



**OCBC Bank (Hong Kong) Limited**  
**華僑銀行 (香港) 有限公司**

**Banking Disclosure Statement**  
**For the year ended**  
**31st December, 2025**

*(Expressed in millions of Hong Kong dollars unless otherwise stated)*

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## **Introduction**

### **Purpose**

The information contained in this document is for OCBC Bank (Hong Kong) Limited (“the Bank”) and its subsidiaries (together “the Group”). It should be read in conjunction with the Group’s 2025 Annual Report. The Group’s 2025 Annual Report and the Banking Disclosure Statement, taken together, comply with the Banking (Disclosure) Rules (“BDR”) made under section 60A of the Banking Ordinance, the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (“LAC Rules”) made under section 19(1) of the Financial Institutions (Resolution) Ordinance (“FIRO”) and disclosure templates issued by Hong Kong Monetary Authority (“HKMA”).

These banking disclosures are governed by the Group’s disclosure policy, which has been approved by the Board of Directors (“the Board”). The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the Banking Disclosure Statement is not required to be externally audited, the document has been subject to independent review in accordance with the Group’s policies on disclosure and its financial reporting and governance processes.

### **Basis of preparation**

Except where indicated otherwise, the financial information contained in this Banking Disclosure Statement has been prepared on a consolidated basis. The basis of consolidation for regulatory purposes is different from that for accounting purposes. The details of scope of consolidation under accounting scope and regulatory scope are mentioned in note (A) of “Unaudited Supplementary Financial Information”.

For the purposes of calculating the risk-weighted amounts (“RWA”), the Group uses the Internal Ratings-Based (“IRB”) approach to calculate its credit risk for the majority of its non-securitisation portfolios. The Standardised (Credit Risk) (“STC”) approach applies to exempted portfolio from the IRB approach. The Group uses the Standardised (Market Risk) (“STM”) approach for market risk, the Reduced Basic CVA approach for CVA risk and the Standardised approach for operational risk.

The information in this document is not audited and does not constitute statutory accounts.

Certain financial information in this document is extracted from the Group’s 2025 Annual Report. The statutory accounts can be viewed on our website: [www.ocbc.com.hk](http://www.ocbc.com.hk).

## **Introduction (continued)**

### **The Banking Disclosure Statement**

The Group's Banking Disclosure Statement at 31st December, 2025 comprises Pillar 3 information required under the framework of the Basel Committee on Banking Supervision ("BCBS"). The disclosures are made in accordance with the latest BDR and LAC Rules issued by the HKMA.

According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

The Banking Disclosure Statement includes the majority of the information required under the BDR. The remainder of the disclosure requirement is covered in the Group's 2025 Annual Report which can be found in our website: [www.ocbc.com.hk](http://www.ocbc.com.hk).

Disclosure requirements covered in the Group's 2025 Annual Report:

- The disclosure of remuneration, including Table REMA, REM1, REM2 and REM3, in "Corporate Governance Report";
- The general disclosure of major business activities and product lines in note 32 and note 5(c) of "Notes to the Consolidated Financial Statements";
- The disclosure of off-balance sheet and currency risk in note 29(a) and note 34(c)(ii) of "Notes to the Consolidated Financial Statements" respectively.

## **OVA: Overview of Risk Management**

### **RISK MANAGEMENT**

Operating in an environment of geopolitical tensions, macroeconomic uncertainty and sector-specific headwinds, the Group maintained a proactive and vigilant risk management approach across the various risk types, in particular credit, operational resilience, third-party arrangements, technology and cybersecurity domains. We conducted comprehensive stress testing to identify vulnerable customers, implemented targeted strategies for at-risk accounts, rebalanced our loan portfolio away from weak sectors, and intensified recovery efforts. Simultaneously, the Group leveraged the Bank's operational and technology resilience frameworks to proactively manage and mitigate the impact of technology outages and third-party interruptions on our customers. Our multi-layered cybersecurity defences effectively safeguarded against evolving cyber threats. Collectively, these initiatives underscore the Group's commitment to long-term resilience and sustainable growth, closely aligning with the Bank's comprehensive management of principal risks such as credit, operational, information security and digital risk, as well as other interconnected risk areas.

Risk ownership is a shared responsibility between the business units and risk functions as well as other support functions. This commitment drives our comprehensive and disciplined risk management approach, which addresses all types of financial and non-financial risks and upholds the highest ethical standards. We identify risk sources and drivers, set risk appetites and tolerances aligned with business goals, and manage potential impacts under adverse circumstances. Risks are identified, measured and monitored using comprehensive metrics, on a standalone and aggregated basis, with a strong focus on early risk identification and mitigation, and pivoting our risk strategies in response to cyclical and structural changes.

Our risk frameworks define governance structures, roles and responsibilities, with well-documented policies and procedures for taking and managing risks.

To achieve effective risk management which is critical to sustain the Group's long-term business goals and objectives, the following high-level pillars have been identified to manage risk in a sound and cohesive approach at the enterprise level.

- Risk Culture – The Group's leadership actively fosters a strong risk culture and sets a clear tone from the top, emphasising risk awareness, accountability, and ownership at every level. They are supported by a robust internal control environment throughout the Group. All business units, product teams, independent functional risk management units and other support units are actively involved in the risk management process.
- Risk Management Framework – Risks are categorised into five principal risk types, i.e. Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Information Security and Digital Risk. Each managed with the appropriate expertise, resources, systems, policies and procedures. Our business, risk and functional support teams work together to actively identify, measure, approve, monitor, and report risks. Limits and triggers are set to ensure timely review and decision making at appropriate authority levels. We also review our frameworks regularly to incorporate best practices and meet regulatory requirements in all the regions where we operate.

## **OVA: Overview of Risk Management (continued)**

- Risk Appetite – Our aim is to manage risks in a prudent and sustainable manner to ensure the Group’s long-term viability. The Board sets the Group’s risk appetite, defining the level and nature of risks that we can undertake on behalf of our shareholders while maintaining our commitments to customers, regulators, employees and other stakeholders. Business plans consider the corporate strategy, the forward-looking operating environment and potential risks assessed against our risk appetite. We operationalise our risk appetite across the Group through our policies, processes, systems and limits to manage financial and non-financial risks. Together, these components form our Risk Appetite Framework, which articulates Group-level risk appetite and guides operations within our major business units.

Specific risk tolerance levels are defined for different portfolios based on our corporate strategy and the inherent risk characteristics of each portfolio. We closely monitor performance against these risk tolerances and report findings in relevant forums.

Senior business and risk managers meet regularly to review macroeconomic and financial developments, discuss operating conditions and event risks, and potential ‘dark clouds’ that may significantly impact our earnings or solvency. These risks are measured via stress tests as well as sector/segment-specific and ad hoc event-specific portfolio reviews. The results are used to assess the potential impact of various scenarios on our earnings and capital, and to identify vulnerabilities of material portfolios and trigger appropriate risk management actions.

We conduct an annual Internal Capital Adequacy Assessment Process (“ICAAP”) that incorporates the results of stress tests for various risk types. The aim is to assess whether we are capable of maintaining sufficient capital levels under a forward-looking operating environment and in severe stress scenarios. Appropriate risk-mitigating actions are taken to manage potential risks.

- As risks are increasingly inter-connected, we adopt a holistic approach to risk assessment. Cross-functional teams identify and assess top and emerging risks using stress-testing and scenario analysis to evaluate potential impacts of plausible risk factors on our earnings, capital, liquidity, customer segments, and obligations. These insights shape our risk strategies and contingency plans. We invest in our people and technology to ensure that the right skills, data, systems and infrastructure are in place to support effective risk management.
- Independent Assurance – Internal Audit provides independent, risk-based and objective assurance to Audit Committee and Senior Management on the adequacy and effectiveness of our governance, risk management and internal control systems.

## **OVA: Overview of Risk Management (continued)**

### **RISK GOVERNANCE AND ORGANISATION**

The Risk Management Committee (“RMC”) is the principal Board committee that oversees the Group’s risk management with the following key responsibilities:

- reviews the overall risk management philosophy in line with the overall corporate strategy as set and approved by the Board.
- oversees the establishment, operation and effectiveness of an independent risk management system for identifying, measuring, monitoring, controlling and reporting risk, which includes ensuring the adequacy and effectiveness of risk management framework and practices for material risks.
- reviews the scope, effectiveness and objectivity of the Risk Management Division.
- approves the risk management frameworks, internal control systems and major policies, as well as reviews the risk appetite statement, risk disclosure policy and risk management principles for the approval of the Board.
- reviews the risk profile, risk tolerance level and risk strategy of the Group for effective risk management, as well as the risk reports to monitor and control risk exposures.

Risk Management Division (“RMD”) is an independent risk and control oversight function that supports the Group’s business development within a prudent, consistent and effective risk management framework and governance structure. Risk and Control Function independently and objectively identifies and assesses the risk-taking activities of the first line. It establishes relevant risk management framework, policies, processes and systems. It provides independent identification, assessment, monitoring and reporting of the Group’s risk profiles, portfolio concentrations and material risk issues. Key risk reports, including the Group’s ICAAP that incorporates the results of stress tests for various risk types and mitigation action (if applicable), are submitted regularly to senior management, RMC and the Board.

All new products and services are managed by the New Product Approval Process governed by RMD. This process provides a platform to ensure that all key risks associated with new products or services are comprehensively identified, assessed, managed and mitigated before product launch.

## **OVA: Overview of Risk Management (continued)**

### **RISK MEASUREMENT AND REPORTING SYSTEMS**

Risk management processes and management information systems are in place to identify, measure, monitor and control credit risk, liquidity risk, market risk, operational risk and information security and digital risk. Risk management policies, procedures and limits are approved by the Board or its designated committee and are monitored and reviewed regularly by relevant risk management committees, such as the Credit Risk Management Committee, the Asset, Liability Management Committee (“ALCO”) and the Non-Financial Risk Management Committee.

RMD also reviews and monitors the Group’s risk profiles and portfolio concentrations and highlights any significant vulnerabilities and risk issues to the respective risk-specific management committees. Our risk management and reporting systems are designed to ensure that risks are comprehensively identified and evaluated to support business decisions, and that risks are well controlled at both corporate and departmental levels.

The systems consist of governing policies with control measures to ascertain compliance by all operating units. These measures are directed, controlled and held to account by relevant risk management committees chaired by senior executives. Regular reviews are performed by the committees to ensure proper functioning of internal controls and to identify improvement opportunities. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. Operational risk data (e.g. operational risk events and losses, operational risk indicator, etc.) are analysed and reported regularly to the senior management/risk committees. For credit risk and market risk, strategies, monitoring and management processes are mentioned in the respective sections of this disclosure statement.

## KM1: Key Prudential Ratios as at 31st December, 2025

		(a)	(b)	(c)	(d)	(e)
		31st December, 2025	30th September, 2025	30th June, 2025	31st March, 2025	31st December, 2024
<b>Regulatory capital (amount)</b>						
1 & 1a	Common Equity Tier 1 (CET1)	38,528	37,226	37,904	37,419	36,830
2 & 2a	Tier 1	41,528	40,226	40,904	40,419	39,830
3 & 3a	Total capital	43,513	42,258	42,931	42,550	41,621
<b>RWA (amount)</b>						
4	Total RWA	170,903	162,775	162,660	160,003	198,595
4a	Total RWA (pre-floor)	170,903	162,775	162,660	160,003	N/A
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5 & 5a	CET1 ratio (%)	22.5%	22.9%	23.3%	23.4%	18.5%
5b	CET1 ratio (%) (pre-floor ratio)	22.5%	22.9%	23.3%	23.4%	N/A
6 & 6a	Tier 1 ratio (%)	24.3%	24.7%	25.1%	25.3%	20.1%
6b	Tier 1 ratio (%) (pre-floor ratio)	24.3%	24.7%	25.1%	25.3%	N/A
7 & 7a	Total capital ratio (%)	25.5%	26.0%	26.4%	26.6%	21.0%
7b	Total capital ratio (%) (pre-floor ratio)	25.5%	26.0%	26.4%	26.6%	N/A
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.271%	0.295%	0.302%	0.267%	0.291%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.771%	2.795%	2.802%	2.767%	2.791%
12	CET1 available after meeting the AI's minimum capital requirements (%)	17.5%	18.0%	18.4%	18.6%	13.0%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	462,110	442,277	454,631	445,104	447,396
13a	LR exposure measure based on mean values of gross assets of SFTs	461,886	448,037	453,658	445,291	N/A
14, 14a & 14b	LR (%)	9.0%	9.1%	9.0%	9.1%	8.9%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	9.0%	9.0%	9.0%	9.1%	N/A
<b>Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)</b>						
Applicable to category 1 institutions only:						
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2 institutions only:						
17a	LMR (%)	65.9%	72.3%	68.9%	68.0%	62.7%
<b>Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)</b>						
Applicable to category 1 institutions only:						
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2A institutions only:						
20a	CFR (%)	181.7%	197.8%	185.4%	181.2%	174.0%

**KM2(A): Key Metrics – LAC Requirements for Material Subsidiaries (at LAC Consolidation Group Level) as at 31st December, 2025**

		(a)	(b)	(c)	(d)	(e)
		31st December, 2025	30th September, 2025	30th June, 2025	31st March, 2025	31st December, 2024 <sup>1</sup>
<b>Of the material entity at LAC consolidation group level</b>						
1	Internal loss-absorbing capacity available	40,513	39,258	39,931	39,550	N/A
2	Risk-weighted amount under the LAC Rules	170,903	162,775	162,660	160,003	N/A
3	Internal LAC risk-weighted ratio	23.7%	24.1%	24.5%	24.7%	N/A
4	Exposure measure under the LAC Rules	462,110	442,277	454,631	445,104	N/A
5	Internal LAC leverage ratio	8.8%	8.9%	8.8%	8.9%	N/A
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied <sup>2</sup>	N/A	N/A	N/A	N/A	N/A

Footnotes:

- <sup>1</sup> In accordance with the LAC Rules, the LAC disclosures for the Group commences from the period ended 31st March, 2025. Therefore, the metrics of the prior periods are not available.
- <sup>2</sup> 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.

**KM2(B): Key Metrics – TLAC Requirements for Non-HK Resolution Entity (at Resolution Group Level) as at 31st December, 2025**

		(a)	(b)	(c)	(d)	(e)
		31st December, 2025 <sup>1</sup>	30th September, 2025 <sup>1</sup>	30th June, 2025 <sup>1</sup>	31st March, 2025 <sup>1</sup>	31st December, 2024 <sup>2</sup>
<b>Of the non-HK resolution entity at resolution group level</b>						
1	External loss-absorbing capacity available	291,899	281,253	288,825	278,865	N/A
2	Total risk-weighted amount under the relevant non-HK LAC regime	1,507,493	1,446,672	1,472,380	1,382,014	N/A
3	External loss-absorbing capacity as a percentage of risk-weighted amount	19.4%	19.4%	19.6%	20.2%	N/A
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	3,709,427	3,551,491	3,571,691	3,362,233	N/A
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	7.9%	7.9%	8.1%	8.3%	N/A
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	N/A	N/A	N/A	N/A	N/A
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	N/A	N/A	N/A	N/A	N/A
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied	N/A	N/A	N/A	N/A	N/A

Footnotes:

- <sup>1</sup> The relevant non-HK LAC regime in the non-HK jurisdiction is not yet implemented and that the values for rows 1 to 5 are reported on the regulatory capital regime of the non-HK jurisdiction as proxies.
- <sup>2</sup> In accordance with the LAC Rules, the LAC disclosures for the Group commences from the period ended 31st March, 2025. Therefore, the metrics of the prior periods are not available.

## OV1: Overview of RWA as at 31st December, 2025

The following table provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks as at 31st December, 2025 and 30th September, 2025 respectively:

Items		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31st December, 2025	30th September, 2025	31st December, 2025
1	Credit risk for non-securitisation exposures	<b>140,487</b>	<b>132,653</b>	<b>11,239</b>
2	Of which STC approach	10,920	10,994	874
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	116,631	108,897	9,330
4	Of which supervisory slotting criteria approach	0	0	0
5	Of which advanced IRB approach	0	0	0
5a	Of which retail IRB approach	7,700	7,489	616
5b	Of which specific risk-weight approach	5,236	5,273	419
6	Counterparty credit risk and default fund contributions	<b>2,877</b>	<b>2,853</b>	<b>230</b>
7	Of which SA-CCR approach	1,618	1,656	129
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	1,259	1,197	101
10	CVA risk	<b>1,702</b>	<b>1,253</b>	<b>136</b>
11	Equity positions in banking book under the simple risk-weight method and internal models method <sup>1</sup>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
12	Collective investment scheme ("CIS") exposures – look-through approach/third-party approach	0	0	0
13	CIS exposures – mandate-based approach	0	0	0
14	CIS exposures – fall-back approach	0	0	0
14a	CIS exposures – combination of approaches	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in banking book	0	0	0
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0
20	Market risk	<b>9,123</b>	<b>8,981</b>	<b>730</b>
21	Of which STM approach	9,038	8,903	723
22	Of which IMA	0	0	0
22a	Of which SSTM approach	0	0	0
23	Capital charge for moving exposures between trading book and banking book	0	0	0
24	Operational risk	<b>13,615</b>	<b>13,317</b>	<b>1,089</b>
24a	Sovereign concentration risk	0	0	0

## OVI: Overview of RWA as at 31st December, 2025 (continued)

Items		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31st December, 2025	30th September, 2025	31st December, 2025
25	Amounts below the thresholds for deduction (subject to 250% RW)	<b>4,361</b>	<b>5,080</b>	<b>349</b>
26	Output floor level applied	<b>50%</b>	<b>50%</b>	
27	Floor adjustment (before application of transitional cap)	<b>0</b>	<b>0</b>	
28	Floor adjustment (after application of transitional cap) <sup>1</sup>	N/A	N/A	N/A
28a	Deduction to RWA	<b>1,262</b>	<b>1,362</b>	<b>101</b>
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	0	0
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	1,262	1,362	101
29	<b>Total</b>	<b>170,903</b>	<b>162,775</b>	<b>13,672</b>

The increase in total RWA during the quarter was primarily due to credit RWA under foundation IRB approach.

Footnote:

<sup>1</sup> Not applicable in the case of Hong Kong.

## LI: Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories as at 31st December, 2025

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 of every item of the assets and liabilities reported in financial statements based on the scope of accounting consolidation:

	(a) Carrying values as reported in published financial statements	(b) Carrying values under scope of regulatory consolidation	(c) Carrying values of items:				(e) subject to the securitisation framework	(f) subject to market risk framework <sup>1</sup>	(g) not subject to capital requirements or subject to deduction from capital
			(c) subject to credit risk framework	(d) subject to counterparty credit risk framework	(e) subject to the securitisation framework	(f) subject to market risk framework <sup>1</sup>			
<b>Assets</b>									
Cash and balances with banks and central banks	15,794	15,794	15,794	0	0	0	0	0	
Placements with banks, central banks and other financial institutions	4,020	4,020	3,967	53	0	0	53	0	
Amounts due from ultimate holding company and fellow subsidiaries	24,526	24,526	22,621	1,845	0	0	269	0	
Trading assets	9,987	9,987	0	8,186	0	0	9,972	0	
Advances to customers and other accounts	216,557	216,042	213,162	2,414	0	0	2,064	392	
Amounts due from subsidiaries	0	7	7	0	0	0	0	0	
Financial assets measured at fair value through other comprehensive income	115,642	115,642	115,642	6,741	0	0	0	0	
Debt securities measured at amortised cost	12,791	12,791	12,791	0	0	0	0	0	
Investments in subsidiaries	0	20	20	0	0	0	0	0	
Investments in associated companies	264	42	42	0	0	0	0	0	
Fixed assets									
– Investment properties	374	374	374	0	0	0	0	0	
– Bank premises and equipment	4,460	4,460	4,105	0	0	0	0	355	
Assets held for sale	8	8	8	0	0	0	0	0	
Goodwill	1,306	1,306	0	0	0	0	0	1,306	
Current tax recoverable	57	57	57	0	0	0	0	0	
Deferred tax assets	377	377	0	0	0	0	0	377	
<b>Total assets</b>	<b>406,163</b>	<b>405,453</b>	<b>388,590</b>	<b>19,239</b>	<b>0</b>	<b>0</b>	<b>12,358</b>	<b>2,430</b>	

**LI: Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories as at 31st December, 2025 (continued)**

	(a) Carrying values as reported in published financial statements	(b) Carrying values under scope of regulatory consolidation	(c) Carrying values of items:				(f) subject to market risk framework <sup>1</sup>	(g) not subject to capital requirements or subject to deduction from capital
			(c) subject to credit risk framework	(d) subject to counterparty credit risk framework	(e) subject to the securitisation framework	(f) subject to the market risk framework <sup>1</sup>		
<b>Liabilities</b>								
Deposits and balances of banks	9,208	9,208	0	6,339	0	60	2,869	
Amounts due to ultimate holding company and fellow subsidiaries	5,964	5,964	0	821	0	745	5,143	
Deposits from customers	323,733	323,733	0	78	0	583	323,072	
Certificates of deposit and fixed rate notes issued	5,020	5,020	0	0	0	0	5,020	
Trading liabilities	8,473	8,473	0	7,580	0	8,447	0	
Lease liabilities	323	323	0	0	0	0	323	
Current tax payable	33	13	0	0	0	0	13	
Deferred tax liabilities	141	141	0	0	0	0	141	
Other accounts and provisions	6,390	5,891	40	460	0	1,362	4,477	
Amounts due to subsidiaries	0	768	0	0	0	0	768	
<b>Total liabilities</b>	<b>359,285</b>	<b>359,534</b>	<b>40</b>	<b>15,278</b>	<b>0</b>	<b>11,197</b>	<b>341,826</b>	

Footnotes:

1. For the purpose of this template, column (f) also includes items subject to CVA risk framework.
2. Some balance sheet items attract capital charge according to the risk frameworks for more than one risk category. In particular, assets or liabilities arising from derivative contracts under trading book are subject to both the market risk capital charge and the counterparty credit risk capital charge. This results in variance between value in column (b) and the sum of values in columns (c) to (g).

**L12: Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements as at 31st December, 2025**

The following table shows the main sources of differences between the carrying values in financial statements and the exposure amounts used for the calculation of regulatory capital in respect of the assets and liabilities based on the scope of regulatory consolidation:

	(a)	(b)			(c)		(d)	(e)
		credit risk framework	securitisation framework	counterparty credit risk framework	items subject to:		market risk framework <sup>1</sup>	
Total	403,023	388,590	0	19,239			12,358	
1	Asset carrying value amount under scope of regulatory consolidation (as per Template L1)	17,708	40	15,278			11,197	
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template L1)	<b>385,315</b>	<b>388,550</b>	<b>0</b>	<b>3,961</b>		<b>1,161</b>	
3	<b>Total net amount under regulatory scope of consolidation</b>	89,145	22,225	0	29,816			
4	Off-balance sheet amounts		0	0	(1,616)			
5	<i>Difference due to SFT</i>		0	0	12,060			
6	<i>Difference due to derivatives</i>		(64)	0	0			
7	<i>Difference due to credit risk mitigation</i>		4,391	0	0			
8	<i>Difference due to provisions</i>		5	0	0			
9	<i>Others</i>							
N	<b>Exposure amounts considered for regulatory purposes</b>	<b>474,460</b>	<b>415,107</b>	<b>0</b>	<b>44,221</b>			

Footnote:

1. For the purpose of this template, column (e) also includes items subject to CVA risk framework.

## **LIA: Explanations of Differences between Accounting and Regulatory Exposure Amounts as at 31st December, 2025**

The following explains the sources of differences between financial statement amounts and regulatory exposure amounts, as outlined in templates LI1 and LI2.

### **Differences between the amounts in columns (a) and (b) in template LI1**

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes in LI1. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Banking (Capital) Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Banking (Capital) Rules and the Banking Ordinance.

### **The main drivers for the differences between accounting values and amounts considered for regulatory purposes shown in template LI2**

The carrying values reported in the financial statements are after deduction of expected credit loss while the exposure amounts for regulatory purposes are before deducting expected credit loss (except for exposures under Standardised Approach of credit risk from which expected credit loss made against the credit impaired exposures are deducted).

The exposure amounts for regulatory purposes are after the adjustment for the capital effect of recognised credit risk mitigation on the principal amounts.

Counterparty credit risk exposures of derivative contracts for regulatory purposes are calculated using standardized (counterparty credit risk) approach.

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## **LIA: Explanations of Differences between Accounting and Regulatory Exposure Amounts as at 31st December, 2025 (continued)**

### **Systems and controls applied to prudent valuation**

The Group has implemented systems and controls to ensure that valuation estimates are prudent and reliable.

Valuation framework is developed by the Group to focus on valuation as a discipline in its own right covering its governance as well as key aspects including control processes, valuation and adjustment methodologies. It supports the integrity of the Group's financial statements and disclosures with respect to accounting and regulatory requirements on fair value measurement and serves to ensure that valuation governance structures and processes are consistent for both risk management and financial reporting purposes.

Independent Price Verification ("IPV") is implemented as a regular review of the valuation of fair valued trading and banking assets and liabilities against independently sourced instrument prices or parameters to ensure that the Group's positions are correctly valued and to apply appropriate adjustments if there are discrepancies. The Group's IPV process is to be performed on a monthly basis to assess whether these prices are reflective of fair value. Where material differences are discovered, valuation adjustments may be applied to bring the position more in line with its fair value.

Valuation adjustments are required when inherent limitations and assumptions underlying the Group's valuation systems and procedures result in valuations that require such adjustments in order to be aligned with fair value. Key processes that drive the need for valuation adjustments include New Product Approval Process, IPV and Model Validation and Review. These processes can all potentially identify pricing and valuation deficiencies and/or uncertainties within the Group's valuation structure resulting in the need for valuation adjustments to bring valuation to fair value. Valuation adjustments are taken to profit and loss if required or allowed by HKFRS. They are also adjusted to Common Equity Tier 1 Capital according to regulatory reporting requirements.

**PVI: Prudent Valuation Adjustments as at 31st December, 2025**

The following table shows a detailed breakdown of the constituent elements of valuation adjustment that have not been taken into account in the calculation of the amount of the Group's retained earnings or other disclosed reserves as at 31st December, 2025. Valuation adjustments relating to Mid-market value, Model risk and Unearned credit spreads, have been taken in financial reporting and not shown in this table.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Equity	Interest rates	FX	Credit	Commodities	<b>Total</b>	Of which: In the trading book	Of which: In the banking book
1	Close-out uncertainty, of which:	0	0	0	0	0	0	0
2	<i>Mid-market value</i>	0	0	0	0	0	0	0
3	<i>Close-out costs</i>	0	0	0	0	0	0	0
4	<i>Concentration</i>	0	0	0	0	0	0	0
5	Early termination	0	0	0	0	0	0	0
6	Model risk	0	0	0	0	0	0	0
7	Operational risks	0	0	0	0	0	0	0
8	Investing and funding costs					1	1	0
9	Unearned credit spreads					0	0	0
10	Future administrative costs	0	0	0	0	0	0	0
11	Other adjustments	0	0	0	0	0	0	0
<b>12</b>	<b>Total adjustments</b>	0	0	0	0	1	1	0

## CC1: Composition of Regulatory Capital as at 31st December, 2025

		(a)	(b)
		Amount	Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	<b>7,308</b>	(4)
2	Retained earnings	<b>29,002</b>	(5)
3	Disclosed reserves	<b>6,571</b>	(8)
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)	<b>0</b>	
6	<b>CET1 capital before regulatory deductions</b>	<b>42,881</b>	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	<b>1</b>	
8	Goodwill (net of associated deferred tax liabilities)	<b>1,306</b>	(1)
9	Other intangible assets (net of associated deferred tax liabilities)	<b>291</b>	
10	Deferred tax assets (net of associated deferred tax liabilities)	<b>432</b>	
11	Cash flow hedge reserve	<b>29</b>	
12	Excess of total EL amount over total eligible provisions under the IRB approach	<b>0</b>	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitisation transactions	<b>0</b>	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	<b>0</b>	(2) + (3)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	<b>0</b>	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	<b>0</b>	
17	Reciprocal cross-holdings in CET1 capital instruments	<b>0</b>	
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)	<b>0</b>	
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)	<b>0</b>	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	<b>N/A</b>	<b>N/A</b>
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	<b>N/A</b>	<b>N/A</b>
22	Amount exceeding the 15% threshold	<b>N/A</b>	<b>N/A</b>
23	of which: significant investments in the ordinary share of financial sector entities	<b>N/A</b>	<b>N/A</b>
24	of which: mortgage servicing rights	<b>N/A</b>	<b>N/A</b>

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

		(a)	(b)
		Amount	Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation
25	of which: deferred tax assets arising from temporary differences	N/A	N/A
26	National specific regulatory adjustments applied to CET1 capital	2,294	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	2,294	(7) + (9)
26b	Regulatory reserve for general banking risks	0	(6)
26c	Securitisation exposures specified in a notice given by the MA	0	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	0	
26e	Capital shortfall of regulated non-bank subsidiaries	0	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	0	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	0	
28	<b>Total regulatory deductions to CET1 capital</b>	<b>4,353</b>	
29	<b>CET1 capital</b>	<b>38,528</b>	
<b>AT1 capital: instruments</b>			
30	Qualifying AT1 capital instruments plus any related share premium	3,000	(10)
31	of which: classified as equity under applicable accounting standards	3,000	(10)
32	of which: classified as liabilities under applicable accounting standards	0	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	0	
36	<b>AT1 capital before regulatory deductions</b>	<b>3,000</b>	
<b>AT1 capital: regulatory deductions</b>			
37	Investments in own AT1 capital instruments	0	
38	Reciprocal cross-holdings in AT1 capital instruments	0	
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)	0	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	0	
41	National specific regulatory adjustments applied to AT1 capital	0	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	0	
43	<b>Total regulatory deductions to AT1 capital</b>	<b>0</b>	

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

		(a)	(b)
		Amount	Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation
44	<b>AT1 capital</b>	<b>3,000</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>41,528</b>	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	<b>0</b>	
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)	<b>0</b>	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	<b>953</b>	
51	<b>Tier 2 capital before regulatory deductions</b>	<b>953</b>	
<b>Tier 2 capital: regulatory deductions</b>			
52	Investments in own Tier 2 capital instruments	<b>0</b>	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	<b>0</b>	
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)	<b>0</b>	
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)	<b>0</b>	
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)	<b>0</b>	
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)	<b>0</b>	
56	National specific regulatory adjustments applied to Tier 2 capital	<b>(1,032)</b>	
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	<b>(1,032)</b>	((7) + (9)) X 45%
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	<b>0</b>	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>(1,032)</b>	
58	<b>Tier 2 capital (T2)</b>	<b>1,985</b>	

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

		(a)	(b)
		Amount	Source based on Reference Numbers of the Consolidated Statement of Financial Position under the Regulatory Scope of Consolidation
59	<b>Total regulatory capital (TC = T1 + T2)</b>	<b>43,513</b>	
60	<b>Total RWA</b>	<b>170,903</b>	
<b>Capital ratios (as a percentage of RWA)</b>			
61	<b>CET1 capital ratio</b>	<b>22.5%</b>	
62	<b>Tier 1 capital ratio</b>	<b>24.3%</b>	
63	<b>Total capital ratio</b>	<b>25.5%</b>	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	<b>2.771%</b>	
65	of which: capital conservation buffer requirement	<b>2.500%</b>	
66	of which: bank specific countercyclical capital buffer requirement	<b>0.271%</b>	
67	of which: higher loss absorbency requirement	<b>N/A</b>	
68	<b>CET1 (as a percentage of RWA) available after meeting minimum capital requirements</b>	<b>17.5%</b>	
<b>National minima (if different from Basel 3 minimum)</b>			
69	National CET1 minimum ratio	<b>N/A</b>	<b>N/A</b>
70	National Tier 1 minimum ratio	<b>N/A</b>	<b>N/A</b>
71	National Total capital minimum ratio	<b>N/A</b>	<b>N/A</b>
<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	<b>2,235</b>	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	<b>263</b>	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	<b>N/A</b>	<b>N/A</b>
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	<b>N/A</b>	<b>N/A</b>
<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)	<b>163</b>	
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	<b>191</b>	
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)	<b>1,142</b>	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	<b>790</b>	

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

Notes to the template:

Description	Hong Kong basis	Basel III basis
9 <b>Other intangible assets (net of associated deferred tax liabilities)</b>	291	291
<p><u>Explanation</u></p> <p>As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights (“MSRs”) 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 follow the accounting treatment of including MSRs as part of intangible assets reported in the AI’s financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column “Basel III basis” in this box represents the amount reported in row 9 (i.e. the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs 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>		
10 <b>Deferred tax assets (net of associated deferred tax liabilities)</b>	432	0
<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. 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>		

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

Description	Hong Kong basis	Basel III basis
18 <b>Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b>	0	0
<p><u>Explanation</u>            For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
19 <b>Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b>	0	0
<p><u>Explanation</u>            For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		

## CC1: Composition of Regulatory Capital as at 31st December, 2025 (continued)

Description	Hong Kong basis	Basel III basis
39 <b>Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)</b>	0	0
<p><u>Explanation</u>            The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
54 <b>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)</b>	0	0
<p><u>Explanation</u>            The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and non-capital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.</p>		
Remarks:		
<p>The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.</p>		

## CC2: Reconciliation of Regulatory Capital to Consolidated Statement of Financial Position as at 31st December, 2025

	(a) Consolidated Statement of Financial Position as in published financial statement 31st December, 2025	(b) Consolidated Statement of Financial Position under regulatory scope of consolidation 31st December, 2025	(c) Reference
<b>ASSETS</b>			
Cash and balances with banks and central banks	15,794	15,794	
Placements with banks, central banks and other financial institutions	4,020	4,020	
Amounts due from ultimate holding company and fellow subsidiaries	24,526	24,526	
Trading assets	9,987	9,987	
of which: – insignificant capital investments in financial sector entities exceeding 10% threshold	0	0	
Advances to customers and other accounts	216,557	216,042	
Amounts due from subsidiaries		7	
Financial assets measured at fair value through other comprehensive income	115,642	115,642	
of which: – insignificant capital investments in financial sector entities exceeding 10% threshold	0	0	
– significant capital investments in financial sector entities exceeding 10% threshold	0	0	
Investments in subsidiaries	0	20	
of which: – significant capital investments in financial sector entities exceeding 10% threshold	0	0	
Debt securities measured at amortised cost	12,791	12,791	
Assets held for sale	8	8	
Investments in associated companies	264	42	
Fixed assets			
– Investment properties	374	374	
– Bank premises and equipment	4,460	4,460	
Goodwill	1,306	1,306	(1)
Current tax recoverable	57	57	
Deferred tax assets	377	377	
<b>Total assets</b>	<b>406,163</b>	<b>405,453</b>	

## CC2: Reconciliation of Regulatory Capital to Consolidated Statement of Financial Position as at 31st December, 2025 (continued)

	(a)	(b)	(c)
	Consolidated Statement of Financial Position as in published financial statement 31st December, 2025	Consolidated Statement of Financial Position under regulatory scope of consolidation 31st December, 2025	Reference
<b>EQUITY AND LIABILITIES</b>			
Deposits and balances of banks	9,208	9,208	
Amounts due to ultimate holding company and fellow subsidiaries	5,964	5,964	
Deposits from customers	323,733	323,733	
Certificates of deposit and fixed rate notes issued	5,020	5,020	
of which: – gains or losses due to changes in the own credit risk on fair value liabilities	0	0	(2)
Trading liabilities	8,473	8,473	
Lease liabilities	323	323	
Current tax payable	33	13	
Deferred tax liabilities	141	141	
Other accounts and provisions	6,390	5,891	
Amounts due to subsidiaries		768	
Subordinated liabilities	0	0	
of which: – subordinated debt not eligible for inclusion in regulatory capital		0	
– subordinated debt eligible for inclusion in regulatory capital		0	
– gains or losses due to changes in the own credit risk on fair value liabilities		0	(3)
Total liabilities	<b>359,285</b>	<b>359,534</b>	
Share capital	7,308	7,308	(4)
Reserves	36,570	35,611	
of which: – Retained earnings		29,002	(5)
of which: – regulatory reserve for general banking risks		0	(6)
– cumulative fair value gains arising from revaluation of investment properties		45	(7)
– Disclosed reserves		6,571	(8)
of which: – cumulative fair value gains arising from revaluation of land and buildings		2,249	(9)
Perpetual capital securities issued	3,000	3,000	(10)
Total equity	<b>46,878</b>	<b>45,919</b>	
Total equity and liabilities	<b>406,163</b>	<b>405,453</b>	

## CCA(A): Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments as at 31st December, 2025

		(a)	(b)	(c)
		Quantitative/qualitative information	Quantitative/qualitative information	Quantitative/qualitative information
		Ordinary shares	HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018)	HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019)
1	Issuer	OCBC Bank (Hong Kong) Limited	OCBC Bank (Hong Kong) Limited	OCBC Bank (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
3	Governing law(s) of the instrument	Hong Kong	The Capital Securities are governed by and shall be construed in accordance with Hong Kong law.	The Capital Securities are governed by and shall be construed in accordance with 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)	N/A	N/A	N/A
	<i>Regulatory treatment</i>			
4	Transitional Basel III rules	N/A	N/A	N/A
5	Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/solo and group (for regulatory capital purposes)	Solo and Group	Solo and Group	Solo and Group
6a	Eligible at solo/LAC consolidation group/solo and LAC consolidation group (for LAC purposes)	Solo and LAC consolidation group	Ineligible	Ineligible
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Perpetual debt instruments	Perpetual debt instruments
8	Amount recognised in regulatory capital (in HK\$ million, as at 31st December, 2025)	7,308	1,500	1,500
8a	Amount recognised in loss-absorbing capacity (in HK\$ million, as at 31st December, 2025)	7,308	N/A	N/A
9	Par value of instrument	N/A	HK\$1,500 million	HK\$1,500 million
10	Accounting classification	Shareholders' equity	Equity instruments	Equity instruments
11	Original date of issuance	11th April, 1960	12th December, 2018	27th September, 2019
12	Perpetual or dated	N/A	Perpetual	Perpetual
13	Original maturity date	N/A	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes

## CCA(A): Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments as at 31st December, 2025 (continued)

		(a)	(b)	(c)
		Quantitative/qualitative information	Quantitative/qualitative information	Quantitative/qualitative information
		Ordinary shares	HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018)	HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019)
15	Optional call date, contingent call dates and redemption price	N/A	<p>First optional call date: 12th December, 2023. The securities will have optional call dates on every coupon distribution date thereafter, which are semi-annually on 12th June or 12th December in each year.</p> <p>Contingent call dates: Redemption for tax or regulatory reasons. Redemption amount: Redeem at outstanding principal amount together with accrued dividends.</p>	<p>First optional call date: 27th September, 2024. The securities will have optional call dates on every coupon distribution date thereafter, which are semi-annually on 27th March or 27th September in each year.</p> <p>Additional optional redemption for tax reasons, tax deductions reasons and regulatory reasons. Redemption amount in whole at 100% of outstanding principal amount together with accrued distributions subject to adjustment following the occurrence of a Non-Viability Event.</p>
16	Subsequent call dates, if applicable	N/A	Any distribution payment date thereafter	Any distribution payment date thereafter
	<i>Coupons/dividends</i>			
17	Fixed or floating dividend/coupon	N/A	Fixed	Fixed
18	Coupon rate and any related index	N/A	<p>Year 1-5: 5.3% per annum payable semi-annually in arrear;</p> <p>Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread;</p> <p>The coupon rate was reset on 12th December, 2023 to 6.63% per annum for 5 years up to 12th December, 2028.</p>	<p>Year 1-5: 4.25% per annum payable semi-annually in arrear;</p> <p>Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread;</p> <p>The coupon rate was reset on 27th September, 2024 to 5.61% per annum for 5 years up to 27th September, 2029.</p>

## CCA(A): Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments as at 31st December, 2025 (continued)

		(a)	(b)	(c)
		Quantitative/qualitative information	Quantitative/qualitative information	Quantitative/qualitative information
		Ordinary shares	HKD1,500 million Additional Tier 1 Capital Securities (issued on 12th December, 2018)	HKD1,500 million Additional Tier 1 Capital Securities (issued on 27th September, 2019)
19	Existence of a dividend stopper	N/A	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step-up or other incentive to redeem	N/A	No	No
22	Non-cumulative or cumulative	N/A	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down feature	N/A	Yes	Yes
31	If write-down, write-down trigger(s)	N/A	Upon the occurrence of a Non-Viability Event	Upon the occurrence of a Non-Viability Event
32	If write-down, full or partial	N/A	May be partially or fully written down	May be partially or fully written down
33	If write-down, permanent or temporary	N/A	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination	N/A	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).	N/A	Subordinated to depositors and general creditors, creditors in respect of Tier 2 Capital Instruments and all other Subordinated Indebtedness of the Issuer; pari passu with Parity Obligations; senior to holders of Junior Obligations (including the Issuer's ordinary shares).	Subordinated to depositors, general creditors, other unsubordinated creditors, holders of Loss Absorbing Non-Preferred Instruments of the Issuer, creditors in respect of Tier 2 Capital Instruments of the Issuer, and all other Subordinated Indebtedness of the Issuer; pari passu with Parity Obligations; and senior to holders of Junior Obligations (including the Issuer's ordinary shares).
36	Non-compliant transitioned features	N/A	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A	N/A

**TLAC1(A): LAC Composition of Material Subsidiary (at LAC Consolidation Group Level) as at 31st December, 2025**

		(a)
		Amount
	<b>Regulatory capital elements of internal loss-absorbing capacity and adjustments</b>	
1	Common Equity Tier 1 ("CET1") capital	38,528
2	Additional Tier 1 ("AT1") capital before LAC adjustments	3,000
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	0
4	Other adjustments	(3,000)
5	AT1 capital eligible under the LAC Rules	0
6	Tier 2 ("T2") capital before LAC adjustments	1,985
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	0
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	0
9	Other adjustments	0
10	T2 capital eligible under the LAC Rules	1,985
11	<b>Internal loss-absorbing capacity arising from regulatory capital</b>	40,513
	<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 indirectly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	0
17	<b>Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments</b>	0
	<b>Non-regulatory capital elements of internal loss-absorbing capacity: adjustments</b>	
18	<b>Internal loss-absorbing capacity before deductions</b>	40,513
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	0
20	Deduction of holdings of its own non-capital LAC liabilities	0
21	Other adjustments to internal loss-absorbing capacity	0
22	<b>Internal loss-absorbing capacity after deductions</b>	40,513

**TLAC1(A): LAC Composition of Material Subsidiary (at LAC Consolidation Group Level) as at 31st December, 2025 (continued)**

		(a)
		Amount
	<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	170,903
24	Exposure measure under the LAC Rules	462,110
	<b>Internal LAC ratios and buffers</b>	
25	<b>Internal LAC risk-weighted ratio</b>	23.7%
26	<b>Internal LAC leverage ratio</b>	8.8%
27	<b>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</b>	15.7%
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)	2.771%
29	Of which: capital conservation buffer requirement	2.500%
30	Of which: institution-specific countercyclical capital buffer requirement	0.271%
31	Of which: higher loss absorbency requirement	N/A

**TLAC2: Material Subsidiary – Creditor Ranking at Legal Entity Level as at 31st December, 2025**

		Creditor ranking		Sum of values in columns 1 to 2
		1 (most junior)	2 (most senior)	
1	Is a resolution entity or a non-HK resolution entity the creditor/ investor? (yes or no)	Yes	Yes	
2	Description of creditor ranking	Ordinary shares	AT1 capital instruments	
3	Total capital and liabilities net of credit risk mitigation	7,308	3,000	10,308
4	Subset of row 3 that are excluded liabilities	0	0	0
5	Total capital and liabilities less excluded liabilities	7,308	3,000	10,308
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	7,308	0	7,308
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	0	0	0
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	0	0	0
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	0	0	0
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	0	0	0
11	Subset of row 6 that is perpetual securities	7,308	0	7,308

## CCyB1: Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”) as at 31st December, 2025

The following table presents an overview of the geographical distribution of private sector credit exposures relevant for the calculation as at 31st 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	0.500%	58,505		
2	Australia	1.000%	288		
3	Belgium	1.000%	4		
4	Germany	0.750%	28		
5	United Kingdom	2.000%	596		
6	Ireland	1.500%	135		
7	South Korea	1.000%	223		
8	Netherlands	2.000%	40		
9	Sweden	2.000%	657		
10	All Others		59,848		
11	Sum		120,324		
12	Total		120,324	0.271%	326

**LR1: Summary Comparison of Accounting Assets against Leverage Ratio (“LR”) Exposure Measure as at 31st December, 2025**

		(a)
	Item	Value under the LR framework
1	Total consolidated assets as per published financial statements	406,163
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(710)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
4	Adjustments for temporary exemption of central bank reserves <sup>1</sup>	N/A
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	0
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustments for eligible cash pooling transactions	0
8	Adjustments for derivative contracts	38,048
9	Adjustment for SFTs (i.e. repos and similar secured lending)	1,552
10	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	22,027
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(495)
12	Other adjustments	(4,475)
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>462,110</b>

Footnote:

<sup>1</sup> Not applicable in the case of Hong Kong.

## LR2: Leverage Ratio (“LR”) as at 31st December, 2025

		(a)	(b)
		31st December, 2025	30th 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)	386,810	367,187
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	0	0
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(122)	0
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	0	0
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(38)	(45)
6	Less: Asset amounts deducted in determining Tier 1 capital	(4,353)	(4,479)
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	<b>382,297</b>	<b>362,663</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)	9,882	7,621
9	Add-on amounts for PFE associated with all derivative contracts	35,690	36,202
10	Less: Exempted CCP leg of client-cleared trade exposures	0	0
11	Adjusted effective notional amount of written credit-related derivative contracts	4,968	5,291
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	(3,742)	(5,291)
13	<b>Total exposures arising from derivative contracts (sum of rows 8 to 12)</b>	<b>46,798</b>	<b>43,823</b>
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	9,893	14,210
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	0	0
16	CCR exposure for SFT assets	1,552	1,264
17	Agent transaction exposures	0	0
18	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	<b>11,445</b>	<b>15,474</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	89,145	82,428
20	Less: Adjustments for conversion to credit equivalent amounts	(67,118)	(61,662)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(457)	(449)
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>21,570</b>	<b>20,317</b>

**LR2: Leverage Ratio (“LR”) as at 31st December, 2025 (continued)**

		(a)	(b)
		31st December, 2025	30th September, 2025
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>41,528</b>	<b>40,226</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>462,110</b>	<b>442,277</b>
<b>Leverage ratio</b>			
25 & 25a	<b>Leverage ratio</b>	<b>9.0%</b>	<b>9.1%</b>
26	<b>Minimum leverage ratio requirement</b>	<b>3.0%</b>	<b>3.0%</b>
27	<b>Applicable leverage buffers<sup>1</sup></b>	<b>N/A</b>	<b>N/A</b>
<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	9,669	19,969
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	9,893	14,210
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)	461,886	448,036
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)	9.0%	9.0%

Footnote:

<sup>1</sup> Not applicable in the case of Hong Kong.

## **LIQA: Liquidity Risk Management**

Liquidity risk is the risk of the Group being unable to meet its financial obligations as they fall due without affecting daily operations and incurring unacceptable costs or losses. The aim of liquidity risk management is to ensure that the Group can meet its financial obligations and support new business opportunities by effectively managing liquidity and funding risks within our risk appetite. This involves maintaining a diversified funding base and holding sufficient liquid assets to meet liquidity needs under both normal and stress circumstances, while balancing cost efficiency.

### **Measures**

Liquidity risk is assessed by projecting cash flow mismatches using both contractual and behavioural assumptions under normal conditions and stress scenarios. We monitor concentration level and regulatory liquidity ratios to evaluate funding diversification and resilience, with early warning indicators in place to detect potential liquidity risks stemming from market developments.

### **Stress Testing and Scenario Analysis**

We conduct regular stress tests under a variety of adverse scenarios to assess the potential impact of idiosyncratic and market events on our liquidity risk profile. These outcomes inform funding strategies, liquidity policies and contingency funding plans to minimise the impact of any liquidity crunch.

### **Risk Monitoring, Reporting and Control**

We continuously monitor liquidity risk positions against approved liquidity risk limits and triggers, aligned with our risk appetite and regulatory requirements. Rigorous review and oversight processes are in place to facilitate prompt escalation and remediation of any limit exceptions.

Liquidity is managed on a day-to-day basis by the Treasurer under the oversight of ALCO. ALCO oversees and regularly reviews our liquidity risk profiles to ensure they remain aligned with our business strategies and risk appetite. Market Risk Management (“MRM”) department performs independent risk assessments and reporting of the liquidity metrics for ALCO and RMC’s deliberation.

## LIQA: Liquidity Risk Management (continued)

The table below shows the Group's major sources of funding as at 31st December, 2025.

Distribution of selected funding sources from bank, non-bank deposits and certificates of deposit issued and fixed rate note issued

	2025	%
Deposits and balances of banks	9,208	3%
Deposits from customers:		
Demand deposits and current accounts	97,108	29%
Savings deposits	19,881	6%
Time, call and notice deposits	206,744	61%
Certificates of deposit and fixed rate note issued	5,020	1%
<b>Total</b>	<b>337,961</b>	<b>100%</b>

The Group maintains liquid assets in excess of regulatory requirements to mitigate potential liquidity risk and meet liquidity needs during a crisis. These liquid assets mainly comprise marketable debt securities. The details of distribution of credit ratings of the Group's debt securities as at 31st December, 2025 are disclosed in note 34(a) of "Notes to the Consolidated Financial Statements" of the Group's 2025 Annual Report.

Customer deposit is the main source of funding. The Group actively makes use of the wholesale funding and the foreign exchange swaps to manage liquidity and surplus funds where appropriate.

In 2025, the Group, classified as a category 2A institution by the Hong Kong Monetary Authority, continued our regulatory reporting of our group-wide Liquidity Maintenance Ratio ("LMR") and Core Funding Ratio ("CFR"). As at 31st December, 2025, the period end ratios are reported as follows:

	2025
Liquidity Maintenance Ratio	60%
Core Funding Ratio	180%

The Group adopts a centralised approach to manage liquidity and funding for both domestic and overseas subsidiaries. At the next granular level, the overseas subsidiaries take responsibility for managing their funding arrangements in relation to the use and application of funds.

## LIQA: Liquidity Risk Management (continued)

The table below shows the net intra-group funding of the overseas subsidiaries as of 31st December, 2025.

	2025		
	HK (Including HK Subsidiaries)	Macau	China
Net intra-group funding profile	(351)	1,549	(1,203)

The Group has formulated a contingency plan setting out strategies for dealing with a liquidity crisis and the procedures for making up cash-flow deficits and responsibility of relevant departments in emergency situations. The plan is updated and reviewed at least annually by ALCO to ensure that it remains robust over time. Any revision will be concurred by the RMC. Apart from the liquidity limits and ratios agreed with the HKMA, the Group will promptly inform the HKMA of any early warning indicators of serious liquidity problems, which may trigger the contingency funding plan.

The majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's assets and liabilities. The maturity profiles of the assets and liabilities of the Group as at 31st December, 2025 are disclosed in note 27 of "Notes to the Consolidated Financial Statements" of the Group's 2025 Annual Report. The cash flows payable by the Group for financial liabilities including interest payable that will be settled by remaining contractual maturities as of 31st December, 2025 are disclosed in note 34(b) of "Notes to the Consolidated Financial Statements" of the Group's 2025 Annual Report.

## **CRA: General Information about Credit Risk**

### **CREDIT RISK MANAGEMENT**

Credit risk is the risk of financial loss due to a borrower/obligor failing to meet their financial or contractual obligations. It arises from lending activities to retail, corporate and institutional customers. Counterparty credit risk arises from the potential default of a counterparty, borrower or obligor during our trading and/or banking activities including derivatives and debt securities. We measure counterparty credit exposure based on both current replacement cost and potential future exposures arising from market price fluctuations.

### **CREDIT RISK MANAGEMENT OVERSIGHT AND ORGANISATION**

The Credit Risk Management Committee (“the Committee”), chaired by Chief Credit Officer (Wholesale Credit Risk Management) is the principal senior management body that supports and is accountable to RMC and the CEO in managing the Group’s overall credit risk management, including environmental, social and governance (“ESG”) risk under responsible financing. The Committee oversees the execution of the Group’s credit risk management to ensure that credit risk taking is aligned with the Group’s risk appetite and business strategy.

Credit Risk Management units ensure the proper execution of the credit risk management framework, policies and procedures. These units also independently manage credit risk to ensure adequacy of risk-returns within our risk appetite, customer targets, limits and risk standards. Dedicated risk functions are responsible for portfolio risk monitoring, risk measurement methodology, risk reporting and remedial management. Regular risk reports are provided to the Committee, CEO, RMC and the Board, where appropriate, in a timely, objective and transparent manner for review. These reports include detailed credit exposures, credit migration, expected losses and risk concentrations by business portfolio and geography. Regular credit stress tests are conducted to assess the potential impact of emerging risks on the Group’s credit exposures, including interactions among credit, market and liquidity events (where appropriate). The results of the stress tests facilitate the Group’s assessment of its Risk Appetite and development of risk mitigation and contingency plans across a range of stressed conditions.

Internal Audit provides independent assessment on the compliance and effectiveness of the Group’s credit risk management, control and governance processes, as well as general internal controls across the business, risk control and other support units. Internal Audit provides the assessment separately to the Board, through the Audit Committee, in accordance with its own charter.

## **CRA: General Information about Credit Risk (continued)**

### **CREDIT RISK MANAGEMENT APPROACH**

Our credit risk management framework adopts a proactive strategy to oversee credit risk across the Group's lending business, setting clear objectives and minimum standards. The framework defines credit approval authorities, concentration limits, risk rating methodologies, portfolio review parameters and guidelines for managing distressed exposures.

We manage risk through a combination of expert judgment and data-driven insights, where credit specialists apply their expertise to manage the risks of different portfolios and customer segments. All credit exposures require approval by credit approving officers, with approval authority levels delegated to officers based on their experience, seniority and track record. Specific policies and procedures that govern major customer segments.

ESG and climate risks management is vital to our operations, as they can impact other principal risks such as credit, market, liquidity, operational, and reputational risks. We take an integrated approach to assessing, and managing these "cross-cutting" ESG and climate risks. Customers and transactions that pose significant ESG or reputational risk are escalated to the Reputational Risk Review Group of our parent bank for further review and clearance.

### **LENDING TO CONSUMERS AND SMALL BUSINESSES**

Consumers and small businesses customers are assessed using established program lending parameters, a structured risk-return framework and targeted customer selection criteria for product programs while advanced credit models are employed to ensure consistent credit decisioning and minimize deviations from credit criteria. Any deviations from the credit criteria shall be approved by designated credit approving officers to maintain robust risk controls. Portfolio credit risk is monitored by leveraging advanced analytics, behavioural models, and regular stress testing to identify emerging risks and potential weak credits for timely intervention.

### **LENDING TO CORPORATE AND INSTITUTIONAL CUSTOMERS**

Corporate credit exposures are diversified among corporates, middle market borrowers and small and medium enterprises. Corporate customers are assessed individually with independent evaluations by experienced credit risk managers. Joint credit approvals are ensured between business and credit risk units for objectivity, while conducting regular portfolio reviews and stress tests to monitor credit quality and identify potential weaknesses early. The Group also has internal limits to manage exposure to sectors that are assessed to be more concentrated and for borrowers and groups of borrowers or linked-counterparties.

### CRI: Credit Quality of Exposures as at 31st December, 2025

The table below provides an overview of the credit quality of on-and off-balance sheet exposures as at 31st December, 2025:

	(a)	(b)	(c)	(d)		(e)	(f)	(g)
				Of which ECL accounting provisions for credit losses on regulatory category of specific provisions	Of which ECL accounting provisions for credit losses on regulatory category of collective provisions			
	Gross carrying amounts of			Of which ECL accounting provisions for credit losses on regulatory category of specific provisions		Of which ECL accounting provisions for credit losses on regulatory category of collective provisions		
	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments					Net values (a+b-c)
1	Loans	208,466	4,161	311	201	3,649		211,318
2	Debt securities	139,303	38	0	1	37		139,265
3	Off-balance sheet exposures	24,988	457	0	13	444		24,532
<b>4</b>	<b>Total</b>	<b>372,757</b>	<b>4,656</b>	<b>311</b>	<b>215</b>	<b>4,130</b>		<b>375,115</b>

## CR2: Changes in Defaulted Loans and Debt Securities as at 31st December, 2025

The table below provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at 31st December, 2025 and 30th June, 2025 respectively:

		(a)
		Amount
<b>1</b>	<b>Defaulted loans and debt securities at end of 30th June, 2025</b>	<b>6,572</b>
2	Loans and debt securities that have defaulted since the last reporting period	1,812
3	Returned to non-defaulted status	(63)
4	Amounts written off	(42)
5	Other changes*	(1,266)
<b>6</b>	<b>Defaulted loans and debt securities at end of 31st December, 2025</b>	<b>7,013</b>

\* Other changes include loan repayment.

Compared to 30th June, 2025, the increase in non-performing assets was due to higher exposure of new downgrades relative to the reduction from loans write-off, return to non-defaulted status and other changes.

## **CRB: Additional Disclosure related to Credit Quality of Exposures**

### **REMEDIAL MANAGEMENT**

Credit policies and processes are established to identify vulnerable borrowers early. We proactively monitor credit portfolio quality and discuss emerging risks at dedicated risk forums, where we discuss, develop and review risk management action plans to address deteriorating trends. Dedicated remedial management units manage the restructuring, workout and recovery of non-performing assets (“NPAs”) for wholesale portfolios. The aim is to rehabilitate NPAs where possible or maximize recoveries for NPAs under exit strategies.

The Group adopts loan classification based on HKMA guideline, where it classifies loans and advances into five classification categories, namely “Pass”, “Special Mention”, “Substandard”, “Doubtful” and “Loss”. The decision to classify loans into the afore-mentioned categories is based on the borrower’s repayment ability and the likelihood of individual counterparties being in default.

Independent and dedicated remedial management units are set up to manage the restructuring, workout and recovery of non-performing assets.

### **EXPECTED CREDIT LOSS FOR LOANS**

For non-credit impaired financial exposure, the Expected Credit Loss (“ECL”) is assessed and measured based on 12-month ECL if the credit risk of a credit exposure has not increased significantly since initial recognition. However, where there is significant increase in credit risk, the ECL is based on lifetime ECL.

For credit impaired financial exposure, expected credit loss (stage 3) is assessed and measured based on lifetime ECL. Expected credit loss (stage 3) is based on a reasonable and well documented estimate of the net present value of the future cash flows that the Group determines to be recoverable from the borrower, guarantor and collateral.

Our approach for determining impairment of loans and the expected credit loss is explained in note 2(k) of “Notes to the Consolidated Financial Statements” of the Group’s 2025 Annual Report.

The details of the analysis related to credit quality are disclosed in note 13(b), 14(b) and 34(a) of “Notes to the Consolidated Financial Statements” and notes (B) to (D) of “Unaudited Supplementary Financial Information” for exposure by geographical area, industry sector, remaining maturity, aging and rescheduled exposure of the Group’s 2025 Annual Report.

## **CRC: Qualitative Disclosures related to Credit Risk Mitigation**

### **CREDIT RISK MITIGATION**

Credit risk is mitigated through various measures are adopted by the Group, such as holding collateral and setting netting arrangements to reduce credit risk exposure. However, these measures complement and do not replace our proper assessment of the obligor's ability to repay, which remains the primary source of repayment.

Our credit policies define eligibility criteria for credit risk mitigants, including legal certainty and enforceability, correlation, liquidity, marketability, counterparty risk of the credit protection provider and collateral specific minimum operational requirements. Eligible collateral includes cash, real estate, marketable securities, standby letters of credit and credit insurance.

Where collateral is taken, appropriate haircuts are made to the value to reflect its inherent nature, quality, liquidity and volatility. Regular independent valuations of the collateral are conducted. We also monitor our collateral holdings to maintain diversification across asset classes and markets. We accept guarantees from individuals, corporates and institutions as a form of support.

Netting, collateral arrangements, early termination options and central clearing mechanisms are common risk mitigation tools used to manage counterparty credit risk. In approved netting jurisdictions, approved netting agreements allow us to offset our obligations against what is due from the counterparty in the event of a default, thereby reducing credit risk exposure. Where possible, we clear Over-the-Counter (OTC) derivatives transactions through approved central clearing counterparties, replacing the counterparty's credit risk with that of a highly regulated and better credit rated central clearing counterparty.

Collateral arrangements are typically governed by market standard documentation such as the International Swaps and Derivatives Association ("ISDA") and Credit Support Annexes ("CSA") or Global Master Repurchase Agreements ("GMRA"). These arrangements require additional collateral if the mark-to-market exposures exceed the agreed threshold amount. We apply a haircut to the value of the eligible collateral to cover potential adverse market volatility. Regulatory margin requirements may apply to the agreed threshold amount. ISDA agreements may also include rating triggers to allow for transaction termination or require additional collateral if a rating downgrade occurs.

The Group's policy provides that netting is only to be applied where it has the legal right to do so.

It is the Group's policy that all corporate and institutional facilities are reviewed (and hence revalued) at least on an annual basis. Where facilities have been overdue for more than 90 days and are tangibly secured, the collateral must be revalued not less than every 3 months.

For residential mortgage loans that are more than 90 days past due, the mortgaged property must be revalued not less than every 3 months.

## CRC: Qualitative Disclosures related to Credit Risk Mitigation (continued)

### MANAGING CREDIT RISK CONCENTRATIONS

Credit risk concentrations may arise from lending to a single borrower, a group of connected borrowers/linked-counterparties, or diverse groups of borrowers affected by similar economic or market conditions. Where appropriate, limits are set and monitored to control concentrations by borrower, group of connected borrowers/linked-counterparties, product, industry and country. These limits are aligned with our risk appetite, business strategy, capacity and expertise. Impact on earnings and capital is also considered in limit setting.

### CR3: Overview of Recognised Credit Risk Mitigation as at 31st December, 2025

The following table presents the extent of credit risk exposures covered by different types of recognised Credit Risk Mitigation (“CRM”) as at 31st December, 2025:

		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognised collateral	Exposures secured by recognised guarantees	Exposures secured by recognised credit derivative contracts
1	Loans	133,667	77,651	76,448	1,203	0
2	Debt securities	139,265	0	0	0	0
3	<b>Total</b>	<b>272,932</b>	<b>77,651</b>	<b>76,448</b>	<b>1,203</b>	<b>0</b>
4	Of which defaulted	4,828	1,874	1,835	39	0

Compared to 30th June, 2025, the changes in loans to customers and debt securities were in line with the movements of the balance sheet.

### **CRD: Qualitative Disclosures on use of ECAI Ratings under STC Approach**

The Group adopts the Standardised approach, which mainly features the risk-weighting of credit risk exposures according to credit ratings provided by External Credit Assessment Institutions (“ECAIs”) recognised by the HKMA, in assessing the capital adequacy of credit risk exposures which do not qualify for or are exempted from the use of IRB approach. The Group uses the following external credit assessment institutions (“ECAIs”) to calculate its capital adequacy requirements prescribed in the Banking (Capital) Rules:

- Fitch Ratings
- Moody’s Investors Service, Inc.
- Standard & Poor’s Rating Services

Credit ratings from the above external credit assessment institutions are used in the Group for risk-weighting credit risk exposures under the following exposure classes: multilateral development bank exposures, and certain corporate exposures which do not qualify for or are exempted from the use of IRB approach. The Group follows the processes prescribed in the Banking (Capital) Rules to map the ratings to the relevant risk weights across various exposure classes under the Standardised approach.

#### CR4: Credit Risk Exposures and Effects of Recognised Credit Risk Mitigation – for STC Approach as at 31st December, 2025

The following table illustrates the effect of any recognised CRM (including recognised collateral under both comprehensive and simple approaches) on the calculation of capital requirements under STC approach as at 31st December, 2025:

	(a)		(b)		(c)		(d)		(e)		(f)
	Exposures pre-CCF and pre-CRM	On-balance sheet amount	Off-balance sheet amount	Exposures pre-CCF and pre-CRM	On-balance sheet amount	Off-balance sheet amount	Exposures post-CCF and post-CRM	On-balance sheet amount	Off-balance sheet amount	RWA and RWA density	RWA density
1	Sovereign exposures	0	0	0	0	0	0	0	0	0	0.0%
2	Public sector entity exposures	0	0	0	0	0	0	0	0	0	0.0%
3	Multilateral development bank exposures	384	0	0	384	0	0	0	0	0	0.0%
3a	Unspecified multilateral body exposures	0	0	0	0	0	0	0	0	0	0.0%
4	Bank exposures	0	0	0	0	0	0	0	0	0	0.0%
4a	Qualifying non-bank financial institution exposures	0	0	0	0	0	0	0	0	0	0.0%
5	Eligible covered bond exposures	0	0	0	0	0	0	0	0	0	0.0%
6	General corporate exposures	1,692	80	80	1,692	8	8	725	8	725	42.7%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	191	80	80	191	8	8	103	8	103	51.4%
6b	Specialised lending	0	301	301	0	35	35	35	35	35	100.0%
7	Equity exposures	2	0	0	2	0	0	4	0	4	250.0%
7a	Significant capital investments in commercial entities	0	0	0	0	0	0	0	0	0	0.0%
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	0	0	0	0	0	0	0	0	0	0.0%
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	0	0	0	0	0	0	0	0	0	0.0%
8	Retail exposures	6,681	3,763	3,763	6,025	379	379	6,088	379	6,088	95.1%
8a	Exposures arising from IPO financing	0	0	0	0	0	0	0	0	0	0.0%

**CR4: Credit Risk Exposures and Effects of Recognised Credit Risk Mitigation – for STC Approach as at 31st December, 2025**  
(continued)

	(a)		(b)		(c)		(d)		(e)		(f)
	Exposures pre-CCF and pre-CRM		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		Exposures post-CCF and post-CRM		RWA and RWA density		RWA density
Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	RWA density
9 Real estate exposures	8,627	346	8,542	41	3,263	38.0%					
9a Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	7,057	161	6,973	22	2,228	31.9%					
9b Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	0	0	0	0	0	0.0%					
9c Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,433	123	1,433	13	926	64.0%					
9d Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	2	0	2	0	1	70.0%					
9e Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	134	62	133	6	106	76.3%					
9f Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	0	0	0	0	0	0.0%					
9g Of which: land acquisition, development and construction exposures	1	0	1	0	2	150.0%					
10 Defaulted exposures	608	1	571	1	805	140.8%					
11 Other exposures	0	0	0	0	0	0.0%					
11a Cash and gold	0	0	0	0	0	0.0%					
11b Items in the process of clearing or settlement	0	0	0	0	0	0.0%					
<b>12 Total</b>	<b>17,994</b>	<b>4,491</b>	<b>17,216</b>	<b>464</b>	<b>10,920</b>	<b>61.8%</b>					

Both on-balance sheet and off-balance sheet exposures are calculated by first applying the relevant CCFs, followed by incorporating provisions, and finally using CRM techniques.

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025**

The following table presents a breakdown of credit risk exposures under STC approach by exposure classes and by risk weights as at 31st December, 2025:

1	Sovereign exposures	0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
		0	0	0	0	0	0	0		
2	Public sector entity exposures	0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
		0	0	0	0	0	0	0		
3	Multilateral development bank exposures	0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
		384		0	0	0	0	0	384	
3a	Unspecified multilateral body exposures	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)		
		0	0	0	0	0	0	0		
4	Bank exposures	20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		0	0	0	0	0	0	0	0	0

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

4a	Qualifying non-bank financial institution exposures	20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
		0	0	0	0	0	0	0	0	0	
5	Eligible covered bond exposures	10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)	
		0	0	0	0	0	0	0	0	0	
6	General corporate exposures	20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		609	0	944		58	8	81	0	0	1,700
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	0	0	191		0	8	0	0	0	199
6b	Specialised lending	20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
		0	0	0	0	35	0	0	0	0	35
7	Equity exposures	100%		250%		400%			Other	Total credit exposure amount (post-CCF and post-CRM)	
				2		0			0	0	2

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

7a	Significant capital investments in commercial entities	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
		0	0	0	0	0
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
		0	0	0	0	0
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	150%		Other		Total credit exposure amount (post-CCF and post-CRM)
		0	0	0	0	0
8	Retail exposures	45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
		324	2,855	736	2,489	6,404
8a	Exposures arising from IPO financing	0%		Other		Total credit exposure amount (post-CCF and post-CRM)
		0	0	0	0	0

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%
9	Real estate exposures	0	2,012	663	1,833	0	137	1,084	63	1,207	
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		2,012	663	1,833		137	1,084	63	25	
9b	Of which: no loan splitting applied		2,012	663	1,833		137	1,084	63	25	
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)				0	0		0		0	

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	149	223	202	0	1	33	0	1	975	8,583
9a	147	23				33			975	6,995
9b	147	23				33			975	6,995
9c										
9d										
9e		0		0		0			0	0

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	0	0	0	0	0	0	0	1,182	
9g	Of which: no loan splitting applied	0	0	0	0	0	0	0	1,182	
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)									

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9f		78	186		0			0	0	1,446
9g		78	186		0			0	0	1,446
9h										
9i										
9j	2			0			0		0	2

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

	0%	20%	25%	30%	35%	40%	45%	50%	60%	65%
9k										
	0	0		0		0		0		
9l	0	0		0		0		0		
9m										
9n										
9o										
9p										

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9k		122	16		1			0	0	139
9l		122	16		1			0	0	139
9m										
9n										
9o								0	0	0
9p					0			1	0	1

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

10		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
	Defaulted exposures		104	467	1	
11		100%	1250%		Other	Total credit exposure amount (post-CCF and post-CRM)
	Other exposures	0	0	0	0	
11a		0%	100%		Other	Total credit exposure amount (post-CCF and post-CRM)
	Cash and gold	0	0	0	0	
11b		0%	20%		Other	Total credit exposure amount (post-CCF and post-CRM)
	Items in the process of clearing or settlement	0	0	0	0	

**CR5: Credit Risk Exposures by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025 (continued)**

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

	(a) On-balance sheet exposure	(b) Off-balance sheet exposure (pre-CCF)	(c) Weighted average CCF*	(d) Exposure (post-CCF and post-CRM)
1	6,460	124	12.4%	6,475
2	3,684	2,216	10.2%	3,910
3	2,964	1,637	10.4%	3,135
4	196	141	10.1%	210
5	919	296	12.7%	957
6	1,818	2	10.0%	1,818
7	1,173	0	0.0%	1,173
8	2	0	0.0%	2
9	0	0	0.0%	0
10	0	0	0.0%	0
11	<b>17,216</b>	<b>4,416</b>	<b>10.5%</b>	<b>17,680</b>

\* Weighting is based on off-balance sheet exposure (pre-CCF).

Both on-balance sheet and off-balance sheet exposures are calculated by first applying the relevant CCFs, followed by incorporating provisions, and finally using CRM techniques.

## **CRE: Qualitative Disclosures related to Internal Models for Measuring Credit Risk under IRB Approach**

### **CREDIT PORTFOLIO MANAGEMENT**

Credit portfolio management focuses on managing the collective or aggregate risk of our credit portfolios, instead of the credit risk of individual borrowers. We have developed and implemented a range of capabilities to identify, measure and monitor credit risk at the portfolio level. These capabilities include:

- Portfolio Segmentation – This is the process of grouping credit exposures that are similar in nature. It involves using attributes that represent common business drivers, such as geography, industry and business segment, as well as common risk drivers such as exposure to material downside risks like a property price correction, a sharp hike in interest rates, or a country risk event.
- Portfolio Modelling – This includes using internal rating models to quantify the default risk and potential losses of our borrowers. Please refer to Table 1 for information on our internal rating models. We also use stress test models to simulate the potential increase in our credit losses and Credit Risk Weighted Assets (“CRWA”) under stressed scenarios.

### **Overview of Internal Rating Models**

Internal credit rating models and their components such as probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) – are used in limit setting, credit approval, portfolio monitoring and reporting, remedial management, stress testing and assessment of capital adequacy and portfolio allowances.

Our model risk management framework governs the development, validation, application and maintenance of rating models. Models are developed with the active participation of credit experts from risk taking and risk control units. They are subject to independent validation before implementation, followed by annual reviews to ensure that performance standards (which take into consideration regulatory requirements and industry best practices) are continually met. In addition, Internal Audit annually reviews the robustness of the rating process and the effectiveness of the independent validation process. Approval for the adoption and continued use of material models rests with the Board Risk Management Committee. In addition, models that are used in regulatory capital assessment must be approved by the regulators.

While our internal risk grades are not explicitly mapped to external credit ratings, they may correlate with external credit ratings in terms of the PD ranges because the factors used to rate obligors are similar. As such, an obligor rated poorly by an external credit rating agency is likely to have a weak internal risk rating as well.

The table below describes the approaches used to estimate the key parameters for Retail Internal Ratings-Based (“Retail-IRB”) and Foundation Internal Ratings-Based (“F-IRB”) credit risk models used to calculate CRWA.

**CRE: Qualitative Disclosures related to Internal Models for Measuring Credit Risk under IRB Approach (continued)**

**CREDIT PORTFOLIO MANAGEMENT (continued)**

**Table 1: Key Components of Internal Ratings Based (IRB) Models**

IRB Models and Portfolios	PD	LGD and EAD
<p><b>Retail-IRB approach</b> covers major retail portfolios such as residential mortgages, commercial property loan, unsecured personal loan, and auto loans.</p>	<ul style="list-style-type: none"> <li>Estimated based on the application and behaviour scores of obligors.</li> <li>PD models are calibrated to reflect the expected long-run average one-year default rate over an economic cycle.</li> </ul>	<ul style="list-style-type: none"> <li>Product, collateral and geographical characteristics are major factors.</li> <li>LGD models are calibrated to reflect the economic loss under downturn conditions.</li> <li>EAD models are calibrated to reflect the default-weighted average and downturn conditions.</li> </ul>
<p><b>F-IRB (Non-Supervisory Slotting) approach</b> covers major wholesale portfolios such as sovereigns, banks, non-bank financial institutions, corporate real estate (including income producing real estate) and general corporates.</p>	<ul style="list-style-type: none"> <li>PD models are statistical based or expert judgement models that use both quantitative and qualitative factors to assess an obligor's repayment capacity and are calibrated to reflect the expected long-run average one-year default rate over an economic cycle.</li> <li>Expert judgmental models based on inputs from internal credit experts are typically used for portfolios with low default rates.</li> </ul>	<ul style="list-style-type: none"> <li>LGD and EAD are estimated based on rules prescribed in Banking (Capital) Rules.</li> </ul>

**Other Credit Risk Models**

In addition to IRB models, we have been progressively developing and deploying other types of credit risk models such as Transaction-score models and Early Warning models for better risk management.

**CRE: Qualitative Disclosures related to Internal Models for Measuring Credit Risk under IRB Approach (continued)**

**CREDIT PORTFOLIO MANAGEMENT (continued)**

As of 31st December, 2025, the portion of EAD and RWA within the Group covered by IRB approach are summarised in the following table. The remaining portions not covered by IRB approach are under STC approach.

<b>Portfolio</b>	<b>Percentage of total EAD under IRB approach</b>	<b>Percentage of total RWA under IRB approach</b>
Corporate	99%	99%
Sovereign	99%	100%
Bank	100%	100%
Retail	77%	43%
Other	100%	100%

### CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 31st December, 2025

The following tables present the main parameters of internal models used for the calculation of credit risk capital requirements under the foundation and retail IRB approaches respectively at 31st December, 2025:

#### Foundation IRB Approach

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions	
Sovereign	0.00 to < 0.15	0	0.0%	66,474	0.01%	16	45.0%	1.76	3,416	5.1%	4		
	0.15 to < 0.25	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	0.25 to < 0.50	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	0.50 to < 0.75	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	0.75 to < 2.50	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	2.50 to < 10.00	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	10.00 to < 100.00	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	100.00 (Default)	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0		
	Sub-total	66,474	0	0.0%	66,474	0.01%	16	45.0%	1.76	3,416	5.1%	4	55
		85,434	2,878	33.7%	87,624	0.06%	156	44.8%	1.21	15,163	17.3%	22	
Bank	0.15 to < 0.25	0	0.0%	2,742	0.19%	9	45.0%	1.26	1,143	41.7%	2		
	0.25 to < 0.50	43	10.0%	2,511	0.37%	8	34.2%	1.51	1,292	51.4%	3		
	0.50 to < 0.75	166	0	166	0.54%	1	45.0%	1.00	117	71.0%	0		
	0.75 to < 2.50	948	31	951	1.49%	11	44.2%	0.95	985	103.6%	6		
	2.50 to < 10.00	0	25	10.0%	2	3.20%	1.8%	1.00	0	5.5%	0		
	10.00 to < 100.00	0	0	0.0%	0	11.10%	1	45.0%	0	213.4%	0		
	100.00 (Default)	0	0	0.0%	0	0.00%	0	0.00	0	0.0%	0		
	Sub-total	91,796	2,977	32.9%	93,996	0.08%	189	44.6%	1.22	18,700	19.9%	33	331

**CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 31st December, 2025 (continued)**

Foundation IRB Approach (continued)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
	1,486	132	40.0%	1,539	0.09%	3	40.0%	3.01	415	27.0%	1	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	495	28	50.0%	509	0.37%	2	38.9%	2.81	278	54.5%	1	
	1,771	0	0.0%	1,771	0.54%	7	39.6%	2.85	1,186	67.0%	4	
	10,652	1,077	83.9%	11,555	1.61%	40	39.6%	2.71	11,176	96.7%	74	
	513	21	10.0%	515	3.69%	6	39.1%	2.27	595	115.6%	7	
	239	0	0.0%	239	13.92%	6	38.3%	1.09	399	167.0%	13	
	600	0	0.0%	600	100.00%	1	40.0%	1.00	0	0.0%	359	
	15,756	1,258	77.3%	16,728	5.09%	65	39.6%	2.66	14,049	84.0%	459	586
	0	798	10.0%	80	0.14%	3	39.8%	1.00	13	16.7%	0	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	1,260	983	19.9%	1,455	0.37%	8	23.0%	3.92	536	36.8%	1	
	11	18	10.0%	11	0.54%	4	22.3%	4.12	4	34.7%	0	
	1,099	317	21.3%	1,158	1.58%	55	22.0%	1.93	474	41.0%	4	
	1,424	143	10.9%	1,417	4.00%	37	20.7%	2.41	687	48.5%	12	
	177	46	10.0%	169	12.65%	16	19.8%	3.36	128	75.9%	4	
	413	0	0.0%	412	100.00%	1	21.8%	1.00	47	11.3%	124	
	4,384	2,305	15.8%	4,702	10.94%	124	22.1%	2.65	1,889	40.2%	145	154

**CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 31st December, 2025 (continued)**

Foundation IRB Approach (continued)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
	27,659	11,249	16.5%	29,518	0.10%	108	39.4%	2.16	6,865	23.3%	12	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	12,129	13,509	23.6%	15,321	0.37%	94	39.1%	1.50	6,596	43.1%	22	
	6,145	15,453	21.5%	9,464	0.54%	85	36.8%	1.98	5,091	53.8%	19	
	19,794	18,479	33.9%	25,720	1.40%	328	29.4%	1.68	14,870	57.8%	99	
	9,201	2,550	26.5%	9,822	4.52%	256	21.5%	2.30	6,673	67.9%	96	
	7,841	522	10.6%	7,878	11.97%	142	23.9%	1.95	8,288	105.2%	224	
	5,266	0	0.0%	5,262	100.00%	42	33.3%	1.80	3,612	68.6%	2,200	
	88,035	61,762	24.9%	102,985	6.94%	1,055	33.4%	1.90	51,995	50.5%	2,672	2,993
	18,408	1,444	10.0%	18,553	0.13%	37	45.8%	1.22	6,079	32.8%	11	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	13,683	6,068	13.5%	14,505	0.37%	38	44.8%	1.21	8,258	56.9%	24	
	10,688	2,450	10.0%	10,933	0.54%	27	45.0%	1.10	7,521	68.8%	27	
	1,370	1,132	11.4%	1,496	1.17%	10	45.0%	1.28	1,383	92.4%	8	
	11	0	10.0%	11	3.20%	1	20.0%	1.12	7	61.7%	0	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	44,160	11,094	12.1%	45,498	0.34%	113	45.2%	1.19	23,248	51.1%	70	374

**CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 31st December, 2025 (continued)**

Foundation IRB Approach (continued)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
	213	353	20.2%	285	0.10%	3	40.0%	1.44	56	19.8%	0	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	219	1,188	10.0%	338	0.37%	7	39.3%	1.44	143	42.4%	0	
	525	50	40.8%	545	0.54%	3	37.4%	2.17	314	57.5%	1	
	3,330	2,683	69.1%	5,183	1.57%	28	24.2%	1.79	2,685	51.8%	17	
	162	465	93.0%	592	3.20%	8	6.2%	1.33	102	17.2%	1	
	18	30	10.1%	21	19.09%	3	31.8%	2.63	34	160.4%	1	
	0	0	0.0%	0	0.00%	0	0.0%	0.00	0	0.0%	0	
	4,467	4,769	52.4%	6,964	1.57%	52	25.1%	1.75	3,334	47.9%	20	54
Corporate – other corporates												

**CR6: Credit Risk Exposures by Portfolio and PD Ranges – for IRB Approach as at 31st December, 2025 (continued)**

Retail IRB Approach

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions	
Retail – residential mortgage exposures (including both to individuals and to property-holding shell companies)	0.00 to < 0.15	1,985	0	0.0%	1,985	0.10%	932	10.2%	48	2.4%	0		
	0.15 to < 0.25	16,890	0	0.0%	16,890	0.20%	6,526	11.1%	754	4.5%	4		
	0.25 to < 0.50	0	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0		
	0.50 to < 0.75	11,307	0	0.0%	11,307	0.50%	4,269	11.9%	1,049	9.3%	7		
	0.75 to < 2.50	8,780	44	109.3%	8,825	1.51%	3,504	13.0%	1,884	21.3%	17		
	2.50 to < 10.00	1,894	356	10.0%	1,925	4.88%	945	13.3%	821	42.7%	12		
	10.00 to < 100.00	401	130	10.0%	414	20.62%	140	12.0%	258	62.3%	11		
	100.00 (Default)	265	0	0.0%	265	100.00%	87	16.0%	185	69.8%	35		
	Sub-total	41,522	530	18.2%	41,611	1.61%	16,403	11.8%	4,999	12.0%	86	113	
	0.00 to < 0.15	385	0	0.0%	385	0.10%	1,758	32.5%	31	8.1%	0		
0.15 to < 0.25	757	0	0.0%	757	0.20%	2,128	33.3%	102	13.5%	1			
0.25 to < 0.50	0	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0			
0.50 to < 0.75	393	0	0.0%	393	0.50%	1,081	36.0%	102	25.9%	1			
0.75 to < 2.50	120	0	0.0%	120	1.50%	351	36.8%	52	43.6%	1			
2.50 to < 10.00	33	0	0.0%	33	5.92%	139	36.6%	18	55.1%	1			
10.00 to < 100.00	20	0	0.0%	20	15.96%	72	33.9%	12	60.4%	1			
100.00 (Default)	7	0	0.0%	7	100.00%	24	34.8%	1	7.6%	4			
Sub-total	1,715	0	0.0%	1,715	1.06%	5,553	34.1%	318	18.5%	9	9		
0.00 to < 0.15	1,063	0	0.0%	1,062	0.10%	8,847	31.8%	84	7.9%	0			
0.15 to < 0.25	2,323	0	0.0%	2,323	0.20%	7,315	25.7%	242	10.4%	1			
0.25 to < 0.50	0	0	0.0%	0	0.00%	0	0.0%	0	0.0%	0			
0.50 to < 0.75	2,407	0	0.0%	2,407	0.50%	4,367	27.6%	477	19.8%	3			
0.75 to < 2.50	1,151	0	0.0%	1,151	1.49%	2,548	55.6%	758	65.9%	10			
2.50 to < 10.00	1,065	2	120.8%	1,068	4.46%	1,413	33.8%	528	49.5%	17			
10.00 to < 100.00	144	0	0.0%	144	24.13%	432	61.6%	167	116.5%	23			
100.00 (Default)	56	0	0.0%	56	100.00%	80	44.0%	127	228.3%	17			
Sub-total	8,209	2	120.8%	8,211	2.11%	25,002	33.0%	2,383	29.0%	71	54		
<b>Total (sum of all portfolios)</b>	<b>366,518</b>	<b>84,697</b>	<b>25.5%</b>	<b>388,884</b>	<b>2.50%</b>	<b>48,572</b>	<b>37.1%</b>		<b>124,331</b>	<b>32.0%</b>	<b>3,569</b>	<b>4,723</b>	

Compared to 30th June, 2025, the increases in EAD and RWA were mainly due to higher corporate exposures.

## CR7: Effects on RWA of Recognised Credit Derivative Contracts used as Recognised Credit Risk Mitigation – for IRB Approach as at 31st December, 2025

The following table presents the effect of recognised credit derivative contracts on the calculation of credit risk capital requirements under the IRB approach as at 31st December, 2025:

		(a)	(b)
		Pre-credit derivatives RWA	Actual RWA
1	Corporate – Specialised lending (project finance)	0	0
2	Corporate – Specialised lending (object finance)	0	0
3	Corporate – Specialised lending (commodities finance)	0	0
4	Corporate – Specialised lending (income-producing real estate)	14,049	14,049
5	Corporate – Specialised lending (high-volatility commercial real estate)	0	0
6	Corporate – Small-and-medium sized corporates	1,889	1,889
7	Corporate – Large corporates	51,995	51,995
8	Corporate – Financial institutions treated as corporates	23,248	23,248
9	Corporate – Other corporates	3,334	3,334
10	Sovereign – Sovereigns	948	948
11	Sovereign – Sovereign foreign public sector entities	2,468	2,468
12	Sovereign – Multilateral development banks	0	0
13	Bank – Banks (excluding covered bonds)	16,102	16,102
14	Bank – Qualifying non-bank financial institutions	143	143
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	1,720	1,720
16	Bank – Unspecified multilateral bodies	0	0
17	Bank – Covered bonds	735	735
18	Retail – Small business retail exposures	318	318
19	Retail – Residential mortgages to individuals	4,805	4,805
20	Retail – Residential mortgages to property-holding shell companies	194	194
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	0	0
22	Retail – QRRE (revolver)	0	0
23	Retail – Other retail exposures to individuals	2,383	2,383
24	CIS – CIS exposures	0	0
25	Other – Cash items	22	22
26	Other – Other items	5,214	5,214
27	<b>Total (under the IRB calculation approaches)</b>	<b>129,567</b>	<b>129,567</b>

\* The Group does not have credit derivative contracts used as recognised credit risk mitigation.

**CR8: RWA Flow Statements of Credit Risk Exposures under IRB Approach as at 31st December, 2025**

The following table presents a flow statement explaining variations in the RWA for credit risk determined under the IRB approach for the period from 30th September, 2025 to 31st December, 2025:

		(a)
		<b>Amount</b>
<b>1</b>	<b>RWA as at end of 30th September, 2025</b>	121,659
2	Asset size	9,626
3	Asset quality	(2,307)
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	589
8	Other	0
<b>9</b>	<b>RWA as at end of 31st December, 2025</b>	<b>129,567</b>

The quarter-on-quarter increase was primarily attributed to corporate asset growth.

### CR9: Back-testing of PD per portfolio – for IRB approach as at 31st December, 2025

The following table provides back-testing data as at 31st December, 2025 to validate the reliability of PD calculations, including a comparison of the PD used to calculate capital requirements with the effective default rates of obligors under the IRB approach:

(a)	(b)	(c)			(d)	(e)	(f)		(g)	(h)	(i)
		External rating equivalent					Number of obligors <sup>1</sup>	Defaulted obligors in the year			
Portfolio	PD Range	Standard & Poor's	Fitch	Moody's	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
Sovereign	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.02%	0.02%	14	16	0	0	0.00%
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.00%	0.00%	0	0	0	0	0.00%
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.00%	0.00%	0	0	0	0	0.00%
	0.50 to < 0.75	BB+	BB+	Ba1	0.00%	0.00%	0	0	0	0	0.00%
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	0.00%	0.00%	0	0	0	0	0.00%
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	0.00%	0.00%	0	0	0	0	0.00%
	10.00 to < 100.00	B- to C	B- to C	B3 to C	0.00%	0.00%	0	0	0	0	0.00%
Bank	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.05%	0.05%	158	174	0	0	0.00%
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.19%	0.19%	15	11	0	0	0.00%
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	3	9	0	0	0.00%
	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	5	2	0	0	0.00%
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.89%	1.60%	13	11	0	0	0.00%
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	3.20%	3.20%	6	3	0	0	0.00%
	10.00 to < 100.00	B- to C	B- to C	B3 to C	11.10%	11.10%	2	1	0	0	0.00%
Corporate	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.12%	0.12%	142	160	0	0	0.00%
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.19%	0.19%	2	0	0	0	0.00%
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	125	154	0	0	0.00%
	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	164	129	0	0	0.29%
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.39%	1.50%	502	472	2	0	0.70%
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	4.71%	4.27%	369	309	0	0	0.83%
	10.00 to < 100.00	B- to C	B- to C	B3 to C	13.63%	11.90%	175	167	10	0	1.94%

Footnote:

<sup>1</sup> The number of obligors is based on counterparty level information.

**CR9: Back-testing of PD per portfolio – for IRB approach as at 31st December, 2025 (continued)**

The following tables provide the breakdown of the Corporate Portfolio by IRB subclasses under the Basel III Final Reform Package (“B3F”), effective 1st January, 2025.

(a)	(b)	(c)			(d)	(e)	(f)		(g)	(h)	(i)
		External rating equivalent					Number of obligors <sup>1</sup>				
Portfolio	PD Range	Standard & Poor's	Fitch	Moody's	Weighted average PD	Arithmetic average PD by obligors	Beginning of the year	End of the year	Average historical annual default rate <sup>2</sup>		
Corporate – specialized lending (other than HVCRE)	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.06%	0.08%	2	3	0	0	
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.00%	0.00%	0	0	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	1	2	0	0	
	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	17	7	0	0	
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.35%	1.47%	42	40	0	0	
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	4.46%	4.58%	7	6	0	0	
	10.00 to < 100.00	B- to C	B- to C	B3 to C	12.18%	14.20%	3	6	1	0	
	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.14%	0.14%	4	3	0	0	
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.00%	0.00%	0	0	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	4	8	0	0	
Corporate – small-and-medium sized corporates	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	6	4	0	0	
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.41%	1.65%	61	55	0	0	
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	5.04%	4.29%	53	37	0	0	
	10.00 to < 100.00	B- to C	B- to C	B3 to C	16.07%	12.96%	15	16	1	0	
	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.11%	0.11%	100	111	0	0	
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.00%	0.00%	0	0	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	83	97	0	0	
	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	106	88	0	0	
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.42%	1.48%	372	339	2	0	
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	4.76%	4.30%	298	257	0	0	
Corporate – large corporates	0.00 to < 0.15	AAA to BBB	B- to C	B3 to C	13.54%	11.76%	154	142	8	0	
	0.15 to < 0.25	BBB to BBB-	AAA to BBB	Aaa to Baa2	0.13%	0.12%	34	40	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB to BBB-	Baa2 to Baa3	0.19%	0.19%	2	0	0	0	
	0.50 to < 0.75	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	33	40	0	0	
	0.75 to < 2.50	BB+	BB+	Ba1	0.54%	0.54%	26	27	0	0	
	2.50 to < 10.00	BB+ to B+	BB+ to B+	Ba1 to B1	1.11%	1.20%	9	10	0	0	
	10.00 to < 100.00	B+ to B-	B+ to B-	B1 to B3	3.20%	3.20%	2	1	0	0	
	0.00 to < 0.15	AAA to BBB	B- to C	B3 to C	0.00%	0.00%	0	0	0	0	
	0.15 to < 0.25	BBB to BBB-	AAA to BBB	Aaa to Baa2	0.00%	0.00%	0	0	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	33	40	0	0	
Corporate – financial institutions treated as corporates	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	26	27	0	0	
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.11%	1.20%	9	10	0	0	
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	3.20%	3.20%	2	1	0	0	
	10.00 to < 100.00	B- to C	B- to C	B3 to C	0.00%	0.00%	0	0	0	0	

**CR9: Back-testing of PD per portfolio – for IRB approach as at 31st December, 2025 (continued)**

(a)	(b)	(c)			(d)	(e)	(f)		(g)	(h)	(i)
		External rating equivalent					Beginning of the year	End of the year			
Portfolio	PD Range	Standard & Poor's	Fitch	Moody's	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 <sup>2</sup>
Corporate – other corporates	0.00 to < 0.15	AAA to BBB	AAA to BBB	Aaa to Baa2	0.11%	0.12%	2	3	0	0	
	0.15 to < 0.25	BBB to BBB-	BBB to BBB-	Baa2 to Baa3	0.00%	0.00%	0	0	0	0	
	0.25 to < 0.50	BBB- to BB+	BBB- to BB+	Baa3 to Ba1	0.37%	0.37%	4	7	0	0	
	0.50 to < 0.75	BB+	BB+	Ba1	0.54%	0.54%	9	3	0	0	
	0.75 to < 2.50	BB+ to B+	BB+ to B+	Ba1 to B1	1.39%	1.55%	18	28	0	0	
	2.50 to < 10.00	B+ to B-	B+ to B-	B1 to B3	3.20%	3.20%	9	8	0	0	
	10.00 to < 100.00	B- to C	B- to C	B3 to C	11.10%	11.10%	3	3	0	0	

Footnotes:

<sup>1</sup> The number of obligors is based on counterparty level information.

<sup>2</sup> 5-year average historical annual default rate is not available for new IRB subclasses under IRB class of Corporate Exposures which are newly introduced under the B3F, effective 1st January, 2025. The Group will start to disclose the average historical annual default rate from the year ending 2029 onwards.

**CR9: Back-testing of PD per portfolio – for IRB approach as at 31st December, 2025 (continued)**

(a)	(b)	(c)			(d)	(e)	(f)		(g)	(h)	(i)
		External rating equivalent					Number of obligors <sup>3</sup>	End of the year			
		Standard & Poor's	Fitch	Moody's	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
Retail – residential mortgage exposures (including both to individuals and property-holding shell companies)	0.00 to < 0.15				0.10%	0.10%	1,048	973	2	0	0.11%
	0.15 to < 0.25				0.20%	0.20%	7,343	6,891	3	0	0.06%
	0.25 to < 0.50				0.00%	0.00%	0	0	0	0	0.00%
	0.50 to < 0.75				0.50%	0.50%	4,848	4,607	6	0	0.15%
	0.75 to < 2.50				1.51%	1.51%	4,168	4,000	16	0	0.33%
	2.50 to < 10.00				4.76%	4.64%	1,218	1,084	20	0	1.81%
	10.00 to < 100.00				21.20%	22.77%	145	150	22	0	13.13%
	0.00 to < 0.15				0.10%	0.10%	2,212	2,134	0	0	0.12%
	0.15 to < 0.25				0.20%	0.20%	3,058	2,721	7	0	0.17%
	0.25 to < 0.50				0.00%	0.00%	0	0	0	0	0.00%
Retail – small business retail exposures	0.50 to < 0.75				0.50%	0.50%	1,619	1,309	10	0	0.78%
	0.75 to < 2.50				1.50%	1.50%	499	420	7	0	1.96%
	2.50 to < 10.00				6.29%	6.30%	152	180	14	0	6.82%
	10.00 to < 100.00				18.76%	15.91%	89	98	12	0	15.40%
	0.00 to < 0.15				0.10%	0.10%	7,957	8,929	4	0	0.05%
Other retail exposures to individuals	0.15 to < 0.25				0.20%	0.20%	8,476	7,478	9	0	0.14%
	0.25 to < 0.50				0.00%	0.00%	0	0	0	0	0.00%
	0.50 to < 0.75				0.50%	0.50%	5,005	4,510	19	1	0.28%
	0.75 to < 2.50				1.47%	1.50%	2,504	2,606	33	5	0.95%
	2.50 to < 10.00				4.32%	5.23%	1,367	1,486	59	11	3.18%
10.00 to < 100.00				22.91%	21.45%	392	445	55	3	18.05%	

Footnote:

<sup>3</sup> The number of obligors is based on counterparty level or account level information.

**CR10: Specialised Lending under Supervisory Slotting Criteria Approach – for IRB Approach as at 31st December, 2025**

The following table presents quantitative information in respect of specialised lending – High-Volatility Commercial Real Estate (“HVCRE”) under the supervisory slotting criteria approach as at 31st December, 2025:

**I. Specialised Lending under supervisory slotting criteria approach – HVCRE**

Supervisory Rating Grade	Remaining Maturity	(a) On-balance sheet exposure amount	(b) Off-balance sheet exposure amount	(c) SRW	(d) EAD amount	(e) RWA	(f) Expected loss amount
Strong ^	Less than 2.5 years	0	0	70%	0	0	0
Strong	Equal to or more than 2.5 years	0	0	95%	0	0	0
Good ^	Less than 2.5 years	0	0	95%	0	0	0
Good	Equal to or more than 2.5 years	0	0	120%	0	0	0
Satisfactory		0	0	140%	0	0	0
Weak		0	0	250%	0	0	0
Default		0	0	0%	0	0	0
Total		0	0		0	0	0

^ Use of preferential risk-weights.

Note: The Group does not adopt supervisory slotting criteria approach to calculate its credit risk in respect of specialised lending.

**CR10: Specialised Lending under Supervisory Slotting Criteria Approach – for IRB Approach as at 31st December, 2025 (continued)**

The following table presents quantitative information in respect of specialised lending – other than HVCRE under the supervisory slotting criteria approach as at 31st December, 2025:

**II. Specialised Lending under supervisory slotting criteria approach – Other than HVCRE**

Supervisory Rating Grade	Remaining Maturity	(a) On-balance sheet exposure amount	(b) Off-balance sheet exposure amount	(c) SRW	(d)(i)	(d)(ii) EAD Amount			(d)(iv)	(d)(v) Total	(e) RWA	(f) Expected loss amount
						PF	OF	CF				
Strong <sup>^</sup>	Less than 2.5 years	0	0	50%	0	0	0	0	0	0	0	0
Strong	Equal to or more than 2.5 years	0	0	70%	0	0	0	0	0	0	0	0
Good <sup>^</sup>	Less than 2.5 years	0	0	70%	0	0	0	0	0	0	0	0
Good	Equal to or more than 2.5 years	0	0	90%	0	0	0	0	0	0	0	0
Satisfactory		0	0	115%	0	0	0	0	0	0	0	0
Weak		0	0	250%	0	0	0	0	0	0	0	0
Default		0	0	0%	0	0	0	0	0	0	0	0
Total		0	0		0	0	0	0	0	0	0	0

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

Note: The Group does not adopt supervisory slotting criteria approach to calculate its credit risk in respect of specialised lending.

## **CCRA: Qualitative Disclosures related to Counterparty Credit Risk (including those Arising from Clearing through CCPs)**

### ***Counterparty Credit Risk Management***

#### **CREDIT RISK FROM INVESTMENT AND TRADING ACTIVITIES**

Counterparty credit risk arises from the potential default of a counterparty, borrower or obligor during our trading and/or banking activities including derivatives and debt securities. We measure counterparty credit exposure based on both current replacement cost and potential future exposures arising from market price fluctuations. This risk also includes settlement risk, which is the potential loss incurred if a counterparty fails to fulfil its obligation after the Bank has performed its obligation under a contract or agreement at the settlement date. Counterparty credit risk is managed across multiple dimensions at both individual and portfolio levels. The Group uses a Potential Future Exposure (“PFE”) model to measure potential credit exposure arising from traded derivative products. The PFE model provides a quantitative estimate of potential future credit exposure movements driven by market rates, prices, and volatilities at certain confidence level over different time horizons based on transactions tenure. This forward-looking model, based on Monte-Carlo simulation and full revaluation, aligns with regulatory expectations, enhances risk transparency and optimises credit limit resource utilisations. Where possible, OTC derivatives transactions may be cleared through approved Central Clearing Counterparties (“CCP”), and OTC derivative trades that are not centrally cleared may attract margin requirements governed under ISDA agreements as well as Credit Support Annexes or an equivalent to allow for close-out netting if the counterparty defaults.

Credit limits are established for each counterparty based on our assessment of the counterparty’s creditworthiness, the suitability and appropriateness of the product offered and alignment with approved trading programmes and investment strategies. Credit exposures are independently managed through daily limit monitoring, excess escalation and approval, and timely risk reporting. We have established policy and process to manage wrong-way risk which can occur when the credit exposure to a counterparty is adversely correlated with the credit quality of that same counterparty.

#### **CREDIT RISK FROM SECURITISATION**

There is no exposure to asset backed securities and collateralised debt obligations.

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**CCRA: Qualitative Disclosures related to Counterparty Credit Risk (including those Arising from Clearing through CCPs) (continued)*****Counterparty Credit Risk Management (continued)*****COUNTERPARTY CREDIT RISK FROM OVER-THE-COUNTER DERIVATIVE TRANSACTIONS AND SECURITIES FINANCING TRANSACTIONS**

In respect of the Group's counterparty credit risk which arises from over-the-counter ("OTC") derivative and Exchange-Traded Derivatives transactions, Securities Financing transactions, as well as Long Settlement transactions. Credit limits are to be established in advance prior to any transaction, and pre-settlement and settlement exposure must be correctly captured, monitored and reported in accordance with the Group risk methodologies. Credit exposure is measured based on PFE model. This method of calculating credit exposure is applied to all counterparties or reference entities in transaction.

The policy for secured collateral on derivatives is guided by the Group's Credit Policy, ensuring the due diligence necessary to fully understand the effectiveness of netting and collateralisation by jurisdiction, counterparty, product and agreement type is fully assessed and that the due diligence standards are high and consistently applied.

Under the terms of the Group's derivative contracts with counterparties, there is no linkage between the Group's credit ratings and collateral requirements.

Wrong way risk occurs when the exposure to a counterparty is adversely correlated with the credit quality of that same counterparty. General wrong way risk arises when the probability of default of a counterparty is positively correlated with the general market risk factors. Specific wrong way risk arises when the exposure to a counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transaction with the counterparty. The Group has established guidelines to monitor wrong-way risk transactions.

### CCRI: Analysis of Counterparty Credit Risk Exposures (other than those to CCPs) by Approaches as at 31st December, 2025

The following table presents a comprehensive breakdown of default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and Securities Financing Transactions (“SFTs”) as at 31st December, 2025:

	(a) Replacement cost (RC)	(b) PFE	(c) Effective EPE	(d) Alpha ( $\alpha$ ) used for computing default risk exposure	(e) Default risk exposure after CRM	(f) RWA
1	SA-CCR approach (for derivative contracts)	5,192		1.4	8,037	1,618
1a	CEM (for derivative contracts)	0		1.4	0	0
2	IMM (CCR) approach		0	0	0	0
3	Simple approach (for SFTs)				0	0
4	Comprehensive approach (for SFTs)				1,785	547
5	Var (for SFTs)				0	0
<b>6</b>	<b>Total</b>					<b>2,165</b>

Compared to 30th June, 2025, the increase in default risk exposure after CRM was mainly driven by increase in PFE of derivative exposures.

**CCR3: Counterparty Credit Risk Exposures (other than those to CCPs) by Exposure Classes and by Risk Weights – for STC Approach as at 31st December, 2025**

The following table presents a breakdown of default risk exposures as at 31st December, 2025, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by exposure classes and risk-weights, irrespective of the approach used to determine the amount of default risk exposures:

	(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
	Risk Weight	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
1	Exposure class	0	0	0	0	0	0	0	0	0	0	0
2	Sovereign exposures	0	0	0	0	0	0	0	0	0	0	0
3	Public sector entity exposures	0	0	0	0	0	0	0	0	0	0	0
4	Multilateral development bank exposures	0	0	0	0	0	0	0	0	0	0	0
5	Unspecified multilateral body exposures	0	0	0	0	0	0	0	0	0	0	0
6	Bank exposures	0	0	0	0	0	0	0	0	0	0	0
7	Qualifying non-bank financial institution exposures	0	0	0	0	0	0	0	0	0	0	0
8	General corporate exposures	0	0	0	0	0	0	5	19	0	0	24
9	Retail exposures	0	0	0	0	0	0	0	3	1	0	4
10	Defaulted exposures	0	0	0	0	0	0	0	0	0	0	0
10	Other exposures	0	0	0	0	0	0	0	0	0	0	0
<b>11</b>	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>28</b>

**CCR4: Counterparty Credit Risk Exposures (other than those to CCPs) by Portfolio and PD Range – for IRB Approach as at 31st December, 2025**

The following table provides all the relevant parameters used for the calculation of counterparty credit risk capital requirements for exposures subject to the foundation IRB approach (other than those to CCPs) as at 31st December, 2025:

Foundation IRB Approach

PD scale	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
0.00 to < 0.15	180	0.05%	1	45.0%	0.01	14	7.7%
0.15 to < 0.25	0	0.00%	0	0.0%	0.00	0	0.0%
0.25 to < 0.50	0	0.00%	0	0.0%	0.00	0	0.0%
0.50 to < 0.75	0	0.00%	0	0.0%	0.00	0	0.0%
0.75 to < 2.50	0	0.00%	0	0.0%	0.00	0	0.0%
2.50 to < 10.00	0	0.00%	0	0.0%	0.00	0	0.0%
10.00 to < 100.00	0	0.00%	0	0.0%	0.00	0	0.0%
100.00 (Default)	0	0.00%	0	0.0%	0.00	0	0.0%
Sub-total	180	0.05%	1	45.0%	0.01	14	7.7%
0.00 to < 0.15	7,268	0.05%	39	45.0%	0.62	925	12.7%
0.15 to < 0.25	272	0.19%	6	45.0%	0.60	90	33.2%
0.25 to < 0.50	42	0.37%	4	45.0%	0.47	21	50.4%
0.50 to < 0.75	4	0.54%	2	45.0%	0.02	2	43.7%
0.75 to < 2.50	0	0.00%	0	0.0%	0.00	0	0.0%
2.50 to < 10.00	0	0.00%	0	0.0%	0.00	0	0.0%
10.00 to < 100.00	0	0.00%	0	0.0%	0.00	0	0.0%
100.00 (Default)	0	0.00%	0	0.0%	0.00	0	0.0%
Sub-total	7,586	0.06%	51	45.0%	0.62	1,038	13.7%
Bank							

**CCR4: Counterparty Credit Risk Exposures (other than those to CCPs) by Portfolio and PD Range – for IRB Approach as at 31st December, 2025 (continued)**

Foundation IRB Approach (continued)

PD scale	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
0.00 to < 0.15	115	0.13%	9	41.7%	0.35	22	18.9%
0.15 to < 0.25	0	0.00%	0	0.0%	0.00	0	0.0%
0.25 to < 0.50	638	0.37%	11	40.3%	0.29	212	33.2%
0.50 to < 0.75	123	0.54%	7	40.0%	0.86	57	46.8%
0.75 to < 2.50	1,049	1.18%	36	40.0%	0.45	664	63.3%
2.50 to < 10.00	70	4.23%	19	40.0%	0.99	77	109.3%
10.00 to < 100.00	34	11.10%	7	40.0%	0.65	54	159.5%
100.00 (Default)	0	0.00%	0	0.0%	0.00	0	0.0%
Sub-total	2,029	1.10%	89	40.2%	0.44	1,086	53.5%
<b>Total (sum of all portfolios)</b>	<b>9,795</b>	<b>0.27%</b>	<b>141</b>	<b>44.0%</b>	<b>0.57</b>	<b>2,138</b>	<b>21.8%</b>

Compared to 30th June, 2025, the increase in EAD was mainly due to higher bank exposure. The increase in RWA was mainly driven by corporate exposures.

**CCR5: Composition of Collateral for Counterparty Credit Risk Exposures (including those for Contracts or Transactions Cleared through CCPs) as at 31st December, 2025**

The following table presents a breakdown of all types of collateral posted or recognised collateral received to support or reduce counterparty credit risk exposures as at 31st December, 2025 in respect of derivative contracts or SFTs entered into, including contracts or transactions cleared through a CCP:

	(a)	(b)	(c)	(d)		(e)	(f)				
								Derivative contracts		SFTs	
								Fair value of recognised collateral received	Unsegregated	Segregated	Fair value of posted collateral
Cash – domestic currency	0	0	0	0	67	0	0				
Cash – other currencies	0	807	302	435	0	6,356	1,986				
Debt securities	0	0	69	0	0	1,899	6,942				
Equity securities	0	0	0	0	0	0	0				
Others	0	0	0	0	0	0	1,087				
<b>Total</b>	<b>0</b>	<b>807</b>	<b>371</b>	<b>502</b>	<b>502</b>	<b>8,255</b>	<b>10,015</b>				

### CCR6: Credit-Related Derivatives Contracts as at 31st December, 2025

The following table presents the amount of credit-related derivative contracts as at 31st December, 2025 broken down into credit protection bought and credit protection sold:

	(a)	(b)
	Protection bought	Protection sold
<b>Notional amounts</b>		
Single-name credit default swaps	1,227	1,227
Index credit default swaps	0	0
Total return swaps	3,742	3,742
Credit-related options	0	0
Other credit-related derivative contracts	0	0
<b>Total notional amounts</b>	<b>4,969</b>	<b>4,969</b>
<b>Fair values</b>		
Positive fair value (asset)	51	33
Negative fair value (liability)	33	51

## CCR8: Exposure to CCPs as at 31st December, 2025

The following table presents a breakdown of the exposures to CCPs and the respective RWAs:

		(a)	(b)
		Exposure after CRM	RWA
<b>1</b>	<b>Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)</b>		<b>712</b>
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	34,175	699
3	(i) OTC derivative transactions	34,134	695
4	(ii) Exchange-traded derivative contracts	41	4
5	(iii) Securities financing transactions	0	0
6	(iv) Netting sets subject to valid cross-product netting agreements	0	0
7	Segregated initial margin	371	
8	Unsegregated initial margin	56	5
9	Funded default fund contributions	169	8
10	Unfunded default fund contributions	0	0
<b>11</b>	<b>Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)</b>		<b>0</b>
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	0	0
13	(i) OTC derivative transactions	0	0
14	(ii) Exchange-traded derivative contracts	0	0
15	(iii) Securities financing transactions	0	0
16	(iv) Netting sets subject to valid cross-product netting agreements	0	0
17	Segregated initial margin	0	
18	Unsegregated initial margin	0	0
19	Funded default fund contributions	0	0
20	Unfunded default fund contributions	0	0

### CVAA: Qualitative Disclosures Related to CVA Risk

In terms of Credit Valuation Adjustment, the Bank applies the reduced version of the Basic Approach for Credit Valuation Adjustment (BA-CVA) which does not recognise hedges for computation of capital requirements.

### CVA1: CVA Risk Under Reduced Basic CVA Approach as at 31st December, 2025

The following table presents the components used for the calculation of CVA risk capital charge under the reduced basic CVA approach:

		(a)	(b)
		Components	CVA risk capital charge under the reduced basic CVA approach
1	Aggregation of systematic components of CVA risk	309	
2	Aggregation of idiosyncratic components of CVA risk	163	
<b>3</b>	<b>Total</b>		136

## **MRA: Qualitative Disclosures related to Market Risk**

Market risk is the risk of financial loss due to fluctuations in market factors such as interest rates, foreign exchange rates and commodity prices.

Market risks arise primarily from our trading, customer servicing and balance sheet management activities. Given the volatile macro-economic environment, it is paramount that the management of market risk is robust and timely. This is achieved through the market risk management approach, involving identification, measurement, monitoring, reporting and control of market risks.

## **GOVERNANCE**

Group-level market risk policies and procedures are established to provide common guidelines and standards for managing market risks. We regularly review our market risk management strategy and limits, which are established in accordance with our risk appetite and are aligned with our business strategies, taking into account prevailing macroeconomic and market conditions.

Our internal approval processes ensure that market risk is properly identified and quantified, allowing us to manage and mitigate such risks.

The RMC reviews and approves the Group's market risk management framework. ALCO supports RMC in monitoring the market risk. ALCO oversees the market risk management objectives and policies governing prudent market risk taking, which are backed by risk methodologies, measurement systems and internal controls. Market Risk Management is an independent risk-control unit responsible for implementing the market risk management framework to support business growth while ensuring adequate risk control and oversight.

## **MARKET RISK MEASUREMENTS**

### ***Value-At-Risk***

Value-at-risk ("VaR") quantifies market risk exposures arising from the Group's trading portfolio activities. VaR is measured and monitored by the different asset class risks, namely interest rate risk, foreign exchange risk, equity risk, credit spread risk and commodity risk as well as at the aggregate level. Our VaR model is based on the historical simulation approach, calibrated at the 99% confidence level and a one-day holding period. A 99% confidence level means that, statistically, losses on a single trading day may exceed VaR on average, once every 100 days.

## **MRA: Qualitative Disclosures related to Market Risk (continued)**

### **MARKET RISK MEASUREMENTS (continued)**

#### ***Sensitivity Analysis***

As interest rate movements are a key driver of our market risk exposure, Present Value of a Basis Point (“PV01”), which measures the change in value of interest rate-sensitive exposures resulting from a one basis point increase across the entire yield curve, is an important measure that is monitored on a daily basis. Other than VaR and PV01, we use risk metrics such as notional positions, Present Value of a One Basis Point Move in Credit Spreads (“CS01”) and other risk measures for specific exposure types.

#### ***Stress Testing and Scenario Analysis***

We perform stress testing and scenario analyses to assess and quantify potential losses from unlikely but plausible extreme market conditions. We regularly review and adjust the stress scenarios to ensure their relevance to the Group’s trading portfolio activities and risk profile, as well as current and forecasted economic conditions. These analyses determine if potential losses from such extreme market conditions are within the Group’s risk tolerance. In addition to regular stress scenarios, we also use ad hoc event-specific stress scenarios to assess the potential impact of specific market conditions on our market risk exposures.

### **RISK MONITORING AND CONTROL**

#### ***Limits***

Trading units can undertake authorised trading activities only for approved products. We monitor all trading risk positions on a daily basis against approved and allocated limits. Trading activities are conducted within approved mandates and are dynamically hedged to remain within limits. Hedge effectiveness is enforced through independent limits monitoring to ensure compliance with market risk limits. Limits are approved to reflect our risk appetite and managed the downside risks from trading opportunities, with clearly defined exception escalation procedures. We also manage market risk exposures holistically by using multiple market risk limits (VaR and market risk sensitivities), P&L Stop-Loss and other measures. We report exceptions, including temporary breaches, promptly to Senior Management, the relevant risk committee(s) and the Board.

#### ***Model Validation***

Model validation is an integral part of our risk control process. Financial models are used to price financial instruments and calculate risk measures. We adopt the models provided and validated by The Oversea-Chinese Banking Corporation Limited and its subsidiaries (“OCBC Group”) and leverage on their expertise to ensure that the models used are fit for their intended purposes through periodic independent validation and reviews. Market rates used for risk measurement and valuation are sourced independently, thereby enhancing the integrity of the trading P&L and risk measures generated.

## **MRA: Qualitative Disclosures related to Market Risk (continued)**

### **MARKET RISK MEASUREMENTS (continued)**

#### ***Back-testing***

To ensure the continued integrity of the VaR models, we back-test the VaR against actual and hypothetical trading P&Ls daily to confirm that the models do not underestimate our market risk exposures.

#### ***Designation of Trading Positions***

We comply with the regulatory guidelines in designating trades as trading positions with a Group-level market risk policy established. The designation is primarily based on our intention for short-term resale, to realise gains from price movements, or to engage in price arbitrage. We maintain robust governance processes to monitor and report any transfers between trading and banking books. In addition, trading positions are subject to regular reviews to identify and address stale positions that exceed our internally prescribed holding periods.

#### **Market Risk Weighted Assets**

We adopted the Standardised Approach to compute market risk regulatory capital under HKMA Banking (Capital) Rules (“BCR”) for trading book positions. Internal Risk Transfer is established to facilitate transfer of interest rate hedging risk from the banking book to the trading book through a designated portfolio. This ensures that there are capital savings only when risk is transferred externally. With Internal Risk Transfer activities established, we consolidate interest rate risk hedging requirements and reduce counterparty exposure in the banking book through dedicated portfolios across various geographical locations.

For reporting of market risk, key risk indicator reports are prepared and delivered to business units and senior management on a daily basis. A summary of market risk measures is submitted to ALCO monthly and the key highlights of market risk measures are submitted to RMC quarterly for review.

## MR1: Market Risk under STM Approach as at 31st December, 2025

The table below provides the components of the market risk capital charge calculated using the STM approach as at 31st December, 2025:

		(a)
		Market risk capital charges under STM approach
1	General interest rate risk	181
2	Equity risk	0
3	Commodity risk	3
4	Foreign exchange risk	489
5	Credit spread risk (non-securitisation)	27
6	Credit spread risk (securitisation: non-correlation trading portfolio ("CTP"))	0
7	Credit spread risk (securitisation: CTP)	0
8	Standardised default risk charge ("SA-DRC") (non-securitisation)	23
9	SA-DRC (securitisation: non-CTP)	0
10	SA-DRC (securitisation: CTP)	0
11	Residual risk add-on	0
<b>12</b>	<b>Total<sup>1</sup></b>	<b>723</b>

The decrease in Market Risk Capital Charge compared to 30th June, 2025, is primarily due to the reduced FX delta risk, and the decreased exposure to sovereign bonds.

Footnote:

<sup>1</sup> The other capital charges calculated on a standalone basis are not included.

## **IRRBB: Interest Rate Risk in Banking Book – Risk Management Objectives and Policies**

### **(a) Risk management purpose**

Our Banking Book manages the cash flows originating from loans and deposits, and maintains an inventory of bonds to meet our liquidity needs and regulatory compliance. With a broad range of products across different interest rate structures, curves and maturities, mismatches in asset and liability repricing profiles can occur. Changes in interest rates and yield curves may affect our capital and earnings.

The Asset and Liability Committee (ALCO) provides stewardship and regularly reviews our IRRBB profiles to ensure alignment with our business strategies and risk appetite, taking into account prevailing macroeconomic and market developments.

### **(b) Risk management governance**

The Group has an established risk management framework to oversee and manage IRRBB. The RMC sets the overall strategic direction and risk appetite. The RMC also provides oversight to ensure that senior management implements an appropriate and effective risk management framework. ALCO is appointed by the RMC to provide stewardship in managing the Group's IRRBB profiles. IRRBB arising from commercial loans and deposits is centrally managed by Corporate Treasury and Global Markets. MRM, acting as a second line of defence, establishes risk management policies and risk limits in line with the Group's risk appetite. MRM also provides independent assessment, monitoring and reporting of the IRRBB profiles for ALCO and RMC's deliberation. Internal Audit in its role as the third line of defence conducts periodic reviews to ensure the effectiveness of risk management and control processes.

IRRBB is managed using both earnings and capital based measures:

- Net Interest Income ("NII") sensitivity estimates the potential earning impact under various interest rate scenarios, assuming our balance sheet remains unchanged over the next one year. Interest rate caps and floors are applied in interest cashflow projections in line with contractual obligations and business practices.
- Economic Value of Equity ("EVE") sensitivity and Present Value of one basis point ("PV01") simulate the potential impact of interest rate shocks on our capital by discounting repricing cashflows, including commercial margins and spread, using risk-free rates or appropriate proxies.

Other IRRBB metrics include PV01 and repricing gap profile analysis. We compute these risk metrics at least monthly and monitor them against approved limits and triggers. Interest rate derivatives are commonly used as hedging instruments to manage IRRBB within risk limits, with hedge accounting adopted where appropriate.

## **IRRBB: Interest Rate Risk in Banking Book – Risk Management Objectives and Policies (continued)**

### **(b) Risk management governance (continued)**

Models used for IRRBB measurement are validated by an independent analytics team at OCBC Group. Senior representatives from business units at OCBC Group form a technical committee and deliberate on model assumptions to ensure the reasonableness for the model application. The calibrated model results are approved by ALCO prior to implementation. Model recalibrations are conducted at least annually to reflect the changing market conditions, balance sheet structure and customer behaviours.

### **(c) Risk measurement frequency**

EVE and NII measures are calculated on the Group's internal stress scenarios monthly or quarterly and the regulatory prescribed scenarios are monitored quarterly. PV01 metrics are computed at least monthly and comprehensively monitored against approved risk limits and triggers.

The IRRBB exposures are reported to ALCO on regular basis. The key results are also reported to the RMC on a quarterly basis. Any breach in limits or triggers is immediately reported to the senior management.

### **(d) Interest rate shock and stress scenarios**

We conduct regular stress tests across historical, hypothetical and regulatory interest rate shock scenarios as well as internal scenarios, to assess the potential impact of adverse interest rate movements on our financial position including. These assessments serve as critical inputs for shaping interest rate risk profiles and management strategies.

## **IRRBB: Interest Rate Risk in Banking Book – Risk Management Objectives and Policies (continued)**

### **(e) Key modelling and parametric assumptions used in the Group's internal measurement system**

1. IRRBB is also assessed based on the Group's internal behavioural models and/or additional internal scenarios. For the measurement of the internal PV01 and EVE, the Group estimates repricing profiling of its non-maturity deposits ("NMDs"). NMD cohorts are segregated into stable and non-stable portions. The stable volume of deposits is determined based on the volatility of deposit balances using historical data. Pass Through Rate ("PTR") is assumed to represent the proportion of stable deposits that reprice due to the market rate change (i.e. non-core/rate sensitive portion of stable NMDs). The model assumptions used for HKMA IRRBB reporting are listed in section (g).
2. Conditional Prepayment rate ("CPR") is applied on both fixed and floating rate loans of retail and non-retail customers. Term deposit redemption ratio ("TDRR") is applied on both retail and non-retail fixed rate term deposits. No separate option model is applied on the non-retail exposure.
3. NII sensitivity analysis is based on simulation approach in the risk system based on the constant balance sheet assumption with the maturing or repricing cash flows being replaced with a new identical post shocked deal. The approach is slightly different from the template IRRBB1 which is calculated based on the gapping positions with the remaining repricing/contractual tenors of the instruments for 12 months tenor.

### **(f) Hedging strategies and accounting treatment**

Interest rate risk hedging strategies are implemented mainly through derivatives, including interest rate swaps, tenor basis swaps, cross currency swaps and interest rate futures. In order to avoid asymmetric profit and loss recognition, the Group may apply hedge accounting if applicable. All the hedge relationships of underlying hedged item(s)/risk and hedging transactions are documented and monitored.

The effectiveness of hedging transactions is measured prospectively either by the differential of sensitivity to the risk parameter of the hedged item(s)/risk and the hedging transactions, or by matching the cash flows of the hedge and the risk positions. The hedging relationships are periodically checked whether hedge effectiveness is still in place.

## **IRRBB: Interest Rate Risk in Banking Book – Risk Management Objectives and Policies (continued)**

### **(g) Key modelling and parametric assumptions used in template IRRBB1**

The below is a high-level explanation of key modelling and parametric assumptions used in calculating EVE and NII in template IRRBB1:

1 Treatment on NMD and managed rate asset

Both NMD and most of the managed rate asset without fixed repricing rates are slotted into overnight which is the shortest time band of the Group's for both NII and EVE computation, thus the average and longest behavioural maturity of NMDs in HKMA IRRBB is 1 day.

2 Balance sheet assumption

NII sensitivity estimates the potential change in earnings over a one-year horizon assuming constant balance sheet. The maturing or repricing cash flows are replaced by new cash flows with identical features with regard to the amount, repricing period and spread components. EVE sensitivity is calculated based on a run-off balance sheet assumption where existing interest rate sensitive positions are being amortized with no replenishment.

3 Treatment on repricing cashflow and the commercial margins and spread

The repricing cash flows are slotted based on contractual maturity and next fixing date for fixed rate and floating rate position respectively. For EVE sensitivity computation, commercial margins and other spread components are included in the coupon cashflows. A single risk-free discount curve per currency is used without incorporation of any spread.

4 Cashflow slotting on products with optionality

- Prepayment model is applied on retail fixed rate loans which the penalties charged are not sufficient to offset the economic cost. Conditional prepayment rate ("CPR") is calibrated based on the relationship between the historical loan prepayment rate and the age of the loans. The cashflow is adjusted per HKMA IR-1 instruction.
- Fixed rate retail term deposits may be subject to the risk of early withdrawal prior to maturity date. With term deposit redemption ratio ("TDRR") applied, the notional repricing cash flows of the early redeemed term deposits is slotted into the overnight. The TDRR is estimated based on the movement of term deposits from month-end balance sheets using historical data.

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## **IRRBB: Interest Rate Risk in Banking Book – Risk Management Objectives and Policies (continued)**

### **(g) Key modelling and parametric assumptions used in template IRRBB1 (continued)**

#### 4 Cashflow slotting on products with optionality (continued)

- The Group formulates option modelling for (i) prepayment risk of non-retail fixed rate loans, (ii) early redemption risk of non-retail fixed rate term deposits denominated in CNY and foreign currency in China where early withdrawal is allowed by rules, (iii) Callable option for callable bonds and (iv) explicit embedded options on staff loans (cap and floor) and floating rate loans (floor). The option value is included in the EVE computation.

#### 5 Aggregation approach

The Interest rate risk exposures are calculated for each significant currencies which is defined as 5% or more of the Group's total on balance sheet interest rate sensitive position. For EVE computation, the EVE exposures are aggregated under a given interest rate shock scenario for each significant currencies without netting. The overall EVE risk measure corresponds to the worst across the six prescribed standard interest rate shock scenarios. For NII computation, the interest rate risk exposures are netted over different currencies. The overall NII risk measure corresponds to the bigger NII loss across parallel up and parallel down scenario.

## IRRBB1: Quantitative Information on Interest Rate Risk in Banking Book as at 31st December, 2025

The values in IRRBB1 below are computed in accordance with the HKMA Return MA(BS)12A (the "Return"). The change in the economic value of equity ( $\Delta$ EVE) evaluates the potential impact based on a run-off balance sheet and an instantaneous shock; and the change in net interest income ( $\Delta$ NII) estimates the potential change over a forward-looking rolling 12-month period, using a constant balance sheet assumption and an instantaneous shock.

The table below provides information on the Group's EVE and NII sensitivity under the prescribed interest rate shock scenarios as defined in the HKMA's SPM IR-1. Positive values of  $\Delta$ EVE and  $\Delta$ NII indicate potential losses under the respective scenarios, in accordance with supervisory guidance. A general description of key modelling parametric assumptions and aggregation rules used for calculating  $\Delta$ EVE and  $\Delta$ NII is provided in section (g) of the table IRRBBA.

(in HKD millions)		$\Delta$ EVE		$\Delta$ NII	
	Period	31st December, 2025	31st December, 2024	31st December, 2025	31st December, 2024
1	Parallel up	2,522	2,028	5	78
2	Parallel down	5	0	0	(73)
3	Steeper	6	47		
4	Flattener	877	682		
5	Short rate up	1,704	1,328		
6	Short rate down	4	0		
7	<b>Maximum</b>	2,522	2,028	5	78
	<b>Period</b>	31st December, 2025		31st December, 2024	
8	<b>Tier 1 capital</b>	41,528		39,830	

The worst scenario for EVE loss remained at the Parallel Up scenario for both 31st December, 2025 and 31st December, 2024. The exposure remained well below the regulatory threshold corresponding to 15% of Tier 1 capital of the Group (6.1% as of 31st December, 2025 and 5.1% as of 31st December, 2024). The more adverse scenario with regard to NII loss over the next 12 months was the Parallel Up scenario, resulting in potential adverse changes of HK\$5m and HK\$78m as of 31st December, 2025 and 31st December, 2024 respectively.

The increase in  $\Delta$ EVE loss under the Parallel Up scenario was mainly due to increased holding of USD debt securities. The decrease in  $\Delta$ NII loss under the Parallel Up scenario was attributed to the increased interbank lending and customer loans.

## **ORA: General Information on Operational Risk Framework**

Our operational risk management framework defines how we manage and control operational risks arising from our business activities and operations. The framework is supported by various programmes that ensure preparedness and minimise the impact of adverse events through timely response, recovery, and adaptability of Critical Business Services and Functions.

Senior Management and the Board receive regular updates on the operational risk profile, including operational risk events, key risk indicators, material issues and trends. Senior Management also receives an annual assurance report on the adequacy and effectiveness of our internal controls and risk management systems.

A key focus area is Operational Resilience which refers to our ability to minimise the risk of business interruptions caused by operational failures, while ensuring the continued delivery of Critical Business Services and Functions during disruptions, including those provided by third parties. We proactively anticipate and prevent potential operational risk events through robust risk management practices.

Our Operational Resilience strategy builds on existing programmes such as business continuity management, crisis management, third-party risk management, technology risk management and cyber security. The robust risk management practices adopted by these programmes enable us to anticipate, prepare for, respond to, recover from, and learn from disruptive events.

## OR2: Business Indicator and Business Indicator Components Breakdown as at 31st December, 2025

The following table shows the business indicator (“BI”) and a breakdown of its subcomponents which inform the operational risk capital charge calculation as at 31st December, 2025:

		(a)	(b)	(c)
	BI and its subcomponents	2025	2024	2023
1	Interest, leases and dividend component	6,416		
1a	Interest and leases income	15,627	16,916	15,183
1b	Interest and leases expenses	9,413	10,705	8,778
1c	Interest earning assets	384,474	347,443	322,648
1d	Dividend income	104	32	282
2	Services component	1,888		
2a	Fee and commission income	1,660	1,455	1,332
2b	Fee and commission expenses	122	133	131
2c	Other operating income	404	400	412
2d	Other operating expenses	72	45	43
3	Financial component	773		
3a	Net P&L on trading book	566	526	450
3b	Net P&L on banking book	137	469	171
4	BI	9,077		
5	Business indicator component (BIC)	1,089		

		31st December, 2025
	Disclosure on the BI:	(a)
6a	BI gross of excluded divested businesses and activities	N/A
6b	Reduction in BI due to excluded divested businesses and activities	N/A

**OR3: Minimum Operational Risk Capital Requirement as at 31st December, 2025**

The following table shows the operational risk capital requirement as at 31st December, 2025:

		31st December, 2025
		(a)
1	Business indicator component (BIC)	1,089
2	Internal loss multiplier (ILM)	1
3	Minimum operational risk capital requirement	1,089
4	Total RWA for operational risk	13,615

## CMS1: Comparison of Modelled and Standardised RWAs at Risk Level as at 31st December, 2025

The following table compares the RWA calculated using the Group's nominated approaches against the RWA calculated using full standardised approach:

		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for portfolios where standardised approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardised approach (i.e. used in the computation of the output floor)
1	Credit risk for non-securitisation exposures	129,567	10,920	140,487	214,754
2	Counterparty credit risk and default fund contributions	2,146	731	2,877	4,796
3	CVA risk		1,702	1,702	1,702
4	Securitisation exposures in banking book	0	0	0	0
5	Market risk	0	9,123	9,123	9,123
6	Operational risk		13,615	13,615	13,615
7	Residual RWA <sup>1</sup>	0	4,361	4,361	4,361
<b>8</b>	<b>Total</b>	<b>131,713</b>	<b>40,452</b>	<b>172,165</b>	<b>248,351</b>

The difference in total RWA calculated between columns (c) and (d) was largely due to credit risk in corporate portfolio.

Footnote:

<sup>1</sup> Includes amounts below the thresholds for deduction from CET1 capital and subject to a 250% risk-weight.

## CMS2: Comparison of Modelled and Standardised RWAs for Credit Risk at Exposure Class Level as at 31st December, 2025

The following table compares the RWA calculated using the Group's nominated approaches against the RWA calculated using full standardised approach for credit risk for non-securitisation exposures at the exposure class level:

		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for column (a) if re-calculated using the standardised approach	Total actual RWA (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardised approach (i.e. RWA used in the computation of the output floor)
1	Sovereign exposures	3,416	938	3,416	938
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	0	0	0	0
2	Bank exposures	18,700	26,330	18,700	26,330
3	Equity			4	4
4	Corporate exposures (excluding Specialised lending)	80,466	137,559	81,249	138,342
4a	Of which: FIRB is applied	80,466	137,559	80,466	137,559
4b	Of which: AIRB is applied	0	0	0	0
5	Retail exposures	7,700	17,630	17,798	27,695
5a	Of which: qualifying revolving retail	0	0	412	412
5b	Of which: other retail exposures to individuals and small business retail exposures	2,701	6,917	10,167	14,295
5c	Of which: residential mortgages	4,999	10,713	7,219	12,988
6	Corporate exposures – Specialised lending	14,049	16,174	14,084	16,209
6a	Of which: income-producing real estate and high-volatility commercial real estate	14,049	16,174	14,049	16,174
7	Other exposures	5,236	5,236	5,236	5,236
8	<b>Total</b>	<b>129,567</b>	<b>203,867</b>	<b>140,487</b>	<b>214,754</b>

The difference between the total RWA calculated using nominated approaches against using only full standardised approach was primarily attributed to the lower risk weights applied to corporate asset class under foundation IRB approach.

## ENC: Asset Encumbrance as at 31st December, 2025

The following table provides the breakdown of encumbered and unencumbered assets on the balance sheet:

	(a)	(c)	(d)
	<b>Encumbered assets</b>	<b>Unencumbered assets</b>	<b>Total<sup>1</sup></b>
Cash and balances with banks and central banks	3,110	12,684	15,794
Placements with banks, central banks and other financial institutions	53	3,967	4,020
Amounts due from ultimate holding company and fellow subsidiaries	164	24,362	24,526
Trading assets	0	9,987	9,987
Advances to customers and other accounts	854	215,188	216,042
Financial assets measured at fair value through other comprehensive income	6,809	108,833	115,642
Other assets	0	19,442	19,442
<b>Total assets</b>	<b>10,990</b>	<b>394,463</b>	<b>405,453</b>

Footnote:

<sup>1</sup> Based on total assets under the regulatory scope of consolidation.



## Mainland Activities

Analysis of non-bank Mainland China exposures includes exposures of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

	On-balance sheet exposures	2025 Off-balance sheet exposures	Total exposures
(i) Central government, central government-owned entities and their subsidiaries and Joint Ventures ("JVs")	27,638	1,367	29,005
(ii) Local government, local government-owned entities and their subsidiaries and JVs	7,435	2,484	9,919
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	40,170	11,187	51,357
(iv) Other entities of central government not reported in item (i) above	802	146	948
(v) Other entities of local government not reported in item (ii) above	1,063	61	1,124
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in the Mainland China	2,862	1,063	3,925
(vii) Other counterparties where the exposures are considered by the Group to be non-bank Mainland China exposures	1,870	9	1,879
Total	<u>81,840</u>	<u>16,317</u>	<u>98,157</u>
Total assets after provisions	<u>385,647</u>		
On-balance sheet exposures as a percentage of total assets	<u>21.22%</u>		
	On-balance sheet exposures	2024 Off-balance sheet exposures	Total exposures
(i) Central government, central government-owned entities and their subsidiaries and Joint Ventures ("JVs")	26,560	784	27,344
(ii) Local government, local government-owned entities and their subsidiaries and JVs	8,679	1,524	10,203
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	30,566	8,624	39,190
(iv) Other entities of central government not reported in item (i) above	62	213	275
(v) Other entities of local government not reported in item (ii) above	0	7	7
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in the Mainland China	2,157	1,049	3,206
(vii) Other counterparties where the exposures are considered by the Group to be non-bank Mainland China exposures	2,418	401	2,819
Total	<u>70,442</u>	<u>12,602</u>	<u>83,044</u>
Total assets after provisions	<u>371,794</u>		
On-balance sheet exposures as a percentage of total assets	<u>18.95%</u>		

## Capital Buffer

### **Countercyclical Capital Buffer Ratio**

	<b>31st December, 2025</b>	31st December, 2024
Countercyclical capital buffer ratio	<b>0.271%</b>	0.291%

The relevant disclosures pursuant to section 16FG of the Banking (Disclosure) Rules can be found in Template CCyB1 in this Banking Disclosure Statement.

### **Capital Conservation Buffer Ratio**

Under section 3M of the Banking (Capital) Rules, the capital conservation buffer ratio for calculating the Bank's buffer level is 2.5% for 2025 and 2.5% for 2024.