

Regulatory Disclosures

30 September 2025



CONTENTS	PAGE
1. Key prudential ratios, key metrics and overview of RWA	
KM1: Key prudential ratios	1
KM2(A): Key metrics – LAC requirements for material subsidiaries (at LAC consolidation group level)	2
KM2(B): Key metrics – TLAC requirements for non-HK resolution entity (at resolution group level)	3
OV1: Overview of RWA	4
2. Leverage ratio	
LR2: Leverage ratio	5
3. Liquidity	
LIQ1: Liquidity Coverage Ratio – for category 1 institution	7
4. Credit risk for non-securitization exposures	
CR8: RWA flow statements of credit risk exposures under IRB approach	9
5. Counterparty credit risk	
CCR7: RWA flow statements of default risk exposures under IMM(CCR) approach	9
6. Credit valuation adjustment risk	
CVA4: RWA flow statements of CVA risk exposures under standardized CVA approach	9
7. Market risk	
MR2: Market risk under IMA	9
8. Comparison of modelled and standardized RWAs	
CMS1: Comparison of modelled and standardized RWAs at risk level	10

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

KM1: Key prudential ratios

		(a)	(b)	(c)	(d)	(e)
		At 30 September 2025	At 30 June 2025	At 31 March 2025	At 31 December 2024	At 30 September 2024
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	300,236	293,879	281,204	266,651	280,004
2 & 2a	Tier 1	300,236	293,879	281,204	266,651	280,004
3 & 3a	Total capital	325,266	318,747	306,439	292,980	307,164
	RWA (amount)					
4	Total RWA	1,236,701	1,240,737	1,196,007	1,331,828	1,371,663
4a	Total RWA (pre-floor)	1,236,701	1,240,737	1,196,007	Not applicable	Not applicable
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	24.28%	23.69%	23.51%	20.02%	20.41%
5b	CET1 ratio (%) (pre-floor ratio)	24.28%	23.69%	23.51%	Not applicable	Not applicable
6 & 6a	Tier 1 ratio (%)	24.28%	23.69%	23.51%	20.02%	20.41%
6b	Tier 1 ratio (%) (pre-floor ratio)	24.28%	23.69%	23.51%	Not applicable	Not applicable
7 & 7a	Total capital ratio (%)	26.30%	25.69%	25.62%	22.00%	22.39%
7b	Total capital ratio (%) (pre-floor ratio)	26.30%	25.69%	25.62%	Not applicable	Not applicable
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.421%	0.419%	0.418%	0.422%	0.820%
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 (%)	4.421%	4.419%	4.418%	4.422%	4.820%
12	CET1 available after meeting the AI's minimum capital requirements (%)	18.28%	17.69%	17.51%	14.00%	14.39%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	4,145,203	4,101,313	3,930,081	3,915,413	3,893,039
13a	LR exposure measure based on mean values of gross assets of SFTs	4,139,653	4,092,318	3,917,659	Not applicable	Not applicable
14, 14a & 14b	LR (%)	7.24%	7.17%	7.16%	6.81%	7.19%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	7.25%	7.18%	7.18%	Not applicable	Not applicable
	Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	1,295,689	1,298,727	1,434,598	1,150,171	1,166,618
16	Total net cash outflows	678,335	703,922	630,831	575,682	520,427
17	LCR (%)	191.26%	185.34%	231.50%	201.06%	231.81%
	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	2,330,468	2,223,559	2,196,305	2,151,966	2,133,439
19	Total required stable funding	1,628,940	1,595,767	1,561,372	1,517,285	1,520,766
20	NSFR (%)	143.07%	139.34%	140.67%	141.83%	140.29%
	Applicable to category 2A institutions only:					
20a	CFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

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

		(a)	(b)	(c)	(d)	(e)
		At 30 September 2025	At 30 June 2025	At 31 March 2025	At 31 December 2024	At 30 September 2024
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Of the material entity at LAC consolidation group level						
1	Internal loss-absorbing capacity available	400,646	394,077	379,656	364,962	384,920
2	Risk-weighted amount under the LAC Rules	1,236,701	1,240,737	1,196,007	1,331,828	1,371,663
3	Internal LAC risk-weighted ratio	32.40%	31.76%	31.74%	27.40%	28.06%
4	Exposure measure under the LAC Rules	4,145,203	4,101,313	3,930,081	3,915,413	3,893,039
5	Internal LAC leverage ratio	9.67%	9.61%	9.66%	9.32%	9.89%
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 September 2025	At 30 June 2025	At 31 March 2025	At 31 December 2024 ¹	At 30 September 2024 ¹
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Of the non-HK resolution entity at resolution group level						
1	External loss-absorbing capacity available	4,941,178	4,805,193	4,454,068	3,816,685	3,958,439
2	Total risk-weighted amount under the relevant non-HK LAC regime	22,576,460	22,437,331	21,485,895	20,342,786	20,817,473
3	External loss-absorbing capacity as a percentage of risk-weighted amount	21.89%	21.42%	20.73%	18.76%	19.01%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	42,878,330	42,253,825	40,478,627	38,829,513	39,566,157
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	11.52%	11.37%	11.00%	9.83%	10.00%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	Not applicable	Not applicable
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Footnote:

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

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

OV1: Overview of RWA

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		At 30 September 2025	At 30 June 2025	At 30 September 2025
		HK\$m	HK\$m	HK\$m
1	Credit risk for non-securitization exposures	1,058,042	1,044,792	84,643
2	Of which STC approach	120,624	117,759	9,650
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	808,063	793,215	64,645
4	Of which supervisory slotting criteria approach	2,584	3,143	207
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	70,566	70,439	5,645
5b	Of which specific risk-weight approach	56,205	60,236	4,496
6	Counterparty credit risk and default fund contributions	19,573	22,593	1,566
7	Of which SA-CCR approach	19,121	20,610	1,530
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	452	1,983	36
10	CVA risk	6,582	7,841	527
11	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable	Not applicable	Not applicable
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	92,302	106,308	7,384
21	Of which STM approach	92,302	106,308	7,384
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	74,769	73,518	5,981
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	7,083	7,232	567
26	Output floor level applied	50%	50%	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	21,650	21,547	1,732
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	50	50	4
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	21,600	21,497	1,728
29	Total	1,236,701	1,240,737	98,936

Compared with 30 June 2025, the 13% decrease in RWA under counterparty credit risk and default fund contributions was mainly driven by change in market value of outstanding derivative transactions and decrease in transaction volume.

2. Leverage ratio

LR2: Leverage ratio

		At 30 September 2025	At 30 June 2025
		(a)	(b)
		HK\$m	HK\$m
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	3,907,613	3,837,173
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	(4,558)	(9,624)
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(16,188)	(15,235)
6	Less: Asset amounts deducted in determining Tier 1 capital	(46,864)	(47,639)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	3,840,003	3,764,675
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)	10,339	12,899
9	Add-on amounts for PFE associated with all derivative contracts	48,564	51,508
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	58,903	64,407
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	62,830	81,826
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	20,028	20,018
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	82,858	101,844
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	877,950	892,817
20	Less: Adjustments for conversion to credit equivalent amounts	(714,155)	(722,066)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(356)	(364)
22	Off-balance sheet items (sum of rows 19 to 21)	163,439	170,387
Capital and total exposures			
23	Tier 1 capital	300,236	293,879
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,145,203	4,101,313
Leverage ratio			
25 & 25a	Leverage ratio	7.24%	7.17%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	Not applicable	Not applicable

2. Leverage ratio (continued)

LR2: Leverage ratio (continued)

		At 30 September 2025	At 30 June 2025
		(a)	(b)
		HK\$m	HK\$m
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	57,280	72,831
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	62,830	81,826
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)	4,139,653	4,092,318
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)	7.25%	7.18%

3. Liquidity

LIQ1: Liquidity Coverage Ratio – for category 1 institution

Number of data points used in calculating the average value of the LCR and related components set out in this template: (76)		For the quarter ended 30 September 2025	
		(a)	(b)
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)
		HK\$m	HK\$m
A. HQLA			
1	Total HQLA		1,295,689
B. Cash Outflows			
2	Retail deposits and small business funding, of which:	1,344,543	78,227
3	<i>Stable retail deposits and stable small business funding</i>	530,516	15,915
4	<i>Less stable retail deposits and less stable small business funding</i>	420,216	42,022
4a	<i>Retail term deposits and small business term funding</i>	393,811	20,290
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	1,431,366	647,850
6	<i>Operational deposits</i>	418,918	102,595
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	1,012,448	545,255
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-
9	Secured funding transactions (including securities swap transactions)		74
10	Additional requirements, of which:	482,388	84,357
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	32,458	32,012
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	1,236	1,236
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	448,694	51,109
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	105,963	105,963
15	Other contingent funding obligations (whether contractual or non-contractual)	465,029	4,902
16	Total Cash Outflows		921,373
C. Cash Inflows			
17	Secured lending transactions (including securities swap transactions)	32,556	7,814
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	238,015	142,511
19	Other cash inflows	102,554	92,713
20	Total Cash Inflows	373,125	243,038
D. Liquidity Coverage Ratio		Adjusted value	
21	Total HQLA		1,295,689
22	Total Net Cash Outflows		678,335
23	LCR (%)		191.26%

3. Liquidity (continued)

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

Notes:

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

The Group's average LCR of the first, second and third quarter in 2025 were 231.50%, 185.34% and 191.26% 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.

4. Credit risk for non-securitization exposures

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

		(a)
		HK\$'m
1	RWA as at 30 June 2025	927,033
2	Asset size	5,559
3	Asset quality	7,428
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(2,602)
8	Other	-
9	RWA as at 30 September 2025	937,418

5. Counterparty credit risk

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

The Group did not use IMM(CCR) approach to measure default risk exposures as at 30 September 2025.

6. Credit valuation adjustment risk

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

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

7. Market risk

MR2: Market risk under IMA

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

8. Comparison of modelled and standardized RWAs

CMS1: Comparison of modelled and standardized RWAs at risk level

		At 30 September 2025			
		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for portfolios where standardized approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardized approach (i.e. used in the computation of the output floor)
		HK\$m	HK\$m	HK\$m	HK\$m
1	Credit risk for non-securitization exposures	937,418	120,624	1,058,042	1,535,821
2	Counterparty credit risk and default fund contributions	16,022	3,551	19,573	19,483
3	CVA risk		6,582	6,582	7,502
4	Securitization exposures in banking book	-	-	-	-
5	Market risk	-	92,302	92,302	92,302
6	Operational risk		74,769	74,769	74,769
7	Residual RWA	-	7,083	7,083	7,083
8	Total	953,440	304,911	1,258,351	1,736,960

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.