

Regulatory Disclosures

31 March 2026



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1. Key prudential ratios, key metrics and overview of RWA

KM1: Key prudential ratios

	(a)	(b)	(c)	(d)	(e)	
	At 31 March 2026	At 31 December 2025	At 30 September 2025	At 30 June 2025	At 31 March 2025	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	305,282	295,716	300,236	293,879	281,204
2 & 2a	Tier 1	305,282	295,716	300,236	293,879	281,204
3 & 3a	Total capital	329,941	319,967	325,266	318,747	306,439
RWA (amount)						
4	Total RWA	1,269,216	1,231,680	1,236,701	1,240,737	1,196,007
4a	Total RWA (pre-floor)	1,269,216	1,231,680	1,236,701	1,240,737	1,196,007
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	24.05%	24.01%	24.28%	23.69%	23.51%
5b	CET1 ratio (%) (pre-floor ratio)	24.05%	24.01%	24.28%	23.69%	23.51%
6 & 6a	Tier 1 ratio (%)	24.05%	24.01%	24.28%	23.69%	23.51%
6b	Tier 1 ratio (%) (pre-floor ratio)	24.05%	24.01%	24.28%	23.69%	23.51%
7 & 7a	Total capital ratio (%)	26.00%	25.98%	26.30%	25.69%	25.62%
7b	Total capital ratio (%) (pre-floor ratio)	26.00%	25.98%	26.30%	25.69%	25.62%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.419%	0.420%	0.421%	0.419%	0.418%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	1.500%	1.500%	1.500%	1.500%	1.500%
11	Total AI-specific CET1 buffer requirements (%)	4.419%	4.420%	4.421%	4.419%	4.418%
12	CET1 available after meeting the AI's minimum capital requirements (%)	18.00%	17.98%	18.28%	17.69%	17.51%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	4,174,726	4,136,373	4,145,203	4,101,313	3,930,081
13a	LR exposure measure based on mean values of gross assets of SFTs	4,185,416	4,088,284	4,139,653	4,092,318	3,917,659
14, 14a & 14b	LR (%)	7.31%	7.15%	7.24%	7.17%	7.16%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	7.29%	7.23%	7.25%	7.18%	7.18%
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institutions only:						
15	Total high quality liquid assets (HQLA)	1,216,694	1,330,255	1,295,689	1,298,727	1,434,598
16	Total net cash outflows	675,110	722,709	678,335	703,922	630,831
17	LCR (%)	180.46%	184.39%	191.26%	185.34%	231.50%
Applicable to category 2 institutions only:						
17a	LMR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)						
Applicable to category 1 institutions only:						
18	Total available stable funding	2,382,791	2,358,862	2,330,468	2,223,559	2,196,305
19	Total required stable funding	1,662,239	1,657,689	1,628,940	1,595,767	1,561,372
20	NSFR (%)	143.35%	142.30%	143.07%	139.34%	140.67%
Applicable to category 2A institutions only:						
20a	CFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

1. Key prudential ratios, key metrics and overview of RWA (continued)

KM2(A): Key metrics – LAC requirements for material subsidiaries (at LAC consolidation group level)

	(a)	(b)	(c)	(d)	(e)	
	At 31 March 2026	At 31 December 2025	At 30 September 2025	At 30 June 2025	At 31 March 2025	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
Of the material entity at LAC consolidation group level						
1	Internal loss-absorbing capacity available	407,483	395,724	400,646	394,077	379,656
2	Risk-weighted amount under the LAC Rules	1,269,216	1,231,680	1,236,701	1,240,737	1,196,007
3	Internal LAC risk-weighted ratio	32.11%	32.13%	32.40%	31.76%	31.74%
4	Exposure measure under the LAC Rules	4,174,726	4,136,373	4,145,203	4,101,313	3,930,081
5	Internal LAC leverage ratio	9.76%	9.57%	9.67%	9.61%	9.66%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ¹	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ¹	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Footnote:

¹ The subordination exemptions under Section 11 of the Financial Stability Board (“FSB”) Total Loss-absorbing Capacity Term Sheet (“TLAC Term Sheet”) do not apply in Hong Kong under the LAC Rules.

1. Key prudential ratios, key metrics and overview of RWA (continued)

KM2(B): Key metrics – TLAC requirements for non-HK resolution entity (at resolution group level)

	(a)	(b)	(c)	(d)	(e)	
	At 31 March 2026	At 31 December 2025	At 30 September 2025	At 30 June 2025	At 31 March 2025	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
Of the non-HK resolution entity at resolution group level						
1	External loss-absorbing capacity available	5,310,879	5,145,217	4,941,178	4,805,193	4,454,068
2	Total risk-weighted amount under the relevant non-HK LAC regime	24,797,311	23,316,768	22,576,460	22,437,331	21,485,895
3	External loss-absorbing capacity as a percentage of risk-weighted amount	21.42%	22.07%	21.89%	21.42%	20.73%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	47,152,749	44,933,722	42,878,330	42,253,825	40,478,627
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	11.26%	11.45%	11.52%	11.37%	11.00%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

1. Key prudential ratios, key metrics and overview of RWA (continued)

OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		At 31 March 2026	At 31 December 2025	At 31 March 2026
		HK\$'m	HK\$'m	HK\$'m
1	Credit risk for non-securitization exposures	1,089,922	1,067,049	87,194
2	Of which STC approach	132,565	124,658	10,605
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	818,326	809,789	65,466
4	Of which supervisory slotting criteria approach	2,206	2,222	177
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	67,615	68,853	5,409
5b	Of which specific risk-weight approach	69,210	61,527	5,537
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	-	Not applicable	-
6	Counterparty credit risk and default fund contributions	18,701	17,728	1,496
7	Of which SA-CCR approach	17,833	17,160	1,427
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
8a	Of which method for group 2b cryptoasset derivative contracts	-	Not applicable	-
9	Of which others	868	568	69
10	CVA risk	5,978	5,515	478
11	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable	Not applicable	Not applicable
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	85,448	76,487	6,836
21	Of which STM approach	85,448	76,487	6,836
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	78,909	77,901	6,312
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	11,049	7,583	884
26	Output floor level applied	55%	50%	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	20,791	20,583	1,663
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	27	23	2
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	20,764	20,560	1,661
29	Total	1,269,216	1,231,680	101,537

Compared with 31 December 2025, the 6% increase in RWA under STC approach was mainly due to increase in non-domestic currency sovereign exposures and general corporate exposures. The 5% increase in RWA under counterparty credit risk and default fund contributions was mainly driven by change in market value of derivative transactions and transaction volume.

2. Leverage ratio

LR2: Leverage ratio

		At 31 March 2026	At 31 December 2025
		(a)	(b)
		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)	3,935,339	3,853,477
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	(9,845)	(5,543)
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 Tier 1 capital	(19,053)	(19,047)
6	Less: Asset amounts deducted in determining Tier 1 capital	(43,624)	(42,942)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	3,862,817	3,785,945
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	13,411	12,205
9	Add-on amounts for PFE associated with all derivative contracts	45,239	45,055
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	58,650	57,260
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	92,284	113,867
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	26	20,028
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	92,310	133,895
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	871,657	869,395
20	Less: Adjustments for conversion to credit equivalent amounts	(710,353)	(709,792)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(355)	(330)
22	Off-balance sheet items (sum of rows 19 to 21)	160,949	159,273
Capital and total exposures			
23	Tier 1 capital	305,282	295,716
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,174,726	4,136,373
Leverage ratio			
25 & 25a	Leverage ratio	7.31%	7.15%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	Not applicable	Not applicable

2. Leverage ratio (continued)

LR2: Leverage ratio (continued)

		At 31 March 2026	At 31 December 2025
		(a)	(b)
		HK\$m	HK\$m
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	102,974	65,778
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	92,284	113,867
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)	4,185,416	4,088,284
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	7.29%	7.23%

3. Liquidity

LIQ1: Liquidity Coverage Ratio – for category 1 institution

Number of data points used in calculating the average value of the LCR and related components set out in this template: (73)		For the quarter ended 31 March 2026	
		(a)	(b)
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)
		HK\$m	HK\$m
A. HQLA			
1	Total HQLA		1,216,694
B. Cash Outflows			
2	Retail deposits and small business funding, of which:	1,392,025	81,037
3	<i>Stable retail deposits and stable small business funding</i>	526,168	15,785
4	<i>Less stable retail deposits and less stable small business funding</i>	426,975	42,698
4a	<i>Retail term deposits and small business term funding</i>	438,882	22,554
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	1,465,035	652,716
6	<i>Operational deposits</i>	483,604	118,670
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	981,411	534,026
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	20	20
9	Secured funding transactions (including securities swap transactions)		580
10	Additional requirements, of which:	489,645	90,130
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	43,723	42,351
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	445,922	47,779
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	106,788	106,788
15	Other contingent funding obligations (whether contractual or non-contractual)	450,681	4,500
16	Total Cash Outflows		935,751
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	23,877	6,953
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	265,773	144,529
19	Other cash inflows	118,549	109,159
20	Total Cash Inflows	408,199	260,641
D. Liquidity Coverage Ratio			Adjusted value
21	Total HQLA		1,216,694
22	Total Net Cash Outflows		675,110
23	LCR (%)		180.46%

3. Liquidity (continued)

LIQ1: Liquidity Coverage Ratio – for category 1 institution (continued)

Notes:

- The weighted amount of HQLA is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principal amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

The Group's average LCR of the first quarter in 2026 was 180.46%, continuously maintained at stable and healthy level.

The HQLA consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks and non-financial corporate debt securities. The majority of the HQLA was composed of Level 1 HQLA.

The net cash outflow was mainly from retail and corporate customer deposits which are the Group's primary source of funds, together with deposits and balances from banks and other financial institutions. To ensure stable, sufficient and diversified source of funds, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market or by issuing debts in the capital market. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, had a minimal impact to the LCR.

The majority of the Group's customer deposits are denominated in HKD, USD and RMB. As the supply of HQLA denominated in HKD in the market is relatively limited, the Group exchanges surplus funds in HKD for USD and other currencies through swap transactions, part of which being used for investment in HQLA.

4. Credit risk for non-securitization exposures

CR8: RWA flow statements of credit risk exposures under IRB approach

		(a)
		HK\$'m
1	RWA as at 31 December 2025	942,391
2	Asset size	14,659
3	Asset quality	(3,353)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	3,660
8	Other	-
9	RWA as at 31 March 2026	957,357

5. Counterparty credit risk

CCR7: RWA flow statements of default risk exposures under IMM(CCR) approach

The Group did not use IMM(CCR) approach to measure default risk exposures as at 31 March 2026.

6. Credit valuation adjustment risk

CVA4: RWA flow statements of CVA risk exposures under standardized CVA approach

The Group did not use standardised CVA approach to calculate CVA risk capital charges as at 31 March 2026.

7. Market risk

MR2: Market risk under IMA

The Group did not use IMA to calculate market risk capital charges as at 31 March 2026.

8. Comparison of modelled and standardized RWAs

CMS1: Comparison of modelled and standardized RWAs at risk level

		At 31 March 2026			
		(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 standardized approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardized approach (i.e. used in the computation of the output floor)
		HK\$m	HK\$m	HK\$m	HK\$m
1	Credit risk for non-securitization exposures	957,357	132,565	1,089,922	1,576,721
2	Counterparty credit risk and default fund contributions	15,931	2,770	18,701	18,656
3	CVA risk		5,978	5,978	7,275
4	Securitization exposures in banking book	-	-	-	-
5	Market risk	-	85,448	85,448	85,448
6	Operational risk		78,909	78,909	78,909
7	Residual RWA	-	11,049	11,049	11,049
8	Total	973,288	316,719	1,290,007	1,778,058

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