qualitative Disclosures (Continued)

Securities positions in the trading book are monitored for turnover within a defined holding period. Stale positions are reviewed and discussed prior to the holding period being exceeded, so that appropriate actions can be taken.

The Group may hedge its banking book's interest rate risk exposure via an internal risk transfer to its trading book. These internal risk transfers are aggregated at a notional desk to calculate market risk regulatory capital requirements.

Market risk reporting covers all of the Group's branches that conduct trading activities. Internal control processes and systems have been designed and implemented to support our Group's market risk management approach. These control processes and systems are reviewed regularly, which allow the management to assess their effectiveness.

Please refer to Section 3 on the risk management committees established to discuss the various risk types.

##### 14.2 Quantitative Disclosures

###### 14.2.1 MR1 – Market Risk under STM Approach

In HK\$ millions		As at 31 December 2025
		Market risk capital charges under STM approach <sup>1</sup>
1	General interest rate risk	105
2	Equity risk	–
3	Commodity risk	–
4	Foreign exchange risk	117
5	Credit spread risk (non-securitization)	7
6	Credit spread risk (securitization: non-correlation trading portfolio (“CTP”))	–
7	Credit spread risk (securitization: CTP)	–
8	Standardized default risk charge (“SA-DRC”) (non-securitization)	2
9	SA-DRC (securitization: non-CTP)	–
10	SA-DRC (securitization: CTP)	–
11	Residual risk add-on	1
12	<b>Total</b>	<b>232</b>

Footnote:

1 Pursuant to the Banking (Capital) Rules and Banking (Disclosure) Rules effective from 1 January 2025.

The decrease in market risk capital charges under STM approach in second half of 2025 was mainly due to reduced trading bond exposures.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 15 OPERATIONAL AND TECHNOLOGY RISK

#### 15.1 Qualitative Disclosures

Operational risk and Technology (which includes cybersecurity) risk are inherent in our business activities and may arise from inadequate or failed internal processes, people, systems, or from external events. Operational risk includes compliance, new product, third party, process and people risks. Technology risk includes cyber attacks, software or hardware failures and data leakage.

The Group's objective is to keep operational risk and technology risk at appropriate levels, taking into account the markets we operate in, the characteristics of the businesses as well as our economic and regulatory environment.

Robust internal control processes and systems are integral to identifying, assessing, monitoring, managing and reporting operational risk and technology risk.

The RMG-Operational Risk and Technology Risk units, together with other corporate oversight and control functions,

- oversee and monitor the effectiveness of operational risk and technology risk management
- assess key operational risk and technology risk issues with the units
- report and/or escalate key operational risks and technology risk to relevant risk committees with recommendations on appropriate risk mitigation strategies

Please refer to Section 3 on the risk management committees established to discuss the various risk types.

The Group Operational Risk Management ("ORM") and Group Technology Risk Management ("TRM") policies set our overall approach for managing operational risk and technology risk in a structured, systematic and consistent manner respectively.

There are policies, standards, tools and programmes in place to govern ORM and TRM practices across the Group. These include corporate risk policies and standards that are owned by the respective corporate oversight and control functions, and address risk areas relating to compliance, fraud, money laundering, financing of terrorism and sanctions, new product, third party arrangements and technology (including cybersecurity).

The Group adopts the standardised approach to compute operational risk regulatory capital (which incorporates both operational and technology risk events).

To manage and control operational risk and technology risk, we use various tools, including risk and control self-assessment, risk event management and key risk indicator monitoring.

The Group's Three Lines Model adopts one common risk taxonomy, and a consistent risk assessment approach to manage operational risk and technology risk. Risk and control self-assessment is conducted by each business or support unit to identify key risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues.

Operational risk and technology risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact the Group's reputation, must be reported based on certain established thresholds. Key risk indicators with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward-looking manner.

Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **15 OPERATIONAL RISK (Continued)**

##### **15.1 Qualitative Disclosures (Continued)**

###### **Compliance risk**

Compliance risk refers to the risk of the Group not being able to successfully conduct our business because of any failure to comply with laws, regulatory requirements, industry codes or standards of business and professional conduct applicable to the financial sector.

This includes, in particular, laws and regulations applicable to the licensing and conducting of banking or other financial businesses, financial crime such as anti-money laundering (“AML”) and countering the financing of terrorism (“CFT”), fraud (including digital payment scams) and bribery/corruption. We maintain a compliance programme designed to identify, assess, measure, mitigate and report on such risks through a combination of policy and relevant systems and controls.

To counter financial crime and sanctions risks, the Group established minimum standards for our business and support units to manage our actual and/or potential risk exposures. In addition, standards aimed to provide the end-to-end management for fraud and related issues at the unit and geographical levels, are implemented through a fraud management programme. Lastly, we had implemented surveillance and compliance testing controls where necessary to obtain assurance that the control framework is operating effectively.

The Group also provides relevant training and implements assurance processes. The Group strongly believes in the need to promote a strong compliance culture as well, and this is developed through the leadership of our Board and senior management.

###### **New product and third party risks**

Each new product, or third party arrangement is subject to a due diligence review and signoff process, where relevant risks are identified and assessed. Changes to existing products or services and existing third party arrangements are also subject to a similar process.

###### **Data and Artificial Intelligence Risk**

DBS has an enterprise-wide approach to data and artificial intelligence (AI) risk, supported by established frameworks and processes. We continuously monitor and assess the risks arising from the challenges presented by rapid AI advancements to enhance the Bank’s data and AI governance, ensure data quality, manage model risk, and apply ethical AI principles throughout the data and model lifecycle. This strategy aims to mitigate risks while harnessing the potential of data and AI responsibly.

###### **Other mitigation programmes**

A robust business continuity management programme is in place to ensure that critical business services can continue in the event of unforeseen events or business disruptions. This includes a crisis management plan to enable quick response to manage incidents. Exercises are conducted annually, simulating different scenarios to test business continuity plans and crisis management protocol. The effectiveness of these exercises as well as the Group’s business continuity readiness and our alignment to regulatory guidelines are communicated and attested by senior management to the BRMC annually.

To mitigate losses from specific risk events which are unexpected and significant, we effect group-wide insurance coverage under the Group Insurance Programme. These insurance policies relate to crime and professional indemnity, directors and officers liability, cybersecurity risk, property damage and business interruption, general liability and terrorism.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 15.2 Quantitative Disclosures

#### 15.2.1 OR1 – Historical Losses

The following table shows the aggregate operational risk losses incurred over the past ten consecutive financial years, based on the accounting date of the incurred losses.

		31 December 2025										
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
In HK\$ millions		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	10-year average
<b>Using HK\$200,000 threshold</b>												
1	Total amount of operational risk losses net of recoveries (no exclusions)	(19)	38	(66)	6	40	4	102	(26)	3	147	23
2	Total number of operational risk losses	11	10	7	7	4	13	11	4	8	18	9
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	(19)	38	(66)	6	40	4	102	(26)	3	147	23
<b>Using HK\$1 million threshold</b>												
6	Total amount of operational risk losses net of recoveries (no exclusions)	(22)	36	(67)	5	39	-	100	(27)	-	143	21
7	Total number of operational risk losses	2	2	3	1	3	-	5	2	-	5	2
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses net of recoveries and net of excluded losses	(22)	36	(67)	5	39	-	100	(27)	-	143	21
<b>Details of operational risk capital calculation</b>												
11	Are losses used to calculate the ILM (yes/no)?							Yes				
12	If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?							NA				
13	Loss event threshold: HKD200,000 or HKD 1 million for the operational risk capital charge calculation if applicable							HK\$200,000				

\* Negative values denote an overall positive financial impact after netting of recoveries for the corresponding disclosure periods.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 15 OPERATIONAL RISK (continued)

#### 15.2 Quantitative Disclosures (continued)

##### 15.2.2 OR2 – Business Indicator and Business Indicator Components Breakdown

The following table shows the Business Indicator (“BI”) and breakdown of its components, which are used in the operational risk capital charge calculation over the past 3 consecutive financial years.

In HK\$ millions		(a)	(b)	(c)
	BI and its subcomponents	31 December 2025	31 December 2024	31 December 2023
1	Interest, leases and dividend component	10,555		
1a	Interest and leases income	19,345	21,895	19,825
1b	Interest and leases expenses	8,838	11,271	9,356
1c	Interest earning assets	500,589	461,820	446,025
1d	Dividend income	18	18	29
2	Services component	5,101		
2a	Fee and commission income	6,031	5,000	4,024
2b	Fee and commission expenses	976	917	862
2c	Other operating income	111	68	70
2d	Other operating expenses	15	21	1
3	Financial component	1,408		
3a	Net P&L on trading book	1,330	1,430	960
3b	Net P&L on banking book	232	114	157
4	BI	17,064		
5	Business indicator component (BIC)	2,260		

#### Disclosure on the BI:

	(a)	
6a	BI gross of excluded divested businesses and activities	17,064
6b	Reduction in BI due to excluded divested businesses and activities	–

##### 15.2.3 OR3 – Minimum Operational Risk Capital Requirement

The following table shows the operational risk regulatory capital requirements.

In HK\$ millions	As at 31 December 2025	
1	Business indicator component (BIC)	2,260
2	Internal loss multiplier (ILM)	0.66
3	Minimum operational risk capital requirement	1,491
4	Total RWA for operational risk	18,642

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 16 INTEREST RATE RISK IN THE BANKING BOOK

#### 16.1 Qualitative Disclosures

Interest rate risk in the banking book (“IRRBB”) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. It includes basis risk arising from different interest rate benchmarks, interest rate repricing risk, yield curve risk and optionality risk arising from the options embedded in the Banks’s assets, liabilities and off-balance sheet portfolios.

The Group identifies, measures and manages IRRBB from both economic value and earning perspectives using changes in Economic Value of Equity (“ $\Delta$ EVE”) and Net Interest Income variability (“ $\Delta$ NII”) as the respective key risk metrics. Internal control processes and systems have been designed and implemented to support the market risk management approach. The Group reviews these control processes and systems regularly, and these reviews allowing management to assess their effectiveness. The Group measures IRRBB on a monthly basis with exposures kept within defined Risk Appetite limits. These are supplemented with risk control measures monitored on a weekly basis.

Independent monitoring of established limits and analysis of the Group’s IRRBB is the responsibility of the RMG-Market and Liquidity Risk unit. Please refer to Section 2 and Section 4 in the Corporate Governance Report of DBS Bank (Hong Kong) Limited’s Financial Statement on the role of Asset and Liability Committee and Internal Audit respectively.

Both  $\Delta$ NII and  $\Delta$ EVE are calculated under various interest rate scenarios that assess vulnerabilities in the Group’s business model and key behavioural assumptions, including internally selected interest rate shock scenarios addressing the Group’s profile, as well as historical and hypothetical interest rate stress scenarios. The Group also uses the six standardized interest rate shock scenarios on  $\Delta$ EVE as defined in HKMA SPM IR-1.

The Group enters into hedging transactions to manage exposures to interest rate risks. Hedge accounting is applied to manage volatility in earnings arising from changes in interest rate risks. Please refer to Note 31 of DBS Bank (Hong Kong) Limited’s financial statements.

Behavioral assumptions are applied when managing the interest rate risk of non-maturity deposits (“NMDs”) internally, consistent with that applied in the computation of  $\Delta$ EVE based on the HKMA’s standardized framework. Behavioral assumptions are also applied when managing the interest rate risk of administered rate products internally, which gives a longer asset duration.

Core NMDs represent the portion of deposits with a very low probability of being drawn and largely inelastic to interest rate changes. The average repricing maturity of core non-maturity deposits takes into account regulatory caps and industry standards. As of 31 December 2025, the notional-weighted average and longest repricing maturity is 1.1 years and 6 years respectively. The assessment of products subject to prepayment or early redemption risk follows HKMA’s standardized framework.

In the computation of the  $\Delta$ EVE based on the HKMA’s standardized framework, commercial margins are included in the projected interest cash flows and risk-free discount curve per currency is used for computing present values. Exposures across currencies are aggregated to determine total exposures, following HKMA’s standardized framework.

Compared to 2024, the worst scenario for  $\Delta$ EVE remained as “parallel up” in 2025. The decrease in  $\Delta$ EVE compared with 2024 was mainly due to the decrease in fixed rate bond exposures. For  $\Delta$ NII, “parallel down” remains unchanged as the worst loss scenario, with an increase in variability driven mainly by the increase in short duration assets.

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**16 INTEREST RATE RISK IN THE BANKING BOOK (continued)**

**16.2 Quantitative Disclosures**

**16.2.1 IRRBB1 – Interest Rate Risk in Banking Book**

In HK\$ millions		(a)	(b)	(c)	(d)
		$\Delta$ EVE <sup>1</sup>		$\Delta$ NII <sup>1</sup>	
	Period	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
1	Parallel up	2,159	3,458	(657)	(494)
2	Parallel down	1,624	569	663	494
3	Steeper	534	1,702		
4	Flattener	227	304		
5	Short rate up	848	792		
6	Short rate down	744	247		
7	<b>Maximum</b>	2,159	3,458	663	494
	<b>Period</b>	<b>As at 31 December 2025</b>		<b>As at 31 December 2024</b>	
8	<b>Tier 1 capital</b>	47,871		50,286	

<sup>1</sup> Positive values of  $\Delta$ EVE and  $\Delta$ NII indicate losses under the respective scenarios, in accordance with HKMA's disclosure requirement

**17 ASSET ENCUMBRANCE**

**17.1 ENC – Asset Encumbrance**

The following table shows the carrying amount as reported in the financial statements for encumbered and unencumbered assets.

At HK\$ millions	As at 31 December 2025		
	(a)	(c)	(d)
	Encumbered assets <sup>1</sup>	Unencumbered assets	Total
Cash and balances with central banks	39	5,447	5,486
Government securities and treasury bills	11,021	84,381	95,402
Due from banks	–	108,436	108,436
Bank and corporate securities	–	51,933	51,933
Loans and advances to customers	–	271,461	271,461
Other assets	–	16,653	16,653
<b>Total</b>	<b>11,060</b>	<b>538,311</b>	<b>549,371</b>

Footnote:

<sup>1</sup> Assets that are restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 18 INTERNATIONAL CLAIMS

Analysis of the Bank's international claims by location and by type of counterparty is as follows:

In HK\$ millions	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
<b>As at 31 December 2025</b>						
Developed countries, of which	14,099	118,318	16,793	6,520	–	155,730
– United States	4,956	101,457	16,514	2,990	–	125,917
– Others	9,143	16,861	279	3,530	–	29,813
Offshore centres, of which	36,442	27	7,911	92,916	–	137,296
– Singapore	34,562	5	673	2,940	–	38,180
– Hong Kong	1,877	22	6,524	88,490	–	96,913
– Others	3	–	714	1,486	–	2,203
Developing Europe	–	–	–	3	–	3
Developing Latin America and Caribbean	–	–	–	794	–	794
Developing Africa and Middle East	505	–	–	2,098	–	2,603
Developing Asia-Pacific, of which	19,135	6,559	3,248	40,063	–	69,005
– China	17,424	2,444	3,243	34,711	–	57,822
– Others	1,711	4,115	5	5,352	–	11,183
International Organizations	–	–	–	–	1,394	1,394
	<u>70,181</u>	<u>124,904</u>	<u>27,952</u>	<u>142,394</u>	<u>1,394</u>	<u>366,825</u>
<b>As at 31 December 2024</b>						
Developed countries, of which	11,492	95,556	7,270	6,457	–	120,775
– United States	1,776	87,060	7,224	3,588	–	99,648
– Others	9,716	8,496	46	2,869	–	21,127
Offshore centres, of which	37,461	196	1,588	83,990	–	123,235
– Singapore	36,198	5	–	5,043	–	41,246
– Hong Kong	1,255	191	1,350	72,413	–	75,209
– Others	8	–	238	6,534	–	6,780
Developing Europe	–	–	–	37	–	37
Developing Latin America and Caribbean	–	–	–	790	–	790
Developing Africa and Middle East	5	–	–	42	–	47
Developing Asia-Pacific, of which	17,136	67	1,053	29,606	–	47,862
– China	16,198	67	1,053	26,663	–	43,981
– Others	938	–	–	2,943	–	3,881
International Organizations	–	–	–	–	2,231	2,231
	<u>66,094</u>	<u>95,819</u>	<u>9,911</u>	<u>120,922</u>	<u>2,231</u>	<u>294,977</u>

The above analysis is disclosed on a net basis after taking into account the effect of any recognized risk transfer.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 19 LOANS AND ADVANCES TO CUSTOMERS

The Group employs a range of policies and practices to mitigate credit risk, one of which is the taking of collateral. The collateral includes cash, marketable securities, properties, trade receivables, inventory, equipment and other physical and financial collateral.

#### 19.1 Loans and Advances to Customers by Loan Usage

The analysis of the Bank's gross loans and advances to customers by loan usage and the corresponding balances covered by collateral are as follows. Gross loans and advances to customers refers to "Total loans and advances" reported in the HKMA return of "Return of Assets and Liabilities".

In HK\$ millions	As at 31 December 2025		As at 31 December 2024	
	Outstanding balance	Balance covered by collateral	Outstanding balance	Balance covered by collateral
Gross loans and advances for use in Hong Kong				
Industrial, commercial and financial				
– Property development	19,527	16,948	27,165	23,474
– Property investment	32,983	31,914	33,117	32,925
– Financial concerns	10,098	3,844	7,358	2,555
– Stockbrokers	100	–	–	–
– Wholesale and retail trade	12,606	7,444	20,456	14,434
– Manufacturing	18,109	7,437	23,421	10,808
– Transport and transport equipment	11,109	6,689	10,080	6,240
– Recreational activities	209	207	134	133
– Information technology	9,450	8,181	6,226	4,127
– Others	19,687	8,796	16,979	8,902
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	5	5	11	11
– Loans for the purchase of other residential properties	20,928	20,906	23,492	23,485
– Credit card advances	10,168	–	10,229	–
– Others	26,163	17,240	23,131	17,534
	<b>191,142</b>	<b>129,611</b>	201,799	144,628
Trade finance (including trade bills)	23,011	1,333	22,545	1,642
Gross loans and advances for use outside Hong Kong	57,408	29,299	49,130	21,159
	<b>271,561</b>	<b>160,243</b>	273,474	167,429

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**19 LOANS AND ADVANCES TO CUSTOMERS (continued)**

**19.1 Loans and advances to customers by loan usage (continued)**

Analysis of impaired advances, impairment allowances for the individual loan usage category which accounted for 10% or more of the Bank's gross loans and advances to customers:

In HK\$ millions	Impaired advances to customers	Specific allowances	General allowances	Provision charge to profit or loss during the year	Net specific allowances written off during the year
<b>As at 31 December 2025</b>					
Property investment	273	16	310	84	2
<b>As at 31 December 2024</b>					
Property development	58	3	191	(63)	–
Property investment	222	8	235	35	–

**19.2 Loans and advances to customers by geographical area**

Please refer to Note 36 Financial Risk Management of DBS Bank (Hong Kong) Limited's financial statements for details.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 20 OVERDUE AND RESCHEDULED ASSETS

##### 20.1 Overdue loans and advances to customers

The overdue loans and advances of the Bank are analysed as follows:

In HK\$ millions	As at 31 December 2025		As at 31 December 2024	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Six months or less but over three months	239	0.09	374	0.14
One year or less but over six months	350	0.13	505	0.18
Over one year	1,390	0.51	1,495	0.55
	<u>1,979</u>	<u>0.73</u>	<u>2,374</u>	<u>0.87</u>
Specific allowances made in respect of the above overdue loans and advances	<u>933</u>		<u>1,175</u>	
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>1,698</u>		<u>1,648</u>	
Covered portion of the above overdue loans and advances	<u>1,359</u>		<u>1,319</u>	
Uncovered portion of the above overdue loans and advances	<u>620</u>		<u>1,055</u>	

##### 20.2 Rescheduled advances

The rescheduled loans and advances of the Bank (excluding those which have been overdue for over three months and reported in section 20.1 above) are analysed as follows:

In HK\$ millions	As at 31 December 2025		As at 31 December 2024	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Rescheduled loans and advances	<u>1,003</u>	0.37	<u>526</u>	0.19

##### 20.3 Repossessed assets

The amount of repossessed assets as at 31 December 2025 was HK\$199 million.

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 20 OVERDUE AND RESCHEDULED ASSETS (continued)

##### 20.4 Overdue other assets

The overdue other assets of the Bank are analysed as follows:

In HK\$ millions	As at 31 December 2025	As at 31 December 2024
Six months or less but over three months	–	–
One year or less but over six months	–	–
Over one year	11	8
	<u>11</u>	<u>8</u>

#### 21 MAINLAND ACTIVITIES

The table below summarises the non-bank Mainland China exposure of the Bank (excluding its Macau Branch), categorised by types of counterparties, which are prepared in accordance with the HKMA return of “Return of Mainland Activities”:

##### As at 31 December 2025

In HK\$ millions Types of Counterparties	On-balance sheet exposures	Off-balance sheet exposures	Total
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	26,988	1,227	28,215
(b) Local governments, local government-owned entities and their subsidiaries and JVs	13,669	394	14,063
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	46,841	7,920	54,761
(d) Other entities of central government not reported in part (a) above	6,827	479	7,306
(e) Other entities of local governments not reported in part (b) above	1,952	64	2,016
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	12,909	2,261	15,170
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	13,804	4,896	18,700
Total	<u>122,990</u>	<u>17,241</u>	<u>140,231</u>
Total assets after provisions	<u>551,069</u>		
On-balance sheet exposures as percentage of total assets	<u>22.32%</u>		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 21 MAINLAND ACTIVITIES (continued)

As at 31 December 2024

In HK\$ millions	On-balance sheet	Off-balance sheet	Total
Types of Counterparties	exposures	exposures	
(a) Central government, central government-owned entities and their subsidiaries and joint ventures (“JVs”)	34,886	3,228	38,114
(b) Local governments, local government-owned entities and their subsidiaries and JVs	12,351	941	13,292
(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	36,010	9,658	45,668
(d) Other entities of central government not reported in part (a) above	7,423	707	8,130
(e) Other entities of local governments not reported in part (b) above	1,990	–	1,990
(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	12,240	1,737	13,977
(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	12,071	3,808	15,879
<b>Total</b>	<b>116,971</b>	<b>20,079</b>	<b>137,050</b>
Total assets after provisions	488,582		
On-balance sheet exposures as percentage of total assets	23.94%		

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 22 FOREIGN EXCHANGE EXPOSURES

The table below summarises the Bank's net non-structural and net structural foreign currency positions which are prepared in accordance with the HKMA return of "Foreign Currency Position". The net options position is calculated on the basis of the delta-weighted position of foreign exchange option contracts. Structural foreign exchange positions of the Bank are arising from capital investments outside Hong Kong, mainly in Chinese Renminbi and Macau Pataca.

In HK\$ millions	USD	CNY	CAD	AUD	JPY	GBP	MOP	EUR	CHF	SGD	NZD	Others	Total
As at 31 December 2025													
Spot assets	239,654	53,741	1,219	803	18,625	2,341	928	11,588	4,748	1,465	272	6,684	342,068
Spot liabilities	261,981	28,224	2,773	10,138	5,528	5,980	646	8,085	759	1,457	2,645	3,258	331,474
Forward purchases	83,099	18,737	1,628	16,812	4,730	4,618	-	1,006	1,998	1,477	2,592	99	136,796
Forward sales	53,413	48,630	101	7,028	17,676	958	-	4,463	5,941	1,488	208	3,660	143,566
Net options position	2	-	-	-	-	1	-	-	-	1	(1)	(3)	-
Net long/(short)													
non-structural position	7,361	(4,376)	(27)	449	151	22	282	46	46	(2)	10	(138)	3,824
Net structural position	-	524	-	-	-	-	(117)	-	-	-	-	-	407
As at 31 December 2024													
Spot assets	189,798	44,195	1,170	2,253	10,409	2,889	848	10,630	3,961	1,520	1,330	720	269,723
Spot liabilities	(210,530)	(19,787)	(3,311)	(9,453)	(5,395)	(5,053)	(521)	(6,700)	(431)	(1,501)	(2,802)	(574)	(266,058)
Forward purchases	84,267	37,523	2,243	12,334	4,175	2,845	-	2,070	938	1,762	1,984	21	150,162
Forward sales	(62,889)	(62,017)	(148)	(5,014)	(9,025)	(674)	-	(5,957)	(4,404)	(1,789)	(502)	(155)	(152,574)
Net options position	1	-	-	1	-	-	-	-	-	-	(1)	-	1
Net long/(short)													
non-structural position	647	(86)	(46)	121	164	7	327	43	64	(8)	9	12	1,254
Net structural position	-	501	-	-	-	-	(85)	-	-	-	-	-	416

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 23 LIQUIDITY

#### 23.1 Liquidity Risk Management

##### 23.1.1 Governance

The Group's approach to liquidity risk management is based on the building blocks of governance by risk committees' oversight, policies that define overarching principles and specific risk methodologies, and standards that establish the detailed requirements.

The Group Liquidity Risk Management Policy sets out the Group's overall approach towards liquidity risk management and describes the range of strategies employed by the Group's to manage its liquidity. These include maintaining an adequate counterbalancing capacity, which corresponds to liquid assets, the capacity to borrow from the money markets as well as forms of managerial interventions that improve liquidity, to address potential cash flow shortfalls and maintaining diversified sources of liquidity. The Policy also sets out the structure and responsibilities of committees and functional units for liquidity risk management.

The Policy is supported by standards and corresponding Hong Kong addendums which establish the detailed requirements for liquidity risk identification, measurement, reporting and control. All the policies, standards and addendums would be subject to annual review and approval from various risk committees, including the BRMC.

The MLRC serves as an executive forum to provide oversight on the effectiveness of liquidity risk management framework including policies, models, systems, processes, information and methodologies. The MLRC comprises representatives from risk management and other relevant business and support units. It sets standards and provides necessary guidance on the establishment and maintenance of bank-wide Liquidity Contingency Plan ("LCP").

The RMG Market and Liquidity Risk unit is responsible for establishing the liquidity risk management frameworks, policies and standards. It performs independent review and day-to-day monitoring of liquidity risk profile and limits. Key liquidity risk issues and material developments are regularly highlighted to senior management and Board-level committees.

##### 23.1.2 Liquidity Stress Testing

The primary measure used to manage liquidity within the tolerance defined by the Board is the cash flow maturity mismatch analysis. The analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with the risk tolerance, core parameters underpinning the performance of the analysis, such as the types of scenarios and corresponding survival periods are pre-specified for monitoring and control.

Stress testing is performed under the cash flow maturity mismatch analysis, and covers adverse scenarios involving shocks that are general market and/or bank-specific in nature. Stress tests assess the bank's vulnerability when liability run-offs increase, asset drawdown and rollovers increase and/or liquid asset buffer reduces. In addition, ad-hoc stress tests are performed in the formulation of the internal capital adequacy assessment process.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 23 LIQUIDITY (continued)

#### 23.1 Liquidity Risk Management (continued)

##### 23.1.3 Funding Strategy

The Group strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. In particular, the Group has continuously made inroads in growing, deepening and diversifying its deposit base, spanning retail, wealth management, corporate and institutional customers. Supplementing the deposit base, the Group continues to maintain access to wholesale channels to increase flexibility and manage funding cost in capitalising on business opportunities.

The Assets and Liabilities Committee (“ALCO”) regularly reviews the composition and growth trajectories of the balance sheet and refine our funding strategy according to business momentum, competitive factors and prevailing market conditions.

##### 23.1.4 Contingency Funding Plan

In the event of a potential or actual crisis, the DBS Bank Ltd has in place a set of LCP and respective Hong Kong Addendum, which applies to Hong Kong location level, to facilitate and prepare the management to respond in a coordinated, coherent and organized way to tide the Group over a crisis situation. The LCP establishes clear lines of responsibilities and preventive measures against and respond to a crisis situation. It also outlines the key management actions and options to be taken in managing a liquidity crisis. Stockpiling High Quality Liquid Assets, maintaining diversification of wholesale funding facilities, such as Money Market lines, Overdraft facilities, Repo facilities and access to Central Bank liquidity facilities could be served as contingent facilities while their availability depends on the types and/or severity of the crisis.

##### 23.1.5 Liquidity Risk Mitigation

Strategies and plans are discussed at relevant committees such as BRMC, ALCO and MLRC to proactively manage liquidity risk of the Group. To mitigate the risk, the Group strives to maintain a diversified funding base and put in place a set of LCP to ensure adequate liquidity as mentioned in the above paragraphs.

##### 23.1.6 Cash Flow Maturity Mismatch Analysis\*

In HK\$ millions <sup>(i)</sup>	Less than 7 days	1 week to 1 month	1 to 3 months
<b>2025</b>			
Net liquidity mismatch	119,807	14,373	(16,539)
Cumulative mismatch	119,807	134,180	117,641
<b>2024<sup>(ii)</sup></b>			
Net liquidity mismatch	43,352	1,947	4,869
Cumulative mismatch	43,352	45,299	50,168

(i) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded. The Group's liquidity is monitored on a cumulative mismatch basis.

(ii) As the behavioural assumptions used to determine the maturity mismatch between assets and liabilities are updated from time to time, the information presented above may not be directly comparable across past balance sheet dates.

\* The cash flow maturity mismatch analysis has already taken into account limitations on the transferability of liquidity.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

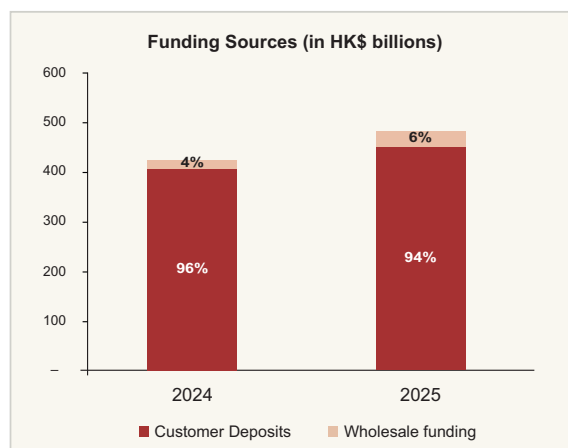
## REGULATORY DISCLOSURES

### 23 LIQUIDITY (continued)

#### 23.1 Liquidity Risk Management (continued)

##### 23.1.7 Sources of Funding

The Bank's source of funding is mainly from customer deposits:



##### 23.1.8 Liquidity Gap

The table below analyses the on- and off-balance sheet items, broken down into maturity buckets of the Bank as at 31 December 2025 based on the completion instructions of the HKMA MA(BS)23 – Liquidity Monitoring Tools:

	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years	Over 5 years	Balancing amount
<b>In HK\$ millions</b>												
Cash and balances with central bank	5,486	5,447	-	-	-	-	-	-	-	-	-	39
Due from banks	108,738	14,333	25,359	39,030	1,757	22,750	3,987	389	1,133	-	-	-
Debt securities	143,556	106,110	7,220	1,201	7,576	3,821	5,012	3,166	6,269	3,038	143	-
Loans and advances to customers	277,439	6,307	21,780	68,736	30,082	23,424	35,611	31,634	15,793	13,225	23,416	7,431
Other assets	94,964	319	6,633	13,108	23,614	14,012	14,389	8,787	452	6,744	1,855	5,051
<b>Total on-balance sheet assets</b>	<b>630,183</b>	<b>132,516</b>	<b>60,992</b>	<b>122,075</b>	<b>63,029</b>	<b>64,007</b>	<b>58,999</b>	<b>43,976</b>	<b>23,647</b>	<b>23,007</b>	<b>25,414</b>	<b>12,521</b>
<b>Total off-balance sheet claims</b>	<b>11,342</b>	<b>-</b>	<b>1,813</b>	<b>9,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>In HK\$ millions</b>												
Deposits and balances from customers	451,515	239,045	26,710	65,598	90,131	22,934	7,089	-	-	-	8	-
Due to banks	27,682	17,656	9,110	115	497	189	115	-	-	-	-	-
Subordinated liability	2,341	-	-	-	6	-	-	2,335	-	-	-	-
Other liabilities	98,861	1,227	11,948	12,804	24,344	14,137	14,976	9,018	893	6,660	1,211	1,643
<b>Total on-balance sheet liabilities</b>	<b>580,399</b>	<b>257,928</b>	<b>47,768</b>	<b>78,517</b>	<b>114,978</b>	<b>37,260</b>	<b>22,180</b>	<b>11,353</b>	<b>893</b>	<b>6,660</b>	<b>1,219</b>	<b>1,643</b>
<b>Total off-balance sheet obligations</b>	<b>64,005</b>	<b>44,690</b>	<b>4,186</b>	<b>3,794</b>	<b>11,335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **23 LIQUIDITY (continued)**

##### **23.2 LIQ1 – Liquidity Coverage Ratio**

The Bank complies with the minimum requirement of Liquidity Coverage Ratio (“LCR”) on a daily basis, in accordance with the Banking (Liquidity) Rules issued by the HKMA. The Bank is required to maintain an LCR of not less than 100%.

LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (“HQLA”) to meet its liquidity needs for a 30-calendar day liquidity stress scenario. Banking (Liquidity) Rules stipulates the range of liquid assets that qualify as HQLA, as well as the applicable haircuts for each category. Net cash outflows are computed using the standardized 30-day cash flow rates defined in the same notice. The amounts after the application of haircuts or 30-day cash flow rates are reflected in the “Weighted value” column of the tables below.

The Bank seeks to ensure that its LCR remains above the specified regulatory minimum requirements. This is achieved by:

1. Establishing internal early warning triggers and thresholds based on observed movements in LCR over time;
2. Monitoring and managing the LCR closely to ensure it stays within established boundaries; and
3. Strategically managing the liquidity risk arising from the balance sheet structure.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 23 LIQUIDITY (continued)

#### 23.2 LIQ1 – Liquidity Coverage Ratio (continued)

Table: Average LCR for the quarter ended 31 December 2025

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 31 December 2025: [75]		HK\$ millions	
		Unweighted value (average)	Weighted value (average)
<b>Basis of disclosure: unconsolidated</b>			
<b>A. HQLA</b>			
1	Total HQLA		162,376
<b>B. CASH OUTFLOWS</b>			
2	Retail deposits and small business funding, of which:	258,007	20,606
3	<i>Stable retail deposits and stable small business funding</i>	7,124	214
4	<i>Less stable retail deposits and less stable small business funding</i>	156,946	15,695
4a	<i>Retail term deposits and small business term funding</i>	93,937	4,697
5	Unsecured wholesale funding (other than small business funding), debt securities and prescribed instruments issued by the AI, of which:	170,040	99,751
6	<i>Operational deposits</i>	9,606	1,983
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	160,427	97,761
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	7	7
9	Secured funding transactions (including securities swap transactions)		–
10	Additional requirements, of which:	45,852	7,875
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	3,012	3,012
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>	42,840	4,863
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	3,387	3,387
15	Other contingent funding obligations (whether contractual or non-contractual)	210,174	550
16	<b>TOTAL CASH OUTFLOWS</b>		132,169
<b>C. CASH INFLOWS</b>			
17	Secured lending transactions (including securities swap transactions)	59,309	2,522
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	116,405	29,731
19	Other cash inflows	13,428	13,013
20	<b>TOTAL CASH INFLOWS</b>	189,142	45,266
<b>D. LIQUIDITY COVERAGE RATIO</b>		<b>ADJUSTED VALUE</b>	
21	Total HQLA		162,376
22	<b>TOTAL NET CASH OUTFLOWS</b>		86,901
23	<b>LCR (%)</b>		187.2

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **23 LIQUIDITY (continued)**

##### **23.2 LIQ1 – Liquidity Coverage Ratio (continued)**

The Bank has maintained a healthy liquidity position in the fourth quarter of 2025, with LCR being well above regulatory requirement. Quarter-on-quarter, the Bank increased holding of HQLA which had led to the increase of average LCR.

###### **(i) Composition of High Quality Liquid Assets (“HQLA”)**

The Bank holds a pool of unencumbered HQLAs that is readily available to meet cash flow obligations under stress scenarios, as defined in the LCR rules. These liquid assets consist predominantly of Level 1 HQLA, including mainly Hong Kong exchange fund bills and notes, other government debt securities and balances with central banks. This is supplemented by covered bonds issued by reputable financial institutions.

###### **(ii) Concentration of funding sources**

The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Customer deposits form a sound funding base and serve as the main source of funding for the Bank. It is complemented by a well-diversified book of wholesale funding, including but not limited to interbank money market borrowing and the issuance of certificates of deposit. For more information on the Bank’s funding strategy, please refer to Section 23.1.3 above.

###### **(iii) Derivatives exposures**

The Bank actively manages its over-the-counter (“OTC”) and exchange-traded derivative contracts, which comprise mainly of currency, interest rate and bond futures, foreign exchange forwards, interest rate and cross currency swaps, and foreign exchange options. Collaterals may be required to be posted to counterparties and/or the exchanges, depending on the daily mark-to-market of these derivative positions. The Bank’s largest counterparty for OTC derivatives is the Bank’s parent company.

###### **(iv) Currency mismatch**

Customer deposit in Hong Kong, largely denominated in Hong Kong Dollar (“HKD”) and United States Dollar (“USD”), is a major funding source for the Bank. The Bank makes appropriate use of swap markets for the deployment of surplus funds to meet customer demand for loans. It’s liquid assets are predominantly denominated in HKD, USD.

###### **(v) Centralisation of liquidity management**

The Bank seeks to manage its liquidity in a prudent manner to ensure that its liquidity obligations would always be honored under normal and adverse circumstances. The Bank centrally manages its liquidity position and provides funding support to its overseas branch for the lending growth.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 23 LIQUIDITY (continued)

#### 23.3 LIQ2 – Net Stable Funding Ratio

The Bank maintains a healthy liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base. The NSFR remains well above the regulatory minimum requirement of 100%.

The Bank seeks to ensure that its NSFR remains above the specified regulatory minimum requirements, which is achieved by:

1. Monitoring the NSFR closely against an internal early warning trigger; and
2. Managing and developing strategies to build a diversified funding base with access to funding sources across retail and wholesale channels.

Table 1: NSFR for the quarter ended 31 December 2025

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
<b>A. Available stable funding (“ASF”) item</b>						
1	Capital:	50,816	–	–	2,335	53,151
2	<i>Regulatory capital</i>	50,816	–	–	2,335	53,151
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	262,452	5,858	6	241,989
5	<i>Stable deposits</i>		9,888	201	–	9,585
6	<i>Less stable deposits</i>		252,564	5,657	6	232,404
7	Wholesale funding:	–	219,430	1,969	1,109	70,437
8	<i>Operational deposits</i>		9,297	–	–	4,649
9	<i>Other wholesale funding</i>	–	210,133	1,969	1,109	65,788
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	15,690	335	–	–	–
12	<i>Net derivative liabilities</i>	–				
13	<i>All other funding and liabilities not included in the above categories</i>	15,690	335	–	–	–
14	<b>Total ASF</b>					365,577
<b>B. Required stable funding (“RSF”) item</b>						
15	Total HQLA for NSFR purposes	700	70,625	15,980	43,409	11,116
16	Deposits held at other financial institutions for operational purposes	–	1,031	–	–	516
17	Performing loans and securities:	14,203	252,122	42,688	92,566	196,264
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	56,206	–	–	5,621

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**
**REGULATORY DISCLOSURES**
**23 LIQUIDITY (continued)**
**23.3 LIQ2 – Net Stable Funding Ratio (continued)**

Table 1: NSFR for the quarter ended 31 December 2025 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	54	57,073	5,450	3,704	15,043
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	14,149	127,036	32,918	59,208	142,330
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	864	708	22,718	20,097
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	10,943	3,612	6,936	13,173
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	15,440	1,063	576	1,195	14,605
27	<i>Physical traded commodities, including gold</i>	–				–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–				–
29	<i>Net derivative assets</i>	2,505				2,505
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	2,822				141
31	<i>All other assets not included in the above categories</i>	10,113	1,063	576	1,195	11,959
32	Off-balance sheet items		257,356	–	–	2,215
33	<b>Total RSF</b>					224,716
34	<b>Net Stable Funding Ratio (%)</b>					162.7

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

**23 LIQUIDITY (continued)**

**23.3 LIQ2 – Net Stable Funding Ratio (continued)**

Table 2: NSFR for the quarter ended 30 September 2025

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
<b>A. Available stable funding (“ASF”) item</b>						
1	Capital:	51,504	–	–	2,334	53,838
2	<i>Regulatory capital</i>	51,504	–	–	2,334	53,838
2a	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3	<i>Other capital instruments</i>	–	–	–	–	–
4	Retail deposits and small business funding:	–	251,669	2,783	63	229,555
5	<i>Stable deposits</i>		9,647	81	1	9,242
6	<i>Less stable deposits</i>		242,022	2,702	62	220,313
7	Wholesale funding:	–	211,381	1,220	1,242	68,032
8	<i>Operational deposits</i>		9,570	–	–	4,785
9	<i>Other wholesale funding</i>	–	201,811	1,220	1,242	63,247
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	16,625	2,242	–	–	–
12	<i>Net derivative liabilities</i>	–				
13	<i>All other funding and liabilities not included in the above categories</i>	16,625	2,242	–	–	–
14	<b>Total ASF</b>					351,425
<b>B. Required stable funding (“RSF”) item</b>						
15	Total HQLA for NSFR purposes	553	63,727	14,267	36,459	10,327
16	Deposits held at other financial institutions for operational purposes	–	1,871	–	–	935
17	Performing loans and securities:	14,459	229,866	47,379	104,010	202,319
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	58,073	–	–	5,807
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	32	41,071	13,981	3,981	17,164
20	<i>Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:</i>	14,427	120,312	27,946	71,351	147,041

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 23 LIQUIDITY (continued)

#### 23.3 LIQ2 – Net Stable Funding Ratio (continued)

Table 2: NSFR for the quarter ended 30 September 2025 (continued)

In HK\$ millions		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: unconsolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
21	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
22	<i>Performing residential mortgages, of which:</i>	–	880	729	23,455	20,741
23	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	–	–	–	–
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	9,530	4,723	5,223	11,566
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	15,950	2,208	14	1,247	14,983
27	<i>Physical traded commodities, including gold</i>	–				–
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–				–
29	<i>Net derivative assets</i>	379				379
30	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	2,782				139
31	<i>All other assets not included in the above categories</i>	12,789	2,208	14	1,247	14,465
32	Off-balance sheet items		254,691	–	–	2,227
33	<b>Total RSF</b>					230,791
34	<b>Net Stable Funding Ratio (%)</b>					152.3

The NSFR remained well above the regulatory requirement in the second half of 2025. Compared to previous quarter, the NSFR as of end 4Q 2025 increased. It was mainly due to deposit growth.

The NSFR is sensitive to (i) balance sheet movements resulting from commercial loan and deposit activities, and (ii) movements due to positions falling into the NSFR 1-year tenor, such as when the residual maturity of capital fall within the 1-year tenor.

There are no interdependent assets and liabilities as of end 3Q and 4Q 2025.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 24 SEGMENTAL INFORMATION

#### (a) Segmental information by class of business

In HK\$ millions 2025	Commercial and consumer banking	Treasury	Others	Total
<b>Total income</b>	<b>15,660</b>	<b>18</b>	<b>1,990</b>	<b>17,668</b>
<b>Profit before allowances for credit and other losses</b>	<b>8,950</b>	<b>(161)</b>	<b>1,932</b>	<b>10,721</b>
<b>Profit before income tax</b>	<b>7,274</b>	<b>(160)</b>	<b>1,967</b>	<b>9,081</b>
<b>Operating assets</b>	<b>282,659</b>	<b>49,293</b>	<b>217,521</b>	<b>549,473</b>
2024				
Total income	14,787	(48)	2,028	16,767
Profit before allowances for credit and other losses	8,350	(227)	1,891	10,014
Profit before income tax	7,234	(229)	2,079	9,084
Operating assets	279,494	53,334	158,995	491,823

Commercial and consumer banking business mainly comprises deposit account services, residential mortgage and other consumer lending, credit card services, corporate lending, trade finance and international banking.

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Others encompass the results of corporate decisions that are not attributed to business segments.

#### (b) Segmental information by booking location

Over 90% of the Group's total income, profit before income tax, total assets, total liabilities, contingent liabilities and commitments are booked in Hong Kong.

### 25 REMUNERATION

The Bank adopts the remuneration policy and practices formulated by DBSH.

The Board of DBSHK reviewed and approved DBSHK's remuneration policy. The Board Nomination and Remuneration Committee ("BNRC") provided oversight of the remuneration of the CEO, senior executives and control functions in line with the Financial Stability Board's ("FSB") guidelines.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 25 REMUNERATION (continued)

#### 25.1 Objectives of DBS Remuneration Strategy

DBS' remuneration policy, which is applicable to DBS Bank and all our subsidiaries and overseas offices, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns taking into consideration risk management principles and standards set out by the FSB and the Code of Corporate Governance.

When formulating our remuneration strategy, consideration was given to aligning our remuneration approach with DBS PRIDE! values in order to drive desired behaviours and achieve the objectives set out in our balanced scorecard.

The following shows the three main thrusts of our remuneration strategy and how they are implemented within DBS:

<b>Main thrusts</b>	<b>Details</b>
<b>Pay for performance as measured against balanced scorecard</b>	<ul style="list-style-type: none"><li>• Instill and drive a pay-for-performance culture</li><li>• Ensure close linkage between total compensation and our annual and long-term business objectives as measured by the balanced scorecard</li><li>• Calibrate mix of fixed and variable pay to drive sustainable performance aligned to DBS PRIDE! values, taking into account both "what" and "how" key performance indicators ("KPIs") are achieved</li></ul>
<b>Provide market competitive pay</b>	<ul style="list-style-type: none"><li>• Benchmark our total compensation against other organisations of similar size and standing in the markets we operate in</li><li>• Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market</li></ul>
<b>Guard against excessive risk-taking</b>	<ul style="list-style-type: none"><li>• Focus on achieving risk-adjusted returns that are consistent with our prudent risk and capital management as well as emphasis on long-term sustainable outcomes</li><li>• Design payout structure to align incentive payments with the long-term performance of the company through deferral and clawback arrangements</li><li>• Design sales incentives plans to encourage the right sales behaviour</li></ul>

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

### REGULATORY DISCLOSURES

#### 25 REMUNERATION (continued)

##### 25.2 Summary of Current Total Compensation Elements

The table below provides a description of total compensation elements, their purpose and implementation:

Elements	Purpose	Details
<b>Salary</b>	<ul style="list-style-type: none"><li>• Attract and retain talent by ensuring our fixed pay is competitive vis-à-vis comparable institutions</li></ul>	<ul style="list-style-type: none"><li>• Set at an appropriate level taking into account market dynamics as well as skills, experience, responsibilities, competencies and performance of the employee</li><li>• Typically reviewed annually</li></ul>
<b>Cash bonus and deferred shares</b>	<ul style="list-style-type: none"><li>• Provide a portion of total compensation that is performance-linked</li><li>• Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders</li><li>• Align to time horizon of risk</li></ul>	<ul style="list-style-type: none"><li>• Based on DBS, business or support unit and individual performance</li><li>• Measured against a balanced scorecard which is agreed to at the start of the year</li><li>• Awards in excess of a certain threshold are subject to a tiered deferral rate with a minimum deferred quantum.</li><li>• For Senior Management (SM) and Material Risk Takers (MRTs i.e. employees whose actions have a material impact on the risk exposure of the bank), awards are deferred by a minimum of 40%</li></ul>

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 25 REMUNERATION (continued)

#### 25.3 Determination of Variable Pay Pool

The variable pay pool is derived from a combination of bottom-up and top-down approach. It is underpinned by our aim to drive a pay-for-performance culture which is aligned to our risk framework.

Process	Details
<b>Determining total variable pay pool</b>	<p>A function of our overall balanced scorecard and benchmarked against market. The scorecard includes substantial risk and control metrics designed and evaluated by the control functions such as Audit, Compliance and Risk Control functions therefore have a direct role in determining the size of the variable pay pool.</p> <p>The variable pay pool is further calibrated against the following prisms:</p> <ul style="list-style-type: none"><li>• Risk adjustment through review of Returns on Risk-Adjusted Capital (“RoRAC”)</li><li>• Appropriate distribution of surplus earnings (after cost of equity) between employees and shareholders</li></ul>
<b>Allocating pool to business units</b>	<ul style="list-style-type: none"><li>• Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO</li><li>• Inputs from control functions are sought</li><li>• Country heads are also consulted in the allocation process</li></ul>
<b>Determining individual award</b>	<ul style="list-style-type: none"><li>• Unit heads cascade their allocated pool to their teams and individuals</li><li>• Individual variable pay determined based on performance against goals and DBS PRIDE! Values</li><li>• Employees with disciplinary warning meted out may have their variable pay impacted</li></ul>

The performance of control functions are assessed independently from the business units they support to prevent any conflicts of interests. The remuneration of the Senior Risk Executive and Head of Audit are endorsed by the Board Nomination and Remuneration Committee.

Sales employees are incentivised to promote the development of mutually beneficial long-term relationships with their customers, rather than a sole focus on short-term gains. Non-financial metrics such as customer satisfaction and compliance with fair dealing principles are incorporated into their KPIs.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 25 REMUNERATION (continued)

#### 25.4 Deferred Remuneration

Plan objectives	Details
<ul style="list-style-type: none"> <li>Foster a culture that aligns employees' interests with shareholders</li> <li>Enable employees to share in DBS' performance</li> <li>Help in talent retention</li> </ul>	<ul style="list-style-type: none"> <li>Deferred remuneration is paid in restricted shares (DBSH Share Plan) except for SM and MRTs, where it is paid in restricted shares (DBSH Share Plan) and cash</li> <li>Deferred remuneration comprises two elements: the main award and retention award</li> <li>The retention award constitutes 15% of the main award and is designed to retain talent and compensate staff for the time value of deferral</li> <li>Deferred awards vest over four years, and will lapse immediately upon termination of employment (including resignation) except in the event of ill health, injury, disability, redundancy, retirement or death</li> <li>Special Award is sometimes awarded as part of talent retention</li> </ul>
Vesting schedule	Malus of unvested awards and clawback of vested awards
<p><b>Main Award</b></p> <ul style="list-style-type: none"> <li>25% vest on each anniversary after grant date</li> </ul> <p><b>Retention Award</b></p> <ul style="list-style-type: none"> <li>100% vest four years after grant date</li> </ul>	<p><b>Malus and/or clawback will be triggered by</b></p> <ul style="list-style-type: none"> <li>Material violation of risk limits</li> <li>Material losses due to negligent risk-taking or inappropriate individual behavior</li> <li>Material restatement of DBS' financials due to inaccurate performance measures</li> <li>Misconduct or fraud</li> </ul> <p>Vested and unvested awards are subject to claw back within seven years from the date of grant</p>

Employees on sales incentive plans whose incentives exceed a certain threshold are also subject to deferrals which vest over 3 years and a 15% retention award.

Special Award is awarded to selected individuals as part of talent retention, and it is subject to three-year vesting period, with 33% vesting on the first and second anniversaries of grant and 34% on the third anniversary.

## **DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

### **REGULATORY DISCLOSURES**

#### **25 REMUNERATION (continued)**

##### **25.5 Senior Management and Material Risk Takers**

In line with the principles set out by FSB, a substantial portion of remuneration for our Senior Management as well as Material Risk Takers are variable. The variable remuneration is subject to deferral, thus ensuring alignment to the time horizon of risks.

In 2025, an external management consulting firm, Aon Solutions Singapore Ptd Ltd., was engaged to provide an independent review of the Bank's compensation system and processes to ensure compliance with the various principles and procedures for maintaining a sound remuneration system stipulated under the Supervisory Policy Manual on Guideline on a Sound Remuneration System ("CG-5") issued by the HKMA. A similar review is planned for 2026.

We used salary surveys conducted by an external compensation consultant, McLagan, as references for employee salary benchmarking purposes. McLagan and its consultants are independent and not related to us or any of our Directors.

For more details on the remuneration policies, please refer to DBS Group Annual Report and Pillar 3 disclosure documents.

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 26 ABBREVIATIONS

---

<b>Abbreviations</b>	<b>Brief Description</b>
AI	Authorised Institutions
AIRB	Advanced IRB Approach
ASF	Available Stable Funding
AT1	Additional Tier 1
BA-CVA	Reduced Basic CVA Approach
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BI	Business Indicator
BIC	Business Indicator Component
BLR	Banking (Liquidity) Rules
BSC	Basic Approach
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CF	Commodities Finance
CFR	Core Funding Ratio
CIS	Collective Investment Scheme
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Authorized Institution
DTAs	Deferred Tax Assets
EAD	Exposure At Default
ECL	Expected Credit Loss
EL	Expected Loss
EPE	Expected Positive Exposure

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 26 ABBREVIATIONS (continued)

<b>Abbreviations</b>	<b>Brief Description</b>
ES	Expected Shortfall
EVE	Economic Value of Equity
FIRB	Foundation IRB Approach
FIRO	Financial Institutions (Resolution) Ordinance
FSB	Financial Stability Board
G-SIB	Global Systemically Important Authorized Institution
HKMA	Hong Kong Monetary Authority
HQLA	High Quality Liquid Assets
HVCRE	High-volatility Commercial Real Estate
IAA	Internal Assessment Approach
ICAAP	Internal Capital Adequacy Assessment Process
IMA	Internal Models Approach
ILM	Internal Loss Multiplier
IMM (CCR)	Internal Models Method (Counterparty Credit Risk)
IPRE	Income-producing Real Estate
IRB	Internal Ratings-Based
JCCyB	Jurisdictional Countercyclical Capital Buffer
LAC	Loss-absorbing Capacity
LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
MSRs	Mortgage Servicing Rights
NA	Not Applicable
NII	Net Interest Income

# DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 26 ABBREVIATIONS (continued)

---

<b>Abbreviations</b>	<b>Brief Description</b>
NMDs	Non-maturity Deposits
NSFR	Net Stable Funding Ratio
OF	Object Finance
OTC	Over-the-Counter
PD	Probability of Default
PF	Project Finance
PFE	Potential Future Exposure
PSE	Public Sector Entity
PVA	Prudent Valuation Adjustments
RSF	Required Stable Funding
RWA	Risk Weighted Assets
SA-CCR	Standardized (Counterparty Credit Risk)
SEC-IRBA	Securitization Internal Ratings-Based Approach
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-FBA	Securitization Fall-back Approach
SEC-SA	Securitization Standardized Approach
SFT	Securities Financing Transaction
SSTM	Simplified Standardized Approach
SRW	Supervisory Risk Weights
STC	Standardized (Credit Risk)
STM	Standardized (Market Risk)
TLAC	Total Loss-absorbing Capacity
VaR	Value-at-risk

---

[This page is intentionally left blank]