



上海商業銀行
SHANGHAI COMMERCIAL BANK

REGULATORY DISCLOSURES

As at 30 June 2025
(Unaudited)



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The following disclosures are prepared under regulatory scope of consolidation to comply with the Banking (Disclosure) Rules and are not audited.

1 KEY PRUDENTIAL RATIOS

		30 June 2025	31 March 2025	31 December 2024	30 September 2024	30 June 2024
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	35,914,608	35,785,873	34,677,399	35,164,236	34,287,866
2 & 2a	Tier 1	35,914,608	35,785,873	34,677,399	35,164,236	34,287,866
3 & 3a	Total capital	40,143,946	39,721,502	38,593,247	39,172,718	38,358,671
Risk Weighted Amounts (RWA)						
4	Total RWA	139,971,549	143,290,035	138,045,799	141,577,614	138,800,632
4a	Total RWA (pre-floor)	139,971,549	143,290,035	N/A	N/A	N/A
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	25.7%	25.0%	25.1%	24.8%	24.7%
5b	CET1 ratio (%) (pre-floor ratio)	25.7%	25.0%	N/A	N/A	N/A
6 & 6a	Tier 1 ratio (%)	25.7%	25.0%	25.1%	24.8%	24.7%
6b	Tier 1 ratio (%) (pre-floor ratio)	25.7%	25.0%	N/A	N/A	N/A
7 & 7a	Total capital ratio (%)	28.7%	27.7%	28.0%	27.7%	27.6%
7b	Total capital ratio (%) (pre-floor ratio)	28.7%	27.7%	N/A	N/A	N/A
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.33%	0.32%	0.34%	0.67%	0.65%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.8%	2.8%	2.8%	3.2%	3.2%
12	CET1 available after meeting the AI's minimum capital requirements (%)	19.7%	19.0%	19.1%	18.8%	18.7%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	232,639,558	235,198,481	231,925,255	239,453,474	233,905,700
13a	LR exposure measure based on mean values of gross assets of SFTs	232,661,536	235,277,888	N/A	N/A	N/A
14, 14a & 14b	LR (%)	15.4%	15.2%	15.0%	14.7%	14.7%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	15.4%	15.2%	N/A	N/A	N/A
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)						
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institutions only:					
17a	LMR (%)	76.5%	76.5%	76.8%	90.1%	80.4%
Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)						
	Applicable to category 1 institutions only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institutions only:					
20a	CFR (%)	295.6%	303.7%	295.9%	301.5%	272.8%

2 CAPITAL STRUCTURE AND ADEQUACY

The calculation of the capital adequacy ratio as at 30 June 2025 is based on the Banking (Capital) Rules ("BCR"). The capital adequacy ratio represents the consolidated ratio of the Bank's Hong Kong offices and its overseas branches, Shacom Property (CA), Inc., Shacom Property (NY), Inc., Shacom Property Holdings (BVI) Limited, Shacom Investment Limited, Shacom Assets Investments Limited, Right Honour Investments Limited, Glory Step Westpoint Investments Limited, Silver Wisdom Westpoint Investments Limited, Shacom Insurance Brokers Limited, KCC 23F Limited, KCC 25F Limited, and KCC 26F Limited computed in accordance with Section 3C(1) of the BCR.

For accounting purposes, the basis of consolidation is described in Note 5 to the Group Interim Financial Disclosure Statement.

The Group uses the standardized (credit risk) approach, standardized (market risk) approach, revised standardized approach and reduced basic CVA approach under BCR for credit risk, market risk, operational risk and CVA risk respectively. The Group operates subsidiaries in different countries where capital is governed by local rules and there may be restrictions on the transfer of funds or regulatory capital between members of the Group.

The table below shows the balance sheet based on accounting scope of consolidation and the regulatory scope of consolidation, and the reconciliation of the capital components from balance sheet based on regulatory scope of consolidation to the Composition of Regulatory Capital as at 30 June 2025.

Reconciliation of regulatory capital to balance sheet

	Balance sheet as in published financial statements as at 30 June 2025	Under regulatory scope of consolidation as at 30 June 2025	Cross-referenced to Composition of Regulatory Capital
Assets			
Cash and balances with banks	44,657,717	44,655,813	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(999)	(1)
Placements with banks	39,533,794	39,533,794	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(896)	(2)
Loans and advances to customers	68,855,340	68,855,340	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(519,570)	(3)
Financial assets at fair value through profit or loss	96,763	57,302	
<i>of which: insignificant capital investments in financial sector entities exceeding 10% threshold</i>	–	5,108	(4)
Derivative financial instruments	809,472	809,472	
Investment securities at fair value through other comprehensive income	62,019,273	61,897,442	
<i>of which: insignificant capital investments in financial sector entities exceeding 10% threshold</i>	–	1,847,670	(5)
Investment securities at amortized cost	3,063,273	3,063,273	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(80)	(6)
Properties for sale	442,833	442,833	
Investments in associates and joint venture	352,075	43,000	
Investments in and amounts due from subsidiaries	–	317,791	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(20,416)	(7)

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

Reconciliation of regulatory capital to balance sheet (Continued)

	Balance sheet as in published financial statements as at 30 June 2025	Under regulatory scope of consolidation as at 30 June 2025	Cross-referenced to Composition of Regulatory Capital
Properties and equipment	2,268,112	2,244,239	
Investment properties	971,544	999,191	
Current income tax assets	109,561	109,549	
Deferred income tax assets	962,047	965,086	(8)
Assets held for sale	129,664	145,000	
Other assets	4,728,711	4,672,618	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(3,256)	(9)
Total assets	229,000,179	228,811,743	
Liabilities			
Deposits and balances from banks	6,300,026	6,300,026	
Deposits from customers	175,525,942	175,525,942	
Derivative financial instruments	780,482	780,482	
Amounts due to subsidiaries	–	602,095	
Subordinated debts	2,723,919	2,723,919	(10)
Other liabilities	3,057,798	2,868,177	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	26,217	(11)
Current income tax liabilities	238,567	236,544	
Deferred income tax liabilities	10,832	10,779	
Total liabilities	188,637,566	189,047,964	
Equity			
Share capital	2,000,000	2,000,000	(12)
Retained earnings	26,265,942	25,811,605	(13)
Reserves	11,973,724	11,952,174	
<i>of which: accumulated other comprehensive income/(loss), other than regulatory reserve</i>	–	11,018,189	(14)
<i>regulatory reserve</i>	–	933,985	(15)
Non-controlling interests in equity	122,947	–	
Total equity	40,362,613	39,763,779	
Total equity and liabilities	229,000,179	228,811,743	

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)**Composition of regulatory capital**

The Bank has already applied full capital deductions under the BCR. The Composition of Regulatory Capital as at 30 June 2025 is shown below:

		Component of regulatory capital reported by bank	Cross-referenced to balance sheet under regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,000,000	(12)
2	Retained earnings	25,811,605	(13)
3	Disclosed reserves	11,952,174	(14) + (15)
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	39,763,779	
CET1 capital: regulatory deductions			
7	Valuation adjustments	2,100	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	95,222	
10	Deferred tax assets (net of associated deferred tax liabilities)	965,086	(8)
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	–	
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)	1,852,778	(4) + (5)
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	933,985	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	933,985	(15)
26c	Securitization exposures specified in a notice given by the Monetary Authority	–	
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e	Capital shortfall of regulated non-bank subsidiaries	–	

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

Composition of regulatory capital (Continued)

		Component of regulatory capital reported by bank	Cross-referenced to balance sheet under regulatory scope of consolidation
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	–	
28	Total regulatory deductions to CET1 capital	3,849,171	
29	CET1 capital	35,914,608	
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	–	
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	–	
44	AT1 capital	–	
45	Tier 1 capital (T1 = CET1 + AT1)	35,914,608	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	2,723,919	(10)
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	1,505,419	(11) + (15) – (1) – (2) – (3) – (6) – (7) – (9)
51	Tier 2 capital before regulatory deductions	4,229,338	

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)**Composition of regulatory capital (Continued)**

		Component of regulatory capital reported by bank	Cross-referenced to balance sheet under regulatory scope of consolidation
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)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
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	–	
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	–	
58	Tier 2 capital (T2)	4,229,338	
59	Total regulatory capital (TC = T1 + T2)	40,143,946	
60	Total RWA	139,971,549	
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	25.7%	
62	Tier 1 capital ratio	25.7%	
63	Total capital ratio	28.7%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.8%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical capital buffer requirement	0.33%	
67	of which: higher loss absorbency requirement	–	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	19.7%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	
70	National Tier 1 minimum ratio	Not applicable	
71	National Total capital minimum ratio	Not applicable	

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)**Composition of regulatory capital (Continued)**

		Component of regulatory capital reported by bank	Cross-referenced to balance sheet under regulatory scope of consolidation
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	3,776,739	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	706,022	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	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)	1,505,419	
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	1,544,934	
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)	–	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	–	

Note to the template:

Element where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
	Deferred tax assets (“DTA”) (net of associated deferred tax liabilities)	965,086	–
10	<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.		
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.			

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

Main features of regulatory capital instruments

The main features of regulatory capital instruments as at 30 June 2025 are shown below. Full terms and conditions are published in the Bank's website of <http://www.shacombank.com.hk> and are accessible via the following direct link: <http://www.shacombank.com.hk/eng/about/regulatory/20250630.jsp>

		Ordinary shares	Subordinated notes due 2033
1	Issuer	Shanghai Commercial Bank Limited	Shanghai Commercial Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	ISIN: XS2531672892
3	Governing law(s) of the instrument	Laws of Hong Kong	English Law, except that the subordination provisions shall be governed by the laws of Hong Kong.
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	Common Equity Tier 1	Tier 2
6	Eligible at solo*/group/solo and group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Other Tier 2 instruments
8	Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	HK\$2,000 million	HK\$2,724 million
9	Par value of instrument	N/A	US\$350 million
10	Accounting classification	Shareholders' equity	Liability-amortized cost
11	Original date of issuance	1951, 1968, 1969, 1970, 1972, 1973, 1975, 1979, 1981, 1985, 1988, 1990, 1991, 1996, 2000	28 February 2023
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	28 February 2033
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	One-off call date: 28 February 2028. Additional optional redemption in whole at 100% of principal amount with accrued interest for taxation reasons, tax deductions reasons and regulatory reasons. Redemption amount subject to adjustment following occurrence of a Non-Viability Event. Redemption subject to prior written consent of the HKMA.
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends		
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	N/A	6.375% p.a. Fixed until 28 February 2028 and thereafter reset to a new fixed rate equal to the sum of the then prevailing U.S. Treasury Rate and the Spread at Pricing.
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Cumulative

2 CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)**Main features of regulatory capital instruments (Continued)**

		Ordinary shares	Subordinated notes due 2033
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	N/A	The earlier of the HKMA notifying the issuer in writing: (i) that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable or (ii) that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.
32	If write-down, full or partial	N/A	May be in part or in full
33	If write-down, permanent or temporary	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A	The rights of the holders will, in the event of the winding up of the Bank, rank (i) subordinate and junior in right of payment to, and of all claims of, (a) all unsubordinated creditors of the Issuer (including its depositors), and (b) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Notes or rank senior to the Notes by operation of law or contract; (ii) pari passu in right of payment to and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of, (a) the holders of Junior Obligations, and (b) holders of Tier 1 Capital Instruments of the Issuer.
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A

Footnote:

* Include solo-consolidated

3 OVERVIEW OF RWA

The table below shows the breakdowns of RWA for various risks as at 30 June 2025 and 31 March 2025 and the minimum capital requirements as at 30 June 2025 which are calculated by multiplying the Group's RWA by 8%.

		RWA		Minimum capital requirements
		30 June 2025	31 March 2025	30 June 2025
1	Credit risk for non-securitization exposures	111,843,714	115,705,003	8,947,497
2	Of which STC approach	111,843,714	115,705,003	8,947,497
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	–	–	–
4	Of which supervisory slotting criteria approach	–	–	–
5	Of which advanced IRB approach	–	–	–
5a	Of which retail IRB approach	–	–	–
5b	Of which specific risk-weight approach	–	–	–
6	Counterparty credit risk and default fund contributions	526,036	569,245	42,083
7	Of which SA-CCR approach	526,036	569,245	42,083
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
9	Of which others	–	–	–
10	Credit valuation adjustment (“CVA”) risk	319,313	362,713	25,545
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
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	7,444,413	7,290,913	595,553
21	Of which STM approach	7,444,413	7,290,913	595,553
22	Of which IMA	–	–	–
22a	Of which SSTM approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	–	–	–
24	Operational risk	8,613,075	8,412,800	689,046
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	11,224,998	10,949,361	898,000
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	–	–	–
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	–	–	–
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	–	–	–
29	Total	139,971,549	143,290,035	11,197,724

4 COUNTERCYCLICAL CAPITAL BUFFER (“CCyB”) RATIO

CCyB ratio is calculated as the weighted average of the applicable jurisdictional CCyB (“JCCyB”) ratio effective at the date for which the determination is made, in respect of the jurisdictions (including Hong Kong) where the Bank has private sector credit exposures. The weight to be attributed to a given jurisdiction’s applicable CCyB ratio is the ratio of the Bank’s aggregate RWA for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction where the location of the exposures is determined as far as possible on an ultimate risk basis to the sum of the Bank’s aggregate RWA across all jurisdictions in which the Bank has private sector credit exposures.

Key drivers for the changes in exposure amounts include asset quality, credit growth and credit portfolio. The applicable JCCyB ratio for Hong Kong is determined by the Hong Kong Monetary Authority based on the Initial Reference Calculator that is transparently calculated and made public, while the applicable JCCyB ratio in respect of a given jurisdiction outside Hong Kong may differ from the JCCyB ratio as determined by the relevant authority in that jurisdiction if the Hong Kong Monetary Authority has determined and announced the application of a higher or lower rate.

The following table shows the CCyB ratio, the geographical breakdown of the RWA in relation to private sector credit exposures that are relevant to the calculation of CCyB ratio and which have an applicable JCCyB ratio greater than zero as at 30 June 2025.

Geographical breakdown by Jurisdiction (J)		Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	HK\$'000	%	HK\$'000
1	Hong Kong SAR	0.50%	52,155,129		
2	Australia	1.00%	604,868		
3	Belgium	1.00%	4,431		
4	Chile	0.50%	100		
5	France	1.00%	95		
6	Germany	0.75%	97		
7	Ireland	1.50%	13		
8	Netherlands	2.00%	10,972		
9	Norway	2.50%	2		
10	South Korea	1.00%	31,095		
11	Sweden	2.00%	2		
12	United Kingdom	2.00%	367,010		
	Sum		53,173,814		
	Total		84,594,292	0.33%	454,908

5 LEVERAGE RATIO

The leverage ratio ("LR") represents the consolidated ratio computed in the same regulatory consolidation basis as the capital adequacy ratio. The table below presents the summary comparison of accounting assets against leverage ratio exposure measure as at 30 June 2025.

Item	Value under the LR framework
1 Total consolidated assets as per published financial statements (before adjustments for specific and collective provisions)	230,763,327
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(188,436)
3 Adjustment for securitized 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 recognized 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	337,125
9 Adjustment for SFTs (i.e. repos and similar secured lending)	–
10 Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	7,339,861
11 Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(1,763,148)
12 Other adjustments	(3,849,171)
13 Leverage ratio exposure measure	232,639,558

The leverage ratios as at 30 June 2025 and 31 March 2025 are shown below:

	30 June 2025	31 March 2025
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	229,765,419	231,345,998
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 Less: Adjustment for securities received under SFTs that are recognized as an asset	–	–
5 Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(1,736,931)	(1,290,645)
6 Less: Asset amounts deducted in determining Tier 1 capital	(3,849,171)	(3,199,413)
7 Total on-balance sheet exposures (excluding derivative contracts and SFTs)	224,179,317	226,855,940

5 LEVERAGE RATIO (CONTINUED)

		30 June 2025	31 March 2025
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)	135,830	91,115
9	Add-on amounts for PFE associated with all derivative contracts	1,010,767	933,587
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	1,146,597	1,024,702
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	–	–
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs	–	–
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	35,759,473	36,210,343
20	Less: Adjustments for conversion to credit equivalent amounts	(28,419,612)	(28,839,177)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(26,217)	(53,327)
22	Off-balance sheet items	7,313,644	7,317,839
Capital and total exposures			
23	Tier 1 capital	35,914,608	35,785,873
24	Total exposures	232,639,558	235,198,481
Leverage ratio			
25 & 25a	Leverage ratio	15.4%	15.2%
26	Minimum leverage ratio requirement	3.0%	3.0%
27	Applicable leverage buffers	Not applicable	Not applicable

5 LEVERAGE RATIO (CONTINUED)

		30 June 2025	31 March 2025
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	21,978	79,407
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	–	–
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)	232,661,536	235,277,888
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)	15.4%	15.2%

Abbreviations:

CCP: Central counterparty

CCR: Counterparty credit risk

PFE: Potential future exposure

SFT: Securities financing transactions

6 CREDIT RISK**(a) Credit quality of exposures as at 30 June 2025**

	Gross carrying amounts of				Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
1	Loans	4,552,062	65,962,848	1,659,570	1,140,000	519,570	–	68,855,340
2	Debt securities	–	59,204,104	80	–	80	–	59,204,024
3	Off-balance sheet exposures	17,491	8,966,798	8,005	–	8,005	–	8,976,284
4	Total	4,569,553	134,133,750	1,667,655	1,140,000	527,655	–	137,035,648

Defaulted exposures correspond to the secured and unsecured portions of defaulted exposures as defined in BCR §51(1) or claims past due for more than 90 days.

(b) Changes in defaulted loans and debt securities

		Amount
1	Defaulted loans and debt securities as at end of the previous reporting period	2,889,340
2	Loans and debt securities that have defaulted since the last reporting period	4,332,913
3	Returned to non-defaulted status	–
4	Amounts written off	(950,420)
5	Other changes*	(1,719,771)
6	Defaulted loans and debt securities as at end of the current reporting period	4,552,062

* Other changes include loan repayment, disposal of impaired loans and exchange rate difference.

6 CREDIT RISK (CONTINUED)**(c) Overview of recognized credit risk mitigation as at 30 June 2025**

		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
1	Loans	65,839,083	3,016,257	1,147,431	533,249	–
2	Debt securities	59,204,024	–	–	–	–
3	Total	125,043,107	3,016,257	1,147,431	533,249	–
4	Of which defaulted	3,396,258	15,799	1,000	13,037	–

(d) Credit risk exposures and effects of recognized credit risk mitigation – for STC approach as at 30 June 2025

Exposure classes		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
1	Sovereign exposures	9,506,366	–	9,511,038	–	56,664	1%
2	Public sector entity exposures	5,126,469	–	5,616,889	–	1,123,378	20%
3	Multilateral development bank exposures	2,756,778	–	2,756,778	–	–	0%
3a	Unspecified multilateral body exposures	–	–	–	–	–	–
4	Bank exposures	113,459,776	3,143,171	113,484,895	1,708,442	28,908,326	25%
4a	Qualifying non-bank financial institution exposures	41,345	616,102	41,345	61,610	77,216	75%
5	Eligible covered bond exposures	–	–	–	–	–	–
6	General corporate exposures	27,478,220	19,422,214	26,844,200	3,641,810	23,608,448	77%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–	–	–	–
6b	Specialized lending	–	–	–	–	–	–
7	Equity exposures	–	–	–	–	–	–
7a	Significant capital investments in commercial entities	–	–	–	–	–	–
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–	–
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	–
8	Retail exposures	2,507,856	7,125,354	2,096,439	788,573	2,463,122	85%
8a	Exposures arising from IPO financing	–	–	–	–	–	–

6 CREDIT RISK (CONTINUED)

(d) Credit risk exposures and effects of recognized credit risk mitigation – for STC approach as at 30 June 2025
(Continued)

Exposure classes		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
9	Real estate exposures	49,173,528	5,365,314	48,551,446	1,125,389	44,223,914	89%
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	5,899,351	1,630,241	5,404,260	652,095	1,854,496	31%
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	727,943	–	727,943	–	274,110	38%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,458,277	30,931	1,458,277	11,697	1,006,142	68%
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	16,183,098	98,279	16,128,872	17,086	13,669,400	85%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	16,560,949	3,364,668	16,495,487	350,172	15,322,461	91%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	1,114,506	–	1,111,900	–	1,667,850	150%
9g	Of which: land acquisition, development and construction exposures	7,229,404	241,195	7,224,707	94,339	10,429,455	142%
10	Defaulted exposures	3,557,835	87,318	3,557,835	14,035	5,045,883	141%
11	Other exposures	6,196,085	–	6,196,085	–	6,196,085	100%
11a	Cash and gold	603,999	–	1,751,307	–	140,675	8%
11b	Items in the process of clearing or settlement	701,954	–	701,954	–	3	0%
12	Total	221,110,211	35,759,473	221,110,211	7,339,859	111,843,714	49%

6 CREDIT RISK (CONTINUED)

(e) (i) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2025

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	9,227,720	283,318	–	–	–	–	9,511,038
2	Public sector entity exposures	–	5,616,889	–	–	–	–	5,616,889
3	Multilateral development bank exposures	2,756,778	–	–	–	–	–	2,756,778
3a	Unspecified multilateral body exposures	–	–	–	–	–	–	–
4	Bank exposures	67,611,344	42,027,650	–	5,553,163	–	1,180	115,193,337
4a	Qualifying non-bank financial institution exposures	–	–	–	102,955	–	–	102,955
5	Eligible covered bond exposures	–	–	–	–	–	–	–

6 CREDIT RISK (CONTINUED)

(e) (i) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2025 (Continued)

		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	1,407,682	–	9,766,238	–	1,671,545	3,002,741	14,637,804	–	–	30,486,010
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–	–	–	–	–	–	–	–

		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	–	–	–	–	–	–	–	–	–

		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures	–	–	–	–	–

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	–	–	–	–	–

		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–

		150%	Other	Total credit exposure amount (post-CCF and post-CRM)
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–

6 CREDIT RISK (CONTINUED)

(e) (i) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2025 (Continued)

		45%	75%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
8	Retail exposures	477,873	636,242	1,770,897	–	2,885,012

		0%	Other	Total credit exposure amount (post-CCF and post-CRM)
8a	Exposures arising from IPO financing	–	–	–

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%
9	Real estate exposures	–	2,785,667	832,698	1,721,177	145,162	118,910	182,010	132,306	1,077,865	
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		2,785,667	832,698	1,388,179		118,910	–	132,306	–	
9b	Of which: no loan splitting applied		2,785,667	832,698	1,388,179		118,910	–	132,306	–	
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)				332,998	145,162		182,010		28,192	
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–		–		–		–	1,049,673	
9g	Of which: no loan splitting applied	–	–		–		–		–	1,049,673	
9h	Of which: loan splitting applied (secured)										
9i	Of which: loan splitting applied (unsecured)										
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)										
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–		–		–		–		
9l	Of which: no loan splitting applied	–	–		–		–		–		
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)										
9p	Of which: land acquisition, development and construction exposures										

6 CREDIT RISK (CONTINUED)

(e) (i) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2025 (Continued)

		70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	8,414,785	2,212,523	6,765,787	5,223,393	9,389,430	5,514	3,306,375	7,332,718	30,515	49,676,835
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	798,595	–	–	–	–	–	–	–	–	6,056,355
9b	Of which: no loan splitting applied	798,595	–	–	–	–	–	–	–	–	6,056,355
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)	–	3,552	–	–	–	5,514	–	–	30,515	727,943
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	293,202	–	127,099	–	–	–	–	1,469,974
9g	Of which: no loan splitting applied	–	–	293,202	–	127,099	–	–	–	–	1,469,974
9h	Of which: loan splitting applied (secured)	–	–	–	–	–	–	–	–	–	–
9i	Of which: loan splitting applied (unsecured)	–	–	–	–	–	–	–	–	–	–
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	7,616,190	–	–	5,223,393	–	–	3,306,375	–	–	16,145,958
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	2,208,971	6,472,585	–	8,164,103	–	–	–	–	16,845,659
9l	Of which: no loan splitting applied	–	2,208,971	6,472,585	–	8,164,103	–	–	–	–	16,845,659
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)	–	–	–	–	–	–	1,111,900	–	–	1,111,900
9p	Of which: land acquisition, development and construction exposures	–	–	–	–	1,098,228	–	–	6,220,818	–	7,319,046

6 CREDIT RISK (CONTINUED)

(e) (i) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2025 (Continued)

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		586,527	2,970,990	14,353	3,571,870

		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other exposures	6,196,085	–	–	6,196,085

		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
11a	Cash and gold	1,291,794	60,966	398,547	1,751,307

		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
11b	Items in the process of clearing or settlement	701,938	16	–	701,954

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

	Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	135,182,356	3,010,251	55%	136,837,629
2	40–70%	24,545,009	5,724,058	21%	25,738,769
3	75%	4,195,532	3,647,330	12%	4,623,265
4	85%	8,499,964	6,919,234	18%	9,768,528
5	90–100%	35,183,466	16,121,740	17%	37,866,282
6	105–130%	3,308,550	8,347	40%	3,311,889
7	150%	10,195,334	328,513	33%	10,303,708
8	250%	–	–	–	–
9	400%	–	–	–	–
10	1,250%	–	–	–	–
11	Total exposures	221,110,211	35,759,473	21%	228,450,070

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

7 COUNTERPARTY CREDIT RISK

(a) Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches as at 30 June 2025

		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR approach (for derivative contracts)	144,521	687,105		1.4	1,164,276	526,036
1a	CEM (for derivative contracts)	–	–		1.4	–	–
2	IMM (CCR) approach			–	–	–	–
3	Simple approach (for SFTs)					–	–
4	Comprehensive approach (for SFTs)					–	–
5	VaR (for SFTs)					–	–
6	Total						526,036

(b) Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach as at 30 June 2025

Risk Weight		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
Exposure class													
1	Sovereign exposures	–	–	–	–	–	–	–	–	–	–	–	–
2	Public sector entity exposures	–	–	–	–	–	–	–	–	–	–	–	–
3	Multilateral development bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
4	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–
5	Bank exposures	–	–	697,973	71,732	–	–	–	–	–	–	–	769,705
6	Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–	–	–	–
7	General corporate exposures	–	–	–	–	–	59,300	–	–	269,713	–	–	329,013
8	Retail exposures	–	–	–	–	–	–	–	–	65,558	–	–	65,558
9	Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–
10	Other exposures	–	–	–	–	–	–	–	–	–	–	–	–
11	Total	–	–	697,973	71,732	–	59,300	–	–	335,271	–	–	1,164,276

7 COUNTERPARTY CREDIT RISK (CONTINUED)**(c) Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs) as at 30 June 2025**

		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		
1	Cash – domestic currency	–	–	–	15,635	–	–
2	Cash – other currencies	–	139,569	–	121,690	–	–
3	Total	–	139,569	–	137,325	–	–

(d) Credit-related derivatives contracts

The Group did not have any credit-related derivatives contracts as at 30 June 2025.

(e) Exposures to CCPs

The Group did not have any exposures to CCPs as at 30 June 2025.

8 CVA RISK**CVA risk under reduced basic CVA approach as at 30 June 2025**

		Components	CVA risk capital charge under the reduced basic CVA approach
1	Aggregation of systematic components of CVA risk	73,218	
2	Aggregation of idiosyncratic components of CVA risk	16,501	
3	Total		25,545

9 MARKET RISK**Market risk under STM approach as at 30 June 2025**

		Market risk capital charges under STM approach
1	General interest rate risk	14,364
2	Equity risk	–
3	Commodity risk	12,255
4	Foreign exchange risk	568,010
5	Credit spread risk (non-securitization)	449
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)	235
9	SA-DRC (securitization: non-CTP)	–
10	SA-DRC (securitization: CTP)	–
11	Residual risk add-on	240
12	Total	595,553

10 ASSET ENCUMBRANCE

The encumbered and unencumbered assets on the balance sheet as at 30 June 2025 are shown below.

	Encumbered assets*	Unencumbered assets	Total
Balances and placements with banks	422,781	83,766,826	84,189,607
Loans and advances to customers	–	68,855,340	68,855,340
Investment securities	3,672,261	61,288,454	64,960,715
Other assets	137,325	10,668,756	10,806,081
Total	4,232,367	224,579,376	228,811,743

* Assets that the Group is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations.

11 NON-BANK MAINLAND EXPOSURES

The Bank	30 June 2025			31 December 2024		
	On-balance sheet exposures	Off-balance sheet exposures	Total	On-balance sheet exposures	Off-balance sheet exposures	Total
Types of counterparties						
1. Central government, central government-owned entities and their subsidiaries and joint ventures	1,716,788	31,863	1,748,651	1,927,666	5,874	1,933,540
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	–	–	–	–	–	–
3. PRC nationals residing in mainland China or other entities incorporated in mainland China and their subsidiaries and joint ventures	7,358,135	499,204	7,857,339	7,291,296	556,579	7,847,875
4. Other entities of central government not reported in item 1 above	42,765	–	42,765	371,145	–	371,145
5. Other entities of local governments not reported in item 2 above	–	–	–	142,316	–	142,316
6. PRC nationals residing outside mainland China or entities incorporated outside mainland China where the credit is granted for use in mainland China	4,410,470	558,064	4,968,534	4,350,673	192,124	4,542,797
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank mainland China exposures	602,812	81	602,893	979,094	–	979,094
Total	14,130,970	1,089,212	15,220,182	15,062,190	754,577	15,816,767
Total assets after provision	219,856,976			217,731,890		
On-balance sheet exposures as percentage of total assets	6.43%			6.92%		

12 CURRENCY CONCENTRATIONS

As at 30 June 2025

Equivalent in Hong Kong dollars	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position	Net structural position
US Dollars	88,290,000	(89,291,000)	68,852,000	(58,984,000)	(1,152,000)	7,715,000	7,301,000
Pound Sterling	6,377,000	(6,494,000)	3,251,000	(3,323,000)	134,000	(55,000)	3,000
Euro Dollars	1,150,000	(1,160,000)	3,102,000	(3,898,000)	571,000	(235,000)	–
Renminbi	15,193,000	(14,254,000)	9,496,000	(10,380,000)	170,000	225,000	5,456,000
Canadian Dollars	1,205,000	(1,218,000)	191,000	(260,000)	66,000	(16,000)	–
Australian Dollars	3,744,000	(3,710,000)	2,273,000	(2,303,000)	–	4,000	–
Other currencies and gold	2,977,000	(1,772,000)	9,302,000	(10,793,000)	211,000	(75,000)	–
	118,936,000	(117,899,000)	96,467,000	(89,941,000)	–	7,563,000	12,760,000

As at 31 December 2024

Equivalent in Hong Kong dollars	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position	Net structural position
US Dollars	91,976,000	(92,153,000)	40,583,000	(34,037,000)	3,000	6,372,000	7,010,000
Pound Sterling	6,507,000	(5,458,000)	1,739,000	(2,845,000)	–	(57,000)	3,000
Euro Dollars	1,020,000	(1,004,000)	1,561,000	(1,585,000)	–	(8,000)	–
Renminbi	15,628,000	(14,646,000)	9,219,000	(9,605,000)	–	596,000	4,752,000
Canadian Dollars	1,326,000	(1,273,000)	216,000	(223,000)	(1,000)	45,000	–
Australian Dollars	2,429,000	(2,408,000)	1,405,000	(1,406,000)	–	20,000	–
Other currencies and gold	2,638,000	(2,094,000)	7,551,000	(7,841,000)	(2,000)	252,000	–
	121,524,000	(119,036,000)	62,274,000	(57,542,000)	–	7,220,000	11,765,000

The net options position is calculated based on the delta-weighted positions of all foreign exchange option contracts.

The above disclosure is based on the significance of the Group's foreign currency exposures of the current period.