Regulatory Disclosures

30 June 2026

中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

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

KM1: Key prudential ratios

		(a) At 30 June 2026 HK$'m	(b) At 31 March 2026 HK$'m	(c) At 31 December 2025 HK$'m	(d) At 30 September 2025 HK$'m	(e) At 30 June 2025 HK$'m
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	311,629	305,282	295,716	300,236	293,879
2 & 2a	Tier 1	311,629	305,282	295,716	300,236	293,879
3 & 3a	Total capital	336,536	329,941	319,967	325,266	318,747
	RWA (amount)					
4	Total RWA	1,309,167	1,269,216	1,231,680	1,236,701	1,240,737
4a	Total RWA (pre-floor)	1,309,167	1,269,216	1,231,680	1,236,701	1,240,737
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	23.80%	24.05%	24.01%	24.28%	23.69%
5b	CET1 ratio (%) (pre-floor ratio)	23.80%	24.05%	24.01%	24.28%	23.69%
6 & 6a	Tier 1 ratio (%)	23.80%	24.05%	24.01%	24.28%	23.69%
6b	Tier 1 ratio (%) (pre-floor ratio)	23.80%	24.05%	24.01%	24.28%	23.69%
7 & 7a	Total capital ratio (%)	25.71%	26.00%	25.98%	26.30%	25.69%
7b	Total capital ratio (%) (pre-floor ratio)	25.71%	26.00%	25.98%	26.30%	25.69%
	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 (%)	0.426%	0.419%	0.420%	0.421%	0.419%
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 (%)	4.426%	4.419%	4.420%	4.421%	4.419%
12	CET1 available after meeting the AI's minimum capital requirements (%)	17.71%	18.00%	17.98%	18.28%	17.69%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	4,435,586	4,174,726	4,136,373	4,145,203	4,101,313
13a	LR exposure measure based on mean values of gross assets of SFTs	4,373,370	4,185,416	4,088,284	4,139,653	4,092,318
14, 14a & 14b	LR (%)	7.03%	7.31%	7.15%	7.24%	7.17%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	7.13%	7.29%	7.23%	7.25%	7.18%
	Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	1,201,413	1,216,694	1,330,255	1,295,689	1,298,727
16	Total net cash outflows	714,385	675,110	722,709	678,335	703,922
17	LCR (%)	168.42%	180.46%	184.39%	191.26%	185.34%
	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	2,449,839	2,382,791	2,358,862	2,330,468	2,223,559
19	Total required stable funding	1,702,610	1,662,239	1,657,689	1,628,940	1,595,767
20	NSFR (%)	143.89%	143.35%	142.30%	143.07%	139.34%
	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) At 30 June 2026 HK$'m	(b) At 31 March 2026 HK$'m	(c) At 31 December 2025 HK$'m	(d) At 30 September 2025 HK$'m	(e) At 30 June 2025 HK$'m
Of the material entity at LAC consolidation group level						
1	Internal loss-absorbing capacity available	415,908	407,483	395,724	400,646	394,077
2	Risk-weighted amount under the LAC Rules	1,309,167	1,269,216	1,231,680	1,236,701	1,240,737
3	Internal LAC risk-weighted ratio	31.77%	32.11%	32.13%	32.40%	31.76%
4	Exposure measure under the LAC Rules	4,435,586	4,174,726	4,136,373	4,145,203	4,101,313
5	Internal LAC leverage ratio	9.38%	9.76%	9.57%	9.67%	9.61%
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 2026	**At 31 March 2026**	**At 31 December 2025**	**At 30 September 2025**	**At 30 June 2025**
		HK$'m	**HK$'m**	**HK$'m**	**HK$'m**	**HK$'m**
Of the non-HK resolution entity at resolution group level						
1	External loss-absorbing capacity available	5,572,031	5,310,879	5,145,217	4,941,178	4,805,193
2	Total risk-weighted amount under the relevant non-HK LAC regime	25,721,545	24,797,311	23,316,768	22,576,460	22,437,331
3	External loss-absorbing capacity as a percentage of risk-weighted amount	21.66%	21.42%	22.07%	21.89%	21.42%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	48,573,427	47,152,749	44,933,722	42,878,330	42,253,825
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	11.47%	11.26%	11.45%	11.52%	11.37%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		At 30 June 2026	At 31 March 2026	At 30 June 2026
		HK$'m	HK$'m	HK$'m
1	Credit risk for non-securitization exposures	1,132,240	1,089,922	90,579
2	Of which STC approach	135,808	132,565	10,865
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	845,274	818,326	67,622
4	Of which supervisory slotting criteria approach	2,349	2,206	188
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	65,451	67,615	5,236
5b	Of which specific risk-weight approach	83,358	69,210	6,668
5c	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	-	-	-
6	Counterparty credit risk and default fund contributions	20,553	18,701	1,644
7	Of which SA-CCR approach	19,442	17,833	1,555
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
8a	Of which method for group 2b cryptoasset derivative contracts	-	-	-
9	Of which others	1,111	868	89
10	CVA risk	7,365	5,978	589
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	97	-	8
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	72,293	85,448	5,783
21	Of which STM approach	72,293	85,448	5,783
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	82,306	78,909	6,584
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	14,994	11,049	1,200
26	Output floor level applied	55%	55%	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	20,681	20,791	1,654
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	27	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	20,681	20,764	1,654
29	**Total**	**1,309,167**	**1,269,216**	**104,733**

Compared with 31 March 2026, the 10% increase in RWA under counterparty credit risk and default fund contributions was mainly driven by change in market value of derivative transactions and transaction volume.

2. Composition of regulatory capital

CC1: Composition of regulatory capital

		At 30 June 2026	
		(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	279,957	(8)
3	Disclosed reserves	32,222	(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**	**355,222**	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	71	Not applicable
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	2,318	(4)-(6)
10	Deferred tax assets (net of associated deferred tax liabilities)	222	(3)
11	Cash flow hedge reserve	-	
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	12	(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	39,875	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	37,603	(9)+(10)
26b	Regulatory reserve for general banking risks	2,272	(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	1,095	

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2026	
		(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**	**43,593**	
29	**CET1 capital**	**311,629**	
	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	1,095	(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**	**1,095**	
44	**AT1 capital**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**311,629**	
	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	7,986	Not applicable
51	**Tier 2 capital before regulatory deductions**	**7,986**	
	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 2026	
		(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	(16,921)	
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	(16,921)	[(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**	**(16,921)**	
58	**Tier 2 capital (T2)**	**24,907**	
59	**Total regulatory capital (TC = T1 + T2)**	**336,536**	
60	**Total RWA**	**1,309,167**	
	Capital ratios (as a percentage of RWA)		
61	**CET1 capital ratio**	**23.80%**	
62	**Tier 1 capital ratio**	**23.80%**	
63	**Total capital ratio**	**25.71%**	
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)**	**4.426%**	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.426%	
67	of which: higher loss absorbency requirement	1.500%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	17.71%	
	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	21,896	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	6,360	
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)	1,899	
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	1,913	
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)	9,221	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	6,087	

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

<u>Notes to the template</u>

Row No.	Description	Hong Kong basis HK$'m	Basel III basis HK$'m
9	**Other intangible assets (net of associated deferred tax liabilities)**	2,318	-
	<u>Explanation</u> 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	-
	<u>Explanation</u> 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)**	-	-
	<u>Explanation</u> For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
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)**	-	-
	<u>Explanation</u> For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		

2. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

Row No.	Description	Hong Kong basis HK$'m	Basel III basis HK$'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)**	-	-
	Explanation 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)**	-	-
	Explanation 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) Balance sheet as in published financial statements as at 30 June 2026	(b) Under regulatory scope of consolidation as at 30 June 2026	(c) Reference
	HK$'m	HK$'m	
ASSETS			
Cash and balances and placements with banks and other financial institutions	566,159	565,861	
Financial assets at fair value through profit or loss	142,417	142,247	
Derivative financial instruments	73,863	73,863	
- of which: debit valuation adjustments in respect of derivative contracts		*1*	(1)
Hong Kong SAR Government certificates of indebtedness	252,790	252,790	
Advances and other accounts	1,810,502	1,810,502	
Investment in securities	1,441,482	1,441,481	
- of which: Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation		*1,095*	(2)
Interests in subsidiaries	-	689	
Interests in associates and joint ventures	171	171	
Investment properties	13,168	13,040	
Properties, plant and equipment	33,115	33,047	
Current tax assets	2	2	
Deferred tax assets	222	222	(3)
Other assets	168,531	168,472	
- of which: other intangible assets		*2,772*	(4)
Total assets	**4,502,422**	**4,502,387**	
LIABILITIES			
Hong Kong SAR currency notes in circulation	252,790	252,790	
Deposits and balances from banks and other financial institutions	426,282	426,282	
Financial liabilities at fair value through profit or loss	68,839	68,839	
Derivative financial instruments	59,614	59,614	
- of which: debit valuation adjustments in respect of derivative contracts		*(11)*	(5)
Deposits from customers	3,049,955	3,050,425	
Debt securities and certificates of deposit in issue	17,389	17,389	
Other accounts and provisions	181,261	181,170	
Current tax liabilities	8,963	8,947	
Deferred tax liabilities	2,429	2,337	
- of which: deferred tax liabilities related to other intangible assets		*454*	(6)
Subordinated liabilities	79,372	79,372	
Total liabilities	**4,146,894**	**4,147,165**	

2. Composition of regulatory capital (continued)

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

	(a) Balance sheet as in published financial statements as at 30 June 2026	(b) Under regulatory scope of consolidation as at 30 June 2026	(c) Reference
	HK$'m	HK$'m	
EQUITY			
Share capital	**43,043**	**43,043**	(7)
Reserves	**312,234**	**312,179**	
- Retained earnings	279,238	279,957	(8)
- of which: cumulative fair value gains arising from the revaluation of investment properties		*6,348*	(9)
- Premises revaluation reserve	32,018	31,255	(10)
- Reserve for financial assets at FVOCI	816	817	(11)
- Regulatory reserve	2,272	2,272	(12)
- Translation reserve	(2,104)	(2,116)	(13)
- Cash flow hedge reserve	(6)	(6)	(14)
Capital and reserves attributable to equity holders of the Bank	**355,277**	**355,222**	
Non-controlling interests	**251**	**-**	
Total equity	**355,528**	**355,222**	
Total liabilities and equity	**4,502,422**	**4,502,387**	

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
	Regulatory treatment	
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 2026)
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HK$43,043m (as of 30 June 2026)
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
	Coupons/dividends	
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
	Regulatory treatment		
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$8,781m (as of 30 June 2026)	HK$8,777m (as of 30 June 2026)
9	Par value of instrument	RMB7.5 billion	RMB7.5 billion
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	8 November 2024	18 November 2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	8 November 2028	8 November 2028
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	8 November 2025 at par value
16	Subsequent call dates, if applicable	Callable on 8 November 2027 or any interest payment date thereafter	Callable on 8 November 2027 or any interest payment date thereafter
	Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	2.19% per annum	2.13% 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) **Non-capital LAC debt instruments Subordinated loan**	(b) **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
	Regulatory treatment		
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$19,897m (as of 30 June 2026)	HK$8,535m (as of 30 June 2026)
9	Par value of instrument	RMB17.0 billion	RMB7.3 billion
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	23 November 2024	6 December 2024
12	Perpetual or dated	Dated	Dated
13	Original maturity date	23 November 2030	23 November 2030
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption price	23 November 2025 at par value	23 November 2025 at par value
16	Subsequent call dates, if applicable	Callable on 23 November 2029 or any interest payment date thereafter	Callable on 23 November 2029 or any interest payment date thereafter
	Coupons/dividends		
17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	2.28% per annum	2.10% 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) **Non-capital LAC debt instruments Subordinated loan**	(d) **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)

		(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
	Regulatory treatment	
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$33,382m (as of 30 June 2026)
9	Par value of instrument	RMB28.5 billion
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	27 October 2025
12	Perpetual or dated	Dated
13	Original maturity date	27 October 2031
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption price	27 October 2030 at par value
16	Subsequent call dates, if applicable	Callable on 27 October 2030 or any interest payment date thereafter
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	2.13% 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 2026
		(a)
		HK$'m
	Regulatory capital elements of internal loss-absorbing capacity and adjustments	
1	Common Equity Tier 1 ("CET1") capital	311,629
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	24,907
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	24,907
11	**Internal loss-absorbing capacity arising from regulatory capital**	**336,536**
	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	79,372
17	**Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments**	**79,372**
	Non-regulatory capital elements of internal loss-absorbing capacity: adjustments	
18	**Internal loss-absorbing capacity before deductions**	**415,908**
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**	**415,908**
	Risk-weighted amount and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes	
23	Risk-weighted amount under the LAC Rules	1,309,167
24	Exposure measure under the LAC Rules	4,435,586
	Internal LAC ratios and buffers	
25	**Internal LAC risk-weighted ratio**	**31.77%**
26	**Internal LAC leverage ratio**	**9.38%**
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)	4.426%
29	Of which: capital conservation buffer requirement	2.500%
30	Of which: institution-specific countercyclical capital buffer requirement	0.426%
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 2026			
		Creditor ranking			Sum of values in columns 1 to 2
		1 (most junior)	1 (most junior)	2 (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	79,372	122,415
4	Subset of row 3 that are excluded liabilities	-	-	-	-
5	Total capital and liabilities less excluded liabilities	14,609	28,434	79,372	122,415
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	14,609	28,434	79,372	122,415
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	45,990	45,990
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	33,382	33,382
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 2026			
		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect %	RWA used in computation of CCyB ratio HK$'m	AI-specific CCyB ratio %	CCyB amount HK$'m
1	Hong Kong SAR	0.500%	742,827		
2	Australia	1.000%	5,780		
3	Belgium	1.000%	6		
4	France	1.000%	169		
5	Germany	0.750%	788		
6	Ireland	1.500%	1,529		
7	Luxembourg	0.500%	800		
8	Netherlands	2.000%	358		
9	Norway	2.500%	902		
10	Saudi Arabia	1.000%	594		
11	South Africa	1.000%	12		
12	South Korea	1.000%	511		
13	Spain	0.500%	-		
14	Sweden	2.000%	46		
15	United Kingdom	2.000%	6,139		
	Sum		**760,461**		
	Total		**931,101**	**0.426%**	**5,577**

4. Leverage ratio

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

		At 30 June 2026
		(a)
	Item	**Value under the LR framework**
		HK$'m
1	Total consolidated assets as per published financial statements	4,502,422
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(35)
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	(13,283)
9	Adjustment for SFTs (i.e. repos and similar secured lending)	96,998
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	155,227
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(422)
12	Other adjustments	(305,321)
	of which: Hong Kong SAR Government certificates of indebtedness	*(252,790)*
13	**Leverage ratio exposure measure**	**4,435,586**

4. Leverage ratio (continued)

LR2: Leverage ratio

		At 30 June 2026	At 31 March 2026
		(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)	4,133,141	3,935,339
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	(9,021)	(9,845)
4	Less: Adjustment for assets other than money received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(20,620)	(19,053)
6	Less: Asset amounts deducted in determining Tier 1 capital	(43,581)	(43,624)
7	**Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)**	**4,059,919**	**3,862,817**
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	13,675	13,411
9	Add-on amounts for PFE associated with all derivative contracts	46,905	45,239
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)**	**60,580**	**58,650**
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	159,753	92,284
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	458	26
17	Agent transaction exposures	-	-
18	**Total exposures arising from SFTs (sum of rows 14 to 17)**	**160,211**	**92,310**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	866,700	871,657
20	Less: Adjustments for conversion to credit equivalent amounts	(711,473)	(710,353)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(351)	(355)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**154,876**	**160,949**
Capital and total exposures			
23	**Tier 1 capital**	**311,629**	**305,282**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**4,435,586**	**4,174,726**
Leverage ratio			
25 & 25a	**Leverage ratio**	**7.03%**	**7.31%**
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 2026	At 31 March 2026
		(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	97,537	102,974
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	159,753	92,284
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)	4,373,370	4,185,416
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)	7.13%	7.29%

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 2026**	
		(a)	(b)
Basis of disclosure: consolidated		**Unweighted value (average)**	**Weighted value (average)**
		HK$'m	**HK$'m**
A.	**HQLA**		
1	Total HQLA		1,201,413
B.	**Cash Outflows**		
2	Retail deposits and small business funding, of which:	1,390,333	80,834
3	*Stable retail deposits and stable small business funding*	*522,741*	*15,682*
4	*Less stable retail deposits and less stable small business funding*	*423,013*	*42,301*
4a	*Retail term deposits and small business term funding*	*444,579*	*22,851*
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	1,503,377	665,976
6	*Operational deposits*	*541,434*	*133,095*
7	*Unsecured wholesale funding (other than small business funding) not covered in row 6*	*961,943*	*532,881*
8	*Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period*	-	-
9	Secured funding transactions (including securities swap transactions)		1,061
10	Additional requirements, of which:	502,906	94,448
11	*Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements*	*46,514*	*45,047*
12	*Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions*	-	-
13	*Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)*	*456,392*	*49,401*
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	108,443	108,443
15	Other contingent funding obligations (whether contractual or non-contractual)	455,277	4,906
16	**Total Cash Outflows**		**955,668**
C.	**Cash Inflows**		
17	Secured lending transactions (including securities swap transactions)	24,797	6,520
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	252,920	136,656
19	Other cash inflows	107,125	98,107
20	**Total Cash Inflows**	**384,842**	**241,283**
D.	**Liquidity Coverage Ratio**		**Adjusted value**
21	**Total HQLA**		**1,201,413**
22	**Total Net Cash Outflows**		**714,385**
23	**LCR (%)**		**168.42%**

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 2026 were 180.46% and 168.42% 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 2026 (HK$'m)	(a)	(b)	(c)	(d)	(e)
	Basis of disclosure: consolidated	**Unweighted value by residual maturity**				
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	**Weighted amount**
A.	**Available stable funding ("ASF") item**					
1	Capital:	367,479	1,087	-	78,285	445,764
2	*Regulatory capital*	*367,479*	-	-	-	*367,479*
2a	*Minority interests not covered by row 2*	-	-	-	-	-
3	*Other capital instruments*	-	*1,087*	-	*78,285*	*78,285*
4	Retail deposits and small business funding:	-	1,358,964	57,942	990	1,306,171
5	*Stable deposits*		*588,120*	*11,200*	*235*	*569,589*
6	*Less stable deposits*		*770,844*	*46,742*	*755*	*736,582*
7	Wholesale funding:	-	2,037,423	28,478	5,098	674,469
8	*Operational deposits*		*549,086*	-	-	*274,543*
9	*Other wholesale funding*	-	*1,488,337*	*28,478*	*5,098*	*399,926*
10	Liabilities with matching interdependent assets	252,790	-	-	-	-
11	Other liabilities:	74,356	134,851	1,520	22,675	23,435
12	*Net derivative liabilities*	*3,668*				
13	*All other funding and liabilities not included in the above categories*	*70,688*	*134,851*	*1,520*	*22,675*	*23,435*
14	**Total ASF**					**2,449,839**
B.	**Required stable funding ("RSF") item**					
15	Total HQLA for NSFR purposes	1,441,891				102,446
16	Deposits held at other financial institutions for operational purposes	-	1,251	-	-	626
17	Performing loans and securities:	32,197	991,170	242,982	1,210,341	1,419,496
18	*Performing loans to financial institutions secured by Level 1 HQLA*	-	*10,362*	-	-	*1,036*
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	*151*	*355,024*	*22,446*	*29,254*	*93,882*
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:*	*31,644*	*413,886*	*159,266*	*624,654*	*836,375*
21	*With a risk-weight of less than or equal to 35% under the STC approach*	*5*	*10,212*	*252*	*18,608*	*13,316*
22	*Performing residential mortgages, of which:*	-	*10,392*	*10,133*	*461,537*	*337,343*
23	*With a risk-weight of less than or equal to 35% under the STC approach*	-	*8,286*	*8,105*	*326,129*	*220,179*
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	*402*	*201,506*	*51,137*	*94,896*	*150,860*
25	Assets with matching interdependent liabilities	252,790	-	-	-	-
26	Other assets:	173,403	95,735	814	3,235	158,989
27	*Physical traded commodities, including gold*	*30,064*				*25,555*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	*11,246*				*9,559*
29	*Net derivative assets*	-				-
30	*Total derivative liabilities before adjustments for deduction of variation margin posted*	*36,207*				*1,810*
31	*All other assets not included in the above categories*	*95,886*	*95,735*	*814*	*3,235*	*122,065*
32	Off-balance sheet items		866,827			21,053
33	**Total RSF**					**1,702,610**
34	**Net Stable Funding Ratio (%)**					**143.89%**

5. Liquidity (continued)

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

For the quarter ended 31 March 2026 (HK$'m)		(a)	(b)	(c)	(d)	(e)
Basis of disclosure: consolidated		Unweighted value by residual maturity				
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	**Weighted amount**
A.	**Available stable funding ("ASF") item**					
1	Capital:	360,938	-	653	76,889	438,154
2	*Regulatory capital*	*360,938*	-	-	-	*360,938*
2a	*Minority interests not covered by row 2*	-	-	-	-	-
3	*Other capital instruments*	-	-	*653*	*76,889*	*77,216*
4	Retail deposits and small business funding:	-	1,371,514	16,582	801	1,281,353
5	*Stable deposits*		*622,778*	*2,532*	*236*	*594,281*
6	*Less stable deposits*		*748,736*	*14,050*	*565*	*687,072*
7	Wholesale funding:	-	1,874,310	16,743	3,589	642,970
8	*Operational deposits*		*498,308*	-	-	*249,154*
9	*Other wholesale funding*	-	*1,376,002*	*16,743*	*3,589*	*393,816*
10	Liabilities with matching interdependent assets	251,550	-	-	-	-
11	Other liabilities:	72,803	109,801	7,732	16,448	20,314
12	*Net derivative liabilities*	*4,015*				
13	*All other funding and liabilities not included in the above categories*	*68,788*	*109,801*	*7,732*	*16,448*	*20,314*
14	**Total ASF**					**2,382,791**
B.	**Required stable funding ("RSF") item**					
15	Total HQLA for NSFR purposes	1,324,201				98,214
16	Deposits held at other financial institutions for operational purposes	-	1,259	-	-	630
17	Performing loans and securities:	28,207	812,698	345,968	1,193,555	1,403,939
18	*Performing loans to financial institutions secured by Level 1 HQLA*	-	*7,870*	-	-	*787*
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	*69*	*253,011*	*100,103*	*21,784*	*109,856*
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:*	*27,863*	*360,126*	*171,276*	*627,031*	*818,630*
21	*With a risk-weight of less than or equal to 35% under the STC approach*	*8*	*4,073*	*1,173*	*15,546*	*12,733*
22	*Performing residential mortgages, of which:*	-	*10,226*	*10,075*	*453,445*	*333,674*
23	*With a risk-weight of less than or equal to 35% under the STC approach*	-	*7,956*	*7,858*	*309,524*	*209,098*
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	*275*	*181,465*	*64,514*	*91,295*	*140,992*
25	Assets with matching interdependent liabilities	251,550	-	-	-	-
26	Other assets:	159,095	79,957	823	3,180	137,745
27	*Physical traded commodities, including gold*	*21,084*				*17,921*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	*12,122*				*10,304*
29	*Net derivative assets*	-				-
30	*Total derivative liabilities before adjustments for deduction of variation margin posted*	*37,342*				*1,867*
31	*All other assets not included in the above categories*	*88,547*	*79,957*	*823*	*3,180*	*107,653*
32	Off-balance sheet items		871,637			21,711
33	**Total RSF**					**1,662,239**
34	**Net Stable Funding Ratio (%)**					**143.35%**

6. Credit risk for non-securitization exposures

CR1: Credit quality of exposures

		At 30 June 2026						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of			Of which ECL accounting provisions for credit losses on STC approach exposures			
		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions	Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
1	Loans	16,426	2,355,906	20,436	1,479	446	18,511	2,351,896
2	Debt securities	348	1,438,208	91	-	68	23	1,438,465
3	Off-balance sheet exposures	202	866,498	351	20	62	269	866,349
4	**Total**	**16,976**	**4,660,612**	**20,878**	**1,499**	**576**	**18,803**	**4,656,710**

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 2025**	**19,915**
2	Loans and debt securities that have defaulted since the last reporting period	1,010
3	Returned to non-defaulted status	(1,645)
4	Amounts written off	(899)
5	Other changes	(1,607)
6	**Defaulted loans and debt securities at 30 June 2026**	**16,774**

The decrease in defaulted exposures in the current reporting period was due to repayments made by certain corporates and write-offs.

CR3: Overview of recognized credit risk mitigation

		At 30 June 2026				
		(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	1,314,580	1,037,316	561,978	383,387	-
2	Debt securities	1,408,213	30,252	-	30,252	-
3	**Total**	**2,722,793**	**1,067,568**	**561,978**	**413,639**	**-**
4	Of which defaulted	6,226	1,782	1,147	198	-

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 2026					
		(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	941,830	1,184	949,908	473	22,479	2
2	Public sector entity exposures	229,385	16,120	237,784	5,743	15,901	7
3	Multilateral development bank exposures	174,060	-	174,060	-	-	-
3a	Unspecified multilateral body exposures	2,838	-	2,838	-	568	20
4	Bank exposures	4,633	239	5,448	255	1,474	26
4a	Qualifying non-bank financial institution exposures	9,406	142	9,406	14	3,690	39
5	Eligible covered bond exposures	-	-	-	-	-	-
6	General corporate exposures	52,508	67,562	46,136	13,536	54,844	92
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	8,069	28,705	8,165	4,719	12,234	95
6b	Specialized lending	1,149	-	1,147	-	1,397	122
7	Equity exposures	138	-	138	-	344	250
7a	Significant capital investments in commercial entities	79	-	79	-	199	250
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	4,798	3,000	4,798	1,200	14,994	250
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-	-	-
8	Retail exposures	50,972	41,875	28,909	3,667	28,936	89
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 2026					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Exposure classes	**HK$'m**	**HK$'m**	**HK$'m**	**HK$'m**	**HK$'m**	**%**
9	Real estate exposures	11,741	8,215	5,692	688	3,930	62
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	8,888	6,944	2,876	207	783	25
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	240	94	240	37	287	104
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	596	-	586	-	373	64
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	-
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,502	1,148	1,490	434	1,726	90
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	251	2	236	1	355	150
9g	Of which: land acquisition, development and construction exposures	264	27	264	9	406	149
10	Defaulted exposures	840	2	996	1	1,060	106
11	Other exposures	969	17	969	17	986	100
11a	Cash and gold	324	-	324	-	-	-
11b	Items in the process of clearing or settlement	5,889	-	5,889	-	-	-
12	**Total**	**1,491,559**	**138,356**	**1,474,521**	**25,594**	**150,802**	**10**

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 2026						
		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
1	Sovereign exposures	908,205	15,007	19,872	2,807	4,490	-	950,381

		At 30 June 2026						
		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
2	Public sector entity exposures	167,372	75,318	-	837	-	-	243,527

		At 30 June 2026							
		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
3	Multilateral development bank exposures	174,060		-	-	-	-	-	174,060

		At 30 June 2026						
		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	2,838	-	-	-	-	-	2,838

		At 30 June 2026								
		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	2,492	3,163	-	45	-	-	3	-	5,703

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 2026								
		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	4,508	-	-	4,237	24	649	2	-	9,420

		At 30 June 2026								
		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
5	Eligible covered bond exposures	-	-	-	-	-	-	-	-	-

		At 30 June 2026									
		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	2,465	-	2,150		1,533	9,314	44,210	-	-	59,672
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	-	-	96		938	2,447	9,403	-	-	12,884

		At 30 June 2026								
		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	-	-	-	-	313	834	-	-	1,147

		At 30 June 2026				
		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
7	Equity exposures		138	-	-	138

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 2026				
		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
7a	Significant capital investments in commercial entities	79	-	-	-	79

		At 30 June 2026				
		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	-	5,998	-	-	5,998

		At 30 June 2026		
		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 2026				
		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	383	13,828	18,274	91	32,576

		At 30 June 2026		
		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 2026																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	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	HK$'m	HK$'m	HK$'m	HK$'m
9	Real estate exposures	-	1,795	253	632	-	349	1	32	506		22	655	318	-	1,045	269	-	503	-	6,380
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		1,795	253	631		349	-	32	1		22	-				-			-	3,083
9b	Of which: no loan splitting applied		1,795	253	631		349	-	32	1		22	-				-			-	3,083
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	-		1		5			1		-		269			-	277
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	500			-	86		-			-	-	586
9g	Of which: no loan splitting applied	-	-		-		-		-	500			-	86		-			-	-	586
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 2026																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	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	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)	-	-		-		-		-				654	232		1,038			-	-	1,924
9l	Of which: no loan splitting applied	-	-		-		-		-				654	232		1,038			-	-	1,924
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)																		237	-	237
9p	Of which: land acquisition, development and construction exposures														7			266	-	273

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 2026				
		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		74	619	304	997

		At 30 June 2026			
		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK$'m	HK$'m	HK$'m	HK$'m
11	Other exposures	986	-	-	986

		At 30 June 2026			
		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK$'m	HK$'m	HK$'m	HK$'m
11a	Cash and gold	324	-	-	324

		At 30 June 2026			
		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	5,889	-	-	5,889

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 2026			
		(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%	1,357,951	28,883	24	1,364,625
2	40-70%	27,339	1,845	14	27,597
3	75%	14,742	6,713	19	16,040
4	85%	8,016	4,673	35	9,632
5	90-100%	54,691	80,077	18	69,195
6	105-130%	1,115	94	40	1,153
7	150%	5,652	23	28	5,658
8	250%	5,015	3,000	40	6,215
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**1,474,521**	**125,308**	**20**	**1,500,115**

* 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

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	544,719	34,923	32	550,055	0.06	328	45	2.50	160,331	29	148	
	0.15 to < 0.25	20,531	8,468	16	21,883	0.22	48	45	2.50	12,799	58	21	
	0.25 to < 0.50	9,485	4,682	16	10,248	0.39	33	45	2.50	8,117	79	18	
	0.50 to < 0.75	4,590	7,821	10	5,819	0.55	33	41	2.50	4,194	72	13	
	0.75 to < 2.50	1,454	1,975	11	1,610	1.38	20	43	2.50	1,622	101	10	
	2.50 to < 10.00	964	29	10	967	4.35	7	45	2.50	1,377	142	19	
	10.00 to < 100.00	80	-	-	80	10.54	2	45	2.50	157	197	4	
	100.00 (Default)	30	-	-	30	100.00	1	45	2.50	171	563	14	
	Sub-total	581,853	57,898	25	590,692	0.09	472	45	2.50	188,768	32	247	2,234
Portfolio (iii) – Corporate – specialized lending (other than HVCRE)	0.00 to < 0.15	6,150	402	10	6,254	0.12	183	40	2.50	1,790	29	3	
	0.15 to < 0.25	3,656	83	22	2,541	0.22	64	40	2.50	979	39	2	
	0.25 to < 0.50	15,620	5,348	38	12,660	0.39	103	40	2.50	6,942	55	20	
	0.50 to < 0.75	21,409	6,935	26	11,542	0.60	168	40	2.50	7,731	67	34	
	0.75 to < 2.50	40,873	4,506	24	28,275	1.53	464	39	2.50	24,248	86	180	
	2.50 to < 10.00	11,634	512	21	7,626	3.91	109	38	2.50	7,711	101	115	
	10.00 to < 100.00	11,765	253	38	5,558	17.08	33	40	2.50	9,336	168	380	
	100.00 (Default)	9,618	-	10	9,618	100.00	22	40	2.50	7,483	78	3,847	
	Sub-total	120,725	18,039	28	84,074	13.60	1,146	39	2.50	66,220	79	4,581	5,803

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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	4,211	4,079	22	6,095	0.10	182	37	2.50	1,275	21	2	
	0.15 to < 0.25	741	1,444	13	2,850	0.22	135	30	2.50	715	25	2	
	0.25 to < 0.50	672	1,982	14	4,626	0.39	204	32	2.50	1,760	38	6	
	0.50 to < 0.75	6,124	5,070	17	7,516	0.63	285	36	2.50	3,809	51	17	
	0.75 to < 2.50	14,983	6,658	14	13,151	1.45	545	28	2.50	7,069	54	53	
	2.50 to < 10.00	10,169	3,855	15	10,479	3.29	261	28	2.50	6,987	67	97	
	10.00 to < 100.00	273	71	10	1,029	13.71	16	38	2.50	1,448	141	53	
	100.00 (Default)	385	6	10	349	100.00	15	33	2.50	198	57	115	
	Sub-total	37,558	23,165	16	46,095	2.39	1,643	31	2.50	23,261	50	345	419
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	120,169	63,410	18	165,035	0.09	111	40	2.50	41,052	25	61	
	0.15 to < 0.25	27,893	19,558	18	49,322	0.22	22	39	2.50	19,889	40	43	
	0.25 to < 0.50	25,496	13,064	20	42,036	0.39	35	40	2.50	23,144	55	66	
	0.50 to < 0.75	92,865	37,257	17	16,209	0.59	69	40	2.50	10,728	66	38	
	0.75 to < 2.50	74,283	40,233	13	32,959	1.32	96	40	2.50	29,271	89	174	
	2.50 to < 10.00	15,181	5,342	13	7,583	6.43	21	40	2.50	10,857	143	194	
	10.00 to < 100.00	384	344	10	-	10.54	2	40	2.50	-	175	-	
	100.00 (Default)	230	-	-	230	100.00	1	40	2.50	-	-	92	
	Sub-total	356,501	179,208	17	313,374	0.53	357	40	2.50	134,941	43	668	1,943

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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	19,976	4,452	24	21,957	0.09	13	45	2.50	8,132	37	9	
	0.15 to < 0.25	10,341	3,412	22	13,003	0.22	11	45	2.50	8,022	62	13	
	0.25 to < 0.50	2,191	746	14	2,339	0.39	8	45	2.50	1,890	81	4	
	0.50 to < 0.75	2,447	5,512	10	1,097	0.54	16	43	2.50	969	88	3	
	0.75 to < 2.50	2,606	350	10	3,299	1.09	9	44	2.50	3,907	118	16	
	2.50 to < 10.00	326	220	40	414	6.72	4	45	2.50	810	196	12	
	10.00 to < 100.00	94	-	-	94	13.77	1	45	2.50	235	249	6	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	37,981	14,692	19	42,203	0.33	62	45	2.50	23,965	57	63	290
Portfolio (viii) – Corporate – other corporates	0.00 to < 0.15	126,912	90,007	20	248,366	0.11	250	40	2.50	67,166	27	107	
	0.15 to < 0.25	92,814	42,228	20	138,302	0.22	160	38	2.50	53,750	39	115	
	0.25 to < 0.50	36,672	17,827	16	92,477	0.39	208	39	2.50	50,262	54	142	
	0.50 to < 0.75	137,420	38,842	24	105,888	0.55	337	40	2.50	67,780	64	233	
	0.75 to < 2.50	157,499	80,122	16	142,914	1.38	695	36	2.50	115,588	81	715	
	2.50 to < 10.00	40,611	18,039	26	23,721	4.53	306	32	2.50	24,898	105	361	
	10.00 to < 100.00	16,202	1,061	13	15,966	14.54	45	36	2.50	28,180	177	849	
	100.00 (Default)	5,030	46	42	4,839	100.00	84	37	2.50	2,941	61	1,766	
	Sub-total	613,160	288,172	19	772,473	1.52	2,085	38	2.50	410,565	53	4,288	8,595
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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	-	-	-	-	-	-	-	-	-	-	-	
	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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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)		**1,747,778**	**581,174**	**19**	**1,848,911**	**1.44**	**5,765**	**41**	**2.50**	**847,720**	**46**	**10,192**	**19,284**

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

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	-	-	-	-	-	-	-		-	-	-	
	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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	-	-	-	-	-	-	-		-	-	-	
	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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	4,296	44,962	-	27,704	0.10	599,914	90		1,524	6	25	
	0.15 to < 0.25	833	23,332	-	18,949	0.23	581,296	89		2,041	11	39	
	0.25 to < 0.50	126	3,630	-	3,051	0.34	126,464	90		457	15	10	
	0.50 to < 0.75	649	1,108	-	1,541	0.55	45,237	94		349	23	8	
	0.75 to < 2.50	230	293	-	573	1.25	14,098	98		251	44	7	
	2.50 to < 10.00	46	92	-	121	4.81	3,383	95		133	110	5	
	10.00 to < 100.00	3	3	-	6	12.50	5,398	98		13	205	1	
	100.00 (Default)	5	83	-	69	100.00	2,454	88		511	746	21	
	Sub-total	6,188	73,503	-	52,014	0.33	1,378,244	90		5,279	10	116	54

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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	1,244	9,781	-	6,675	0.11	161,139	90		398	6	7	
	0.15 to < 0.25	499	4,030	-	3,269	0.22	87,058	90		346	11	7	
	0.25 to < 0.50	340	9,084	-	7,418	0.33	300,026	89		1,045	14	21	
	0.50 to < 0.75	439	1,708	-	1,617	0.57	50,364	91		366	23	8	
	0.75 to < 2.50	557	949	-	1,364	1.31	36,944	93		593	43	17	
	2.50 to < 10.00	1,212	810	-	1,782	5.49	33,524	95		2,142	120	93	
	10.00 to < 100.00	412	94	-	505	17.95	8,533	96		1,103	218	85	
	100.00 (Default)	50	45	-	86	100.00	2,266	88		334	390	53	
	Sub-total	4,753	26,501	-	22,716	1.50	679,854	90		6,327	28	291	115
Portfolio (xi) – Retail – Residential mortgage exposures (including both to individuals and to property-holding shell companies)	0.00 to < 0.15	115,171	-	-	115,171	0.11	61,507	10		2,929	3	13	
	0.15 to < 0.25	54,880	2	40	54,880	0.22	17,778	10		2,453	4	13	
	0.25 to < 0.50	65,778	-	-	65,778	0.39	19,928	10		4,485	7	27	
	0.50 to < 0.75	136,789	-	-	136,789	0.58	41,830	10		12,253	9	82	
	0.75 to < 2.50	114,163	-	-	114,163	1.07	32,178	10		14,957	13	123	
	2.50 to < 10.00	715	-	-	715	5.29	297	10		243	34	4	
	10.00 to < 100.00	2,002	-	-	2,002	27.81	707	10		1,166	58	57	
	100.00 (Default)	576	-	-	576	100.00	247	13		609	106	33	
	Sub-total	490,074	2	40	490,074	0.75	174,472	10		39,095	8	352	540

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)

		At 30 June 2026											
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	PD scale	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	704	1,139	35	1,097	0.09	821	16		40	4	-	
	0.15 to < 0.25	213	98	35	248	0.22	152	19		20	8	-	
	0.25 to < 0.50	299	136	41	355	0.39	199	19		43	12	-	
	0.50 to < 0.75	415	225	33	490	0.60	304	22		86	18	1	
	0.75 to < 2.50	716	159	30	764	1.33	523	25		215	28	3	
	2.50 to < 10.00	144	25	34	153	3.21	111	27		57	37	1	
	10.00 to < 100.00	13	1	86	13	20.37	15	33		9	70	1	
	100.00 (Default)	94	-	111	95	100.00	90	44		122	128	47	
	Sub-total	2,598	1,783	35	3,215	3.68	2,215	21		592	18	53	54
Portfolio (xiii) – Retail – Other retail exposures to individuals	0.00 to < 0.15	10,163	16,113	-	25,283	0.06	6,008	23		1,005	4	4	
	0.15 to < 0.25	4,744	36	-	4,773	0.22	5,722	12		249	5	1	
	0.25 to < 0.50	25,659	49	-	25,699	0.37	13,121	12		1,812	7	11	
	0.50 to < 0.75	22,983	32	-	23,003	0.60	9,402	16		2,820	12	21	
	0.75 to < 2.50	25,545	29,129	4	29,979	1.27	11,665	20		6,851	23	88	
	2.50 to < 10.00	1,127	1	-	1,127	4.44	319	21		342	30	10	
	10.00 to < 100.00	608	-	-	609	16.39	825	16		198	32	20	
	100.00 (Default)	267	-	-	267	100.00	821	35		881	330	30	
	Sub-total	91,096	45,360	3	110,740	0.95	47,883	18		14,158	13	185	211
Total (sum of all portfolios)		**594,709**	**147,149**	**1**	**678,759**	**0.79**	**2,282,668**	**20**		**65,451**	**10**	**997**	**974**

Compared with 31 December 2025, the decrease in the RWA density for the corporate - specialised lending (other than HVCRE) portfolio was primarily due to an increase in impairment allowances for defaulted obligors in this portfolio, resulting in a corresponding reduction in RWA.

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 2026	
		(a)	(b)
		Pre-credit derivatives RWA	**Actual RWA**
		HK$'m	**HK$'m**
1	Corporate – Specialized lending (project finance)	2,349	2,349
2	Corporate – Specialized lending (object finance)	893	893
3	Corporate – Specialized lending (commodities finance)	-	-
4	Corporate – Specialized lending (income-producing real estate)	62,978	62,978
5	Corporate – Specialized lending (high-volatility commercial real estate)	-	-
6	Corporate – Small-and-medium sized corporates	23,261	23,261
7	Corporate – Large corporates	134,941	134,941
8	Corporate – Financial institutions treated as corporates	23,965	23,965
9	Corporate – Other corporates	410,565	410,565
10	Sovereign – Sovereigns	-	-
11	Sovereign – Sovereign foreign public sector entities	-	-
12	Sovereign – Multilateral development banks	-	-
13	Bank – Banks (excluding covered bonds)	181,070	181,070
14	Bank – Qualifying non-bank financial institutions	7,695	7,695
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	-	-
16	Bank – Unspecified multilateral bodies	-	-
17	Bank – Covered bonds	3	3
18	Retail – Small business retail exposures	592	592
19	Retail – Residential mortgages to individuals	38,999	38,999
20	Retail – Residential mortgages to property-holding shell companies	96	96
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	5,279	5,279
22	Retail – QRRE (revolver)	6,327	6,327
23	Retail – Other retail exposures to individuals	14,158	14,158
24	CIS – CIS exposures	-	-
25	Other – Cash items	-	-
26	Other – Other items	83,358	83,358
27	**Total (under the IRB calculation approaches)**	**996,529**	**996,529**

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 2026**	**957,357**
2	Asset size	37,315
3	Asset quality	218
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	1,639
8	Other	-
9	**RWA as at 30 June 2026**	**996,529**

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 2026.

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

		At 30 June 2026									
		(a)	(b)	(c)	(d)(i)	(d)(ii)	(d)(iii)	(d)(iv)	(d)(v)	(e)	(f)
					EAD amount						
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW	PF	OF	CF	IPRE	Total	RWA	Expected loss amount
		HK$'m	HK$'m		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	1,105	-	70%	56	-	-	-	56	39	-
Good^	Less than 2.5 years	78	-	70%	78	-	-	-	78	55	-
Good	Equal to or more than 2.5 years	1,878	66	90%	1,878	-	-	-	1,878	1,690	15
Satisfactory		408	207	115%	491	-	-	-	491	565	14
Weak		-	-	250%	-	-	-	-	-	-	-
Default		-	-	0%	-	-	-	-	-	-	-
Total		**3,469**	**273**		**2,503**	**-**	**-**	**-**	**2,503**	**2,349**	**29**

^ Use of preferential risk-weights.

7. Counterparty credit risk

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

		At 30 June 2026					
		(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)	4,794	28,628		1.4	46,719	19,442
1a	CEM (for derivative contracts)	-	-		1.4	-	-
1b	Method for group 2b cryptoasset derivative contracts	-	-		1.4	-	-
2	IMM(CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					-	-
4	Comprehensive approach (for SFTs)					86,680	788
5	VaR (for SFTs)					-	-
6	**Total**						**20,230**

Compared with 31 December 2025, the 16% increase in RWA was mainly due to changes in "Default risk exposure after CRM". The 10% increase in default risk exposure after CRM of SA-CCR approach (for derivative contracts) was mainly driven by change in transactions' market value and transaction volume. The 15% decrease in default risk exposure after CRM of comprehensive approach (for SFTs) was mainly driven by change in non-nettable SFT and nettable SFT 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

		At 30 June 2026											
		(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
	Risk Weight	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
	Exposure class	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	1,458	-	184	-	-	4	-	-	-	-	-	1,646
2	Public sector entity exposures	-	-	598	-	-	-	-	-	88	-	-	686
3	Multilateral development bank exposures	308	-	-	-	-	-	-	-	-	-	-	308
4	Unspecified multilateral body exposures	-	-	109	-	-	-	-	-	-	-	-	109
5	Bank exposures	-	-	7	-	-	-	-	-	-	-	-	7
6	Qualifying non-bank financial institution exposures	-	-	-	-	-	-	-	-	-	4	-	4
7	General corporate exposures	-	-	-	-	-	-	-	132	1,196	-	-	1,328
8	Retail exposures	-	-	-	-	-	-	9	-	628	-	-	637
9	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures	-	-	-	-	-	-	-	-	2	-	-	2
11	**Total**	**1,766**	**-**	**898**	**-**	**-**	**4**	**9**	**132**	**1,914**	**4**	**-**	**4,727**

Compared with 31 December 2025, the 11% decrease in public sector entity exposures, 25% increase in multilateral development bank exposures, 22% decrease in bank exposures, 88% decrease in qualifying non-bank financial institution exposures and 19% decrease in general corporate exposures were mainly driven by changes in respective transaction volumes.

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

		At 30 June 2026						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	PD scale	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	85,895	0.07	158	18	1.21	9,915	8
	0.15 to < 0.25	4,958	0.22	30	10	0.94	660	13
	0.25 to < 0.50	18,610	0.39	24	4	0.65	1,204	6
	0.50 to < 0.75	6,636	0.51	17	10	0.93	1,360	21
	0.75 to < 2.50	294	1.06	13	41	2.33	294	100
	2.50 to < 10.00	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	116,393	0.15	242	15	1.10	13,433	9
Portfolio (iii) – Corporate	0.00 to < 0.15	1,792	0.09	19	40	2.49	467	26
	0.15 to < 0.25	664	0.22	14	40	2.50	281	42
	0.25 to < 0.50	327	0.39	14	41	2.50	186	57
	0.50 to < 0.75	3,172	0.52	25	40	2.50	2,060	51
	0.75 to < 2.50	6,272	1.02	58	11	1.01	1,519	22
	2.50 to < 10.00	52	3.77	19	40	2.50	63	120
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
	Sub-total	12,279	0.71	149	25	1.74	4,576	33
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)		**128,672**	**0.20**	**391**	**16**	**1.16**	**18,009**	**11**

Compared with 31 December 2025, the 17% increase in RWA of "Portfolio (ii) – Bank" was mainly due to increase in "Average LGD" and "Average maturity"; the 37% increase in RWA of "Portfolio (iii) – Corporate" was mainly due to increase in EAD.

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 2026					
	(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	-	658	-	760	24,245	8,101
Cash – other currency	-	27,301	-	11,145	42,113	23,840
Debt securities	-	563	-	245	20,320	127,868
Equity securities	-	6	-	-	494	-
Other collateral	-	-	-	-	40,163	341
Total	**-**	**28,528**	**-**	**12,150**	**127,335**	**160,150**

Compared with 31 December 2025, the 12% increase in fair value of recognised collateral received (unsegregated) and 44% increase in fair value of posted collateral (unsegregated) under derivative contracts were mainly driven by change in market value of transactions and transaction volume.

The 13% increase in fair value of recognised collateral received and 20% increase in fair value of posted collateral under SFTs were mainly driven by change in transaction volume.

CCR6: Credit-related derivatives contracts

	At 30 June 2026	
	(a)	(b)
	Protection bought	Protection sold
	HK$'m	HK$'m
Notional amounts		
Total return swaps	39	-
Total notional amounts	**39**	**-**
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 2026.

7. Counterparty credit risk (continued)

CCR8: Exposures to CCPs

		At 30 June 2026	
		(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)**		**323**
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	6,602	142
3	(i) OTC derivative transactions	5,971	119
4	(ii) Exchange-traded derivative contracts	631	23
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	1,865	181
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	-	-

Compared with 31 December 2025, the 22% increase in RWA was mainly due to increase in "Exposure after CRM".

8. Credit valuation adjustment risk

CVA1: CVA risk under reduced basic CVA approach

		At 30 June 2026	
		(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	1,677	
2	Aggregation of idiosyncratic components of CVA risk	398	
3	**Total**		**589**

The Group did not use CVA hedge as at 30 June 2026.

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 2026.

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 2026.

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 2026.

9. Securitization exposures

SEC1: Securitization exposures in banking book

There was no securitisation exposure in the banking book as at 30 June 2026.

SEC2: Securitization exposures in trading book

There was no securitisation exposure in the trading book as at 30 June 2026.

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 2026.

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 2026.

10. Market risk

MR1: Market risk under STM approach

		At 30 June 2026
		(a)
		Market risk capital charges under STM approach
		HK$'m
1	General interest rate risk	1,523
2	Equity risk	58
3	Commodity risk	935
4	Foreign exchange risk	1,279
5	Credit spread risk (non-securitization)	1,453
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)	530
9	SA-DRC (securitization: non-CTP)	-
10	SA-DRC (securitization: CTP)	-
11	Group 2a cryptoasset exposures	-
12	Residual risk add-on	5
13	**Total**	**5,783**

MR2: Market risk under IMA

The Group did not use IMA to calculate market risk capital charges as at 30 June 2026.

MR3: Market risk under SSTM approach

The Group did not use SSTM approach to determine market risk capital charges as at 30 June 2026.

11. Comparison of modelled and standardized RWAs

CMS1: Comparison of modelled and standardized RWAs at risk level

		At 30 June 2026			
		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for portfolios where standardized approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardized approach (i.e. used in the computation of the output floor)
		HK$'m	HK$'m	HK$'m	HK$'m
1	Credit risk for non-securitization exposures	996,432	135,808	1,132,240	1,626,034
2	Counterparty credit risk and default fund contributions	18,009	2,544	20,553	19,709
3	CVA risk		7,365	7,365	8,070
4	Securitization exposures in banking book	-	-	-	-
5	Market risk	-	72,293	72,293	72,293
6	Operational risk		82,306	82,306	82,306
7	Residual RWA	97	14,994	15,091	15,063
8	**Total**	**1,014,538**	**315,310**	**1,329,848**	**1,823,475**

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 2026			
		(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	-	-	26,820	26,820
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	-	-	4,341	4,341
2	Bank exposures	188,671	181,983	205,996	199,604
3	Equity			543	543
4	Corporate exposures (excluding specialized lending)	592,732	958,026	651,056	1,010,452
4a	Of which: FIRB is applied	592,732	958,026	651,056	1,010,452
4b	Of which: AIRB is applied	-	-	-	-
5	Retail exposures	65,451	186,310	95,864	216,690
5a	Of which: qualifying revolving retail	11,606	11,611	11,606	11,611
5b	Of which: other retail exposures to individuals and small business retail exposures	14,750	38,729	43,861	67,807
5c	Of which: residential mortgages	39,095	135,970	40,397	137,272
6	Corporate exposures - Specialized lending	66,220	86,184	67,617	87,581
6a	Of which: income-producing real estate and high-volatility commercial real estate	62,978	82,146	62,978	82,146
7	Other exposures	83,358	83,974	84,344	84,344
7a	Cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	-	-	-	-
8	**Total**	**996,432**	**1,496,477**	**1,132,240**	**1,626,034**

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 2026		
	(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	-	565,861	565,861
Securities investments and other debt instruments[1]	189,039	1,394,689	1,583,728
Hong Kong SAR Government certificates of indebtedness	-	252,790	252,790
Advances and other accounts	-	1,810,502	1,810,502
Other assets[2]	-	289,506	289,506
Total assets	**189,039**	**4,313,348**	**4,502,387**

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.

13. Cryptoasset exposures

CAE1: Cryptoasset exposures and RWAs

		At 30 June 2026					
		(a)	(b)	(c)	(d)	(e)	(f)
		Credit risk			Market risk		
		Total exposure	Exposure/ EAD	RWA	Long exposure	Short exposure	RWA
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
1	Group 1a cryptoassets	2,346	2,346	296	230	-	
2	Group 1b cryptoassets	-	-	-	-	-	
3	Group 2a cryptoassets	-	-	-	-	-	-
4	Group 2b cryptoassets	-	-	-	-	-	
5	**Total**	**2,346**	**2,346**	**296**	**230**	**-**	**-**
6	Group 2 cryptoasset exposure limit – direct holdings	-					
7	Group 2 cryptoasset exposure limit – indirect holdings	-					
8	Group 2 cryptoasset exposure limit – exposure above the 1% limit	-					
9	Group 2 cryptoasset exposure limit – RWA above the 1% limit	-					
10	Total RWA for group 2 cryptoasset as a result of breaching the 2% limit	-					

The Group has adopted the standardised approach under the Basel III final reform package to calculate the operational risk capital charge, which is derived from aggregate business indicators across the Group. The Group has implemented the "Three Lines of Defence" system for its operational risk management, under which operational risks associated with cryptoasset activities are managed through the Group's operational risk management framework. The Group adopts various operational risk management tools or methodologies such as key operational risk indicators, operational risk and control assessment, operational risk events management to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance, etc. on an as-needed basis to mitigate unforeseeable operational risks. In addition, the Group has established a comprehensive business continuity plan and conducts periodic drills to ensure continued business operations in the event of an emergency.

CAE2: Accounting classification of cryptoasset exposures

	At 30 June 2026			
	(a)	(b)	(c)	(d)
	Carrying values of cryptoasset exposures under scope of regulatory consolidation			
	Group 1a	Group 1b	Group 2a	Group 2b
	HK$'m	HK$'m	HK$'m	HK$'m
Assets				
Financial assets at fair value through profit or loss	230	-	-	-
Investment in securities	2,346	-	-	-
Total assets	**2,576**	**-**	**-**	**-**

13. Cryptoasset exposures (continued)

CAE3: Liquidity requirements for cryptoasset exposures – for category 1 institution

		At 30 June 2026								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Exposure amounts				Liquidity risk				
		Cryptoassets		Cryptoliabilities		Cryptoassets			Cryptoliabilities	
		Total	Of which: Derivative exposures	Total	Of which: Derivative exposures	LCR HQLA haircut applied	LCR cash inflow rate applied	NSFR RSF factor applied	LCR cash outflow rate applied	NSFR ASF factor applied
		HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m	HK$'m
1	Group 1a	2,576	-	-	-		-	12	-	-
1.i	Of which: HQLA instrument	2,576				10	-	12		
1.ii	Of which: tokenised claims on a bank	-	-	-	-		-	-	-	-
1.iii	Of which: other tokenised assets	-	-	-	-		-	-	-	-
2	Stablecoins	-	-	-	-		-	-	-	-
2.i	Of which: group 1b	-	-	-	-		-	-	-	-
2.ii	Of which: group 2	-	-	-	-		-	-	-	-
3	Other group 2	-	-	-	-		-	-	-	-