

Banking Disclosure Statement

30 June 2026

(Unaudited)

BANKING DISCLOSURE STATEMENT (unaudited)

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Prefixes contained in the table names, where applicable, represent the reference codes of the standard disclosure templates and tables for the Revised Pillar 3 Framework issued by the Hong Kong Monetary Authority ('HKMA').

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Introduction

Purpose

The information contained in this document is for Hang Seng Bank Limited ('the Bank') and its subsidiaries (together 'the Group'). It should be read in conjunction with the Group's 2026 Interim Financial Report. The Group's Interim Financial Report and the Banking Disclosure Statement, taken together, comply with both the Banking (Disclosure) Rules ('BDR') made under section 60A of the Banking Ordinance and 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').

These banking disclosures are governed by the Group's disclosure policy, which is subject to regular and independent review and has been approved by the Group's senior management and Board of Directors. 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 by the Group's Global Internal Audit team and has been reviewed by the Audit Committee as delegated by the Board.

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 capital purposes is different from that for accounting purposes. Information regarding subsidiaries that are not included in the consolidation for regulatory purposes is set out in the 'Basis of consolidation' section in this document.

For loss-absorbing capacity ('LAC') disclosures, the basis of calculating the Group's LAC and risk weighted asset ('RWA') is in accordance with the LAC Rules.

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

Regulatory reporting processes and controls

We have been advancing our programme aimed at strengthening our regulatory reporting processes and making them more sustainable, including enhancing data, consistency and controls. While this programme continues, there may be further impacts on some of our regulatory ratios as we implement recommended changes and continue to enhance our controls across the process.

The Banking Disclosure Statement

The Group's Banking Disclosure Statement at 30 June 2026 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 the 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. Prior period disclosures can be found in the Regulatory Disclosures section of our website, www.hangseng.com.

The Banking Disclosure Statement includes the majority of the information required under the BDR and the LAC Rules. The remainder of the disclosure requirements are covered in the Group's 2026 Interim Financial Report which can be found in the Credit Ratings & Financial Data – Financial Data section of our website, www.hangseng.com. On 8 January 2026, the proposal to privatise Hang Seng Bank Limited by The Hongkong and Shanghai Banking Corporation Limited through a scheme of arrangement was approved by the Bank's shareholders. On 26 January 2026, the scheme became effective and the Bank was subsequently delisted from The Stock Exchange of Hong Kong on 27 January 2026. Consequentially, the Bank then became a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, and therefore HSBC Holdings plc. Despite the change in structure, there is no other substantial change in the Group's operations in the second quarter of 2026.

Disclosure requirements covered in the Group's 2026 Interim Financial Report:	Reference in Interim Financial Report
- BDR Section 16(1)(b) – Operations of the Group	Note 5 on pages 13 to 16

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Key Metrics

Table 1: KM1 – Key prudential ratios

		a	b	c	d	e
		At				
		30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025
Regulatory capital (HK\$m)¹						
1 & 1a	Common Equity Tier 1 ('CET1')	111,516	123,107	123,744	119,159	119,325
2 & 2a	Tier 1 ('T1')	123,103	134,694	135,331	130,746	130,912
3 & 3a	Total capital	131,301	143,134	143,893	139,394	139,753
RWA (HK\$m)¹						
4	Total RWA	527,461	524,504	531,515	538,164	560,952
4a	Total RWA (pre-floor)	527,461	524,504	531,515	538,164	560,952
Risk-based regulatory capital ratios (as a percentage of RWA)¹						
5 & 5a	CET1 ratio (%)	21.1	23.5	23.3	22.1	21.3
5b	CET1 ratio (%) (pre-floor ratio)	21.1	23.5	23.3	22.1	21.3
6 & 6a	T1 ratio (%)	23.3	25.7	25.5	24.3	23.3
6b	T1 ratio (%) (pre-floor ratio)	23.3	25.7	25.5	24.3	23.3
7 & 7a	Total capital ratio (%)	24.9	27.3	27.1	25.9	24.9
7b	Total capital ratio (%) (pre-floor ratio)	24.9	27.3	27.1	25.9	24.9
Additional CET1 buffer requirements (as a percentage of RWA)¹						
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer ('CCyB') requirement (%) ²	0.443	0.436	0.438	0.444	0.446
10	Higher loss absorbency requirement (%) (applicable only to Global systemically important authorised institution ('G-SIBs') or Domestic systemically important authorised institution ('D-SIBs'))	1.000	1.000	1.000	1.000	1.000
11	Total authorised institution ('AI')-specific CET1 buffer requirements (%)	3.943	3.936	3.938	3.944	3.946
12	CET1 available after meeting the AI's minimum capital requirements (%)	16.6	19.0	18.8	17.6	16.8
Basel III leverage ratio ('LR')³						
13	Total LR exposure measure (HK\$m)	1,761,149	1,707,727	1,639,012	1,626,246	1,663,015
13a	LR exposure measure based on mean values of gross assets of securities financing transactions ('SFTs') (HK\$m)	1,744,938	1,694,505	1,614,469	1,631,011	1,651,061
14, 14a & 14b	LR (%)	7.0	7.9	8.3	8.0	7.9
14c & 14d	LR (%) based on mean values of gross assets of SFTs	7.1	7.9	8.4	8.0	7.9
Liquidity Coverage Ratio ('LCR')⁴						
15	Total high quality liquid assets ('HQLA') (HK\$m)	475,752	501,394	486,171	500,595	506,892
16	Total net cash outflows (HK\$m)	193,269	165,101	159,086	151,525	152,136
17	LCR (%)	246.9	304.7	306.2	331.8	335.0
Net Stable Funding Ratio ('NSFR')⁵						
18	Total available stable funding ('ASF') (HK\$m)	1,250,831	1,283,533	1,244,861	1,221,262	1,259,984
19	Total required stable funding ('RSF') (HK\$m)	726,015	726,563	700,337	692,326	689,899
20	NSFR (%)	172.3	176.7	177.8	176.4	182.6

- 1 The regulatory capital, RWA, risk-based regulatory capital ratios and additional CET1 buffer requirements above are based on or derived from the information as contained in the 'Capital Adequacy Ratio' return submitted to the HKMA on a consolidated basis under the requirements of section 3C(1) of the Banking (Capital) Rules ('BCR').
- 2 The jurisdictional CCyB ('JCCyB') of Hong Kong used in the calculation of the CCyB buffer requirement is 0.5% with effect from October 2024 which was reduced from 1.0%. The JCCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 2.5% at 30 June 2026.
- 3 The Basel III LRs are disclosed in accordance with the information contained in the 'Leverage Ratio' return submitted to the HKMA under the requirements specified in Part 1C of the BCR.
- 4 The LCRs shown are the simple average values of all working days in the reporting periods and are made in accordance with the requirements specified in the 'Liquidity Position' return submitted to the HKMA under rule 11(1) of the Banking (Liquidity) Rules ('BLR').
- 5 The NSFR disclosures are made in accordance with the information contained in the 'Stable Funding Position' return submitted to the HKMA under the requirements specified in rule 11(1) of the BLR.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Total capital ratio decreased by 2.4 percentage point ('p.p.') compared with the position at March 2026. It is a combined effect of a decrease in total capital base and an increase in total RWA.

The decrease in total capital base of HK\$11.8bn was mainly driven by:

- a decrease of HK\$19.9bn due to dividends distributed and Additional Tier 1 ('AT1') coupons paid, partially offset by
- an increase of HK\$4.7bn from profit for the period; and
- a decrease of HK\$4bn in CET1 capital deduction arising from excess of expected loss ('EL') over eligible provision under Internal ratings-based ('IRB') approach.

The increase in total RWA of HK\$3.0bn, primarily driven by an increase in Operational risk RWA and Market risk RWA, partially offset by a decrease in Credit risk RWA.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Structure of the regulatory group

Basis of consolidation

The basis of consolidation for accounting purposes is in accordance with Hong Kong Financial Reporting Standards ('HKFRS'), as described in note 1 on the consolidated financial statements in the Group's 2025 Annual Report.

The basis of consolidation for regulatory purposes is different from that for accounting purposes. Subsidiaries included in the consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with section 3C(1) of the BCR.

Subsidiaries not included in consolidation for regulatory purposes are securities and insurance companies that are authorised and supervised by regulators and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for AI under the BCR and the Banking Ordinance. The capital invested by the Group in these subsidiaries is deducted from the capital base subject to certain thresholds, as determined in accordance with Part 3 of the BCR. No surplus capital in insurance subsidiaries is recognised in the calculation of the Group's capital adequacy.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation as at 30 June 2026.

For all subsidiaries included in both the accounting and regulatory scope of consolidation, the same consolidation methodology is applied at 30 June 2026.

The Group operates subsidiaries in different territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

The Group may need to maintain a regulatory reserve to satisfy the provisions of the Banking Ordinance and local regulatory requirements for prudential supervision purposes. As at 30 June 2026, the Group is not required to restrict any reserves which can be distributed to shareholders as the impairment allowance for Stage 1 and 2 loans and advances to customers exceeded the required regulatory reserve balance.

There are no relevant capital shortfalls in any of the Group's subsidiaries which are not included in its consolidation group for regulatory purposes as at 30 June 2026.

A list of subsidiaries not included in consolidation for regulatory purposes is shown below:

Table 2: List of subsidiaries outside the regulatory scope of consolidation

		As at 30 Jun 2026	
		Total assets*	Total equity*
	Principal activities	HK\$m	HK\$m
Hang Seng Insurance Co. Ltd and its subsidiaries	Retirement benefits and life assurance	268,320	12,012
Hang Seng Securities Ltd	Trading and dealing in securities	3,254	1,137
Hang Seng Investment Management Ltd	Fund management	520	448
Hang Seng Qianhai Fund Management Co. Ltd	Fund raising, fund sales and asset management	142	129
Hang Seng Investment Services Ltd	Provision of investment commentaries	9	9

* Prepared in accordance with HKFRS

The approaches used in calculating the Group's regulatory capital and RWA are in accordance with the BCR. The Group uses the advanced internal ratings-based ('AIRB') approach and the foundation internal ratings-based ('FIRB') approach to calculate its credit risk for the majority of its non-securitisation exposures. For collective investment scheme ('CIS') exposures, the Group uses the look-through approach ('LTA') to calculate the RWA. For counterparty credit risk ('CCR'), the Group uses the standardised (counterparty credit risk) ('SA-CCR') approach to calculate its default risk exposures for derivatives and the comprehensive approach for SFTs. For credit valuation adjustment ('CVA'), the Group uses reduced basic CVA approach ('BA-CVA') to calculate CVA risk capital charge. The Group uses the standardised (market risk) ('STM') approach to calculate its market risk capital charge and the standardised operational risk approach to calculate its operational risk capital charge.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Balance sheet reconciliation

The following table expands the balance sheet under the regulatory scope of consolidation to show separately the capital components that are reported in the ‘Composition of regulatory capital’ disclosures template in Table 4. The capital components in this table contain a reference that shows how these amounts are included in Table 4.

Table 3: CC2 – Reconciliation of regulatory capital to balance sheet

	a	b	c
	As at 30 Jun 2026		
	Balance sheet as in published financial statements HK\$m	Under regulatory scope of consolidation HK\$m	Cross-referenced to definition of capital components
Assets			
Cash and balances at central banks	10,525	10,525	
Trading assets	29,313	29,310	
Derivatives	16,408	16,499	
Financial assets mandatorily measured at fair value through profit or loss	209,745	413	
Reverse repurchase agreements - non trading	126,795	126,795	
Loans and advances to banks	22,867	22,749	
Loans and advances to customers	784,450	784,450	
Of which: Impairment allowances eligible for inclusion in Tier 2 capital	–	(142)	1
Financial investments	509,146	499,588	
Amounts due from Group Companies	87,116	78,373	
Of which: significant LAC investments eligible as Tier 2 capital issued by financial sector entities		1,065	2
Investment in subsidiaries	–	7,021	
Interest in an associate	2,198	–	
Goodwill and intangible assets	4,423	4,093	3
Property, plant and equipment	33,011	30,650	
Deferred tax assets	5,849	494	
Prepayments, accrued income and other assets	100,519	64,908	
Of which: Deferred tax assets ('DTAs')	–	494	4
Of which: Defined benefit pension fund net assets	–	584	5
Total assets	1,942,365	1,675,868	

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 3: CC2 – Reconciliation of regulatory capital to balance sheet (continued)

	a	b	c
	As at 30 Jun 2026		
	Balance sheet as in published financial statements HK\$m	Under regulatory scope of consolidation HK\$m	Cross-referenced to definition of capital components
Liabilities			
Deposits by banks	3,838	3,838	
Customer accounts	1,294,662	1,294,662	
Repurchase agreements - non-trading	87,903	87,903	
Trading liabilities	11,540	11,540	
Derivatives	11,417	11,573	
Financial liabilities designated at fair value	38,898	38,687	
Of which: Gains and losses due to changes in own credit risk on fair valued liabilities	–	9	6
Certificates of deposit in issue	9,468	9,468	
Amounts due to Group Companies	33,024	39,035	
Accruals and deferred income, other liabilities and provisions	42,130	26,413	
Insurance contracts liabilities	248,684	–	
Current tax liabilities	3,328	1,154	
Deferred tax liabilities	3,481	3,463	
Of which: Deferred tax liabilities related to intangible assets	–	632	7
Of which: Deferred tax liabilities related to defined benefit pension fund	–	77	8
Total liabilities	1,788,373	1,527,736	
Equity			
Share capital	9,658	9,658	9
Retained earnings	114,501	108,726	10
Of which: Revaluation gains of investment properties	–	4,597	11
Of which: Regulatory reserve for general banking risks	–	–	12
Of which: Regulatory reserve eligible for inclusion in Tier 2 capital	–	–	13
Of which: Valuation adjustments	–	116	14
Other equity instruments	11,587	11,587	15
Other reserves	18,207	18,161	16
Of which: Cash flow hedge reserve	–	102	17
Of which: Revaluation reserve of properties	–	15,669	18
Of which: Valuation adjustments	–	23	19
Total shareholders' equity	153,953	148,132	
Non-controlling interests	39	–	
Total equity	153,992	148,132	
Total liabilities and equity	1,942,365	1,675,868	

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Capital and RWA

Regulatory capital disclosures

The following table sets out the detailed composition of the Group's regulatory capital using the composition of regulatory capital disclosures template as specified by the HKMA.

Table 4: CC1 – Composition of regulatory capital			
		a	b
			Cross-referenced to Table 3
		Component of regulatory capital	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 Jun 2026		HK\$m	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	9,658	9
2	Retained earnings	108,726	10
3	Disclosed reserves	18,161	16
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	CET1 capital before regulatory deductions	136,545	
CET1 capital: regulatory deductions			
7	Valuation adjustments	139	14+19
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	3,461	3-7
10	DTAs (net of associated deferred tax liabilities)	494	4
11	Cash flow hedge reserve	102	17
12	Excess of total EL amount over total eligible provisions under the IRB approach	69	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitisation transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(9)	-6
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	507	5-8
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in CET1 capital instruments	–	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	Mortgage servicing rights ('MSRs') (net of associated deferred tax liabilities)	Not applicable	
21	DTAs arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	
22	Amount exceeding the 15% threshold	Not applicable	
23	– of which: significant investments in the ordinary share of financial sector entities	Not applicable	
24	– of which: MSRs	Not applicable	
25	– of which: DTAs arising from temporary differences	Not applicable	
26	National specific regulatory adjustments applied to CET1 capital	20,266	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	20,266	11+18
26b	Regulatory reserve for general banking risks	–	12
26c	Securitisation exposures specified in a notice given by the Monetary Authority	–	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e	Capital shortfall of regulated non-bank subsidiaries	–	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 4: CC1 – Composition of regulatory capital (continued)

	a	b
	Component of regulatory capital	Cross-referenced to Table 3 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 Jun 2026	HK\$m	
Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and T2 capital to cover deductions	–	
27		
28 Total regulatory deductions to CET1 capital	25,029	
29 CET1 capital	111,516	
AT1 capital: instruments		
30 Qualifying AT1 capital instruments plus any related share premium	11,587	
31 – of which: classified as equity under applicable accounting standards	11,587	15
32 – of which: classified as liabilities under applicable accounting standards	–	
AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidated group)	–	
34		
36 AT1 capital before regulatory deductions	11,587	
AT1 capital: regulatory deductions		
37 Investments in own AT1 capital instruments	–	
38 Reciprocal cross-holdings in AT1 capital instruments	–	
39 Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40 Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41 National specific regulatory adjustments applied to AT1 capital	–	
Regulatory deductions applied to AT1 capital due to insufficient T2 capital to cover deductions	–	
42		
43 Total regulatory deductions to AT1 capital	–	
44 AT1 capital	11,587	
45 T1 capital (T1 = CET1 + AT1)	123,103	
T2 capital: instruments and provisions		
46 Qualifying T2 capital instruments plus any related share premium	–	
T2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in T2 capital of the consolidation group)	–	
48		
Collective provisions and regulatory reserve for general banking risks eligible for inclusion in T2 capital	142	13-1
50		
51 T2 capital before regulatory deductions	142	
T2 capital: regulatory deductions		
52 Investments in own T2 capital instruments	–	
53 Reciprocal cross-holdings in T2 capital instruments and non-capital LAC liabilities	–	
Insignificant LAC investments in T2 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)	–	
54		
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)	–	
54a		
Significant LAC investments in T2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	1,065	2
55		
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)	–	
55a		
56 National specific regulatory adjustments applied to T2 capital	(9,121)	
Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in T2 capital	(9,121)	(11+18) *45%
56a		
Regulatory deductions applied to T2 capital to cover the required deductions falling within BCR §48(1)(g)	–	
56b		

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 4: CC1 – Composition of regulatory capital (continued)

		a	b
			Cross-referenced to Table 3
		Component of regulatory capital	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 30 Jun 2026		HK\$m	
57	Total regulatory adjustments to T2 capital	(8,056)	
58	T2 capital	8,198	
59	Total regulatory capital ('TC' = T1 + T2)	131,301	
60	Total RWA	527,461	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio (%)	21.1	
62	T1 capital ratio (%)	23.3	
63	Total capital ratio (%)	24.9	
Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)			
64		3,943	
65	– of which: capital conservation buffer requirement (%)	2.500	
66	– of which: bank specific countercyclical capital buffer requirement (%)	0.443	
67	– of which: higher loss absorbency requirement (%)	1.000	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements (%)	16.6	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	
70	National T1 minimum ratio	Not applicable	
71	National Total capital minimum ratio	Not applicable	
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and T2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	3,800	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	7,021	
74	MRSs (net of associated deferred tax liabilities)	Not applicable	
75	DTAs arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	
Applicable caps on the inclusion of provisions in T2 capital			
76	Provisions eligible for inclusion in T2 in respect of exposures subject to the basic indicator ('BSC') approach, or the STC approach and Securitisation external ratings-based approach ('SEC-ERBA'), Securitisation standardised approach ('SEC-SA') and securitisation fall-back approach ('SEC-FBA') (prior to application of cap)	142	
77	Cap on inclusion of provisions in T2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	993	
78	Provisions eligible for inclusion in T2 in respect of exposures subject to the IRB approach and Securitisation internal ratings-based approach ('SEC-IRBA') (prior to application of cap)	–	
79	Cap for inclusion of provisions in T2 under the IRB approach and SEC-IRBA	2,294	

Notes to the template:

		As at 30 Jun 2026	
		Hong Kong basis	Basel III basis
		HK\$m	HK\$m
10	DTAs (net of associated deferred tax liabilities)	494	6

Explanation:

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 realised 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

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

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 and other credit exposures to connected companies) under Basel III.

Remarks:

The amount of the 10% threshold 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.

Total capital ratio decreased by 2.2 p.p. compared with the position at December 2025. It is a net effect of a decrease in total capital and a decrease in total RWA.

The decrease in total capital of HK\$12.6bn was mainly driven by:

- a decrease of HK\$25.6bn due to distribution of dividends and payment of AT1 coupons, partially offset by
- an increase of HK\$8.8bn from profits for the first half of 2026; and
- a decrease of HK\$4.8bn in CET1 capital deduction arising from excess of total EL amount over total eligible provisions under the IRB approach.

Total RWA decreased by HK\$4.1bn, mainly due to a drop in Credit Risk RWA by HK\$12.1bn. This was partially offset by increases in Market Risk RWA of HK\$4.8bn and Operational Risk RWA of HK\$4bn. The decrease in Credit Risk RWA was primarily due to a reduction in asset size, mainly driven by a decrease in interbank placements and corporate lending. The movement was further supported by an improvement in asset quality.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Countercyclical capital buffer ratio

The CCyB is calculated as the weighted average of the applicable CCyB ratios in effect in the jurisdictions in which banks have private sector credit exposures. The Group uses country of business as the basis of geographical allocation for the majority of its credit risk and risk country for market risk, which is defined by considering the country of incorporation, location of guarantor, headquarter domicile, distribution of revenue and booking country.

Table 5: CCyB1 – Geographical distribution of credit exposures used in countercyclical capital buffer

As at 30 Jun 2026		a	c	d	e
Geographical breakdown by Jurisdiction		Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK\$m	AI-specific CCyB ratio %	CCyB amount HK\$m
1	The Hong Kong Special Administrative Region of the People's Republic of China ('Hong Kong SAR')	0.500	351,993		
2	Australia	1.000	318		
3	Chile	0.500	1		
4	France	1.000	102		
5	Germany	0.750	108		
6	Ireland	1.500	24		
7	Netherlands	2.000	109		
8	Norway	2.500	2		
9	South Korea	1.000	1,117		
10	Spain	0.500	17		
11	Sweden	2.000	503		
12	United Arab Emirates	0.500	393		
13	United Kingdom	2.000	1,452		
Sum ²			356,139		
Total ³			410,945	0.443	2,337

- 1 The JCCyB of Hong Kong used in the calculation of CCyB requirement is 0.5% with effect from October 2024 which was reduced from 1.0%. The JCCyB of other countries used in the calculation of the CCyB requirement ranged from 0% to 2.5% at 30 June 2026.
- 2 This represents the sum of RWA for the private sector credit exposures in jurisdictions with a non-zero countercyclical buffer rate.
- 3 The total RWA used in the computation of the CCyB ratio in column (c) represents the total RWA for the private sector credit exposures in all jurisdictions to which the Group is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero. The CCyB amount in column (e) represents the Group's total RWA in row 4 of Table 1 of this document multiplied by the Group specific CCyB ratio in column (d).

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Leverage ratio

The following table shows the LR, T1 capital and total exposure measure as contained in the 'Leverage Ratio' return submitted to the HKMA under the requirements specified in Part 1C of the BCR.

Table 6: LR2 – Leverage ratio

		a	b
		30 Jun 2026	31 Mar 2026
		HK\$m	HK\$m
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	1,491,334	1,492,627
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(403)	–
4	Less: Adjustment for assets other than money received under SFTs that are recognised as an asset	–	–
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from T1 capital	(17,552)	(20,388)
6	Less: Asset amounts deducted in determining T1 capital	(24,900)	(30,690)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	1,448,479	1,441,549
	Exposures arising from derivative contracts		
8	Replacement cost ('RC') associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	8,989	10,590
9	Add-on amounts for potential future exposure ('PFE') associated with all derivative contracts	29,319	28,002
10	Less: Exempted Central counterparty ('CCP') leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit-related derivative contracts	–	–
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	–	–
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	38,308	38,592
	Exposures arising from SFTs		
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	197,732	151,638
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	971	1,774
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs (sum of rows 14 to 17)	198,703	153,412
	Other off-balance sheet ('OBS') exposures		
19	OBS exposure at gross notional amount	521,587	513,776
20	Less: Adjustments for conversion to credit equivalent amounts	(445,793)	(439,466)
21	Less: Specific and collective provisions associated with OBS exposures that are deducted from T1 capital	(135)	(136)
22	Off-balance sheet items (sum of rows 19 to 21)	75,659	74,174
	Capital and total exposures		
23	Tier 1 capital	123,103	134,694
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,761,149	1,707,727
	LR		
25 & 25a	Leverage ratio (%) ¹	7.0	7.9
26	Minimum leverage ratio requirement (%)	3.0	3.0
27	Applicable leverage buffers	N/A	N/A
	Disclosure of mean values		
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	181,521	138,416
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	197,732	151,638

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 6: LR2 – Leverage ratio (continued)

		a	b
		30 Jun 2026	31 Mar 2026
		HK\$m	HK\$m
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)	1,744,938	1,694,505
31 & 31a	LR 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) (%)	7.1	7.9

1 LR is the ratio of T1 capital to the total exposures after adjustments for specific and collective provisions.

Leverage ratio decreased by 0.9p.p. It is a combined effect of an increase in total exposures and decrease in T1 capital.

The increase in total exposures by HK\$53.4bn was due to an increase in SFT exposures.

The mean value of gross amount of SFT assets was HK\$16.2bn lower than the quarter-end value of gross amount of SFT assets, reflecting higher customer demand in June 2026.

Table 7: LR1 – Summary comparison of accounting assets against leverage ratio exposure measure

	a
	Value under the LR framework
	30 Jun 2026
	HK\$m
1	Total consolidated assets as per published financial statements
	1,942,365
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation
	(254,840)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference
	–
4	Adjustments for temporary exemption of central bank reserves
	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
	–
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting
	–
7	Adjustments for eligible cash pooling transactions
	–
8	Adjustments for derivative contracts
	21,408
9	Adjustment for SFTs (i.e. repos and similar secured lending)
	13,115
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)
	75,794
11	Adjustments for prudent valuation adjustments ('PVA') and specific and collective provisions that are allowed to be excluded from LR exposure measure
	(17,687)
12	Other adjustments
	(19,006)
13	Leverage ratio exposure measure
	1,761,149

Other adjustments mainly represent the Hong Kong Government certificates of indebtedness and assets deducted in determining T1 capital. These are excluded in deriving the LR exposure measure in accordance with the HKMA requirements specified in Part 1C of the BCR.

LR exposure measure increased by HK\$122.1bn in the first half of 2026 as a result of increase in SFT exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Overview of RWA and the minimum capital requirements

Table 8: OV1 – Overview of RWA

		a	b	c
		RWA		Minimum capital requirements ¹
		30 Jun 2026 HK\$m	31 Mar 2026 HK\$m	30 Jun 2026 HK\$m
1	Credit risk for non-securitisation exposures	430,224	436,044	34,419
2	Of which: STC approach	65,675	61,166	5,254
2a	Of which: BSC approach	–	–	–
3	Of which: FIRB approach	134,461	133,229	10,757
4	Of which: Supervisory slotting criteria approach	34,119	34,418	2,730
5	Of which: AIRB approach	83,442	91,517	6,675
5a	Of which: Retail IRB approach	79,058	81,802	6,325
5b	Of which: Specific risk-weight approach	33,469	33,912	2,678
5c	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	–	–	–
6	Counterparty credit risk and default fund contributions	9,028	7,953	722
7	Of which: SA-CCR approach	7,300	6,469	584
7a	Of which: Current exposure method ('CEM')	–	–	–
8	Of which: Internal models (counterparty credit risk) ('IMM(CCR)') approach	–	–	–
8a	Of which method for group 2b cryptoasset derivative contracts	–	–	–
9	Of which: Others	1,728	1,484	138
10	CVA Risk	9,503	10,256	760
11	Equity positions in banking book under the simple risk-weight method and the internal models method	N/A	N/A	N/A
12	CIS exposures – LTA	609	580	49
13	CIS exposures – Mandate-based approach ('MBA')	–	–	–
14	CIS exposures – Fall-back approach ('FBA')	–	–	–
14a	CIS exposures – combination of approaches	–	–	–
15	Settlement risk	–	–	–
16	Securitisation exposures in banking book	–	–	–
17	Of which: SEC-IRBA	–	–	–
18	Of which: SEC-ERBA (including internal assessment approach ('IAA'))	–	–	–
19	Of which: SEC-SA	–	–	–
19a	Of which: SEC-FBA	–	–	–
20	Market risk	18,677	14,293	1,494
21	Of which: STM approach	18,677	14,293	1,494
22	Of which: Internal models approach ('IMA')	–	–	–
22a	Of which: Simplified standardised ('SSTM') approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	–	–	–
24	Operational risk	53,014	49,242	4,241
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% risk weight ('RW'))	17,553	17,553	1,404
26	Output floor level applied (%)	55	55	
27	Floor adjustment (before application of transitional cap)	–	–	–
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	(11,147)	(11,417)	(892)
28b	Of which: Portion of regulatory reserve for general banking risks and collective provisions which is not included in T2 Capital	–	–	–
28c	Of which: Portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in T2 Capital	(11,147)	(11,417)	(892)
29	Total	527,461	524,504	42,197

1 Minimum capital requirement represents the Pillar 1 capital charge at 8% of the RWA.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Total RWA increased by HK\$3.0bn in the second quarter of 2026. Below are the key drivers:

Credit risk for non-securitisation exposures

RWA decreased by HK\$5.8bn, primarily due to changes in portfolio mix and improved of asset quality, driven by a lower average loan-to-value ratio on the mortgages.

Market risk

RWA increased by HK\$4.4bn due to the increase in credit spread risk, commodity risk and residual risk add-on.

Operational risk

RWA increased by HK\$3.8bn mainly due to an increase in the loss component.

Comparison of modelled and standardised RWA

Table 9: CMS1 – Comparison of modelled and standardised RWA at risk level

		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)
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m
1	Credit risk for non-securitisation exposures	364,549	65,675	430,224	627,966
2	Counterparty credit risk and default fund contributions	7,538	1,490	9,028	16,687
3	CVA risk	–	9,503	9,503	9,503
4	Securitisation exposures in banking book	–	–	–	–
5	Market risk	–	18,677	18,677	18,677
6	Operational risk	–	53,014	53,014	53,014
7	Residual RWA	609	17,553	18,162	18,162
8	Total	372,696	165,912	538,608	744,009

The difference between the RWA calculated under the model-based approaches and the full standardised approach is mainly from credit risk for non-securitisation exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 10: CMS2 – Comparison of modelled and standardised RWA for credit risk at exposure class level

		a	b	c	d
		RWA			RWA calculated using full standardised approach
		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)	(i.e. RWA used in the computation of the output floor)
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m
1	Sovereign exposures	17,767	11,132	18,991	12,356
	Of which: categorised as public sector entity ('PSE') exposures and multilateral development bank exposures under the				
1a	STC approach	–	–	1,129	1,129
2	Bank exposures	12,573	24,967	15,509	27,903
3	Equity			9,655	9,655
4	Corporate exposures (excluding specialised lending)	187,563	314,338	224,701	351,476
4a	Of which: FIRB is applied	121,890	245,998	121,890	245,998
4b	Of which: AIRB is applied	65,673	68,340	65,673	68,340
5	Retail exposures	79,058	137,906	93,780	152,628
5a	Of which: qualifying revolving retail	26,433	35,086	27,724	36,377
	Of which: other retail exposures to individuals and small business retail				
5b	exposures	18,745	18,108	28,345	27,708
5c	Of which: residential mortgages	33,880	84,712	37,669	88,501
6	Corporate exposures - Specialised lending	34,119	40,479	34,119	40,479
	Of which: income-producing real estate and high-volatility commercial real estate				
6a		34,119	40,479	34,119	40,479
7	Other exposures	33,469	33,469	33,469	33,469
	Cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the				
7a	BCR	–	–	–	–
8	Total	364,549	562,291	430,224	627,966

The main drivers of differences between the RWA calculated under the model-based approaches and the RWA disclosed under the full standardised approach are corporate exposures (excluding specialised lending) and residential mortgages.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

RWA flow statements for credit risk

Table 11: CR8 – RWA flow statement of credit risk¹ exposures under IRB approach

	a
	Amount HK\$m
1 RWA as at end of previous reporting period (31 Mar 2026)	374,878
2 Asset size	(5,995)
3 Asset quality	(5,279)
4 Model updates	–
5 Methodology and policy	394
6 Acquisitions and disposals	–
7 Foreign exchange movements	551
8 Other	–
9 RWA as at end of reporting period (30 Jun 2026)	364,549

1 Credit risk in this table represents the credit risk for non-securitisation exposures excluding CCR.

RWA decreased by HK\$10.3bn in the second quarter of 2026, of which HK\$6.0bn was due to a reduction in asset size, primarily driven by a drop in corporate lending under IRB approach. RWA decreased by HK\$5.3bn from asset quality was mainly on retail exposure, primarily driven by lower average loan-to-value ratio on the mortgages.

Loss-absorbing capacity

Table 12: KM2(A) – Key metrics – LAC requirements for material subsidiaries

	a	b	c	d	e
	30 Jun 2026	31 Mar 2026	At 31 Dec 2025	30 Sep 2025	30 Jun 2025
Of the material entity at LAC consolidation group level					
1 Internal loss-absorbing capacity available (HK\$m)	155,130	164,465	165,141	160,639	161,025
2 RWA under the LAC Rules (HK\$m)	527,461	524,504	531,515	538,164	560,952
3 Internal LAC risk-weighted ratio (%)	29.4	31.4	31.1	29.8	28.7
4 Exposure measure under the LAC Rules (HK\$m)	1,760,084	1,706,674	1,637,967	1,625,201	1,661,970
5 Internal LAC leverage ratio (%)	8.8	9.6	10.1	9.9	9.7
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the Financial Stability Board ('FSB') Total Loss-absorbing Capacity ('TLAC') Term Sheet apply? ¹	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? ¹	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 (%) ¹	N/A	N/A	N/A	N/A	N/A

1 The subordination exemptions under Section 11 of the FSB TLAC Term Sheet do not apply in Hong Kong under the LAC Rules.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 13: TLAC1(A) – TLAC composition

		a
As at 30 Jun 2026		Amount
Regulatory capital elements of internal loss-absorbing capacity and adjustments (HK\$m)		
1	CET1 capital	111,516
2	AT1 capital before LAC adjustments	11,587
3	AT1 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	–
4	Other adjustments	–
5	AT1 capital eligible under the LAC Rules	11,587
6	T2 capital before LAC adjustments	8,198
7	Amortised portion of T2 capital instruments that are internal LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	–
8	T2 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	–
9	Other adjustments	–
10	T2 capital eligible under the LAC Rules	8,198
11	Internal loss-absorbing capacity arising from regulatory capital	131,301
Non-regulatory capital elements of internal loss-absorbing capacity (HK\$m)		
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	23,829
17	Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments	23,829
Non-regulatory capital elements of internal loss-absorbing capacity: adjustments (HK\$m)		
18	Internal loss-absorbing capacity before deductions	155,130
19	Deductions of exposures between the material subsidiary's LAC consolidation group and group companies outside that group that correspond to non-capital items eligible for internal loss-absorbing capacity	–
20	Deduction of holdings of its own non-capital LAC liabilities	–
21	Other adjustments to internal loss-absorbing capacity	–
22	Internal loss-absorbing capacity after deductions	155,130
RWA and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes (HK\$m)		
23	RWA under the LAC Rules	527,461
24	Exposure measure under the LAC Rules	1,760,084
Internal LAC ratios and buffers (%)		
25	Internal LAC risk-weighted ratio	29.4
26	Internal LAC leverage ratio	8.8
27	CET1 capital (as a percentage of RWA under the BCR) available after meeting the LAC consolidation group's minimum capital and LAC requirements	15.9
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)	3.943
29	– of which: capital conservation buffer requirement	2.500
30	– of which: institution-specific countercyclical capital buffer requirement	0.443
31	– of which: higher loss absorbency requirement	1.000

Internal LAC risk-weighted ratio decreased by 1.7 p.p. in the first half of 2026 mainly due to the net effect of a decrease in total regulatory capital and a decrease in total RWA (Please refer to the commentary in Table 4 for details).

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 14: TLAC2 – Hang Seng Bank Limited creditor ranking

		Creditor ranking (HK\$m)			Sum of values in columns 1 to 3
		1	2	3	
		(most junior)	(most senior)		
1	Is the resolution entity or a non-HK resolution entity the creditor/investor? (yes or no) ¹	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary shares	AT1 instruments	LAC loans	
3	Total capital and liabilities net of CRM	9,658	11,587	23,777	45,022
4	Subset of row 3 that are excluded liabilities	–	–	–	–
5	Total capital and liabilities less excluded liabilities	9,658	11,587	23,777	45,022
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	9,658	11,587	23,777	45,022
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	–	–	13,460	13,460
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	–	–	7,817	7,817
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	–	–	2,500	2,500
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–
11	Subset of row 6 that are perpetual securities	9,658	11,587	–	21,245

1 Any direct/indirect holdings by the resolution entity is reported as 'yes'.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Main features of regulatory capital instruments and non-capital LAC debt instruments

The following is a summary of CET1 capital, AT1 capital and non-capital LAC debt instruments that meet both regulatory capital and LAC requirements, or only LAC (but not regulatory capital) requirements.

Table 15: CCA(A) – Main features of regulatory capital instruments and non-capital LAC debt instruments

(i) Instruments that meet both regulatory capital and LAC requirements As at 30 Jun 2026		a Quantitative / qualitative information
		Ordinary shares
1	Issuer	Hang Seng Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Laws of Hong Kong
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
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	CET1
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	Solo and Group
6a	Eligible at solo / LAC consolidation group / solo and LAC consolidation group (for LAC purposes)	Solo and LAC consolidation group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$ 9,658 million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$ 9,658 million
9	Par value of instrument	No par value (Total amount HK\$ 9,658 million)
10	Accounting classification	Shareholders' equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption price	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend / coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinate to AT1 instruments (columns b and c)
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Terms and conditions

[Terms and conditions - Ordinary shares](#)

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 15: CCA(A) – Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

As at 30 Jun 2026		b	c
		Quantitative / qualitative information	
		Perpetual subordinated loan (US\$ 600 million)	Perpetual subordinated loan (US\$ 900 million)
1	Issuer	Hang Seng Bank Limited	Hang Seng Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Laws of Hong Kong	Laws of Hong Kong
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
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	AT1	AT1
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	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	Solo and LAC consolidation group
7	Instrument type (types to be specified by each jurisdiction)	Perpetual debt instrument	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$ 4,640 million	HK\$ 6,947 million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$ 4,640 million	HK\$ 6,947 million
9	Par value of instrument	US\$ 600 million	US\$ 900 million
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	18 June 2024	11 September 2024
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	18 June 2029 / Taxation reason or Capital disqualification or Loss Absorption disqualification Event / Par	11 September 2029 to 11 March 2030 / Taxation reason or Capital disqualification or Loss Absorption disqualification Event / Par
16	Subsequent call dates, if applicable	Callable on any interest payment date after first call date	Every 5 years after the first call date
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Fixed until 18 June 2029 and thereafter floating	Fixed until 11 March 2030 and thereafter floating
18	Coupon rate and any related index	7.500% until 18 June 2029, and thereafter compounded SOFR +3.240%	6.875% until 11 March 2030, and thereafter U.S. Treasury Rate +3.298%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
31	If write-down, write-down trigger(s)	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO
32	If write-down, full or partial	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinate to non-capital LAC debt instruments (columns a to f under ii)	Immediately subordinate to non-capital LAC debt instruments (columns a to f under ii)
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
Terms and conditions		Individual loan agreement⁴	Individual loan agreement⁴

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 15: CCA(A) – Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

(ii) Instruments that meet only LAC (but not regulatory capital) requirements As at 30 Jun 2026		a	b
		Quantitative / qualitative information	
		Subordinated loan (HK\$ 5,460 million)	Subordinated loan (HK\$ 4,680 million)
1	Issuer	Hang Seng Bank Limited	Hang Seng Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Laws of Hong Kong	Laws of Hong Kong
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
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	Ineligible	Ineligible
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	Ineligible	Ineligible
6a	Eligible at solo / LAC consolidation group / solo and LAC consolidation group (for LAC purposes)	Solo and LAC consolidation group	Solo and LAC consolidation group
7	Instrument type (types to be specified by each jurisdiction)	Non-capital LAC debt instrument	Non-capital LAC debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	N/A	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$ 5,481 million	HK\$ 4,692 million
9	Par value of instrument	HK\$ 5,460 million	HK\$ 4,680 million
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	30 May 2019	10 June 2019
12	Perpetual or dated	Dated	Dated
13	Original maturity date	Interest payment date falling in May 2028	Interest payment date falling in June 2029
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	Interest payment date falling in May 2027 / Taxation reason or Loss Absorption disqualification Event / Par	Interest payment date falling in June 2028 / Taxation reason or Loss Absorption disqualification Event / Par
16	Subsequent call dates, if applicable	Callable on any interest payment date after first call date	Callable on any interest payment date after first call date
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Floating	Floating
18	Coupon rate and any related index	3-month HK\$ HIBOR + 1.425%	3-month HK\$ HIBOR + 1.564%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
31	If write-down, write-down trigger(s)	Contractual write-down at point of non- viability of borrower. Contractual recognition of HKMA statutory powers under FIRO	Contractual write-down at point of non- viability of borrower. Contractual recognition of HKMA statutory powers under FIRO
32	If write-down, full or partial	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinate to the claims of all unsubordinated creditors	Immediately subordinate to the claims of all unsubordinated creditors
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
Terms and conditions		Individual loan agreement²	Individual loan agreement²

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 15: CCA(A) – Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

As at 30 Jun 2026		c	d
		Quantitative / qualitative information	
		Subordinated loan (US\$ 400 million)	Subordinated loan (HK\$ 5,000 million)
1	Issuer	Hang Seng Bank Limited	Hang Seng Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Laws of Hong Kong	Laws of Hong Kong
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
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	Ineligible	Ineligible
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	Ineligible	Ineligible
6a	Eligible at solo / LAC consolidation group / solo and LAC consolidation group (for LAC purposes)	Solo and LAC consolidation group	Solo and LAC consolidation group
7	Instrument type (types to be specified by each jurisdiction)	Non-capital LAC debt instrument	Non-capital LAC debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	N/A	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$ 3,147 million	HK\$ 5,016 million
9	Par value of instrument	US\$ 400 million	HK\$ 5,000 million
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	10 June 2019	30 November 2021
12	Perpetual or dated	Dated	Dated
13	Original maturity date	Interest payment date falling in June 2030	Interest payment date falling in November 2027
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	Interest payment date falling in June 2029 / Taxation reason or Loss Absorption disqualification Event / Par	Interest payment date falling in November 2026 / Taxation reason or Loss Absorption disqualification Event / Par
16	Subsequent call dates, if applicable	Callable on any interest payment date after first call date	Callable on any interest payment date after first call date
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Floating	Floating
18	Coupon rate and any related index	Compounded SOFR + 2.0478%	3-month HK\$ HIBOR + 1.00%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
31	If write-down, write-down trigger(s)	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO
32	If write-down, full or partial	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinate to the claims of all unsubordinated creditors	Immediately subordinate to the claims of all unsubordinated creditors
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
Terms and conditions		Amendment agreement³	Individual loan agreement⁴

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 15: CCA(A) – Main features of regulatory capital instruments and non-capital LAC debt instruments (continued)

As at 30 Jun 2026		e	f
		Quantitative / qualitative information	
		Subordinated loan (HK\$ 3,000 million)	Subordinated loan (HK\$ 2,500 million)
1	Issuer	Hang Seng Bank Limited	Hang Seng Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A
3	Governing law(s) of the instrument	Laws of Hong Kong	Laws of Hong Kong
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
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	Ineligible	Ineligible
6	Eligible at solo / group / solo and group (for regulatory capital purposes)	Ineligible	Ineligible
6a	Eligible at solo / LAC consolidation group / solo and LAC consolidation group (for LAC purposes)	Solo and LAC consolidation group	Solo and LAC consolidation group
7	Instrument type (types to be specified by each jurisdiction)	Non-capital LAC debt instrument	Non-capital LAC debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	N/A	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$ 2,999 million	HK\$ 2,494 million
9	Par value of instrument	HK\$ 3,000 million	HK\$ 2,500 million
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	27 June 2022	26 June 2026
12	Perpetual or dated	Dated	Dated
13	Original maturity date	Interest payment date falling in June 2028	Interest payment date falling in June 2032
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	Interest payment date falling in June 2027 / Taxation reason or Loss Absorption disqualification Event / Par	Interest payment date falling in June 2031 / Taxation reason or Loss Absorption disqualification Event / Par
16	Subsequent call dates, if applicable	Callable on any interest payment date after first call date	Callable on any interest payment date after first call date
	Coupons / dividends		
17	Fixed or floating dividend / coupon	Floating	Floating
18	Coupon rate and any related index	3-month HK\$ HIBOR + 1.68%	3-month HK\$ HIBOR + 0.8%
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Non-convertible ¹ (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)	Yes (The terms and conditions contain a provision that the holder of the instrument acknowledges and agrees to be bound by the exercise of powers under the FIRO)
31	If write-down, write-down trigger(s)	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under FIRO
32	If write-down, full or partial	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination	Contractual	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Immediately subordinate to the claims of all unsubordinated creditors	Immediately subordinate to the claims of all unsubordinated creditors
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A
Terms and conditions		Individual loan agreement ⁴	Individual loan agreement ⁴

Footnote:

1. Subject to FIRO
2. Terms and conditions for loan issuance before 20 April 2022 to be read in conjunction with the Master terms and conditions (the '[Master terms and conditions](#)')
3. On 20 April 2022, the interest rate benchmark of US\$400m non-capital LAC debt instrument was transited to compounded SOFR from previous 3-month US\$ LIBOR.
4. Terms and conditions for loan issuance after 20 April 2022 to be read in conjunction with the Amended Master terms agreement (the '[Amended Master terms agreement](#)')

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Credit risk

Credit quality of assets

Credit quality of exposures

Tables 16 to 17 present information on the credit quality of exposures by exposure category and changes in defaulted loans and debt securities on a regulatory consolidation basis. For further details on the credit quality of IRB approach and STC approach exposures, refer to Tables 24 to 25 and 27 respectively.

The loans covered in these tables are generally referred to as any on-balance sheet exposures included as credit risk for non-securitisation exposures, covering exposures to customers, banks, sovereigns and others. Cash items and non-financial assets are excluded.

Table 16: CR1 – Credit quality of exposures

		a	b	c	d	e	f	g
		Gross carrying amounts of		Allowances/ impairments	of which: Expected Credit Loss ('ECL') accounting provisions ¹ for credit losses on STC approach exposures		of which: ECL accounting provisions for credit losses on	
		Defaulted exposures ²	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions	IRB exposures	Net values (a+b-c)
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Loans	37,146	812,611	17,542	694	140	16,708	832,215
2	Debt securities	56	498,666	10	–	–	10	498,712
3	OBS exposures	217	521,354	135	–	2	133	521,436
4	Total	37,419	1,832,631	17,687	694	142	16,851	1,852,363

1 The categorisation of ECL accounting provisions into the regulatory categories of specific and collective provisions follows the treatment specified in the completion instructions of the HKMA 'Capital Adequacy Ratio' return. According to the completion instructions, the ECL accounting provisions classified into Stage 1 and Stage 2 are treated as collective provisions, while those classified under Stage 3 are treated as specific provisions. Provisions made for purchased or originated credit-impaired financial assets, under which any changes in lifetime ECL will be recognised in the profit or loss account as an impairment gain or loss, are treated as specific provisions.

2 Defaulted exposures are determined in accordance with sections 51(1) and 149 of BCR.

Table 17: CR2 – Changes in defaulted loans and debt securities

		a
		Amount
		HK\$m
1	Defaulted loans and debt securities at end of the previous reporting period (31 Dec 2025)	57,210
2	Loans and debt securities that have defaulted since the last reporting period	1,409
3	Returned to non-defaulted status	(84)
4	Amounts written off	(1,371)
5	Other changes ¹	(19,962)
6	Defaulted loans and debt securities at end of the current reporting period (30 Jun 2026)	37,202

1 Other changes included sale of loans, repayments and exchange differences.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Tables 18 and 19 analyse credit-impaired exposures and impairment allowances on a regulatory consolidation basis. For customer loans and advances, where the industry sector comprises not less than 10% of the Group's total gross loans and advances to customers, the analysis of gross impaired loans and advances and allowances by major industry sectors based on categories and definitions used by the Group is as follows:

Table 18: Credit-impaired exposures and impairment allowances by industry

	Gross loans and advances to customers ¹	Gross credit- impaired loans and advances	Specific provisions ²	Collective provisions ²	Overdue loans and advances ³
As at 30 Jun 2026	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Residential mortgages	321,226	1,215	(74)	(32)	698
Real estate and construction	140,096	24,849	(8,099)	(1,784)	15,119
Others ⁴	340,684	11,082	(5,550)	(1,993)	8,553
Total	802,006	37,146	(13,723)	(3,809)	24,370

- 1 The amounts shown in column 'Gross loans and advances to customers' represent loans and advances to customers gross of provisions in the financial statements under the regulatory consolidation scope and therefore is different from the 'Gross loans and advances to customers' shown in Table 20 which is prepared on accounting consolidation basis. The difference of total gross loans of HK\$24m represents the Bank's loans and advances to the Group's subsidiaries which are outside the regulatory scope of consolidation.
- 2 The classification of specific and collective provisions follows the treatment specified in the completion instructions of the HKMA Capital Adequacy Ratio return. Details can be found in footnote 1 under Table 16 of this document.
- 3 The amounts shown in column 'Overdue loans and advances' represent gross loans and advances to customers that were overdue for more than 3 months as at 30 June 2026.
- 4 Any segment which constitutes less than 10% of total gross loans and advances to customers is disclosed on an aggregated basis under the category 'Others'.

The geographical information shown below has been classified by the location of the principal operations of the subsidiary and by the location of the branch responsible for advancing the funds.

Table 19: Credit-impaired exposures and impairment allowances by geographical location

	Gross loans and advances to customers ¹	Gross credit- impaired loans and advances	Specific provisions ²	Collective provisions ²	Overdue loans and advances ³
As at 30 Jun 2026	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Hong Kong SAR	741,269	34,644	(13,212)	(3,096)	23,411
Mainland China	55,408	1,799	(417)	(708)	947
Others ⁴	5,329	703	(94)	(5)	12
Total	802,006	37,146	(13,723)	(3,809)	24,370

- 1 The amounts shown in column 'Gross loans and advances to customers' represent loans and advances to customers gross of provisions in the financial statements under the regulatory consolidation scope and therefore is different from the 'Gross loans and advances to customers' shown in Table 20 which is prepared on accounting consolidation basis. The difference of total gross loans of HK\$24m represents the Bank's loans and advances to the Group's subsidiaries which are outside the regulatory scope of consolidation.
- 2 The classification of specific and collective provisions follows the treatment specified in the completion instructions of the HKMA Capital Adequacy Ratio return. Details can be found in footnote 1 under Table 16 of this document.
- 3 The amounts shown in column 'Overdue loans and advances' represent gross loans and advances to customers that were overdue for more than 3 months as at 30 June 2026.
- 4 Any segment which constitutes less than 10% of total gross loans and advances to customers is disclosed on an aggregated basis under the category 'Others'.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Loans and advances to customers

Tables 20 to 21 analyse loans and advances to customers by geographical locations, by industries and by which are overdue and rescheduled on an accounting consolidation basis. The accounting consolidation basis is different from the regulatory consolidation basis as explained in the 'Basis of consolidation' section of this document.

The following analysis of loans and advances to customers by geographical areas is in accordance with the location of counterparties, after recognised risk transfer.

Table 20: Gross loans and advances to customers by geographical location

	Hong Kong SAR HK\$m	Mainland China HK\$m	Others HK\$m	Total HK\$m
As at 30 Jun 2026				
Gross loans and advances to customers ¹	706,505	73,306	22,171	801,982
Gross credit-impaired loans and advances to customers	34,597	1,638	911	37,146
Specific Provisions	(12,264)	(766)	(693)	(13,723)

¹ The amounts shown in column 'Gross loans and advances to customers' represent the loans and advances to customers gross of provisions in the financial statements on the accounting consolidation basis and therefore is different from the 'Gross loans and advances to customers' shown in Tables 18 and 19 which are prepared under the regulatory consolidation scope. The difference of total gross loans of HK\$24m represents the Bank's loans and advances to the Group's subsidiaries which are outside the regulatory scope of consolidation.

The analysis of gross loans and advances to customers by industry sector based on categories and definitions contained in the 'Quarterly Analysis of Loans and Advances and Provisions' return submitted to the HKMA is as follows:

Table 21: Gross loans and advances to customers by industry sector

	Gross loans and advances HK\$m	% of gross advances covered by collateral %
As at 30 Jun 2026		
Industrial, commercial and financial sectors		
– Property development	36,109	48.8 %
– Property investment	90,461	81.1 %
– Financial concerns	3,435	12.2 %
– Stockbrokers	3,915	– %
– Wholesale and retail trade	26,558	32.0 %
– Manufacturing	29,653	10.4 %
– Transport and transport equipment	11,560	58.3 %
– Recreational activities	28	79.0 %
– Information technology	13,001	6.1 %
– Other	41,187	44.0 %
Individuals		
– loans and advances for the purchase of flats under the Government Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	50,382	100.0 %
– loans and advances for the purchase of other residential properties	257,298	100.0 %
– credit card loans and advances	29,438	– %
– other	34,907	41.0 %
Gross loans and advances to customers for use in Hong Kong	627,932	71.8 %
Trade Finance	37,598	12.3 %
Gross loans and advances to customers for use outside Hong Kong	136,452	20.4 %
Gross loans and advances to customers	801,982	60.2 %

Collateral includes any tangible security that carries a fair market value and is readily marketable. This includes (but is not limited to) cash and deposits, stocks and bonds, mortgages over properties and charges over other fixed assets such as plant and equipment. Where collateral values are greater than gross loans and advances to customers, only the amount of collateral up to the gross loans and advances is included.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Loans and advances to customers that are more than three months overdue and their expression as a percentage of gross loans and advances to customers are as follows:

Table 22: Overdue loans and advances to customers

As at 30 Jun 2026	HK\$m	%
Gross loans and advances which have been overdue with respect to either principal or interest for periods of:		
– more than three months but not more than six months	907	0.11 %
– more than six months but not more than one year	3,265	0.41 %
– more than one year	20,198	2.52 %
Total	24,370	3.04 %
of which:		
– Specific Provision ¹	(10,614)	
– covered portion of overdue loans and advances	16,282	
– uncovered portion of overdue loans and advances	8,088	
– current market value of collateral held against the covered portion of overdue loans and advances	23,621	
Rescheduled loans and advances to customers	7,371	0.92 %

¹ The Classification of specific provisions follows the treatment specified in the completion instructions of the HKMA Capital Adequacy Ratio. Details can be found in footnote 1 under Table 18 of this document.

Collateral held with respect to overdue loans and advances is mainly commercial properties and residential properties. The current market value of commercial properties and residential properties were HK\$15,939m and HK\$5,311m respectively.

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at period-end. Loans and advances repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period-end. Loans and advances repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, or when the loans and advances have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

Rescheduled loans and advances to customers are those loans and advances that have been rescheduled or renegotiated for reasons related to the borrower's financial difficulties. This will normally involve the granting of concessionary terms and resetting the overdue account to non-overdue status. Rescheduled loans and advances to customers are stated net of any advances which have subsequently become overdue for more than three months and which are included in 'Overdue loans and advances to customers'.

The amount of repossessed assets as at 30 June 2026 was HK\$96m.

Overdue and rescheduled amounts relating to placings with and advances to banks and other assets

There were no overdue or rescheduled placings with and advances to banks and other assets as at 30 June 2026.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Off-balance sheet exposures other than derivative transactions

The following table gives the nominal contract amounts and RWA of contingent liabilities and commitments. The information is consistent with that in the ‘Capital Adequacy Ratio’ return required to be submitted to the HKMA by the Group. The return is prepared on a regulatory consolidation basis as specified by the HKMA under the requirements of section 3C(1) of the BCR.

For accounting purposes, acceptances and endorsements are recognised on the balance sheet in ‘Other assets’. For the purpose of the BCR, acceptances and endorsements are included in the capital adequacy calculation as if they were contingencies.

Table 23: Off-balance sheet exposures other than derivative transactions

	30 Jun 2026 HK\$m
Contract amounts	
Direct credit substitutes	606
Transaction-related contingencies	15,015
Trade-related contingencies	19,100
Forward asset purchases	16
Forward deposits placed	2,353
Commitments that are unconditionally cancellable without prior notice	441,022
Commitments which have an original maturity of not more than one year	3,825
Commitments which have an original maturity of more than one year	39,650
Total	521,587
RWA	41,562

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Credit risk under internal ratings-based approach

Table 24.1: CR6 – Credit risk exposures by portfolio and PD range – for IRB approach (Foundation IRB approach)

	a	b	c	d	e	f	g	h	i	j	k	l
	Original on-balance sheet gross exposure	OBS exposures pre-Credit conversion factor ('CCF')	Average CCF	Exposure at default ('EAD') post-CRM and post-CCF	Average Probability of default ('PD')	Number of obligors	Average Loss given default ('LGD')	Average maturity ¹	RWA	RWA density	EL	Provisions ²
As at 30 Jun 2026	HK\$m	HK\$m	%	HK\$m	%		%	years	HK\$m	%	HK\$m	HK\$m
Portfolio (i) – Bank												
0.00 to < 0.15	62,423	3,250	82.7	65,108	0.06	343	45.0	1.15	11,876	18	18	
0.15 to < 0.25	746	–	–	746	0.22	8	45.0	0.94	313	42	1	
0.25 to < 0.50	433	–	–	433	0.37	7	45.0	0.69	231	53	1	
0.50 to < 0.75	239	–	–	239	0.63	6	45.0	0.09	149	62	1	
0.75 to < 2.50	6	–	–	6	0.87	3	45.0	0.42	4	74	–	
2.50 to < 10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	63,847	3,250	82.7	66,532	0.07	367	45.0	1.14	12,573	19	21	10
Portfolio (ii) – Corporate – Small and medium-sized enterprises ('SMEs')												
0.00 to < 0.15	–	–	–	–	–	–	–	–	–	–	–	
0.15 to < 0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to < 0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to < 0.75	23	9	15.0	24	0.63	1	40.0	1.12	13	53	–	
0.75 to < 2.50	1,647	127	14.2	1,665	0.98	9	21.9	1.42	602	36	4	
2.50 to < 10.00	595	–	10.0	595	5.24	5	40.0	1.29	582	98	12	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	163	–	–	163	100.00	5	40.0	1.54	–	–	65	
Sub-total	2,428	136	14.2	2,447	8.62	20	27.7	1.39	1,197	49	81	30
Portfolio (iii) – Corporate – Large corporates												
0.00 to < 0.15	82,034	57,015	21.9	94,985	0.08	178	39.7	1.39	15,792	17	32	
0.15 to < 0.25	31,004	23,576	24.9	36,879	0.22	114	39.5	1.67	12,440	34	32	
0.25 to < 0.50	19,230	21,311	15.3	22,480	0.37	148	40.0	1.43	9,716	43	33	
0.50 to < 0.75	22,657	19,106	16.8	26,051	0.63	147	38.3	1.26	13,676	52	63	
0.75 to < 2.50	44,609	62,883	15.1	54,067	1.36	528	38.1	1.36	38,965	72	281	
2.50 to < 10.00	4,025	6,566	12.4	4,840	3.26	147	35.2	0.93	4,230	87	56	
10.00 to <100.00	12,947	723	30.9	13,171	14.99	33	23.0	1.58	12,623	96	456	
100.00 (Default)	3,598	211	10.0	3,985	100.00	29	36.8	1.41	–	–	1,467	
Sub-total	220,104	191,391	18.5	256,458	2.83	1,324	38.2	1.42	107,442	42	2,420	895
Portfolio (iv) – Corporate – Financial institutions treated as corporates												
0.00 to < 0.15	6,142	2,139	22.7	5,807	0.10	21	45.0	1.22	1,469	25	3	
0.15 to < 0.25	3,911	3,681	14.9	4,459	0.22	20	45.0	1.18	1,885	42	4	
0.25 to < 0.50	1,458	3,023	27.6	2,644	0.37	13	45.0	1.34	1,586	60	4	
0.50 to < 0.75	1,017	332	18.8	1,080	0.63	13	45.0	1.23	803	74	3	
0.75 to < 2.50	3,176	2,304	15.3	3,528	1.13	51	44.2	1.83	3,736	106	18	
2.50 to < 10.00	83	10	10.0	84	3.09	11	20.3	4.95	75	88	1	
10.00 to <100.00	–	42	98.7	42	18.97	4	42.9	1.00	100	239	3	
100.00 (Default)	942	–	–	942	100.00	15	46.0	1.01	–	–	433	
Sub-total	16,729	11,531	20.2	18,586	5.51	148	44.8	1.35	9,654	52	469	177
Portfolio (v) – Corporate – Other corporates												
0.00 to < 0.15	597	142	19.8	625	0.12	14	40.0	1.23	122	20	1	
0.15 to < 0.25	262	314	10.3	294	0.22	29	40.0	2.28	115	39	–	
0.25 to < 0.50	1,500	1,828	11.7	1,359	0.37	33	40.0	1.06	539	40	2	
0.50 to < 0.75	631	1,502	18.0	709	0.63	47	39.9	1.10	378	53	2	
0.75 to < 2.50	1,540	1,696	11.9	1,742	1.66	509	47.0	1.33	1,164	67	3	
2.50 to < 10.00	406	550	26.8	477	3.76	113	39.2	1.30	538	113	13	
10.00 to <100.00	957	97	100.0	1,054	37.31	34	18.4	1.85	741	70	76	
100.00 (Default)	1,590	–	–	1,590	100.00	44	20.9	1.98	–	–	357	
Sub-total	7,483	6,129	14.9	7,850	26.14	823	36.6	1.50	3,597	46	454	2,776

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 24.2: CR6 – Credit risk exposures by portfolio and PD range – for IRB approach (Advanced IRB approach)

	a	b	c	d	e	f	g	h	i	j	k	l
As at 30 Jun 2026	Original on-balance sheet gross exposure	OBS exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity ¹	RWA	RWA density	EL	Provisions ²
PD scale	HK\$m	HK\$m	%	HK\$m	%		%	years	HK\$m	%	HK\$m	HK\$m
Portfolio (vi) – Sovereign												
0.00 to < 0.15	420,058	–	–	420,074	0.01	86	33.5	1.66	17,767	4	15	
0.15 to < 0.25	–	–	–	–	–	–	–	–	–	–	–	
0.25 to < 0.50	–	–	–	–	–	–	–	–	–	–	–	
0.50 to < 0.75	–	–	–	–	–	–	–	–	–	–	–	
0.75 to < 2.50	–	–	–	–	–	–	–	–	–	–	–	
2.50 to < 10.00	–	–	–	–	–	–	–	–	–	–	–	
10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
Sub-total	420,058	–	–	420,074	0.01	86	33.5	1.66	17,767	4	15	3
Portfolio (vii) – Corporate – SMEs												
0.00 to < 0.15	184	667	16.9	296	0.09	38	63.6	1.68	57	19	–	
0.15 to < 0.25	370	810	16.4	502	0.22	50	28.3	2.76	121	24	–	
0.25 to < 0.50	1,122	1,711	15.3	1,384	0.37	89	30.9	1.47	378	27	2	
0.50 to < 0.75	2,351	848	20.7	2,527	0.63	86	25.7	3.60	1,167	46	4	
0.75 to < 2.50	9,318	3,272	20.0	9,971	1.41	334	30.5	2.62	6,030	60	43	
2.50 to < 10.00	1,793	401	18.2	1,866	4.06	66	26.4	2.97	1,355	73	20	
10.00 to <100.00	488	161	10.4	505	16.52	6	48.7	3.96	1,192	236	44	
100.00 (Default)	129	–	–	131	100.00	3	21.5	1.12	105	81	3	
Sub-total	15,755	7,870	18.1	17,182	2.64	672	30.4	2.73	10,405	61	116	155
Portfolio (viii) – Corporate – Other												
0.00 to < 0.15	1,461	2,325	13.3	1,769	0.09	88	33.4	2.53	342	19	1	
0.15 to < 0.25	2,646	2,154	21.3	3,105	0.22	85	29.3	1.85	769	25	2	
0.25 to < 0.50	4,982	8,048	17.4	6,380	0.37	161	33.2	1.69	2,387	37	8	
0.50 to < 0.75	3,491	3,593	17.0	4,103	0.63	153	36.9	1.93	2,418	59	10	
0.75 to < 2.50	22,694	11,817	16.7	24,311	1.51	891	30.0	1.91	15,206	63	108	
2.50 to < 10.00	4,684	2,020	21.5	5,119	4.32	228	25.3	2.37	3,988	78	55	
10.00 to <100.00	3,629	507	24.9	3,755	13.89	51	35.7	1.90	6,288	167	200	
100.00 (Default)	16,944	–	–	17,061	100.00	266	38.5	1.27	23,870	140	5,257	
Sub-total	60,531	30,464	17.4	65,603	27.79	1,923	33.0	1.77	55,268	84	5,641	8,199

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 24.3: CR6 – Credit risk exposures by portfolio and PD range – for IRB approach (Retail IRB approach)

	a	b	c	d	e	f	g	h	i	j	k	l
As at 30 Jun 2026	Original on-balance sheet gross exposure	OBS exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity ¹	RWA	RWA density	EL	Provisions ²
PD scale	HK\$m	HK\$m	%	HK\$m	%		%	years	HK\$m	%	HK\$m	HK\$m
Portfolio (ix) – Retail – Qualifying revolving retail exposures ('QRRE') (transactor)												
0.00 to < 0.15	6,269	129,212	59.5	83,131	0.07	1,436,564	108.9		4,227	5	68	
0.15 to < 0.25	1,081	7,708	60.4	5,739	0.23	120,164	106.2		719	13	14	
0.25 to < 0.50	1,573	9,046	57.4	6,762	0.40	97,260	106.0		1,348	20	29	
0.50 to < 0.75	807	1,175	66.6	1,589	0.59	17,273	101.0		410	26	10	
0.75 to < 2.50	1,581	1,243	72.2	2,479	1.34	20,437	101.2		1,178	48	34	
2.50 to < 10.00	375	442	66.5	669	4.20	8,912	104.0		745	111	29	
10.00 to < 100.00	38	8	121.3	48	21.28	493	101.3		102	215	10	
100.00 (Default)	3	2	5.0	3	100.00	20	101.3		5	158	3	
Sub-total	11,727	148,836	59.6	100,420	0.19	1,701,123	108.2		8,734	9	197	592
Portfolio (x) – Retail – QRRE (revolver)												
0.00 to < 0.15	3,732	42,202	70.8	33,625	0.10	461,499	105.7		2,221	7	37	
0.15 to < 0.25	1,020	5,167	69.0	4,583	0.23	69,229	103.5		559	12	11	
0.25 to < 0.50	2,779	11,171	64.9	10,033	0.40	115,564	104.3		1,967	20	42	
0.50 to < 0.75	1,450	2,660	68.4	3,268	0.60	36,965	101.8		853	26	20	
0.75 to < 2.50	4,854	4,087	72.0	7,799	1.44	68,020	101.0		3,907	50	113	
2.50 to < 10.00	3,411	1,102	89.5	4,398	4.71	34,925	100.8		5,094	116	209	
10.00 to < 100.00	1,434	126	186.1	1,668	38.61	10,809	98.7		2,933	176	616	
100.00 (Default)	109	2	5.0	109	100.00	109	93.7		165	151	90	
Sub-total	18,789	66,517	70.2	65,483	1.80	797,120	104.0		17,699	27	1,138	482
Portfolio (xi) – Retail – Residential mortgage exposures												
0.00 to < 0.15	212,517	–	–	214,215	0.09	58,617	24.4		10,780	5	44	
0.15 to < 0.25	46,972	–	–	47,347	0.18	31,594	21.7		3,743	8	18	
0.25 to < 0.50	315	–	–	318	0.34	46	14.8		28	9	–	
0.50 to < 0.75	19,003	–	–	19,154	0.54	7,105	20.5		3,216	17	21	
0.75 to < 2.50	16,533	–	–	16,664	0.95	12,973	19.2		3,873	23	30	
2.50 to < 10.00	5,910	–	–	5,956	4.36	3,749	18.8		3,428	58	49	
10.00 to < 100.00	5,389	–	–	5,430	21.49	2,864	19.4		6,004	111	226	
100.00 (Default)	1,176	–	–	1,176	100.00	414	26.5		2,808	239	87	
Sub-total	307,815	–	–	310,260	1.01	117,362	23.3		33,880	11	475	12
Portfolio (xii) – Retail – Small business retail exposures												
0.00 to < 0.15	1,864	–	–	1,875	0.07	955	14.8		56	3	–	
0.15 to < 0.25	364	–	–	365	0.19	103	19.5		28	8	–	
0.25 to < 0.50	57	–	–	57	0.35	12	48.5		16	28	–	
0.50 to < 0.75	313	–	–	314	0.57	125	14.1		34	11	–	
0.75 to < 2.50	293	–	–	293	1.10	78	44.2		137	47	1	
2.50 to < 10.00	378	–	–	378	6.00	155	24.3		142	38	6	
10.00 to < 100.00	77	–	–	77	18.12	33	19.6		32	42	3	
100.00 (Default)	32	–	–	32	100.00	9	14.9		41	128	1	
Sub-total	3,378	–	–	3,391	2.24	1,470	19.5		486	14	11	3
Portfolio (xiii) – Retail – Other retail exposures to individuals												
0.00 to < 0.15	1,154	1,781	42.8	1,916	0.09	7,747	42.4		185	10	1	
0.15 to < 0.25	1,670	2,377	52.1	2,910	0.22	7,765	26.6		320	11	2	
0.25 to < 0.50	4,389	1,355	48.1	5,087	0.34	33,697	94.5		2,719	53	16	
0.50 to < 0.75	1,755	144	69.6	1,872	0.60	7,320	87.2		1,297	69	10	
0.75 to < 2.50	7,973	986	65.5	8,676	1.34	24,409	72.1		7,101	82	90	
2.50 to < 10.00	3,738	123	69.1	3,857	4.77	14,179	84.3		4,761	123	155	
10.00 to < 100.00	972	45	79.6	1,016	16.73	4,414	78.4		1,655	163	146	
100.00 (Default)	100	2	5.0	100	100.00	267	63.3		221	220	46	
Sub-total	21,751	6,813	51.7	25,434	2.39	99,798	72.3		18,259	72	466	417

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 24.4: CR6 – Credit risk exposures by portfolio and PD range – for IRB approach (Total)

	a	b	c	d	e	f	g	h	i	j	k	l
As at 30 Jun 2026	Original on-balance sheet gross exposure HK\$m	OBS exposures pre-CCF HK\$m	Average CCF %	EAD post-CRM and post-CCF HK\$m	Average PD %	Number of obligors	Average LGD %	Average maturity ¹ years	RWA HK\$m	RWA density %	EL HK\$m	Provisions ² HK\$m
Total (all portfolios)	1,170,395	472,937	39.5	1,359,720	2.54	2,722,236	42.3	1.57	296,961	22	11,504	13,751

1. The average maturity is relevant to wholesale portfolios only.

2. Provisions in this table represent the eligible provisions as defined under Division 1, Part 6 of the BCR which include the regulatory reserves for general banking risks and the impairment allowances reported under IRB approach.

Compared with the position as at 31 December 2025, RWA decreased by HK\$16.0bn, mainly driven by changes in portfolio mix and an improvement in asset quality. This was further supported by a drop in corporate lending under IRB approach. EL and provisions decreased by HK\$1.7bn and HK\$1.1bn accordingly.

The decrease in average PD from 3.14% at 31 December 2025 to 2.54% at 30 June 2026 was mainly due to the decrease in the proportion of defaulted portfolio under IRB approach.

Table 25: CR10 – Specialised lending under supervisory slotting criteria approach – Other than high-volatility commercial real estate ('HVCRE')

As at 30 Jun 2026		a	b	c	d(i)	d(ii)	d(iii)	d(iv)	d(v)	e	f
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount HK\$m	Off-balance sheet exposure amount HK\$m	Supervisory risk-weight ('SRW') %	EAD amount				Total HK\$m	RWA HK\$m	EL HK\$m
					Project Finance ('PF') HK\$m	Object finance ('OF') HK\$m	Commodities finance ('CF') HK\$m	Income Producing Real Estate ('IPRE') HK\$m			
Strong^	Less than 2.5 years	4,207	253	50%	–	–	–	4,265	4,265	2,133	–
Strong	Less than 2.5 years	40	–	70%	–	–	–	40	40	28	–
Strong	Equal to or more than 2.5 years	2,185	83	70%	–	–	–	2,216	2,216	1,551	9
Good^	Less than 2.5 years	7,626	1,040	70%	–	–	–	7,742	7,742	5,419	31
Good	Less than 2.5 years	–	701	90%	–	–	–	281	281	253	2
Good	Equal to or more than 2.5 years	5,639	41	90%	–	–	–	5,649	5,649	5,084	45
Satisfactory		11,088	629	115%	–	–	–	11,246	11,246	12,932	316
Weak		2,590	250	250%	–	–	–	2,688	2,688	6,719	215
Default		9,534	–	0%	–	–	–	9,534	9,534	–	4,767
Total		42,909	2,997		–	–	–	43,661	43,661	34,119	5,385

[^] Use of preferential risk weights.

Compared with the position as at 31 December 2025, On-balance sheet amount decreased by HK\$10.0bn primarily due to a drop in corporate lending under supervisory slotting criteria approach. EAD amount and EL decreased by HK\$10.0bn and HK\$5.2bn accordingly. RWA increased by HK\$2.0bn mainly due to customer downgrade.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Credit risk under standardised approach

Table 26: CR5 – Credit risk exposures by exposure classes and by risk weights – for STC approach

		0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Sovereign exposures	3,325	–	–	479	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,804
2	PSE exposures	11,439	–	–	18,777	–	–	–	–	–	12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	30,228
3	Multilateral development bank exposures	30,549	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	30,549
3a	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Bank exposures	–	–	–	8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	201	–	–	–	–	209
4a	Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Eligible covered bond exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	General corporate exposures	–	–	–	815	–	–	–	–	–	2,408	–	–	–	2,339	–	421	–	25,552	–	–	–	–	–	–	–	–	31,535
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–	–	–	–	–	–	–	2,408	–	–	–	–	–	260	–	7,875	–	–	–	–	–	–	–	–	10,543
6b	Specialised lending	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Equity exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	45	–	–	–	45
7a	Significant capital investments in commercial entities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,773	27	–	–	3,800

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 26: CR5 – Credit risk exposures by exposure classes and by risk weights – for STC approach (continued)

		0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	1250 %	Other	Total credit exposure amount (post-CCF and post-CRM)																
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m																
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates																																											
		–	–	–	–	–	–	–	–	8	–	–	–	–	5,236	–	–	–	5,640	–	–	–	–	–	–	–	–	–	–															
8	Retail exposures	–	–	–	–	–	–	–	–	8	–	–	–	–	5,236	–	–	–	5,640	–	–	–	–	–	–	–	–	438	11,322															
8a	Exposures arising from IPO financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–																
9	Real estate exposures	–	–	–	10,316	2,342	3,109	10	105	–	54	463	–	114	1,218	–	462	3	3,951	–	–	–	–	192	–	–	–	14	22,353															
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	10,131	2,342	2,623	–	105	–	54	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	14	15,269															
9b	Of which: no loan splitting applied	–	–	–	10,131	2,342	2,623	–	105	–	54	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	14	15,269															
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)	–	–	–	–	–	486	10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	496															

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 26: CR5 – Credit risk exposures by exposure classes and by risk weights – for STC approach (continued)

		0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)	
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
As at 30 Jun 2026																													
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–	–	–	–	–	463	–	–	–	–	–	–	74	–	–	–	–	–	–	–	–	–	537
9g	Of which: no loan splitting applied	–	–	–	–	–	–	–	–	–	–	463	–	–	–	–	–	–	74	–	–	–	–	–	–	–	–	–	537
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)	–	–	–	–	–	–	–	–	–	–	–	–	114	–	–	–	3	–	–	–	–	–	–	–	–	–	–	117
9k	Of which: Other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	185	–	–	–	–	–	–	–	–	–	1,218	–	462	–	3,877	–	–	–	–	–	–	–	–	–	5,742
9l	Of which: no loan splitting applied	–	–	–	185	–	–	–	–	–	–	–	–	–	1,218	–	462	–	3,877	–	–	–	–	–	–	–	–	–	5,742
9m	Of which: loan splitting applied (secured)																												
9n	Of which: loan splitting applied (unsecured)																												

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 26: CR5 – Credit risk exposures by exposure classes and by risk weights – for STC approach (continued)

		0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
9o	Of which: Other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	192	–	–	–	–	192
9p	Of which: land acquisition, development and construction exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	188	–	–	–	1,972	–	–	–	28	2,188
11	Other exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11a	Cash and gold	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 27: CR5 - Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures (STC version)

		a	b	c	d
Risk Weight		On-balance sheet exposure HK\$m	Off-balance sheet exposure (pre-CCF) HK\$m	Weighted average CCF ¹ %	Exposure (post-CCF and post-CRM) ² HK\$m
1	Less than 40%	85,435	11,077	18.1	81,200
2	40-70%	3,159	167	10.0	3,175
3	75%	8,126	6,623	10.1	8,793
4	85%	644	2,323	10.3	883
5	90- 100%	32,382	24,849	11.9	35,333
6	105-130%	247	482	10.0	295
7	150%	2,498	101	10.0	2,508
8	250%	3,819	–	–	3,819
9	400%	27	–	–	27
10	1250%	–	–	–	–
11	Total exposures at 30 Jun 2026	136,337	45,622	13.0	136,033

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

2 Exposure (post-CCF and post-CRM) is calculated by applying provisioning, CRM measures and then CCFs in relation to both on-balance sheet and off-balance sheet exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Credit risk mitigation

Table 28: CR3 – Overview of recognised credit risk mitigation

	a	b	c	d	e
	Exposures unsecured: carrying amount HK\$m	Exposures to be secured HK\$m	Exposures secured by recognised collateral HK\$m	Exposures secured by recognised guarantees HK\$m	Exposures secured by recognised credit derivative contracts HK\$m
As at 30 Jun 2026					
1 Loans	314,220	517,995	381,016	104,421	–
2 Debt securities	498,052	660	–	–	–
3 Total	812,272	518,655	381,016	104,421	–
4 Of which: defaulted	5,281	18,198	8,819	231	–

Table 29: CR7 – Effects on RWA of recognised credit derivative contracts used as recognised credit risk mitigation - for IRB approach

	a	b
	Pre-credit derivatives RWA HK\$m	Actual RWA HK\$m
As at 30 Jun 2026		
1 Corporate – Specialised lending (PF)	–	–
2 Corporate – Specialised lending (OF)	–	–
3 Corporate – Specialised lending (CF)	–	–
4 Corporate – Specialised lending (IPRE)	34,119	34,119
5 Corporate – Specialised lending (HVCRE)	–	–
6 Corporate – SMEs	11,602	11,602
7 Corporate – Large corporates	107,442	107,442
8 Corporate – Financial institutions treated as corporates	9,654	9,654
9 Corporate – Other corporates	58,865	58,865
10 Sovereign – Sovereigns	17,767	17,767
11 Sovereign – Sovereign foreign PSEs	–	–
12 Sovereign – Multilateral development banks	–	–
13 Bank – Banks (excluding covered bonds)	11,061	11,061
14 Bank – Qualifying non-bank financial institutions	220	220
15 Bank – PSEs (excluding sovereign foreign public sector entities)	–	–
16 Bank – Unspecified multilateral bodies	–	–
17 Bank – Covered bonds	1,292	1,292
18 Retail – Small business retail exposures	486	486
19 Retail – Residential mortgages to individuals	33,481	33,481
20 Retail – Residential mortgages to property-holding shell companies	399	399
21 Retail – QRRE (transactor)	8,734	8,734
22 Retail – QRRE (revolver)	17,699	17,699
23 Retail – Other retail exposures to individuals	18,259	18,259
24 CIS – CIS exposures	609	609
25 Other – Cash items	–	–
26 Other – Other items	33,469	33,469
27 Total (under the IRB calculation approaches)	365,158	365,158

There is no impact on RWA, as the Group does not have credit derivative contracts used as recognised CRM.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 30: CR4 – Credit risk exposures and effects of recognised credit risk mitigation – for STC approach

		a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	OBS amount	On-balance sheet amount	OBS amount	RWA	RWA density
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	%
As at 30 Jun 2026							
Exposure classes							
1	Sovereign exposures	1,275	–	3,773	31	96	3
2	PSE exposures	28,936	3,979	28,936	1,292	3,761	12
3	Multilateral development bank exposures	30,549	–	30,549	–	–	–
3a	Unspecified multilateral body exposures	–	–	–	–	–	–
4	Bank exposures	209	–	209	–	303	145
4a	Qualifying non-bank financial institution exposures	–	–	–	–	–	–
5	Eligible covered bond exposures	–	–	–	–	–	–
6	General corporate exposures	32,059	23,304	28,958	2,577	29,030	92
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	9,501	8,518	9,501	1,042	9,300	88
6b	Specialised lending	–	–	–	–	–	–
7	Equity exposures	45	–	45	–	114	250
7a	Significant capital investments in commercial entities	–	–	–	–	–	–
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	3,800	–	3,800	–	9,542	251
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	–
8	Retail exposures	15,126	14,720	10,326	996	10,118	89
8a	Exposures arising from IPO financing	–	–	–	–	–	–
9	Real estate exposures	22,150	3,619	21,977	376	9,566	43
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	15,266	38	15,265	4	3,474	23
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	490	56	490	6	149	30
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	537	–	537	–	352	66
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	117	–	117	–	83	70
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	5,550	3,507	5,378	364	5,220	91
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	190	18	190	2	288	150
9g	Of which: land acquisition, development and construction exposures	–	–	–	–	–	–

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 30: CR4 – Credit risk exposures and effects of recognised credit risk mitigation – for STC approach (continued)

		a	b	c	d	e	f
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	OBS amount	On-balance sheet amount	OBS amount	RWA	RWA density
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	%
As at 30 Jun 2026							
Exposure classes							
10	Defaulted exposures	2,188	–	2,188	–	3,145	144
11	Other exposures	–	–	–	–	–	–
11a	Cash and gold	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–
12	Total	136,337	45,622	130,761	5,272	65,675	48

Pre-CCF and pre-CRM for OBS exposures and post-CCF and post-CRM for OBS exposures decreased by HK\$2.7bn and HK\$1.0bn respectively in the first half of 2026, primarily due to a reduction in other commitments from PSE exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Counterparty credit risk exposures

Counterparty credit risk exposures

CCR arises from derivatives (including long settlement transactions) and SFTs. It is calculated in both the trading and banking books, and is the risk that a counterparty may default before final settlement, for cases where there is a bilateral risk of loss.

Table 31: CCR1 – Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches

	a	b	c	d	e	f
			Effective Expected Positive Exposure (‘EEPE’)	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
As at 30 Jun 2026	RC HK\$m	PFE HK\$m	HK\$m		HK\$m	HK\$m
1 SA-CCR approach (for derivative contracts)	4,231	15,646		1.4	27,828	7,300
1a CEM (for derivative contracts)	–	–		N/A	–	–
1b Method for group 2b cryptoasset derivative contracts			–	N/A	–	–
2 IMM (CCR) approach			–	–	–	–
3 Simple Approach (for SFTs)					–	–
4 Comprehensive approach (for SFTs)					11,631	1,452
5 Value at risk (‘VaR’) (for SFTs)					–	–
6 Total						8,752

CCR RWA increased by HK\$2.1bn compared with December 2025, mainly due to an increase in default risk exposures.

Table 32: CCR5 – Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)

	a	b	c	d	e	f
	Derivative contracts				SFTs	
	Fair value of recognised collateral received		Fair value of posted collateral		Fair value of recognised collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
As at 30 Jun 2026	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Cash – domestic currency	–	318	–	216	3,183	3,736
Cash – other currencies	–	4,968	–	1,533	95,600	193,970
Domestic sovereign debt	–	–	–	–	1,604	198
Other sovereign debt	2,192	–	–	–	55,255	80,090
Government agency debt	–	–	–	–	–	–
Corporate bonds	–	–	–	–	105,308	41,035
Equity securities	–	–	–	–	46,449	–
Other collateral	214	–	–	–	–	–
Total	2,406	5,286	–	1,749	307,399	319,029

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 33: CCR8 – Exposures to CCPs

		a	b
		Exposure after CRM HK\$m	RWA HK\$m
As at 30 Jun 2026			
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		276
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	6,805	262
3	(i) Over-the-counter ('OTC') derivative transactions	6,805	262
4	(ii) Exchange-traded derivative contracts	–	–
5	(iii) SFTs	–	–
6	(iv) Netting sets subject to valid cross-product netting agreements	–	–
7	Segregated initial margin	–	
8	Unsegregated initial margin	240	10
9	Funded default fund contributions	204	4
10	Unfunded default fund contributions	–	–
11	Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)		–
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	–	–
13	(i) OTC derivative transactions	–	–
14	(ii) Exchange-traded derivative contracts	–	–
15	(iii) SFTs	–	–
16	(iv) Netting sets subject to valid cross-product netting agreements	–	–
17	Segregated initial margin	–	
18	Unsegregated initial margin	–	–
19	Funded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Counterparty credit risk under internal ratings-based approach

Table 34: CCR4 – Counterparty credit risk exposures (other than those to CCPs) by portfolio and PD range – for IRB approach

		a	b	c	d	e	f	g
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
As at 30 Jun 2026		HK\$m	%		%	years	HK\$m	%
Sovereign (AIRB)	PD scale							
	0.00 to < 0.15	1,334	0.13	3	45.0	0.45	320	24
	0.15 to < 0.25	–	–	–	–	–	–	–
	0.25 to < 0.50	–	–	–	–	–	–	–
	0.50 to < 0.75	–	–	–	–	–	–	–
	0.75 to < 2.50	–	–	–	–	–	–	–
	2.50 to < 10.00	–	–	–	–	–	–	–
	10.00 to < 100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	1,334	0.13	3	45.0	0.45	320	24
Bank (FIRB)	0.00 to < 0.15	28,686	0.05	94	45.0	0.72	3,919	14
	0.15 to < 0.25	255	0.22	9	45.0	0.52	87	34
	0.25 to < 0.50	76	0.37	4	45.0	0.83	35	47
	0.50 to < 0.75	46	0.63	1	45.0	1.00	35	77
	0.75 to < 2.50	–	–	–	–	–	–	–
	2.50 to < 10.00	–	–	–	–	–	–	–
	10.00 to < 100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	29,063	0.06	108	45.0	0.72	4,076	14
	0.00 to < 0.15	–	–	–	–	–	–	–
Corporate (AIRB)	0.15 to < 0.25	–	–	–	–	–	–	–
	0.25 to < 0.50	–	–	–	–	–	–	–
	0.50 to < 0.75	–	–	–	–	–	–	–
	0.75 to < 2.50	–	–	–	–	–	–	–
	2.50 to < 10.00	–	–	–	–	–	–	–
	10.00 to < 100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	–	–	–	–	–	–	–
	0.00 to < 0.15	1,784	0.09	38	41.4	0.95	302	17
	0.15 to < 0.25	3,485	0.22	21	41.6	0.79	1,005	29
Corporate (FIRB)	0.25 to < 0.50	362	0.37	19	40.1	0.95	141	39
	0.50 to < 0.75	336	0.63	8	40.0	1.00	176	52
	0.75 to < 2.50	1,318	1.45	43	40.0	0.99	986	75
	2.50 to < 10.00	452	5.17	11	40.0	1.00	531	118
	10.00 to < 100.00	–	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–	–
	Sub-total	7,737	0.71	140	41.1	0.89	3,141	41
	Total (sum of all portfolios)	38,134	0.19	251	44.2	0.74	7,537	20

The Group has not used the IMM(CCR) to calculate its default risk exposure.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Counterparty credit risk under standardised approach

Table 35: CCR3 – Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach

	a	b	c	ca	cb	d	e	ea	f	g	h	i
												Total default risk exposure after CRM
As at 30 Jun 2026		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others
Risk Weight		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Exposure class												
1 Sovereign exposures		–	–	–	–	–	–	–	–	–	–	–
2 PSE exposures		–	–	149	–	–	–	–	–	–	–	–
3 Multilateral development bank exposures		–	–	–	–	–	–	–	–	–	–	–
4 Unspecified multilateral body exposures		–	–	–	–	–	–	–	–	–	–	–
5 Bank exposures		–	–	–	–	–	–	–	–	–	–	–
6 Qualifying non-bank financial institution exposures		–	–	–	–	–	–	–	–	–	15	–
7 General corporate exposures		–	–	–	–	–	–	–	–	922	–	–
8 Retail exposures		–	–	–	–	–	–	–	–	239	–	–
9 Defaulted exposures		–	–	–	–	–	–	–	–	–	–	–
10 Other exposures		–	–	–	–	–	–	–	–	–	–	–
11 Total		–	–	149	–	–	–	–	–	1,161	15	–

Credit valuation adjustment risk

Table 36: CVA1 – CVA risk under reduced basic CVA approach

	a	b
		CVA risk capital charge under the reduced basic CVA approach
As at 30 Jun 2026	Components HK\$m	HK\$m
1 Aggregation of systematic components of CVA risk	1,655	
2 Aggregation of idiosyncratic components of CVA risk	954	
3 Total		760

CVA risk capital charge decreased by HK\$0.1bn in the first half of 2026, mainly due to the net effect of a reduction of effective maturity and an increase in default risk exposures.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Market risk

Market risk under standardised approach

Table 37: MR1 – Market risk under STM approach

		a
		Market risk capital charges under STM approach
As at 30 Jun 2026		HK\$m
1	General interest rate risk	163
2	Equity risk	1
3	Commodity risk	338
4	Foreign exchange risk	460
5	Credit spread risk (non-securitisation)	207
6	Credit spread risk (securitisation: non-correlation trading portfolio ('CTP'))	–
7	Credit spread risk (securitisation: CTP)	–
8	Standardised default risk charge ('SA-DRC') (non-securitisation)	98
9	SA-DRC (securitisation: non-CTP)	–
10	SA-DRC (securitisation: CTP)	–
11	Group 2a cryptoasset exposures	–
12	Residual risk add-on	227
13	Total	1,494

Total market risk capital charges under the STM approach as of 30 June 2026 were higher compared to 31 December 2025. The increase was mainly attributable by changes in commodity risk positions and residual risk add-on.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Liquidity information

The LCR aims to ensure that a bank has sufficient unencumbered HQLA to meet its liquidity needs in a 30 calendar day liquidity stress scenario. The Group also uses the NSFR as a basis for ensuring operating entities raise sufficient stable funding to support their business activities. The NSFR requires institutions to maintain a minimum amount of stable funding based on assumptions of asset liquidity.

The Group is required to calculate its LCR and NSFR on a consolidated basis in accordance with rule 11(1) of the BLR and is required to maintain both LCR and NSFR of not less than 100%.

The average LCR of the Group for the period is as follows:

Table 38: Average liquidity coverage ratio

	Quarter ended
	30 Jun 2026
	%
Average LCR	246.9

The liquidity position of the Group is strong and well above the statutory requirement of 100%. The average LCR was 246.9% for the quarter ended 30 June 2026. The quarter-on-quarter movement in the average LCR was mainly driven by higher net cash outflows and lower HQLA, alongside an increase in commercial surplus that was redeployed into securities lending transactions.

The composition of the Group's HQLA as defined under Schedule 2 of the BLR is shown as below. The majority of HQLA included in the LCR are Level 1 assets as defined in the BLR which consist mainly of government debt securities.

The total weighted amount of HQLA of the Group for the period are as follows:

Table 39: Total weighted amount of high-quality liquid assets

	Weighted value (average) for the quarter ended
	30 Jun 2026
	HK\$m
Level 1 assets	406,909
Level 2A assets	59,864
Level 2B assets	8,979
Total weighted amount of HQLA	475,752

The NSFR of the Group for the period is as follows:

Table 40: Net stable funding ratio

	Quarter ended
	30 Jun 2026
	%
NSFR	172.3

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

The following table sets out the required disclosure items under the Liquidity Coverage Ratio Standard Disclosure Template as specified by the HKMA. Number of data points used in calculating the average value of the LCR and related components set out in this table for the quarter ended on 30 June 2026 was 71.

Table 41: LIQ1 – Liquidity coverage ratio – for category 1 institution

		Quarter ended 30 Jun 2026 (71 data points)	
		a	b
		Unweighted value (average) HK\$m	Weighted value (average) HK\$m
Basis of disclosure: consolidated			
A	HQLA		
1	Total HQLA		475,752
B	Cash outflows		
2	Retail deposits and small business funding, of which:	1,022,628	83,588
3	Stable retail deposits and stable small business funding	266,773	8,003
4	Less stable retail deposits and less stable small business funding	755,855	75,585
4a	Retail term deposits and small business term funding	–	–
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	228,455	102,626
6	Operational deposits	26,723	5,957
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	199,395	94,332
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	2,337	2,337
9	Secured funding transactions (including securities swap transactions)		7,887
10	Additional requirements, of which:	207,532	37,162
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	10,631	10,631
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	6,808	6,808
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	190,093	19,723
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	33,942	33,942
15	Other contingent funding obligations (whether contractual or non-contractual)	317,174	1,699
16	Total cash outflows		266,904
C	Cash inflows		
17	Secured lending transactions (including securities swap transactions)	74,479	28,465
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	86,475	34,636
19	Other cash inflows	19,613	10,534
20	Total cash inflows	180,567	73,635
D	LCR (adjusted value)		
21	Total HQLA		475,752
22	Total net cash outflows		193,269
23	LCR (%)		246.9

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 42: LIQ2 – Net stable funding ratio – for category 1 institution

		a	b	c	d	e
		Quarter ended 30 Jun 2026				
		Unweighted value by residual maturity				
		<6 months				
		No specified term to maturity	or repayable on demand	6 months to < 12 months	12 months or more	Weighted amount
Basis of disclosure: consolidated		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
A	ASF item					
1	Capital:	152,096	–	–	–	152,096
2	Regulatory capital	152,096	–	–	–	152,096
2a	Minority interests not covered by row 2	–	–	–	–	–
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and small business funding:	–	1,022,131	–	–	933,264
5	Stable deposits		266,920	–	–	253,574
6	Less stable deposits		755,211	–	–	679,690
7	Wholesale funding:	–	405,392	10,296	10	140,430
8	Operational deposits		26,088	–	–	13,044
9	Other wholesale funding	–	379,304	10,296	10	127,386
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	36,752	41,908	17,904	16,089	25,041
12	Net derivative liabilities	–				
13	All other funding and liabilities not included in the above categories	36,752	41,908	17,904	16,089	25,041
14	Total ASF					1,250,831
B	RSF item					
15	Total HQLA for NSFR purposes ¹		439,146			18,790
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities:	38,930	414,040	95,866	546,016	570,283
18	Performing loans to financial institutions secured by Level 1 HQLA	–	43,027	–	–	4,303
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2	177,473	13,058	10,640	43,792
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	35,676	167,372	67,851	147,825	273,064
21	With a risk-weight of less than or equal to 35% under the STC approach	31	385	46	2,584	1,914
22	Performing residential mortgages, of which:	–	7,668	7,786	318,786	225,122
23	With a risk-weight of less than or equal to 35% under the STC approach	–	7,000	7,009	267,867	181,119
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,252	18,500	7,171	68,765	24,002
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	135,482	31,799	995	1,045	127,630
27	Physical traded commodities, including gold	49,231				41,846
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	5,323				4,524
29	Net derivative assets	8				8
30	Total derivative liabilities before adjustments for deduction of variation margin posted	3,881				194
31	All other assets not included in the above categories	77,039	31,799	995	1,045	81,058
32	OBS items ¹		507,674			9,312
33	Total RSF					726,015
34	NSFR (%)					172.3

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Table 42: LIQ2 – Net stable funding ratio – for category 1 institution (continued)

		a	b	c	d	e
		Quarter ended 31 Mar 2026				
		Unweighted value by residual maturity				
		<6 months				
		No specified term to maturity	or repayable on demand	6 months to < 12 months	12 months or more	Weighted amount
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Basis of disclosure: consolidated						
A	ASF item					
1	Capital:	169,209	–	–	–	169,209
2	Regulatory capital	169,209	–	–	–	169,209
2a	Minority interests not covered by row 2	–	–	–	–	–
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and small business funding:	–	1,044,129	–	–	953,257
5	Stable deposits		270,828	–	–	257,286
6	Less stable deposits		773,301	–	–	695,971
7	Wholesale funding:	–	308,273	9,975	47	132,969
8	Operational deposits		28,770	–	–	14,385
9	Other wholesale funding	–	279,503	9,975	47	118,584
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	37,863	39,026	8,740	23,727	28,098
12	Net derivative liabilities	–				
13	All other funding and liabilities not included in the above categories	37,863	39,026	8,740	23,727	28,098
14	Total ASF					1,283,533
B	RSF item					
15	Total HQLA for NSFR purposes ¹		478,722			20,606
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities:	39,214	350,211	88,862	513,797	554,314
18	Performing loans to financial institutions secured by Level 1 HQLA	–	29,694	–	–	2,969
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1	142,850	11,561	9,542	36,752
20	Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	35,623	152,357	65,678	147,876	264,812
21	With a risk-weight of less than or equal to 35% under the STC approach	37	349	38	859	775
22	Performing residential mortgages, of which:	–	7,864	7,744	317,438	224,192
23	With a risk-weight of less than or equal to 35% under the STC approach	–	6,959	6,963	267,169	180,621
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,590	17,446	3,879	38,941	25,589
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	150,827	18,242	988	1,045	142,296
27	Physical traded commodities, including gold	50,522				42,944
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	3,954				3,361
29	Net derivative assets	47				47
30	Total derivative liabilities before adjustments for deduction of variation margin posted	3,674				184
31	All other assets not included in the above categories	92,630	18,242	988	1,045	95,760
32	OBS items ¹			501,558		9,347
33	Total RSF					726,563
34	NSFR (%)					176.7

1 The unweighted values disclosed in these rows are not required to be split by residual maturity.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Asset encumbrance

The following table is to provide the carrying amount of encumbered and unencumbered assets with breakdown of balance sheet assets.

Encumbered assets means any assets that the Bank is restricted or prevented from liquidating, selling, transferring or assigning, due to legal, regulatory, contractual or other limitations. Unencumbered assets means any assets of the Bank other than encumbered assets.

Table 43: ENC – Asset encumbrance

	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
As at 30 Jun 2026	HK\$m	HK\$m	HK\$m
Financial investments	66,659	432,929	499,588
Trading assets	7,153	22,157	29,310
Assets other than Financial investments and Trading assets	3,950	1,143,020	1,146,970
Total Assets	77,762	1,598,106	1,675,868

During the first half of 2026, the increase in encumbered assets was driven by the growth in repurchase agreement transactions which led to higher volume of debt securities being pledged as collaterals.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Other disclosures

Mainland activities

The analysis of mainland activities is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the BDR with reference to the HKMA's Return of Mainland Activities. This includes the mainland activities exposures extended by the Bank's Hong Kong offices and its wholly-owned banking subsidiary in mainland China.

Table 44: Mainland activities

		On-balance sheet exposure HK\$m	OBS exposure HK\$m	Total exposures HK\$m
As at 30 Jun 2026				
Types of counterparties				
1	Central government, central government-owned entities and their subsidiaries and joint ventures ('JVs')	32,648	3,951	36,599
2	Local governments, local government-owned entities and their subsidiaries and JVs	19,994	2,756	22,750
3	People's Republic of China ('PRC') nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	96,200	11,670	107,870
4	Other entities of central government not reported in item 1 above	4,051	346	4,397
5	Other entities of local governments not reported in item 2 above	3,799	187	3,986
6	PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	18,216	2,007	20,223
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	9,971	728	10,699
Total		184,879	21,645	206,524
Total assets after provision		1,692,428		
On-balance sheet exposures as percentage of total assets		10.92%		

On-balance sheet exposures as percentage of total assets decreased from 11.04% at 31 December 2025 to 10.92% at 30 June 2026.

International claims

The Group's country risk exposures in the table below are prepared in accordance with the HKMA Return of International Banking Statistics guidelines on a regulatory consolidation basis. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties, after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies.

The table shows claims on individual countries and territories or areas, after recognised risk transfer, amounting to not less than 10% of the Group's total international claims.

Table 45: International claims

		Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
As at 30 Jun 2026		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Developed countries		119,677	234,308	5,214	18,995	378,194
– of which: United States		46,112	128,875	2,219	517	177,723
Offshore centres		68,330	33,431	11,977	127,940	241,678
– of which: Hong Kong SAR		61,205	4,576	10,959	120,482	197,222
Developing Asia and Pacific		25,461	13,762	8,470	26,556	74,249

At 30 June 2026, only claims on Hong Kong SAR and United States were the individual countries and territories or areas, which were not less than 10% of the Group's total international claims.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Foreign exchange positions

The Group's FX exposures in the tables below are prepared in accordance with the HKMA Return of Foreign Currency Position.

The Group had the following net structural foreign currency exposures that were not less than 10% of total net structural foreign currency positions at 30 June 2026:

Table 46: Net structural foreign currency exposures

As at 30 Jun 2026	Net structural position	
	LCYm	HK\$m
Chinese Renminbi ('RMB')	13,782	15,929
US dollar ('USD')	1,627	12,763

The Group had the following non-structural foreign currency positions that were not less than 10% of the net non-structural positions in all foreign currencies at 30 June 2026:

Table 47: Non-structural foreign currency positions

As at 30 Jun 2026	USD	RMB
	HK\$m	HK\$m
Spot assets	415,168	151,908
Spot liabilities	(362,925)	(129,371)
Forward purchases	644,898	193,554
Forward sales	(679,011)	(215,305)
Net options positions	(12,486)	54
Net long (net short) position¹	5,644	840

1 The net options positions reported above are calculated using the delta-weighted positions of the options contracts.

A summary of the Group's current policies and practices for the management of foreign currency exposures is set out in page 75 of the Group's 2025 Annual Report.

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

Other information

Abbreviations

The following abbreviated terms are used throughout this document.

A			
AI	Authorised institution	Hong Kong SAR	The Hong Kong Special Administrative Region of the People's Republic of China
AIRB	Advanced IRB	HSBC	HSBC Holdings
ASF	Available stable funding	HSBC Group	HSBC Holdings together with its subsidiary undertakings
AT1	Additional tier 1		
B		HQLA	High quality liquid assets
Bank	Hang Seng Bank Limited	HVCRE	High-volatility commercial real estate
BA-CVA	Reduced basic CVA approach	I	
BCBS	Basel Committee on Banking Supervision	IAA	Internal assessment approach
BCR	Banking (Capital) Rules	IMA	Internal models approach
BDR	Banking (Disclosure) Rules	IMM	Internal Models
BLR	Banking (Liquidity) Rules	IMM(CCR)	Internal models (counterparty credit risk)
BSC	Basic indicator	IPRE	Income producing real estate
C		IRB	Internal ratings-based
CCF	Credit conversion factor	J	
CCP	Central counterparty	JCCyB	Jurisdictional CCyB
CCR	Counterparty credit risk	JVs	Joint ventures
CCyB	Countercyclical capital buffer	L	
CEM	Current exposure method	LAC	Loss-absorbing capacity
CET1	Common equity tier 1	LAC Rules	Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements - Banking Sector) Rules
CF	Commodities finance		
CIS	Collective investment scheme	LCR	Liquidity Coverage Ratio
CTP	Correlation trading portfolio	LGD	Loss given default
CVA	Credit valuation adjustment	LR	Leverage ratio
D		LTA	Look-through approach
D-SIB	Domestic systemically important authorised institution	M	
DTAs	Deferred tax assets	MBA	Mandate-based approach
E		MSRs	Mortgage servicing rights
EAD	Exposure at default	N	
ECL	Expected Credit Loss	N/A	Not applicable
EL	Expected loss	NSFR	Net stable funding ratio
EEPE	Effective expected positive exposure	O	
F		OBS	Off-balance sheet
FBA	Fall-back approach	OF	Object finance
FIRB	Foundation IRB	OTC	Over-the-counter
FIRO	Financial Institutions (Resolution) Ordinance	P	
FSB	Financial Stability Board	p.p.	Percentage point
FX	Foreign exchange	PD	Probability of default
FVOCI	Fair Value through Other Comprehensive Income	PF	Project finance
G		PFE	Potential future exposure
G-SIB	Global systemically important authorised institution	PRC	People's Republic of China
Group	Hang Seng Bank Limited together with its subsidiaries	PSE	Public sector entity
H		PVA	Prudent valuation adjustment
HK\$bn	Billions (thousands of millions) of Hong Kong dollars	Q	
HK\$m	Millions of Hong Kong dollars	QRRE	Qualifying revolving retail exposures
HKMA	Hong Kong Monetary Authority	R	
HKFRS	Hong Kong Financial Reporting Standards	RC	Replacement cost
		RMB	Chinese Renminbi
		RSF	Required stable funding
		RW	Risk-weighted
		RWA	Risk-weighted asset/risk-weighted amount

BANKING DISCLOSURE STATEMENT (unaudited) (continued)

S	
SA-CCR	Standardised (counterparty credit risk)
SA-DRC	Standardised default risk charge
SEC-ERBA	Securitisation external ratings-based approach
SEC-FBA	Securitisation fall-back approach
SEC-IRBA	Securitisation internal ratings-based approach
SEC-SA	Securitisation standardised approach
SFT	Securities financing transaction
SME	Small and medium-sized enterprises
SRW	Supervisory risk-weight
SSTM	Simplified standardised
STM	Standardised (market risk)
T	
T1	Tier 1
T2	Tier 2
TC	Total regulatory capital
TLAC	Total Loss-absorbing Capacity
U	
USD	US dollar
V	
VaR	Value at risk