

Regulatory Disclosures

30 June 2025



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

KM1: Key prudential ratios

		(a)	(b)	(c)	(d)	(e)
		At 30 June 2025	At 31 March 2025	At 31 December 2024	At 30 September 2024	At 30 June 2024
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	293,879	281,204	266,651	280,004	261,872
2 & 2a	Tier 1	293,879	281,204	266,651	280,004	261,872
3 & 3a	Total capital	318,747	306,439	292,980	307,164	289,609
	RWA (amount)					
4	Total RWA	1,240,737	1,196,007	1,331,828	1,371,663	1,306,227
4a	Total RWA (pre-floor)	1,240,737	1,196,007	Not applicable	Not applicable	Not applicable
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	23.69%	23.51%	20.02%	20.41%	20.05%
5b	CET1 ratio (%) (pre-floor ratio)	23.69%	23.51%	Not applicable	Not applicable	Not applicable
6 & 6a	Tier 1 ratio (%)	23.69%	23.51%	20.02%	20.41%	20.05%
6b	Tier 1 ratio (%) (pre-floor ratio)	23.69%	23.51%	Not applicable	Not applicable	Not applicable
7 & 7a	Total capital ratio (%)	25.69%	25.62%	22.00%	22.39%	22.17%
7b	Total capital ratio (%) (pre-floor ratio)	25.69%	25.62%	Not applicable	Not applicable	Not applicable
	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%	0.418%	0.422%	0.820%	0.823%
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%	4.418%	4.422%	4.820%	4.823%
12	CET1 available after meeting the AI's minimum capital requirements (%)	17.69%	17.51%	14.00%	14.39%	14.05%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	4,101,313	3,930,081	3,915,413	3,893,039	3,720,479
13a	LR exposure measure based on mean values of gross assets of SFTs	4,092,318	3,917,659	Not applicable	Not applicable	Not applicable
14, 14a & 14b	LR (%)	7.17%	7.16%	6.81%	7.19%	7.04%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	7.18%	7.18%	Not applicable	Not applicable	Not applicable
	Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	1,298,727	1,434,598	1,150,171	1,166,618	1,216,472
16	Total net cash outflows	703,922	630,831	575,682	520,427	511,109
17	LCR (%)	185.34%	231.50%	201.06%	231.81%	250.58%
	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	2,223,559	2,196,305	2,151,966	2,133,439	2,068,035
19	Total required stable funding	1,595,767	1,561,372	1,517,285	1,520,766	1,467,119
20	NSFR (%)	139.34%	140.67%	141.83%	140.29%	140.96%
	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 30 June 2025	At 31 March 2025	At 31 December 2024	At 30 September 2024	At 30 June 2024
		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	394,077	379,656	364,962	384,920	364,905
2	Risk-weighted amount under the LAC Rules	1,240,737	1,196,007	1,331,828	1,371,663	1,306,227
3	Internal LAC risk-weighted ratio	31.76%	31.74%	27.40%	28.06%	27.94%
4	Exposure measure under the LAC Rules	4,101,313	3,930,081	3,915,413	3,893,039	3,720,479
5	Internal LAC leverage ratio	9.61%	9.66%	9.32%	9.89%	9.81%
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 30 June 2025	At 31 March 2025	At 31 December 2024 ¹	At 30 September 2024 ¹	At 30 June 2024 ¹
		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	4,805,193	4,454,068	3,816,685	3,958,439	3,748,380
2	Total risk-weighted amount under the relevant non-HK LAC regime	22,437,331	21,485,895	20,342,786	20,817,473	19,824,182
3	External loss-absorbing capacity as a percentage of risk-weighted amount	21.42%	20.73%	18.76%	19.01%	18.91%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	42,253,825	40,478,627	38,829,513	39,566,157	37,862,246
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	11.37%	11.00%	9.83%	10.00%	9.90%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	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?	No	No	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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Footnote:

¹ The relevant non-HK LAC regime in the non-HK jurisdiction was not yet implemented and that the values for rows 1 to 5 are reported on the regulatory capital regime of the non-HK jurisdiction as proxies.

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

OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		At 30 June 2025	At 31 March 2025	At 30 June 2025
		HK\$m	HK\$m	HK\$m
1	Credit risk for non-securitization exposures	1,044,792	1,020,878	83,583
2	Of which STC approach	117,759	112,661	9,421
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	793,215	775,805	63,457
4	Of which supervisory slotting criteria approach	3,143	2,459	251
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	70,439	71,616	5,635
5b	Of which specific risk-weight approach	60,236	58,337	4,819
6	Counterparty credit risk and default fund contributions	22,593	22,182	1,808
7	Of which SA-CCR approach	20,610	21,678	1,649
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	1,983	504	159
10	CVA risk	7,841	8,527	627
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	106,308	88,333	8,505
21	Of which STM approach	106,308	88,333	8,505
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	73,518	71,065	5,881
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	7,232	7,229	579
26	Output floor level applied	50%	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	21,547	22,207	1,724
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	50	39	4
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	21,497	22,168	1,720
29	Total	1,240,737	1,196,007	99,259

Compared with 31 March 2025, the 28% increase in RWA under supervisory slotting criteria approach was mainly due to increase in related exposure.

2. Composition of regulatory capital

CC1: Composition of regulatory capital

		At 30 June 2025	
		(a)	(b)
		HK\$m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	43,043	(7)
2	Retained earnings	257,444	(8)
3	Disclosed reserves	41,042	(10)+(11)+(12)+(13)+(14)
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	341,529	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	89	Not applicable
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	2,049	(4)-(6)
10	Deferred tax assets (net of associated deferred tax liabilities)	222	(3)
11	Cash flow hedge reserve	135	(14)
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	15	(1)+(5)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	44,090	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	39,086	(9)+(10)
26b	Regulatory reserve for general banking risks	5,004	(12)
26c	Securitization exposures specified in a notice given by the MA	-	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	1,050	

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2025	
		(a)	(b)
		HK\$m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
28	Total regulatory deductions to CET1 capital	47,650	
29	CET1 capital	293,879	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	-	
36	AT1 capital before regulatory deductions	-	
	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	1,050	(2)
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	Total regulatory deductions to AT1 capital	1,050	
44	AT1 capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	293,879	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	7,279	Not applicable
51	Tier 2 capital before regulatory deductions	7,279	
	Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2025	
		(a)	(b)
		HK\$m	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
56	National specific regulatory adjustments applied to Tier 2 capital	(17,589)	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	(17,589)	[(9)+(10)]*45%
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	-	
57	Total regulatory adjustments to Tier 2 capital	(17,589)	
58	Tier 2 capital (T2)	24,868	
59	Total regulatory capital (TC = T1 + T2)	318,747	
60	Total RWA	1,240,737	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	23.69%	
62	Tier 1 capital ratio	23.69%	
63	Total capital ratio	25.69%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	4.419%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.419%	
67	of which: higher loss absorbency requirement	1.500%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	17.69%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	17,090	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	5,254	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,651	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	1,601	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	7,272	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	5,678	

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

Notes to the template

Row No.	Description	Hong Kong basis	Basel III basis
		HK\$m	HK\$m
9	Other intangible assets (net of associated deferred tax liabilities)	2,049	-
	Explanation As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
10	Deferred tax assets (net of associated deferred tax liabilities)	222	-
	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 realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
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)	-	-
	Explanation For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
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)	-	-
	Explanation For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

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

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

2. Composition of regulatory capital (continued)

CC2: Reconciliation of regulatory capital to balance sheet

	(a)	(b)	(c)
	Balance sheet as in published financial statements as at 30 June 2025 HK\$m	Under regulatory scope of consolidation as at 30 June 2025 HK\$m	Reference
ASSETS			
Cash and balances and placements with banks and other financial institutions	478,761	478,161	
Financial assets at fair value through profit or loss	144,455	144,250	
Derivative financial instruments	53,008	53,008	
- of which: <i>debit valuation adjustments in respect of derivative contracts</i>		5	(1)
Hong Kong SAR Government certificates of indebtedness	234,760	234,760	
Advances and other accounts	1,705,126	1,705,126	
Investment in securities	1,443,361	1,443,356	
- of which: <i>Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation</i>		1,050	(2)
Interests in subsidiaries	-	1,130	
Interests in associates and joint ventures	167	167	
Investment properties	13,555	13,374	
Properties, plant and equipment	34,861	34,591	
Current tax assets	18	18	
Deferred tax assets	222	222	(3)
Other assets	83,563	83,368	
- of which: <i>other intangible assets</i>		2,450	(4)
Total assets	4,191,857	4,191,531	
LIABILITIES			
Hong Kong SAR currency notes in circulation	234,760	234,760	
Deposits and balances from banks and other financial institutions	332,081	332,081	
Financial liabilities at fair value through profit or loss	75,075	75,075	
Derivative financial instruments	54,926	54,926	
- of which: <i>debit valuation adjustments in respect of derivative contracts</i>		(10)	(5)
Deposits from customers	2,881,573	2,882,294	
Debt securities and certificates of deposit in issue	11,073	11,073	
Other accounts and provisions	171,374	171,244	
Current tax liabilities	9,592	9,536	
Deferred tax liabilities	3,803	3,683	
- of which: <i>deferred tax liabilities related to other intangible assets</i>		401	(6)
Subordinated liabilities	75,330	75,330	
Total liabilities	3,849,587	3,850,002	

2. Composition of regulatory capital (continued)

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

	(a)	(b)	(c)
	Balance sheet as in published financial statements as at 30 June 2025 HK\$m	Under regulatory scope of consolidation as at 30 June 2025 HK\$m	Reference
EQUITY			
Share capital	43,043	43,043	(7)
Reserves	298,921	298,486	
- Retained earnings	256,883	257,444	(8)
- of which: cumulative fair value gains arising from the revaluation of investment properties		6,924	(9)
- Premises revaluation reserve	33,173	32,162	(10)
- Reserve for financial assets at FVOCI	5,162	5,164	(11)
- Regulatory reserve	5,004	5,004	(12)
- Translation reserve	(1,436)	(1,423)	(13)
- Cash flow hedge reserve	135	135	(14)
Capital and reserves attributable to equity holders of the Bank	341,964	341,529	
Non-controlling interests	306	-	
Total equity	342,270	341,529	
Total liabilities and equity	4,191,857	4,191,531	

2. Composition of regulatory capital (continued)

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

(i) Instruments that meet both regulatory capital and LAC requirements		(a)
		CET1 Capital Ordinary shares
1	Issuer	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	Not applicable
<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Not applicable
5	Basel III rules	Common Equity Tier 1
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\$43,043m (as of 30 June 2025)
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$43,043m (as of 30 June 2025)
9	Par value of instrument	No par value (refer to Note 1 for details)
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1 October 2001 (refer to Note 2 for details)
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption price	Not applicable
16	Subsequent call dates, if applicable	Not applicable
<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
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)	Subordinate to the non-capital LAC debt instruments mentioned in item (ii) of this main features table
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable
Full terms and conditions		Click here to download

2. Composition of regulatory capital (continued)

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

		(a) Non-capital LAC debt instruments Subordinated loan	(b) Non-capital LAC debt instruments Subordinated loan
1	Issuer	Bank of China (Hong Kong) Limited	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	Not applicable
3	Governing law(s) of the instrument	Hong Kong law	Hong Kong law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	Not applicable	Not applicable
	<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Not applicable	Not applicable
5	Basel III rules	Not applicable	Not applicable
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)	Not applicable	Not applicable
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$31,682m (as of 30 June 2025)	HK\$8,336m (as of 30 June 2025)
9	Par value of instrument	RMB28.5 billion	RMB7.5 billion
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	27 October 2024	8 November 2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	27 October 2026	8 November 2028
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	27 October 2025 at par value	8 November 2025 at par value
16	Subsequent call dates, if applicable	Callable on any interest payment date thereafter	Callable on 8 November 2027 or any interest payment date thereafter
	<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	2.11% per annum	2.19% per annum
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	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible (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 Financial Institutions (Resolution) Ordinance)	Non-convertible (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 Financial Institutions (Resolution) Ordinance)
24	If convertible, conversion trigger(s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable

2. Composition of regulatory capital (continued)

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

		(a)	(b)
		Non-capital LAC debt instruments Subordinated loan	Non-capital LAC debt instruments Subordinated loan
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 Financial Institutions (Resolution) Ordinance)	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 Financial Institutions (Resolution) Ordinance)
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 the Financial Institutions (Resolution) Ordinance	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under the Financial Institutions (Resolution) Ordinance
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	Not applicable	Not applicable
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	Not applicable	Not applicable
37	If yes, specify non-compliant features	Not applicable	Not applicable
Full terms and conditions		Click here to download ¹	Click here to download ¹

2. Composition of regulatory capital (continued)

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

		(c) Non-capital LAC debt instruments Subordinated loan	(d) Non-capital LAC debt instruments Subordinated loan
1	Issuer	Bank of China (Hong Kong) Limited	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	Not applicable
3	Governing law(s) of the instrument	Hong Kong law	Hong Kong law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	Not applicable	Not applicable
	<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Not applicable	Not applicable
5	Basel III rules	Not applicable	Not applicable
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)	Not applicable	Not applicable
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$8,328m (as of 30 June 2025)	HK\$18,887m (as of 30 June 2025)
9	Par value of instrument	RMB7.5 billion	RMB17.0 billion
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18 November 2024	23 November 2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	8 November 2028	23 November 2030
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	8 November 2025 at par value	23 November 2025 at par value
16	Subsequent call dates, if applicable	Callable on 8 November 2027 or any interest payment date thereafter	Callable on 23 November 2029 or any interest payment date thereafter
	<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	2.13% per annum	2.28% per annum
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	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible (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 Financial Institutions (Resolution) Ordinance)	Non-convertible (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 Financial Institutions (Resolution) Ordinance)
24	If convertible, conversion trigger(s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable

2. Composition of regulatory capital (continued)

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

		(c)	(d)
		Non-capital LAC debt instruments	Non-capital LAC debt instruments
		Subordinated loan	Subordinated loan
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 Financial Institutions (Resolution) Ordinance)	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 Financial Institutions (Resolution) Ordinance)
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 the Financial Institutions (Resolution) Ordinance	Contractual write-down at point of non-viability of borrower. Contractual recognition of HKMA statutory powers under the Financial Institutions (Resolution) Ordinance
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	Not applicable	Not applicable
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	Not applicable	Not applicable
37	If yes, specify non-compliant features	Not applicable	Not applicable
Full terms and conditions		Click here to download ¹	Click here to download ¹

2. Composition of regulatory capital (continued)

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

		(e)
		Non-capital LAC debt instruments Subordinated loan
1	Issuer	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	Hong Kong law
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law)	Not applicable
<i>Regulatory treatment</i>		
4	Transitional Basel III rules	Not applicable
5	Basel III rules	Not applicable
6	Eligible at solo*/group/solo and group (for regulatory capital purposes)	Ineligible
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)	Non-capital LAC debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	Not applicable
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK\$8,097m (as of 30 June 2025)
9	Par value of instrument	RMB7.3 billion
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	6 December 2024
12	Perpetual or dated	Dated
13	Original maturity date	23 November 2030
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption price	23 November 2025 at par value
16	Subsequent call dates, if applicable	Callable on 23 November 2029 or any interest payment date thereafter
<i>Coupons/dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	2.10% per annum
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible (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 Financial Institutions (Resolution) Ordinance)
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable

2. Composition of regulatory capital (continued)

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

		(e)
		Non-capital LAC debt instruments Subordinated loan
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 Financial Institutions (Resolution) Ordinance)
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 the Financial Institutions (Resolution) Ordinance
32	If write-down, full or partial	May be written down partially
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable
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 the claims of all unsubordinated creditors
36	Non-compliant transitioned features	Not applicable
37	If yes, specify non-compliant features	Not applicable
Full terms and conditions		Click here to download ¹

Footnote:

¹ Terms and conditions to be read in conjunction with the Master Agreement (the "Master Agreement")

Click [here](#) to download the Master Agreement

* Include solo-consolidated

2. Composition of regulatory capital (continued)

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

Note 1:

Pursuant to the Hong Kong Companies Ordinance (Chapter 622) which commenced operation on 3 March 2014, all shares issued by a company incorporated in Hong Kong before, on and after that commencement date shall have no par value and the relevant concept of authorised share capital is abolished.

Note 2:

- The authorised share capital of Bank of China (Hong Kong) Limited ("BOCHK"), comprising 4 million ordinary shares of HK\$100 each, was subdivided into 400 million ordinary shares of HK\$1 each pursuant to shareholders written resolution of BOCHK passed on 3 September 2001.
- On 30 September 2001, 400 million ordinary shares in the capital of BOCHK were transferred from Bank of China Limited to BOC Hong Kong (Holdings) Limited ("BOCHK Holdings") pursuant to Supplemental Merger Agreement.
- BOCHK then issued a total of 42,642,840,858 ordinary shares at par value of HK\$1 each to BOCHK Holdings on 1 October 2001. Hence, the total issued and paid-up share capital of BOCHK was HK\$43,042,840,858 since 2001.
- The concepts of par value for shares and authorised share capital have been abolished following the commencement of the Hong Kong Companies Ordinance (Chapter 622) as mentioned in Note 1.

2. Composition of regulatory capital (continued)

TLAC1(A): LAC composition of material subsidiary (at LAC consolidation group level)

		At 30 June 2025
		(a)
		HK\$m
	Regulatory capital elements of internal loss-absorbing capacity and adjustments	
1	Common Equity Tier 1 ("CET1") capital	293,879
2	Additional Tier 1 ("AT1") capital before LAC adjustments	-
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	-
6	Tier 2 ("T2") capital before LAC adjustments	24,868
7	Amortized portion of T2 capital instruments that are internal LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	-
8	T2 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group	-
9	Other adjustments	-
10	T2 capital eligible under the LAC Rules	24,868
11	Internal loss-absorbing capacity arising from regulatory capital	318,747
	Non-regulatory capital elements of internal loss-absorbing capacity	
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	75,330
17	Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments	75,330
	Non-regulatory capital elements of internal loss-absorbing capacity: adjustments	
18	Internal loss-absorbing capacity before deductions	394,077
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	394,077
	Risk-weighted amount and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes	
23	Risk-weighted amount under the LAC Rules	1,240,737
24	Exposure measure under the LAC Rules	4,101,313
	Internal LAC ratios and buffers	
25	Internal LAC risk-weighted ratio	31.76%
26	Internal LAC leverage ratio	9.61%
27	CET1 capital (as a percentage of RWA under the Banking (Capital) Rules ("BCR")) available after meeting the LAC consolidation group's minimum capital and LAC requirements	17.14%
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)	4.419%
29	Of which: capital conservation buffer requirement	2.500%
30	Of which: institution-specific countercyclical capital buffer requirement	0.419%
31	Of which: higher loss absorbency requirement	1.500%

2. Composition of regulatory capital (continued)

TLAC2: Material subsidiary – creditor ranking at legal entity level

		At 30 June 2025			Sum of values in columns 1 to 2
		Creditor ranking			
		1	1	2	
		(most junior)	(most junior)	(most senior)	
		HK\$'m	HK\$'m	HK\$'m	HK\$'m
1	Is a resolution entity or a non-HK resolution entity the creditor/investor?	No	Yes	Yes	
2	Description of creditor ranking	Ordinary shares ¹		Subordinated loans	
3	Total capital and liabilities net of credit risk mitigation	14,609	28,434	75,330	118,373
4	Subset of row 3 that are excluded liabilities	-	-	-	-
5	Total capital and liabilities less excluded liabilities	14,609	28,434	75,330	118,373
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	14,609	28,434	75,330	118,373
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	31,682	31,682
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	16,664	16,664
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	26,984	26,984
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-
11	Subset of row 6 that is perpetual securities	14,609	28,434	-	43,043

Footnote:

¹ Issued and fully paid ordinary shares.

3. Macroprudential supervisory measures

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

		At 30 June 2025			
		(a)	(c)	(d)	(e)
		Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	HK\$m	%	HK\$m
Geographical breakdown by Jurisdiction (J)					
1	Hong Kong SAR	0.500%	696,686		
2	Australia	1.000%	4,117		
3	Belgium	1.000%	8		
4	France	1.000%	1		
5	Germany	0.750%	249		
6	Ireland	1.500%	6		
7	Luxembourg	0.500%	959		
8	Netherlands	2.000%	365		
9	Norway	2.500%	459		
10	South Korea	1.000%	367		
11	Sweden	2.000%	75		
12	United Kingdom	2.000%	3,806		
	Sum		707,098		
	Total		867,267	0.419%	5,199

4. Leverage ratio

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

		At 30 June 2025
		(a)
	Item	Value under the LR framework
		HK\$'m
1	Total consolidated assets as per published financial statements	4,191,857
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(326)
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	Not applicable
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	11,400
9	Adjustment for SFTs (i.e. repos and similar secured lending)	20,018
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	170,751
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(453)
12	Other adjustments	(291,934)
	<i>of which: Hong Kong SAR Government certificates of indebtedness</i>	<i>(234,760)</i>
13	Leverage ratio exposure measure	4,101,313

4. Leverage ratio (continued)

LR2: Leverage ratio

		At 30 June 2025	At 31 March 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)	3,837,173	3,673,540
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	(9,624)	(7,448)
4	Less: Adjustment for securities 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	(15,235)	(16,054)
6	Less: Asset amounts deducted in determining Tier 1 capital	(47,639)	(49,555)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	3,764,675	3,600,483
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)	12,899	10,327
9	Add-on amounts for PFE associated with all derivative contracts	51,508	55,271
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)	64,407	65,598
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	81,826	78,167
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	20,018	20,064
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	101,844	98,231
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	892,817	879,724
20	Less: Adjustments for conversion to credit equivalent amounts	(722,066)	(713,642)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(364)	(313)
22	Off-balance sheet items (sum of rows 19 to 21)	170,387	165,769
Capital and total exposures			
23	Tier 1 capital	293,879	281,204
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,101,313	3,930,081
Leverage ratio			
25 & 25a	Leverage ratio	7.17%	7.16%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	Not applicable	Not applicable

4. Leverage ratio (continued)

LR2: Leverage ratio (continued)

		At 30 June 2025	At 31 March 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	72,831	65,745
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	81,826	78,167
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)	4,092,318	3,917,659
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)	7.18%	7.18%

5. 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: (72)		For the quarter ended 30 June 2025	
		(a)	(b)
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)
		HK\$m	HK\$m
A. HQLA			
1	Total HQLA		1,298,727
B. Cash Outflows			
2	Retail deposits and small business funding, of which:	1,325,824	76,288
3	<i>Stable retail deposits and stable small business funding</i>	496,554	14,897
4	<i>Less stable retail deposits and less stable small business funding</i>	387,243	38,724
4a	<i>Retail term deposits and small business term funding</i>	442,027	22,667
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	1,480,637	681,606
6	<i>Operational deposits</i>	422,259	103,495
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	1,058,378	578,111
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-
9	Secured funding transactions (including securities swap transactions)		882
10	Additional requirements, of which:	469,324	81,111
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	31,733	31,160
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>	437,591	49,951
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	104,561	104,561
15	Other contingent funding obligations (whether contractual or non-contractual)	456,900	4,693
16	Total Cash Outflows		949,141
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	38,008	13,273
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	241,788	151,136
19	Other cash inflows	89,036	80,810
20	Total Cash Inflows	368,832	245,219
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		1,298,727
22	Total Net Cash Outflows		703,922
23	LCR (%)		185.34%

5. 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 and second quarter in 2025 were 231.50% and 185.34% respectively, 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.

5. Liquidity (continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution

For the quarter ended 30 June 2025 (HK\$m)		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: consolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	350,386	75,330	-	-	350,386
2	Regulatory capital	350,386	-	-	-	350,386
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	75,330	-	-	-
4	Retail deposits and small business funding:	-	1,346,725	18,712	872	1,259,532
5	Stable deposits		592,304	3,040	248	565,825
6	Less stable deposits		754,421	15,672	624	693,707
7	Wholesale funding:	-	1,840,033	20,452	1,081	592,582
8	Operational deposits		427,650	-	-	213,825
9	Other wholesale funding	-	1,412,383	20,452	1,081	378,757
10	Liabilities with matching interdependent assets	234,760	-	-	-	-
11	Other liabilities:	90,384	142,297	1,629	20,245	21,059
12	Net derivative liabilities	5,907				
13	All other funding and liabilities not included in the above categories	84,477	142,297	1,629	20,245	21,059
14	Total ASF					2,223,559
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes	1,488,177				94,491
16	Deposits held at other financial institutions for operational purposes	-	1,290	-	-	645
17	Performing loans and securities:	25,844	772,858	257,536	1,206,881	1,357,906
18	Performing loans to financial institutions secured by Level 1 HQLA	-	20,707	-	-	2,071
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	65	278,328	30,018	27,923	84,747
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:	25,576	322,457	144,165	667,248	819,769
21	With a risk-weight of less than or equal to 35% under the STC approach	16	3,549	156	9,538	8,063
22	Performing residential mortgages, of which:	-	10,168	9,976	437,140	325,181
23	With a risk-weight of less than or equal to 35% under the STC approach	-	7,580	7,444	282,293	191,002
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	203	141,198	73,377	74,570	126,138
25	Assets with matching interdependent liabilities	234,760	-	-	-	-
26	Other assets:	144,620	43,147	764	2,795	120,469
27	Physical traded commodities, including gold	4,949				4,207
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	10,473				8,902
29	Net derivative assets	-				-
30	Total derivative liabilities before adjustments for deduction of variation margin posted	36,129				1,806
31	All other assets not included in the above categories	93,069	43,147	764	2,795	105,554
32	Off-balance sheet items		892,802			22,256
33	Total RSF					1,595,767
34	Net Stable Funding Ratio (%)					139.34%

5. Liquidity (continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (continued)

For the quarter ended 31 March 2025 (HK\$m)		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: consolidated		Unweighted value by residual maturity				Weighted amount
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
A. Available stable funding (“ASF”) item						
1	Capital:	338,633	-	73,217	-	375,241
2	Regulatory capital	338,633	-	-	-	338,633
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	-	-	73,217	-	36,608
4	Retail deposits and small business funding:	-	1,322,614	13,608	633	1,232,122
5	Stable deposits		575,288	2,492	206	549,098
6	Less stable deposits		747,326	11,116	427	683,024
7	Wholesale funding:	-	1,791,248	13,291	1,107	572,833
8	Operational deposits		410,782	-	-	205,391
9	Other wholesale funding	-	1,380,466	13,291	1,107	367,442
10	Liabilities with matching interdependent assets	229,320	-	-	-	-
11	Other liabilities:	74,085	94,376	2,629	14,794	16,109
12	Net derivative liabilities	3,998				
13	All other funding and liabilities not included in the above categories	70,087	94,376	2,629	14,794	16,109
14	Total ASF					2,196,305
B. Required stable funding (“RSF”) item						
15	Total HQLA for NSFR purposes	1,344,609				82,627
16	Deposits held at other financial institutions for operational purposes	-	1,172	-	-	586
17	Performing loans and securities:	29,741	736,321	300,175	1,178,968	1,340,516
18	Performing loans to financial institutions secured by Level 1 HQLA	-	33,828	-	-	3,383
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	37	268,902	40,810	23,521	84,299
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:	29,689	291,811	180,287	655,755	816,714
21	With a risk-weight of less than or equal to 35% under the STC approach	9	4,453	141	8,237	7,657
22	Performing residential mortgages, of which:	-	9,499	9,309	431,366	320,480
23	With a risk-weight of less than or equal to 35% under the STC approach	-	7,130	7,009	277,924	187,720
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	15	132,281	69,769	68,326	115,640
25	Assets with matching interdependent liabilities	229,320	-	-	-	-
26	Other assets:	136,380	40,379	794	2,438	115,876
27	Physical traded commodities, including gold	3,579				3,042
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	9,555				8,122
29	Net derivative assets	-				-
30	Total derivative liabilities before adjustments for deduction of variation margin posted	30,314				1,516
31	All other assets not included in the above categories	92,932	40,379	794	2,438	103,196
32	Off-balance sheet items		879,706			21,767
33	Total RSF					1,561,372
34	Net Stable Funding Ratio (%)					140.67%

6. Credit risk for non-securitization exposures

CR1: Credit quality of exposures

		At 30 June 2025						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
		HK\$m	HK\$m		HK\$m	HK\$m	HK\$m	HK\$m
1	Loans	16,786	2,130,618	15,101	1,695	543	12,863	2,132,303
2	Debt securities	371	1,439,655	62	-	35	27	1,439,964
3	Off-balance sheet exposures	1,251	891,566	364	20	48	296	892,453
4	Total	18,408	4,461,839	15,527	1,715	626	13,186	4,464,720

The Group identifies the exposures as "default" in accordance with the definition of default used for regulatory capital adequacy purpose.

CR2: Changes in defaulted loans and debt securities

		(a)
		HK\$m
1	Defaulted loans and debt securities at 31 December 2024	17,369
2	Loans and debt securities that have defaulted since the last reporting period	3,741
3	Returned to non-defaulted status	(508)
4	Amounts written off	(3,562)
5	Other changes	117
6	Defaulted loans and debt securities at 30 June 2025	17,157

The decrease in defaulted exposures in the current reporting period was mainly due to the written off of certain corporate loans, which offset the impact of new defaulted cases.

CR3: Overview of recognized credit risk mitigation

		At 30 June 2025				
		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
1	Loans	1,105,585	1,026,718	509,143	412,042	-
2	Debt securities	1,403,562	36,402	-	36,402	-
3	Total	2,509,147	1,063,120	509,143	448,444	-
4	Of which defaulted	8,134	2,113	1,577	151	-

Due to implementation of Basel III final reform package on 1 January 2025, the above disclosures have been changed with the new regulatory requirements.

6. Credit risk for non-securitization exposures (continued)

CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

		At 30 June 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	%
1	Sovereign exposures	986,723	1,172	992,160	469	16,684	2
2	Public sector entity exposures	166,010	6,600	174,543	5,000	11,410	6
3	Multilateral development bank exposures	126,590	-	126,590	-	-	-
3a	Unspecified multilateral body exposures	670	-	670	-	134	20
4	Bank exposures	4,252	246	4,376	133	939	21
4a	Qualifying non-bank financial institution exposures	5,859	13,487	5,859	2,914	5,802	66
5	Eligible covered bond exposures	-	-	-	-	-	-
6	General corporate exposures	42,214	46,863	38,861	9,393	45,627	95
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	5,510	17,560	5,604	2,590	7,812	95
6b	Specialized lending	1,322	-	1,322	-	1,598	121
7	Equity exposures	3,572	-	3,572	-	8,931	250
7a	Significant capital investments in commercial entities	459	-	459	-	1,148	250
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	2,397	1,240	2,397	496	7,232	250
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-	-	-
8	Retail exposures	39,394	39,406	19,481	3,248	19,915	88
8a	Exposures arising from IPO financing	-	-	-	-	-	-

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	%
9	Real estate exposures	9,960	7,872	4,604	372	2,961	60
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	7,912	7,228	2,577	126	706	26
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	83	228	83	91	181	104
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	381	-	371	-	230	62
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	-
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	984	365	973	137	929	84
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	293	3	293	1	441	150
9g	Of which: land acquisition, development and construction exposures	307	48	307	17	474	146
10	Defaulted exposures	936	437	1,078	47	1,285	114
11	Other exposures	1,362	270	1,283	42	1,325	100
11a	Cash and gold	330	-	330	-	-	-
11b	Items in the process of clearing or settlement	2,378	-	2,378	-	-	-
12	Total	1,394,428	117,593	1,379,963	22,114	124,991	9

The sequence applied in relation to both on-balance sheet and off-balance sheet exposures is provisioning, credit risk mitigation measures and CCFs.

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025						
		0%	20%	50%	100%	150%	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
1	Sovereign exposures	962,436	9,949	14,333	2,676	3,235	-	992,629

		At 30 June 2025						
		0%	20%	50%	100%	150%	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
2	Public sector entity exposures	125,749	52,981	-	813	-	-	179,543

		At 30 June 2025							
		0%	20%	30%	50%	100%	150%	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
3	Multilateral development bank exposures	126,590		-	-	-	-	-	126,590

		At 30 June 2025						
		20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
3a	Unspecified multilateral body exposures	670	-	-	-	-	-	670

		At 30 June 2025								
		20%	30%	40%	50%	75%	100%	150%	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
4	Bank exposures	4,240	253	3	6	-	-	7	-	4,509

		At 30 June 2025								
		20%	30%	40%	50%	75%	100%	150%	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
4a	Qualifying non-bank financial institution exposures	2,292	-	-	2,085	2,647	616	1,133	-	8,773

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025								
		10%	15%	20%	25%	35%	50%	100%	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
5	Eligible covered bond exposures	-	-	-	-	-	-	-	-	-

		At 30 June 2025									
		20%	30%	50%	65%	75%	85%	100%	150%	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
6	General corporate exposures	-	-	1,408		1,995	9,495	35,356	-	-	48,254
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	-	-	97		1,333	-	6,764	-	-	8,194

		At 30 June 2025								
		20%	50%	75%	80%	100%	130%	150%	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
6b	Specialized lending	-	-	-	-	402	920	-	-	1,322

		At 30 June 2025				Total credit exposure amount (post-CCF and post-CRM)
		100%	250%	400%	Other	
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
7	Equity exposures		3,572	-	-	3,572

		At 30 June 2025				Total credit exposure amount (post-CCF and post-CRM)
		250%	400%	1250%	Other	
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
7a	Significant capital investments in commercial entities	459	-	-	-	459

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025				
		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	2,893	-	-	2,893

		At 30 June 2025		
		150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-

		At 30 June 2025				
		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
		HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
8	Retail exposures	369	10,457	11,879	24	22,729

		At 30 June 2025		
		0%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m
8a	Exposures arising from IPO financing	-	-	-

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025																			Total credit exposure amount (post-CCF and post-CRM)
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	
		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
9	Real estate exposures	-	1,450	252	594	-	335	1	48	354		23	548	290	-	316	171	-	594	-	4,976
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		1,450	252	594		335	-	48	1		23	-				-			-	2,703
9b	Of which: no loan splitting applied		1,450	252	594		335	-	48	1		23	-				-			-	2,703
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)				-	-		1		2			-		-		171			-	174
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	351			-	-		20			-	-	371
9g	Of which: no loan splitting applied	-	-		-		-		-	351			-	-		20			-	-	371
9h	Of which: loan splitting applied (secured)																				
9i	Of which: loan splitting applied (unsecured)																				

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025																			Total credit exposure amount (post-CCF and post-CRM)
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	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
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											-			-			-		-	-
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				548	290		272			-	-	1,110
9l	Of which: no loan splitting applied	-	-		-		-		-				548	290		272			-	-	1,110
9m	Of which: loan splitting applied (secured)																				
9n	Of which: loan splitting applied (unsecured)																				
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																		294	-	294
9p	Of which: land acquisition, development and construction exposures															24			300	-	324

6. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025				
		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
10	Defaulted exposures		27	801	297	1,125

		At 30 June 2025			
		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m	HK\$m
11	Other exposures	1,325	-	-	1,325

		At 30 June 2025			
		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m	HK\$m
11a	Cash and gold	330	-	-	330

		At 30 June 2025			
		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$m	HK\$m	HK\$m	HK\$m
11b	Items in the process of clearing or settlement	2,378	-	-	2,378

6. Credit risk for non-securitization exposures (continued)

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

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

		At 30 June 2025			
		(a)	(b)	(c)	(d)
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
Risk Weight		HK\$m	HK\$m	%	HK\$m
1	Less than 40%	1,284,736	17,742	32	1,290,461
2	40-70%	18,493	2,399	20	18,965
3	75%	11,876	18,520	20	15,647
4	85%	8,511	3,769	34	9,785
5	90-100%	43,230	59,028	17	53,410
6	105-130%	1,024	228	40	1,115
7	150%	5,665	750	14	5,770
8	250%	6,428	1,240	40	6,924
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	1,379,963	103,676	21	1,402,077

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

The sequence applied in relation to both on-balance sheet and off-balance sheet exposures is provisioning, credit risk mitigation measures and CCFs.

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach

(a) FIRB approach

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	HK\$m	%	HK\$m	%	%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (ii) – Bank	0.00 to < 0.15	521,920	28,644	32	528,707	0.06	328	45	2.50	152,432	29	139	-
	0.15 to < 0.25	15,092	4,740	13	15,701	0.22	51	45	2.50	8,965	57	15	-
	0.25 to < 0.50	7,372	4,514	22	8,228	0.39	45	40	2.50	5,841	71	13	-
	0.50 to < 0.75	1,848	5,346	10	1,580	0.54	31	45	2.50	1,303	82	4	-
	0.75 to < 2.50	1,076	4,560	10	1,529	1.07	27	43	2.50	1,545	101	7	-
	2.50 to < 10.00	835	389	10	874	4.65	8	45	2.50	1,267	145	18	-
	10.00 to < 100.00	161	-	-	161	13.77	2	45	2.50	348	216	10	-
	100.00 (Default)	31	-	-	31	100.00	1	45	2.50	173	563	-	-
	Sub-total	548,335	48,193	24	556,811	0.09	493	45	2.50	171,874	31	206	2,293
Portfolio (iii) – Corporate – specialized lending (other than HVCRE)	0.00 to < 0.15	4,687	507	10	5,002	0.12	210	39	2.50	1,357	27	2	-
	0.15 to < 0.25	16,518	3,225	36	7,028	0.22	83	40	2.50	2,998	43	9	-
	0.25 to < 0.50	14,403	7,383	37	7,799	0.39	111	40	2.50	4,215	54	12	-
	0.50 to < 0.75	21,335	1,912	15	15,511	0.63	190	39	2.50	10,115	65	45	-
	0.75 to < 2.50	47,533	5,332	25	33,117	1.47	496	39	2.50	29,041	88	207	-
	2.50 to < 10.00	19,343	1,248	13	12,514	5.30	105	39	2.50	13,685	109	255	-
	10.00 to < 100.00	6,860	364	39	1,855	11.60	22	40	2.50	3,233	174	86	-
	100.00 (Default)	9,208	619	36	9,029	100.00	21	40	2.50	26,496	293	2,582	-
	Sub-total	139,887	20,590	29	91,855	11.48	1,238	39	2.50	91,140	99	3,198	3,838

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (iv) – Corporate – small-and-medium sized corporates	0.00 to < 0.15	5,627	3,406	18	7,098	0.10	216	37	2.50	1,496	21	3	
	0.15 to < 0.25	943	2,009	12	5,103	0.22	150	33	2.50	1,457	29	4	
	0.25 to < 0.50	739	3,293	13	7,209	0.39	208	34	2.50	2,713	38	9	
	0.50 to < 0.75	5,561	4,967	18	6,116	0.57	284	31	2.50	2,634	43	11	
	0.75 to < 2.50	13,240	10,963	18	19,575	1.58	605	33	2.50	12,616	64	100	
	2.50 to < 10.00	5,624	2,006	11	4,627	3.52	253	24	2.50	2,743	59	40	
	10.00 to < 100.00	553	46	10	1,144	12.87	28	37	2.50	1,497	131	52	
	100.00 (Default)	194	20	10	164	100.00	10	33	2.50	250	153	56	
	Sub-total	32,481	26,710	16	51,036	1.69	1,754	33	2.50	25,406	50	275	409
Portfolio (v) – Corporate – specialized lending (HVCRE)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (vi) – Corporate – large corporates	0.00 to < 0.15	117,148	70,715	29	178,597	0.10	99	40	2.50	45,946	26	70	
	0.15 to < 0.25	6,927	29,316	18	37,321	0.22	32	39	2.50	14,984	40	32	
	0.25 to < 0.50	24,454	16,058	20	54,115	0.39	31	40	2.50	29,800	55	85	
	0.50 to < 0.75	108,365	38,157	11	19,454	0.62	79	40	2.50	13,214	68	49	
	0.75 to < 2.50	63,252	25,667	14	24,117	1.47	94	40	2.50	22,217	92	142	
	2.50 to < 10.00	10,556	4,229	23	5,595	4.62	22	39	2.50	7,048	126	100	
	10.00 to < 100.00	34	47	-	-	10.54	1	40	2.50	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	330,736	184,189	22	319,199	0.38	358	40	2.50	133,209	42	478	1,844

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (vii) – Corporate – financial institutions treated as corporates	0.00 to < 0.15	10,969	3,778	14	11,788	0.10	11	45	2.50	4,589	39	5	
	0.15 to < 0.25	5,375	3,774	15	7,750	0.22	10	45	2.50	4,773	62	8	
	0.25 to < 0.50	383	498	10	688	0.39	6	45	2.50	562	82	1	
	0.50 to < 0.75	2,581	3,611	10	548	0.57	14	45	2.50	525	96	2	
	0.75 to < 2.50	2,698	257	10	2,511	1.16	8	45	2.50	3,100	123	13	
	2.50 to < 10.00	60	-	-	60	8.01	1	45	2.50	126	209	2	
	10.00 to < 100.00	23	-	-	23	13.77	1	45	2.50	57	249	1	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	22,089	11,918	13	23,368	0.31	51	45	2.50	13,732	59	32	195
Portfolio (viii) – Corporate – other corporates	0.00 to < 0.15	142,349	113,199	25	303,445	0.11	272	40	2.50	82,683	27	131	
	0.15 to < 0.25	45,199	52,445	15	90,022	0.22	146	40	2.50	36,819	41	79	
	0.25 to < 0.50	36,073	23,855	21	81,460	0.39	229	39	2.50	43,416	53	123	
	0.50 to < 0.75	130,646	50,079	22	92,048	0.59	350	39	2.50	60,125	65	213	
	0.75 to < 2.50	165,166	73,205	17	118,742	1.42	724	33	2.50	87,879	74	518	
	2.50 to < 10.00	49,013	16,310	15	35,478	4.75	327	37	2.50	42,918	121	629	
	10.00 to < 100.00	1,121	1,102	11	1,379	14.24	31	37	2.50	2,358	171	69	
	100.00 (Default)	11,525	85	51	11,116	100.00	94	38	2.50	4,799	43	8,610	
	Sub-total	581,092	330,280	21	733,690	2.19	2,173	38	2.50	360,997	49	10,372	13,631
Portfolio (ix) – Retail – QRRE (transactor)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (x) – Retail – QRRE (revolver)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (xi) – Retail – Residential mortgage exposures (including both to individuals and to property-holding shell companies)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(a) FIRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	HK\$m	%	HK\$m	%	%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (xii) – Retail – small business retail exposures	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio (xiii) – Retail – Other retail exposures to individuals	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Total (sum of all portfolios)		1,654,620	621,880	21	1,775,959	1.65	6,067	41	2.50	796,358	45	14,561	22,210

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post- CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (ii) – Bank	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (iii) – Corporate – specialized lending (other than HVCRE)	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (iv) – Corporate – small-and-medium sized corporates	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (v) – Corporate – specialized lending (HVCRE)	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (vi) – Corporate – large corporates	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		%	HK\$m	HK\$m	%	HK\$m	%	%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (vii) – Corporate – financial institutions treated as corporates	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (viii) – Corporate – other corporates	0.00 to < 0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
	0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
	0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
	2.50 to < 10.00	-	-	-	-	-	-	-		-	-	-	
	10.00 to < 100.00	-	-	-	-	-	-	-		-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-		-	-	-	
	Sub-total	-	-	-	-	-	-	-		-	-	-	-
Portfolio (ix) – Retail – QRRE (transactor)	0.00 to < 0.15	4,209	45,254	-	27,778	0.10	606,356	90		1,525	5	25	
	0.15 to < 0.25	846	22,541	-	18,406	0.24	574,293	89		2,000	11	39	
	0.25 to < 0.50	135	3,668	-	3,116	0.34	129,331	90		464	15	10	
	0.50 to < 0.75	601	1,057	-	1,455	0.55	43,527	94		331	23	7	
	0.75 to < 2.50	229	278	-	559	1.23	13,394	98		242	43	7	
	2.50 to < 10.00	51	100	-	129	4.83	3,324	95		142	110	6	
	10.00 to < 100.00	4	2	-	7	12.85	4,577	98		15	209	1	
	100.00 (Default)	5	81	-	68	100.00	2,339	88		709	1,051	3	
	Sub-total	6,080	72,981	-	51,518	0.33	1,377,141	90		5,428	11	98	49

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (x) – Retail – QRRE (revolver)	0.00 to < 0.15	1,262	10,687	-	7,095	0.11	176,746	90		422	6	7	
	0.15 to < 0.25	515	4,194	-	3,341	0.22	90,812	90		354	11	7	
	0.25 to < 0.50	346	9,897	-	8,051	0.32	321,041	89		1,122	14	23	
	0.50 to < 0.75	432	1,721	-	1,596	0.57	50,436	92		362	23	8	
	0.75 to < 2.50	564	948	-	1,337	1.31	35,843	93		583	44	16	
	2.50 to < 10.00	1,260	1,060	-	1,980	5.56	37,324	94		2,395	121	104	
	10.00 to < 100.00	454	176	-	593	18.76	10,595	95		1,310	221	104	
	100.00 (Default)	48	50	-	88	100.00	2,231	88		512	583	40	
	Sub-total	4,881	28,733	-	24,081	1.57	725,028	90		7,060	29	309	115
Portfolio (xi) – Retail – Residential mortgage exposures (including both to individuals and to property-holding shell companies)	0.00 to < 0.15	91,702	-	-	91,702	0.11	53,660	10		2,336	3	10	
	0.15 to < 0.25	40,348	-	-	40,348	0.22	13,521	10		1,803	4	9	
	0.25 to < 0.50	55,142	2	40	55,143	0.39	16,606	10		3,763	7	23	
	0.50 to < 0.75	105,892	-	-	105,892	0.57	33,099	11		9,545	9	64	
	0.75 to < 2.50	165,172	-	-	165,172	1.26	45,193	10		24,465	15	213	
	2.50 to < 10.00	1,003	-	-	1,003	5.16	431	10		337	34	5	
	10.00 to < 100.00	2,288	-	-	2,288	26.46	869	10		1,322	58	63	
	100.00 (Default)	586	-	-	586	100.00	232	10		523	89	51	
	Sub-total	462,133	2	40	462,134	0.94	163,611	10		44,094	10	438	674

6. Credit risk for non-securitization exposures (continued)

CR6: Credit risk exposures by portfolio and PD ranges – for IRB approach (continued)

(b) Retail IRB approach (continued)

	PD scale	At 30 June 2025											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Original on-balance sheet gross exposure	Off-balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
		HK\$m	HK\$m	%	HK\$m	%		%	Year	HK\$m	%	HK\$m	HK\$m
Portfolio (xii) – Retail – small business retail exposures	0.00 to < 0.15	645	1,307	34	1,095	0.08	890	17		40	4	-	
	0.15 to < 0.25	230	109	35	269	0.22	168	19		22	8	-	
	0.25 to < 0.50	304	172	43	379	0.39	210	19		44	12	-	
	0.50 to < 0.75	377	258	36	470	0.60	308	20		75	16	1	
	0.75 to < 2.50	793	168	30	844	1.35	545	25		237	28	3	
	2.50 to < 10.00	193	25	53	206	3.86	153	28		84	41	3	
	10.00 to < 100.00	33	2	70	34	26.71	25	38		28	81	3	
	100.00 (Default)	76	3	40	77	100.00	72	42		138	179	30	
	Sub-total	2,651	2,044	35	3,374	3.30	2,371	21		668	20	40	39
Portfolio (xiii) – Retail – Other retail exposures to individuals	0.00 to < 0.15	8,566	18,740	-	26,114	0.06	6,110	24		1,045	4	4	
	0.15 to < 0.25	3,705	90	-	3,784	0.22	5,003	12		204	5	1	
	0.25 to < 0.50	23,132	82	-	23,194	0.37	11,752	12		1,640	7	10	
	0.50 to < 0.75	26,368	50	-	26,405	0.62	11,366	17		3,463	13	26	
	0.75 to < 2.50	23,402	30,593	5	26,330	1.16	12,570	20		5,601	21	66	
	2.50 to < 10.00	1,131	7	-	1,134	4.14	367	20		331	29	10	
	10.00 to < 100.00	630	2	-	631	17.16	777	16		211	33	20	
	100.00 (Default)	185	-	-	185	100.00	740	39		694	375	20	
	Sub-total	87,119	49,564	3	107,777	0.85	48,685	18		13,189	12	157	203
Total (sum of all portfolios)		562,864	153,324	1	648,884	0.91	2,316,836	21		70,439	11	1,042	1,080

Due to implementation of Basel III final reform package on 1 January 2025, the above disclosures have been changed with the reclassification of asset class definitions under the new regulations.

6. Credit risk for non-securitization exposures (continued)

CR7: Effects on RWA of recognized credit derivative contracts used as recognized credit risk mitigation – for IRB approach

		At 30 June 2025	
		(a)	(b)
		Pre-credit derivatives RWA	Actual RWA
		HK\$m	HK\$m
1	Corporate – Specialized lending (project finance)	3,143	3,143
2	Corporate – Specialized lending (object finance)	1,199	1,199
3	Corporate – Specialized lending (commodities finance)	-	-
4	Corporate – Specialized lending (income-producing real estate)	86,798	86,798
5	Corporate – Specialized lending (high-volatility commercial real estate)	-	-
6	Corporate – Small-and-medium sized corporates	25,406	25,406
7	Corporate – Large corporates	133,209	133,209
8	Corporate – Financial institutions treated as corporates	13,732	13,732
9	Corporate – Other corporates	360,997	360,997
10	Sovereign – Sovereigns	-	-
11	Sovereign – Sovereign foreign public sector entities	-	-
12	Sovereign – Multilateral development banks	-	-
13	Bank – Banks (excluding covered bonds)	160,635	160,635
14	Bank – Qualifying non-bank financial institutions	11,211	11,211
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	-	-
16	Bank – Unspecified multilateral bodies	-	-
17	Bank – Covered bonds	28	28
18	Retail – Small business retail exposures	668	668
19	Retail – Residential mortgages to individuals	44,016	44,016
20	Retail – Residential mortgages to property-holding shell companies	78	78
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	5,428	5,428
22	Retail – QRRE (revolver)	7,060	7,060
23	Retail – Other retail exposures to individuals	13,189	13,189
24	CIS – CIS exposures	-	-
25	Other – Cash items	-	-
26	Other – Other items	60,236	60,236
27	Total (under the IRB calculation approaches)	927,033	927,033

The Group did not use any recognised credit derivative contracts for credit risk mitigation.

6. Credit risk for non-securitization exposures (continued)

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

		(a)
		HK\$m
1	RWA as at 31 March 2025	908,217
2	Asset size	2,133
3	Asset quality	8,400
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	8,283
8	Other	-
9	RWA as at 30 June 2025	927,033

6. Credit risk for non-securitization exposures (continued)

CR10: Specialized lending under supervisory slotting criteria approach – for IRB approach

I. Specialized lending under supervisory slotting criteria approach – HVCRE

There were no specialised lending under supervisory slotting criteria approach – HVCRE as at 30 June 2025.

II. Specialized lending under supervisory slotting criteria approach – other than HVCRE

		At 30 June 2025									
Supervisory Rating Grade	Remaining Maturity	(a)	(b)	(c)	(d)(i)	(d)(ii)	(d)(iii)	(d)(iv)	(d)(v)	(e)	(f)
		On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW	EAD amount					RWA	Expected loss amount
		HK\$m	HK\$m		PF	OF	CF	IPRE	Total		
					HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Strong [^]	Less than 2.5 years	-	-	50%	-	-	-	-	-	-	-
Strong	Equal to or more than 2.5 years	1,404	-	70%	773	-	-	-	773	541	3
Good [^]	Less than 2.5 years	-	75	70%	-	-	-	-	-	-	-
Good	Equal to or more than 2.5 years	2,116	501	90%	2,119	-	-	-	2,119	1,907	17
Satisfactory		840	-	115%	604	-	-	-	604	695	17
Weak		-	-	250%	-	-	-	-	-	-	-
Default		-	-	0%	-	-	-	-	-	-	-
Total		4,360	576		3,496	-	-	-	3,496	3,143	37

[^] Use of preferential risk-weights.

Compared with 31 December 2024, the material change in RWA was due to the increment of project finance exposures.

7. Counterparty credit risk

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

		At 30 June 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$m	HK\$m	HK\$m		HK\$m	HK\$m
1	SA-CCR approach (for derivative contracts)	5,081	31,255		1.4	50,751	20,610
1a	CEM (for derivative contracts)	-	-		1.4	-	-
2	IMM(CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					-	-
4	Comprehensive approach (for SFTs)					78,924	1,681
5	VaR (for SFTs)					-	-
6	Total						22,291

Compared with 31 December 2024, the 38% decrease in SFTs' default risk exposure after CRM was mainly driven by change in transaction volume.

7. Counterparty credit risk (continued)

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

Risk Weight Exposure class		At 30 June 2025											
		(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after 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
1	Sovereign exposures	1,070	-	42	-	-	91	-	-	-	-	-	1,203
2	Public sector entity exposures	-	-	609	-	-	-	-	-	-	-	-	609
3	Multilateral development bank exposures	282	-	-	-	-	-	-	-	-	-	-	282
4	Unspecified multilateral body exposures	-	-	101	-	-	-	-	-	-	-	-	101
5	Bank exposures	-	-	3	-	-	-	-	-	-	-	-	3
6	Qualifying non-bank financial institution exposures	-	-	-	-	-	94	563	-	-	-	-	657
7	General corporate exposures	-	-	-	-	-	-	-	109	533	-	-	642
8	Retail exposures	-	-	-	-	-	-	10	-	1,429	-	-	1,439
9	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures	-	-	-	-	-	-	-	-	401	-	-	401
11	Total	1,352	-	755	-	-	185	573	109	2,363	-	-	5,337

Due to implementation of Basel III final reform package on 1 January 2025, the above disclosures have been changed with the reclassification of asset class definitions under the new regulations.

7. Counterparty credit risk (continued)

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

FIRB approach

	PD scale	At 30 June 2025						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density
		HK\$m	%		%	Year	HK\$m	%
Portfolio (i) – Sovereign	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-
Portfolio (ii) – Bank	0.00 to < 0.15	107,519	0.06	157	20	1.15	12,011	11
	0.15 to < 0.25	2,470	0.22	25	21	1.43	700	28
	0.25 to < 0.50	5,796	0.39	26	17	1.26	1,742	30
	0.50 to < 0.75	612	0.54	12	45	2.50	567	93
	0.75 to < 2.50	317	0.91	11	45	2.50	351	111
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	116,714	0.08	231	20	1.17	15,371	13
Portfolio (iii) – Corporate	0.00 to < 0.15	1,809	0.08	24	41	2.50	434	24
	0.15 to < 0.25	861	0.22	21	40	2.50	355	41
	0.25 to < 0.50	679	0.39	15	40	2.50	374	55
	0.50 to < 0.75	1,818	0.61	36	30	2.00	924	51
	0.75 to < 2.50	2,248	1.28	67	28	1.88	1,471	65
	2.50 to < 10.00	209	2.75	21	40	2.50	233	111
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	7,624	0.68	184	34	2.20	3,791	50
Portfolio (iv) – Retail	0.00 to < 0.15	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	-	-	-	-	-	-	-
Total (sum of all portfolios)		124,338	0.12	415	21	1.23	19,162	15

Due to implementation of Basel III final reform package on 1 January 2025, the above disclosures have been changed with the reclassification of asset class definitions under the new regulations.

7. Counterparty credit risk (continued)

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

	At 30 June 2025					
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Cash – domestic currency	-	1,289	-	699	4,121	9,443
Cash – other currency	-	12,984	-	11,620	30,270	37,450
Domestic sovereign debt	-	-	-	-	-	26,002
Other sovereign debt	-	-	-	-	-	27,082
Government agency debt	-	-	-	-	-	141
Corporate bonds	-	394	-	31	29,611	1,591
Equity securities	-	6	-	-	3,738	-
Other collateral	-	21	-	-	-	-
Total	-	14,694	-	12,350	67,740	101,709

Compared with 31 December 2024, the 45% decrease in fair value of recognised collateral received (unsegregated) and 51% decrease in fair value of posted collateral (unsegregated) under derivative contracts were mainly driven by change in market value of outstanding transactions and transaction volume.

The 48% decrease in fair value of recognised collateral received and 32% decrease in fair value of posted collateral under SFTs were mainly driven by change in transaction volume.

CCR6: Credit-related derivatives contracts

	At 30 June 2025	
	(a)	(b)
	Protection bought	Protection sold
	HK\$m	HK\$m
Notional amounts		
Index credit default swaps	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

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 30 June 2025.

7. Counterparty credit risk (continued)

CCR8: Exposures to CCPs

		At 30 June 2025	
		(a)	(b)
		Exposure after CRM	RWA
		HK\$m	HK\$m
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		302
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	6,654	154
3	(i) OTC derivative transactions	6,020	134
4	(ii) Exchange-traded derivative contracts	634	20
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	-
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	1,656	148
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) Securities financing transactions	-	-
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	-	-

8. Credit valuation adjustment risk

CVA1: CVA risk under reduced basic CVA approach

		At 30 June 2025	
		(a)	(b)
		Components	CVA risk capital charge under the reduced basic CVA approach
		HK\$m	HK\$m
1	Aggregation of systematic components of CVA risk	1,814	
2	Aggregation of idiosyncratic components of CVA risk	380	
3	Total		627

The Group did not use CVA hedge as at 30 June 2025.

CVA2: CVA risk under full basic CVA approach

The Group did not use full basic CVA approach to calculate CVA risk capital charges as at 30 June 2025.

CVA3: CVA risk under standardized CVA approach

The Group did not use standardised CVA approach to calculate CVA risk capital charges as at 30 June 2025.

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 30 June 2025.

9. Securitization exposures

SEC1: Securitization exposures in banking book

There was no securitisation exposure in the banking book as at 30 June 2025.

SEC2: Securitization exposures in trading book

There was no securitisation exposure in the trading book as at 30 June 2025.

SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

There was no securitisation exposure in the banking book and the associated capital requirements where the Group acts as an originator as at 30 June 2025.

SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

There was no securitisation exposure in the banking book and the associated capital requirements where the Group acts as an investor as at 30 June 2025.

10. Market risk

MR1: Market risk under STM approach

		At 30 June 2025
		(a)
		Market risk capital charges under STM approach
		HK\$m
1	General interest rate risk	3,858
2	Equity risk	240
3	Commodity risk	246
4	Foreign exchange risk	1,837
5	Credit spread risk (non-securitization)	1,765
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	-
7	Credit spread risk (securitization: CTP)	-
8	Standardized default risk charge ("SA-DRC") (non-securitization)	555
9	SA-DRC (securitization: non-CTP)	-
10	SA-DRC (securitization: CTP)	-
11	Residual risk add-on	4
12	Total	8,505

MR2: Market risk under IMA

The Group did not use IMA to calculate market risk capital charges as at 30 June 2025.

MR3: Market risk under SSTM approach

The Group did not use SSTM approach to determine market risk capital charges as at 30 June 2025.

11. Comparison of modelled and standardized RWAs

CMS1: Comparison of modelled and standardized RWAs at risk level

		At 30 June 2025			
		(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	927,033	117,759	1,044,792	1,527,350
2	Counterparty credit risk and default fund contributions	19,162	3,431	22,593	24,011
3	CVA risk	-	7,841	7,841	8,997
4	Securitization exposures in banking book	-	-	-	-
5	Market risk	-	106,308	106,308	106,308
6	Operational risk	-	73,518	73,518	73,518
7	Residual RWA	-	7,232	7,232	7,232
8	Total	946,195	316,089	1,262,284	1,747,416

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.

11. Comparison of modelled and standardized RWAs (continued)

CMS2: Comparison of modelled and standardized RWAs for credit risk at exposure class level

		At 30 June 2025			
		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for column (a) if re-calculated using the standardized approach	Total actual RWA (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardized approach (i.e. RWA used in the computation of the output floor)
		HK\$m	HK\$m	HK\$m	HK\$m
1	Sovereign exposures	-	-	18,985	18,985
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	-	-	2,301	2,301
2	Bank exposures	171,874	171,669	187,888	191,185
3	Equity			10,079	10,079
4	Corporate exposures (excluding specialized lending)	533,344	893,755	581,891	938,626
4a	Of which: FIRB is applied	533,344	893,755	581,891	938,626
4b	Of which: AIRB is applied	-	-	-	-
5	Retail exposures	70,439	192,825	91,650	214,016
5a	Of which: qualifying revolving retail	12,488	11,807	12,488	11,807
5b	Of which: other retail exposures to individuals and small business retail exposures	13,857	35,801	33,977	55,901
5c	Of which: residential mortgages	44,094	145,217	45,185	146,308
6	Corporate exposures - Specialized lending	91,140	91,299	92,738	92,898
6a	Of which: income-producing real estate and high-volatility commercial real estate	86,798	85,907	86,798	85,907
7	Other exposures	60,236	61,214	61,561	61,561
8	Total	927,033	1,410,762	1,044,792	1,527,350

The difference between the RWA calculated under the model-based approaches and the full standardised approach is mainly from corporate exposures (excluding specialised lending).

12. Asset encumbrance

ENC: Asset encumbrance

	At 30 June 2025		
	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
	HK\$m	HK\$m	HK\$m
Cash and balances and placements with banks and other financial institutions	-	478,161	478,161
Securities investments and other debt instruments ¹	125,938	1,461,668	1,587,606
Hong Kong SAR Government certificates of indebtedness	-	234,760	234,760
Advances and other accounts	-	1,705,126	1,705,126
Other assets ²	-	185,878	185,878
Total assets	125,938	4,065,593	4,191,531

Footnote:

¹ Securities investments and other debt instruments comprise investment in securities and financial assets at fair value through profit or loss.

² Other assets comprise derivative financial instruments, investment properties, properties, plant and equipment, interests in subsidiaries, interests in associates and joint ventures, current tax assets and deferred tax assets.