Standard Chartered Bank (Hong Kong) Limited

Supplementary Notes to Condensed Consolidated Interim Financial Statements (unaudited)

For period ended
At 30 June 2026

Standard Chartered Bank (Hong Kong) Limited

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Supplementary Notes to Condensed Consolidated Interim Financial Statement (unaudited)

These notes are supplementary to and should be read in conjunction with the 2026 Condensed Consolidated Interim Financial Statements ("consolidated financial statements"). The consolidated financial statements and this supplementary notes to condensed consolidated interim financial statements (unaudited) taken together comply with the Banking (Disclosure) Rules ("Rules") under section 60A of the Banking Ordinance and the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ("LAC Rules") under section 19(1) of the Financial Institutions (Resolution) Ordinance ("FIRO").

References to "the Group" within this document means Standard Chartered Bank (Hong Kong) Limited ("the Bank") and its subsidiaries.

These banking disclosures are governed by the Group's disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the approach to determine the content, appropriateness and frequency of the disclosures, the approach to ensure the relevance and adequacy of the disclosures, and the internal control over the process for making the disclosures. The disclosures have been subject to independent review in accordance to the disclosure policy.

According to the Rules and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures and additional disclosures as required by the Banking (Disclosure) Rules will be available on our website: www.sc.com/hk on or before 31 August 2026.

1 Basis of consolidation and preparation

The consolidated capital ratios were calculated in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The basis of consolidation for accounting purposes is in accordance with Hong Kong Financial Reporting Standards. The principal subsidiaries of the Bank for accounting purposes are Standard Chartered Bank (China) Limited ("SCB China"), Standard Chartered NEA Limited ("SC NEA"), Standard Chartered Bank Korea Limited ("SCB Korea") and Standard Chartered Bank (Taiwan) Limited ("SCB Taiwan") (SC NEA, SCB Korea and SCB Taiwan collectively referred to as "SC NEA Group") and Mox Bank Limited.

The basis and scope of consolidation for regulatory purposes is different from the basis and scope of consolidation for accounting purposes.

Subsidiaries included in the consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with section 3C(1) of the Banking (Capital) rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities companies that are authorized and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorized institutions under the Banking (Capital) Rules and the Banking Ordinance.

The Bank's shareholdings in these subsidiaries are deducted from its capital base subject to the thresholds as determined in accordance with Part 3 of the Banking (Capital) Rules.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the banking group.

1 Basis of consolidation and preparation (continued)

Subsidiaries not included in the consolidation for regulatory purposes are set out below:

		30 June 2026	
Name of Company	**Principal activity**	*Total assets HK$'M*	*Total equity HK$'M*
Prunelli Asset Purchaser HK Limited	Asset-backed securitization	7,468	–
Standard Chartered Securities Korea Limited	Provision of security trading, underwriting and brokerage transactions	1,604	1,557
Standard Chartered Securities (China) Limited	Securities business	839	762
Baltic Asset Holding Ltd	Property investment	460	–
Standard Chartered Securities (Hong Kong) Limited	Equity capital markets, corporate finance and institutional brokerage	134	132
Anchorpoint Financial Limited	Issuance of Stablecoins	142	64
Horsford Nominees Limited	Nominees services	–	–
		10,647	2,515

The Bank's shareholdings in the above subsidiaries are deducted from CET1 capital, subject to certain thresholds, in accordance with the Banking (Capital) Rules. There is no relevant capital shortfall in any of the Bank's subsidiaries which are not included as part of the consolidation group for regulatory purposes.

The Group uses the foundation internal ratings based ("FIRB") and advanced internal ratings based ("AIRB") approach for both the measurement of credit risk capital requirements and the management of credit risk for the majority of its portfolios. The Group also uses the standardized (credit risk) approach for certain insignificant portfolios exempted from FIRB and AIRB. For counterparty credit risk, the Group uses the standardized (counterparty credit risk) approach ("SA-CCR") to calculate its default risk exposures. For securitization exposures, the group uses the securitization internal ratings-based approach ('SEC-IRBA'), securitization external ratings-based approach ('SEC-ERBA'), securitization standardised approach ('SEC-SA') or securitization fallback approach ('SEC-FBA') to determine credit risk for its banking book securitization exposures.

For market risk, the Group uses the standardized (market risk) approach ("STM approach") to calculate the market risk capital charge in respect of the risk categories of interest rates, credit spread, equity, commodity, residual risk add-on and standardized default risk charge, foreign exchange exposures. In addition, the Group adopts the standardized approach for calculating operational risk capital requirements.

The Group applies the Internal Capital Adequacy Assessment Process ("ICAAP") to assess its capital demand on a current, planned and stressed basis. The assessment covers the major risks faced by the Group, in addition to credit, market and operational risks that are covered under the minimum capital requirements. The 2026 ICAAP has been approved by the Board of Directors ("the Board").

1 Basis of consolidation and preparation (continued)

Loss-absorbing Capacity Disclosures

Hong Kong LAC Rules came into operation on 14 December 2018. Following classification by the HKMA (as resolution authority), in scope entities are required under these rules to issue LAC instruments that can be written down or converted in the event of failure, and maintain minimum LAC resources.

The Group was notified by HKMA of its classification as a material subsidiary under the LAC rules with effect from 1 April 2019, with Standard Chartered PLC ("SC PLC") as the non-HK resolution entity. Following this classification, the Group has met its minimum LAC requirements since 1 July 2019, and is now publishing LAC disclosures for the period ended 30 June 2026. The basis of calculating the Group's LAC and RWAs is in accordance with the LAC Rules, with disclosures made using standard templates issued by the HKMA on 27 November 2025.

The Group's LAC disclosures are included as part of this regulatory disclosure, while SC PLC's LAC disclosures are included as part of its disclosures which can be found in the Investors section of SC PLC's website, https://www.sc.com.

2 Key prudential ratios and metrics

a. Key prudential ratios (KM1)

The following table sets out an overview of the Group's 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	Common Equity Tier 1 (CET1)	153,837	154,650	154,681	159,425	157,448
2	Tier 1[1]	184,300	192,163	192,196	189,045	194,921
3	Total capital[1]	209,613	217,180	208,723	206,530	213,818
	RWA (amount)					
4	Total RWA[2]	909,186	859,512	816,138	818,649	827,241
4a	Total RWA (pre-floor)[2]	909,186	859,512	816,138	818,649	827,241
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5	CET1 ratio (%)[3]	16.9%	18.0%	19.0%	19.5%	19.0%
5a	CET1 ratio (%) (pre-floor ratio)[3]	16.9%	18.0%	19.0%	19.5%	19.0%
6	Tier 1 ratio (%)[3]	20.3%	22.4%	23.5%	23.1%	23.6%
6a	Tier 1 ratio (%) (pre-floor ratio)[3]	20.3%	22.4%	23.5%	23.1%	23.6%
7	Total capital ratio (%)[3]	23.1%	25.3%	25.6%	25.2%	25.8%
7a	Total capital ratio (%) (pre-floor ratio)[3]	23.1%	25.3%	25.6%	25.2%	25.8%
	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 (%)	0.6%	0.6%	0.6%	0.5%	0.5%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	1.5%	1.5%	1.5%	1.5%	1.5%
11	Total AI-specific CET1 buffer requirements (%)	4.6%	4.6%	4.6%	4.5%	4.5%
12	CET1 available after meeting the AI's minimum capital requirements (%)[3]	12.4%	13.5%	14.5%	15.0%	14.5%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure[4]	3,236,367	3,065,493	2,969,005	2,891,600	2,937,587
13a	LR exposure measure based on mean values of gross assets of SFTs[4]	3,252,658	3,107,743	2,991,801	2,914,872	2,919,448
14	LR (%)[4]	5.7%	6.3%	6.5%	6.5%	6.6%
14a	LR (%) based on mean values of gross assets of SFTs[4]	5.7%	6.2%	6.4%	6.5%	6.7%
	Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	572,635	562,887	579,254	583,032	574,471
16	Total net cash outflows	338,226	314,148	293,340	283,499	279,632
17	LCR (%)[5]	170%	181%	201%	206%	205%
	Applicable to category 2 institution only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
	Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)					
	Applicable to category 1 institution only:					
18	Total available stable funding	1,846,614	1,756,817	1,712,144	1,697,317	1,712,277
19	Total required stable funding	1,440,146	1,368,800	1,355,128	1,261,888	1,224,597
20	NSFR (%)	128%	128%	126%	135%	140%
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

1 The decrease during the period was primarily attributable to the redemption of an AT1 capital instrument with a principal amount of US$900 million (HK$7,031 million).
2 Please refer to note 3 for the key drivers of RWA changes.
3 The decrease in the CET1 ratio was primarily attributable to an increase in RWA. The decline in the Tier 1 ratio and Total Capital ratio was attributable to both the increase in RWA and the redemption of an AT1 capital instrument.
4 The increase in the exposure measure was in line with balance sheet movements during the period, resulting in higher leverage exposures and a corresponding decrease in the leverage ratio.
5 Please refer to note 7 for the key drivers of LCR% changes.

2 Key prudential ratios and metrics (continued)

b. Key metrics – LAC requirements for the Group (at LAC consolidation group level) (KM2(A))

The following table sets out a summary information on internal loss-absorbing capacity available, at LAC consolidation group level, of the Group.

		(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[1]	243,691	251,330	239,131	236,908	244,398
2	Risk-weighted amount under the LAC Rules[1]	909,186	859,512	816,138	818,649	827,241
3	Internal LAC risk-weighted ratio[1]	26.8%	29.2%	29.3%	28.9%	29.5%
4	Exposure measure under the LAC Rules[2]	3,236,367	3,065,493	2,969,005	2,891,600	2,937,587
5	Internal LAC leverage ratio[2]	7.5%	8.2%	8.1%	8.2%	8.3%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?[3]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSBTLAC Term Sheet apply?[3]	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[3]	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

1 The decrease in risk-based regulatory capital ratios during the period was primarily attributable to an increase in RWA and the redemption of an AT1 capital instrument with a principal amount of US$900 million (HK$7,031 million). Please refer to Note 3 for the key drivers of the RWA changes.

2 The increase in the exposure measure was in line with balance sheet movements during the period, resulting in higher leverage exposures and a corresponding decrease in the leverage ratio.

3 The subordination exemptions in the antepenultimate and penultimate paragraphs of Section 11 of the FSB TLAC Term Sheet does not apply in Hong Kong under the LAC Rules.

2 Key prudential ratios and metrics (continued)

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

The following table shows information about SC PLC's total loss-absorbing capacity (TLAC) available, and TLAC requirements, applied at the resolution group level under a Single Point of Entry resolution strategy.

The numbers are disclosed in the functional currency of SC PLC which is US Dollars.

		At 30 June 2026 US$'M	*At 31 March 2026 US$'M*	*At 31 December 2025 US$'M*	*At 30 September 2025 US$'M*	*At 30 June 2025 US$'M*
	Of the non-HK resolution entity at resolution group level					
1	External loss-absorbing capacity available	91,941	89,768	86,461	88,130	86,574
2	Total risk-weighted amount under the relevant non-HK LAC regime	261,451	266,186	258,031	258,378	259,684
3	External loss-absorbing capacity as a percentage of risk-weighted amount	35.2%	33.7%	33.5%	34.1%	33.3%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	980,765	953,190	938,190	936,824	933,234
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	9.4%	9.4%	9.2%	9.4%	9.3%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	Yes	Yes	Yes	Yes	Yes
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	N/A	N/A	N/A	N/A	N/A

3 Overview of risk-weighted amount ("RWA") (OV1)

The following table sets out an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

		(a) Consolidated RWA	(b)	(c) Minimum capital requirements
		At 30 June 2026 HK$'M	At 31 March 2026 HK$'M	At 30 June 2026 HK$'M
1	**Credit risk for non-securitization exposures**	**547,747**	**530,197**	**43,819**
2	Of which STC approach	48,354	45,365	3,868
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	190,281	186,581	15,222
4	Of which supervisory slotting criteria approach	29,045	29,233	2,324
5	Of which advanced IRB approach	110,989	98,628	8,879
5a	Of which retail IRB approach	88,773	93,942	7,102
5b	Of which specific risk-weight approach	80,305	76,448	6,424
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**	**47,682**	**49,532**	**3,815**
7	Of which SA-CCR approach	37,999	40,779	3,040
7a	Of which CEM	–	–	–
8	Of which IMM (CCR) approach	–	–	–
8a	Of which method for group 2b cryptoasset derivative contracts	–	–	–
9	Of which others	9,683	8,753	775
10	**CVA risk**	**26,978**	**29,573**	**2,158**
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**	**369**	**394**	**30**
13	CIS exposures – mandate-based approach	–	–	–
14	CIS exposures – fall-back approach	–	–	–
14a	CIS exposures – combination of approaches	–	–	–
15	**Settlement risk**	**835**	**27**	**67**
16	**Securitization exposures in banking book**	**10,866**	**8,758**	**869**
17	Of which SEC-IRBA	–	–	–
18	Of which SEC-ERBA (including IAA)	7,861	7,417	629
19	Of which SEC-SA	3,005	1,341	240
19a	Of which SEC-FBA	–	–	–
20	**Market risk**	**149,441**	**119,899**	**11,955**
21	Of which STM approach	149,441	119,899	11,955
22	Of which IMA	–	–	–
22a	Of which SSTM approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	**Operational risk**	**103,931**	**99,213**	**8,314**
24a	**Sovereign concentration risk**	**–**	**–**	**–**
25	**Amounts below the thresholds for deduction (subject to 250% RW)**	**21,706**	**22,278**	**1,736**
26	**Output floor level applied**	**55%**	**55%**	**–**
27	**Floor adjustment (before application of transitional cap)**	**–**	**–**	
28	**Floor adjustment (after application of transitional cap)***	**N/A**	**N/A**	**N/A**
28a	**Deduction to RWA**	**369**	**359**	**30**
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	369	359	30
29	**Total**	**909,186**	**859,512**	**72,733**

* Items marked with * will be applicable only after their respective policy frameworks takes effect. Until then, "Not applicable" should be reported in the rows.

The increase during the period was mainly due to increases in market risk RWA and credit risk RWA for non-securitisation exposures.

4 Composition of regulatory capital

a. Composition of regulatory capital (CC1)

The following table sets out a breakdown of the constituent elements of Total regulatory capital.

	At 30 June 2026	(a) HK$'M	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in note 4b (CC2)
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	65,025	(12)
2	Retained earnings	101,518	(22)
3	Disclosed reserves	4,887	(14)+(15)+(16)+(17)+(18)+(19)+(20)+(21)
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)	378	(25)
6	**CET1 capital before regulatory adjustments**	**171,808**	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	1,333	
8	Goodwill (net of associated deferred tax liabilities)	5,512	(4)
9	Other intangible assets (net of associated deferred tax liabilities)	7,508	(5)+(6)
10	Deferred tax assets (net of associated deferred tax liabilities)	2,258	(8)
11	Cash flow hedge reserve	(756)	(14)
12	Excess of total EL amount over total eligible provisions under the IRB approach	–	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(415)	–(10)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	640	(7)+(9)
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)	–	(1)+(2)+(3)-(28)

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	At 30 June 2026	*(a)* *HK$'M*	*(b)* *Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in note 4b (CC2)*
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	1,891	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	671	(23)
26b	Regulatory reserve for general banking risks	1,220	(24)
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	–	
28	**Total regulatory deductions to CET1 capital**	**17,971**	
29	**CET1 capital**	**153,837**	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium[1]	30,415	(13)
31	of which: classified as equity under applicable accounting standards	30,415	
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)	48	(26)

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	At 30 June 2026	(a) HK$'M	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in note 4b (CC2)
36	**AT1 capital before regulatory deductions**[1]	**30,463**	
	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**	**30,463**	
45	**Tier 1 capital (T1 = CET1 + AT1)**[1]	**184,300**	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	22,348	(11)
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)	62	(27)
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	2,601	(29)+(30)
51	**Tier 2 capital before regulatory deductions**	**25,011**	
	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)	–	

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	At 30 June 2026	*(a)* HK$'M	*(b)* Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in note 4b (CC2)
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	(302)	
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	(302)	
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**	**(302)**	
58	**Tier 2 capital (T2)[2]**	**25,313**	
59	**Total regulatory capital (TC = T1 + T2)**	**209,613**	
60	**Total RWA[3]**	**909,186**	
	Capital ratios (as a percentage of RWA)		
61	**CET1 capital ratio[4]**	**16.92%**	
62	**Tier 1 capital ratio[4]**	**20.27%**	
63	**Total capital ratio[4]**	**23.06%**	
64	**Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)**	**4.58%**	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	0.58%	
67	of which: higher loss absorbency requirement	1.50%	
68	**CET1 (as a percentage of RWA) available after meeting minimum capital requirements[4]**	**12.42%**	
	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

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	At 30 June 2026	*(a)* HK$'M	*(b)* Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation in note 4b (CC2)
	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	2,293	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	6,389	(28)
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)	827	(29)
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	1,045	
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)	1,774	(30)
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	3,274	

[1] The decrease in the first half of the year was primarily attributable to the redemption of an AT1 capital instrument.
[2] The increase in the first half of the year was primarily attributable to the issuance of a Tier 2 capital instrument.
[3] The increase in the first half of the year was primarily attributable to the increase in market risk and credit risk for non-securitization exposures.
[4] The decrease in risk-based regulatory capital ratios was primarily attributable to an increase in RWA.

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

Notes to the Template:

(on elements where a more conservative definition has been applied in the BCR relative to that set out in the Basel III capital standards.)

		At 30 June 2026	
		Hong Kong basis	*Basel III basis*
	Description	*HK$'M*	*HK$'M*
9	**Other intangible assets (net of associated deferred tax liabilities)**	7,508	7,508

Explanation
As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.

10	**Deferred tax assets (net of associated deferred tax liabilities)**	2,258	50

Explanation
As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	Description	At 30 June 2026 Hong Kong basis HK$'M	 Basel III basis HK$'M
18	**Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)**	–	–

Explanation
For the purpose of determining the total amount of insignificant capital investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.

19	**Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)**	–	–

Explanation
For the purpose of determining the total amount of significant capital 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.

4 Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1) (continued)

	Description	*At 30 June 2026* 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 capital 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 capital investments in Tier 2 capital instruments 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 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

Note:
Cross-references (1) to (27) are referenced to 'Reconciliation of regulatory capital to balance sheet (CC2)'.
Cross-references (28) to (30) are referenced within the 'Composition of regulatory capital (CC1)'.

4 Composition of regulatory capital (continued)

b. Reconciliation between accounting and regulatory balance sheets (CC2)

The following table shows differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the Bank's balance sheet in its published financial statements and the numbers used in the composition of regulatory capital disclosure template in Template CC1 in note 4a.

	(a) Consolidated balance sheet as in published financial statements (At 30 June 2026) HK$'M	(b) Under regulatory scope of consolidation (At 30 June 2026) HK$'M	(c) Cross reference to note 4a (CC1)
Assets			
Cash and balances at central banks	101,521	101,521	
Loans and advances to banks	191,243	191,182	
Hong Kong SAR Government certificates of indebtedness	51,001	51,001	
Financial assets at fair value through profit or loss	782,390	781,708	
Investment securities	462,162	462,162	
Loans and advances to customers	1,031,020	1,031,020	
Amounts due from fellow subsidiaries	324,668	324,649	
Amounts due from immediate holding company	1	1	
Amounts due from subsidiaries of the Bank	–	75	
of which: significant capital investments in financial sector entities that are outside the scope of regulatory consolidation	–	–	(1)
Investment in subsidiaries of the Bank	–	3,193	
of which: significant capital investments in financial sector entities that are outside the scope of regulatory consolidation[1]	–	3,221	(2)
Interest in an associate	7,987	3,168	
of which: significant capital investments in financial sector entities that are outside the scope of regulatory consolidation	–	3,168	(3)
Property, plant and equipment	9,787	9,736	
Goodwill and intangible assets	14,558	14,505	
of which: goodwill	–	5,512	(4)
of which: other intangible assets	–	8,993	(5)
Current tax assets	69	69	
Deferred tax assets	756	738	
of which: deferred tax liabilities relating to intangible assets	–	(1,485)	(6)
of which: deferred tax liabilities related to defined benefit pension fund net assets	–	(35)	(7)
of which: other deferred tax assets	–	2,258	(8)
Other assets	193,459	193,362	
of which: defined benefit pension fund net assets	–	675	(9)
	3,170,622	**3,168,090**	

1 The amount is inclusive of potential future holdings that the bank is obliged to purchase.

4 Composition of regulatory capital (continued)

b. Reconciliation between accounting and regulatory balance sheets (CC2) (continued)

	(a) Consolidated balance sheet as in published financial statements (At 30 June 2026) HK$'M	*(b)* Under regulatory scope of consolidation (At 30 June 2026) HK$'M	*(c)* Cross reference to note 4a (CC1)
Liabilities			
Hong Kong SAR currency notes in circulation	51,001	51,001	
Deposits by banks	33,682	33,682	
Customer accounts	2,146,069	2,146,069	
Financial liabilities at fair value through profit or loss	323,320	323,320	
of which: gains or losses due to changes in own credit risk	–	415	(10)
Debt securities in issue	18,493	18,493	
Amounts due to immediate holding company	56,426	56,426	
of which: subordinated liabilities eligible for inclusion in regulatory capital	–	22,348	(11)
Amounts due to fellow subsidiaries	150,698	143,138	
Amounts due to subsidiaries of the Bank	–	9,204	
Current tax liabilities	2,696	2,692	
Deferred tax liabilities	1,368	1,368	
Other liabilities	180,338	180,302	
	2,964,091	**2,965,695**	
Equity			
Share capital	65,025	65,025	
of which: amount eligible for CET1	–	65,025	(12)
of which: amount eligible for AT1	–	–	
Other equity instruments	30,415	30,415	
of which: amount eligible for AT1	–	30,415	(13)
Reserves	110,523	106,405	
of which: Cumulative cash flow hedge reserve that relate to the hedging of financial instruments that are not fair valued on the balance sheet	–	(756)	(14)
of which: Cumulative cash flow hedge reserves that relate to the hedging of financial instruments that are fair valued on the balance sheet	–	4	(15)
of which: FVOCI reserve – Equity	–	88	(16)
of which: FVOCI reserve – Debt	–	127	(17)
of which: Exchange reserve	–	(9,417)	(18)
of which: Share option equity reserve	–	(353)	(19)
of which: Own credit adjustment reserve	–	(415)	(20)
of which: Other reserves	–	15,609	(21)
of which: Retained profits	–	101,518	(22)
of which: Cumulative fair value gains arising from the revaluation of land and buildings (audited)	–	671	(23)
of which: Regulatory reserve for general banking risks	–	1,220	(24)
Non-controlling interests	568	550	
of which: portion allowable in CET1 capital	–	378	(25)
of which: portion allowable in AT1 capital	–	48	(26)
of which: portion allowable in T2 capital	–	62	(27)
Total equity	**206,531**	**202,395**	
Total liabilities and equity	**3,170,622**	**3,168,090**	

4 Composition of regulatory capital (continued)

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

The following is a summary of the Group's CET1 capital, Additional Tier 1 capital, Tier 2 capital and non-capital LAC debt instruments.

		At 30 June 2026		
		Total amount	Amount recognised in regulatory capital HK$'M	Amount recognised in loss-absorbing capacity HK$'M
(i)	**Both regulatory capital and LAC requirements**			
	CET1 capital instruments			
	Ordinary shares:			
	5,289 million issued and fully paid ordinary shares	HK$65,025m	65,025	65,025
	AT1 capital instruments			
	US$250 million Floating rate Undated Additional Tier 1 Capital Securities	US$250m	1,957	1,957
	US$250 million Fixed rate Undated Additional Tier 1 Capital Securities	US$250m	1,959	1,959
	US$600 million Fixed Rate Undated Additional Tier 1 Capital Securities	US$600m	4,687	4,687
	US$1,000 million Fixed rate Undated Additional Tier 1 Capital Securities	US$1,000m	7,765	7,765
	US$800 million Floating Rate Undated Additional Tier 1 Capital Securities	US$800m	6,270	6,270
	US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities	US$1,000m	7,778	7,778
	Tier 2 capital instruments			
	EUR1,000 million Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026	EUR1,000m	8,878	8,878
	US$700 million Fixed rate (6.673%) Tier 2 Notes due to 2040, callable from 2035	US$700m	5,627	5,627
	USD$1,000 million Floating rate Tier 2 Notes due 2036, callable from 2031	US$1,000m	7,843	7,843
(ii)	**Only LAC (but not regulatory capital) requirements**			
	Non-capital LAC Debt Instruments			
	US$1,250 million 2.608 per cent Notes due 2028	US$1,250m	Nil	9,667
	EUR1,000 million 4.196 per cent Notes due 2032	EUR1,000m	Nil	8,964
	US$1,000 million 4.299 per cent Notes due 2030	US$1,000m	Nil	7,720
	US$1,000 million 5.243 per cent Notes due 2037	US$1,000m	Nil	7,727

The full terms and conditions of the Group's capital instruments can be found in the Regulatory Disclosures section of our website, www.sc.com/hk.

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements

Ordinary Shares

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Common Equity Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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 (Class A, B, C and D)
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HKD65,025 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD65,025 Million
9	Par value of instrument	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	28 June 2004 (706 Million Class A shares) 1 July 2004 (780 Million Class B shares) 29 June 2005 (451 Million Class B shares) 1 June 2019 (342 Million Class C shares) 1 October 2019 (3,010 Million Class D shares) 30 December 2020 (USD500 Million redeemed preference shares)
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	No

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

Ordinary Shares (continued)

15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
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)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Preference Shares are immediately senior to Ordinary Shares (Class B, C and D) Ordinary Shares (Class B, C and D) are immediately senior to Ordinary Shares (Class A)
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Floating rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HKD1,957 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD1,957 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD250 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	31 March 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Floating rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 30 Jun 2031 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Each distribution payment date thereafter
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	SOFR+ 4.2 per cent per annum payable quarterly in arrears
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full 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)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Floating rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Floating rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
1 Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Fixed rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HKD1,959 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD1,959 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD250 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	26 August 2022
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Fixed rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 27 August 2027 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Each reset date thereafter
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	7.75 per cent per annum
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full 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)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Fixed rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$250 million Fixed rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$600 million Fixed Rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD4,687 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD4,687 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD600 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	3 July 2024
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$600 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 08 March 2030 to 08 September 2030 or on any Reset Date thereafter Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Second reset Date: 08 September 2035 Each date falling five, or an integral multiple of five, years after the Second Reset Date
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	7.875 per cent per annum
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$600 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$600 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	HKD7,765 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,765 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,000 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	16 January 2025
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 16 January 2032 to the first reset date 16 July 2032 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Any Reset Date thereafter
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	7.625 per cent per annum
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full 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)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:

[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$800 million Floating Rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HKD6,270 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD6,270 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD800 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	28 May 2025
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
1 Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$800 million Floating Rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 28 May 2030 and each Distribution Payment Date thereafter Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Any Reset Date thereafter
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	SOFR+3.70 per cent per annum
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full 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)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$800 million Floating Rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$800 million Floating Rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:

[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	Additional Tier 1
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Perpetual debt instrument
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD7,778 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,778 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,000 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	14 November 2025
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 14 November 2035 and each Distribution Payment Date thereafter Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Any Reset Date thereafter

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	7 per cent per annum
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Full discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Securities issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	The Dated Subordinated Notes are immediately senior to Capital Securities
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

EUR1,000 million Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Tier 2
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Other Tier 2 instruments
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HKD8,878 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD8,878 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of EUR1,000 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	23 March 2021
12	Perpetual or dated	Dated
13	Original maturity date	23 September 2031
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

EUR1,000 million Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 23 September 2026 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. EUR 1,000 per Calculation amount
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	1.2 per cent 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
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

EUR1,000 million Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

EUR1,000 million Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Loss Absorbing Non-Preferred Notes or any instrument ranking pari passu to Loss Absorbing Non-Preferred Notes are immediately senior to the Dated Subordinated Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$700 million Fixed rate (6.673%) Tier 2 Notes due 2040, callable from 2035

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	Tier 2
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Other Tier 2 instruments
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	HKD5,627 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD5,627 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD700 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	21 January 2025
12	Perpetual or dated	Dated
13	Original maturity date	21 January 2040
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$700 million Fixed rate (6.673%) Tier 2 Notes due 2040, callable from 2035 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 21 January 2035 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.673 per cent 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
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$700 million Fixed rate (6.673%) Tier 2 Notes due 2040, callable from 2035 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

US$700 million Fixed rate (6.673%) Tier 2 Notes due 2040, callable from 2035 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Loss Absorbing Non-Preferred Notes or any instrument ranking pari passu to Loss Absorbing Non-Preferred Notes are immediately senior to the Dated Subordinated Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

USD$1,000 million Floating rate Tier 2 Notes due 2036, callable from 2031

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	Tier 2
6	Eligible at solo[1]/group/group & solo	Group & solo
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)	Other Tier 2 instruments
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HKD7,843 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,843 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1000 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	05 March 2026
12	Perpetual or dated	Dated
13	Original maturity date	05 June 2036
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

USD$1,000 million Floating rate Tier 2 Notes due 2036, callable from 2031 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 05 June 2031 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	SOFR+1.61 per cent. 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	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

USD$1,000 million Floating rate Tier 2 Notes due 2036, callable from 2031 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event or Non-Viability Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Bank in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Bank would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing 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

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(i) Both regulatory capital and LAC requirements (continued)

USD$1,000 million Floating rate Tier 2 Notes due 2036, callable from 2031 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Loss Absorbing Non-Preferred Notes or any instrument ranking pari passu to Loss Absorbing Non-Preferred Notes are immediately senior to the Dated Subordinated Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements

US$1,250 million 2.608 per cent Notes due 2028

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	N/A
6	Eligible at solo[1]/group/group & solo	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)	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD9,667 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,250 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	19 January 2022
12	Perpetual or dated	Dated
13	Original maturity date	12 January 2028
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,250 million 2.608 per cent Notes due 2028 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 12 January 2027 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	2.608 per cent 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
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,250 million 2.608 per cent Notes due 2028 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,250 million 2.608 per cent Notes due 2028 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All unsubordinated creditors of the Issuer (including its depositors) are immediately senior to the Loss Absorbing Non-preferred Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

EUR1,000 million 4.196 per cent Notes due 2032

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Basel III rules	N/A
6	Eligible at solo[1]/group/group & solo	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 million, as of most recent reporting date)	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD8,964 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of EUR 1,000 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	3 July 2024
12	Perpetual or dated	Dated
13	Original maturity date	04 March 2032
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

EUR1,000 million 4.196 per cent Notes due 2032 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 04 March 2031 Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. EUR 1,000 per Calculation amount
16	Subsequent call dates, if applicable	Not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	4.196 per cent 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
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

EUR1,000 million 4.196 per cent Notes due 2032 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event. “Loss Absorption Event” means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority’s intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer; or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

EUR1,000 million 4.196 per cent Notes due 2032 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All unsubordinated creditors of the Issuer (including its depositors) are immediately senior to the Loss Absorbing Non-preferred Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 4.299 per cent Notes due 2030

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	N/A
6	Eligible at solo[1]/group/group & solo	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 million, as of most recent reporting date)	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,720 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,000 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	13 January 2026
12	Perpetual or dated	Dated
13	Original maturity date	13 January 2030
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 4.299 per cent Notes due 2030 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 13 January 2029 and each Distribution Payment Date thereafter Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	4.299 per cent. 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	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 4.299 per cent Notes due 2030 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 4.299 per cent Notes due 2030 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All unsubordinated creditors of the Issuer (including its depositors) are immediately senior to the Loss Absorbing Non-preferred Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 5.243 per cent Notes due 2037

1	Issuer	Standard Chartered Bank (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
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)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	N/A
6	Eligible at solo[1]/group/group & solo	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 million, as of most recent reporting date)	N/A
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,727 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,000 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	13 January 2026
12	Perpetual or dated	Dated
13	Original maturity date	13 January 2037
14	Issuer call subject to prior supervisory approval	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 5.243 per cent Notes due 2037 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 13 January 2036 and each Distribution Payment Date thereafter Early redemption amount(s) per calculation amount payable on redemption for taxation reasons, due to Regulatory Capital Event or due to Loss Absorption Disqualification Event or on event of default. US$1,000 per Calculation amount
16	Subsequent call dates, if applicable	Not applicable
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	5.243 per cent. 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	Noncumulative or cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 5.243 per cent Notes due 2037 (continued)

31	If write-down, write-down trigger(s)	Upon a Loss Absorption Event. "Loss Absorption Event" means: (i) the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that the Relevant Hong Kong Resolution Authority is satisfied that the Issuer has ceased, or is likely to cease, to be viable and there is no reasonable prospect that private sector action (outside of resolution) would result in it again becoming viable within a reasonable period (in both cases, without taking into account the write-down or conversion into ordinary shares on any LAC debt instruments); and (ii) for Notes issued directly to a group company in a non-Hong Kong jurisdiction, as specified in the applicable Final Terms, the Relevant Hong Kong Resolution Authority notifying the Issuer in writing that: (A) the Relevant Hong Kong Resolution Authority has notified the Home Authority of the Relevant Hong Kong Resolution Authority's intention to notify the issuer under paragraph (i) above; and (B) the Home Authority (x) has consented to the write-down or conversion of the relevant Securities issued by the Issuer or (y) has not, within 24 hours after receiving notice under subparagraph (ii)(A) above, objected to the write-down or conversion of the relevant Securities issued by the Issuer or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

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

(ii) Only LAC (but not regulatory capital) requirements (continued)

US$1,000 million 5.243 per cent Notes due 2037 (continued)

32	If write-down, full or partial	Full or Partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	Contractual
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All unsubordinated creditors of the Issuer (including its depositors) are immediately senior to the Loss Absorbing Non-preferred Notes
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

Footnote:
[1] Include solo-consolidated

4 Composition of regulatory capital (continued)

d. LAC composition of the bank (at LAC consolidation group level) (TLAC1(A))

The following table provides details of the composition of internal loss-absorbing capacity, at LAC consolidation group level, of the Bank.

		(a) *HK$'M*
	Regulatory capital elements of internal loss-absorbing capacity and adjustments	
1	Common Equity Tier 1 ("CET1") capital	153,837
2	Additional Tier 1 ("AT1") capital before LAC adjustments[1]	30,463
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[1]	30,463
6	Tier 2 ("T2") capital before LAC adjustments[1]	25,313
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[1]	25,313
11	**Internal loss-absorbing capacity arising from regulatory capital**	209,613
	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	34,078
17	**Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments**	34,078
	Non-regulatory capital elements of internal loss-absorbing capacity: adjustments	
18	**Internal loss-absorbing capacity before deductions**	243,691
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**	243,691

4 Composition of regulatory capital (continued)

d. LAC composition of the bank (at LAC consolidation group level) (TLAC1(A)) (continued)

The following table provides details of the composition of internal loss-absorbing capacity, at LAC consolidation group level, of the Bank.

		(a) *HK$'M*
	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]	909,186
24	Exposure measure under the LAC Rules[2]	3,236,367
	Internal LAC ratios and buffers	
25	**Internal LAC risk-weighted ratio[3]**	26.8%
26	**Internal LAC leverage ratio[4]**	7.5%
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[3]**	11.7%
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)	4.6%
29	Of which: capital conservation buffer requirement	2.5%
30	Of which: institution-specific countercyclical capital buffer requirement	0.6%
31	Of which: higher loss absorbency requirement	1.5%

[1] Please refer to note 4(a) for the main drivers of the changes.
[2] Please refer to note 6(a) for the main drivers of the changes.
[3] The decrease in the internal LAC risk-weighted ratio and CET1 capital ratio were primarily attributable to an increase in RWA.
[4] The decrease in the internal LAC leverage ratio was primarily attributable to an increase in leverage exposures.

4 Composition of regulatory capital (continued)

e. Creditor ranking of the bank at legal entity level (TLAC2)

The following table sets out the creditor ranking, at legal entity level, of the Bank.

		Creditor ranking				
		1 (most junior)	*2*	*3*	*4 (most senior)*	*Sum of 1 to 4*
1	Is a resolution entity or a non-HK resolution entity the creditor/ investor? (yes or no)	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	CET1 capital instruments[1]	AT1 capital instruments	Tier 2 capital instruments	Non capital LAC debt instruments	
3	Total capital and liabilities net of credit risk mitigation	65,025	30,415	22,267	34,422	152,129
4	Subset of row 3 that are excluded liabilities	–	–	–	–	–
5	Total capital and liabilities less excluded liabilities	65,025	30,415	22,267	34,422	152,129
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	65,025	30,415	22,267	34,422	152,129
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	–	–	–	9,803	9,803
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	–	–	–	7,843	7,843
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	–	–	16,777	8,934	25,711
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	5,490	7,843	13,333
11	Subset of row 6 that is perpetual securities	65,025	30,415	–	–	95,440

[1] Issued and fully paid ordinary shares. Includes preference shares held by Standard Chartered Bank which have been redeemed December 2020 via payment out of distributable profits and for which the amount was transferred from retained earnings to share capital in accordance with the requirements of the Hong Kong Companies Ordinance.

5 Macroprudential supervisory measures

Geographical distribution of credit exposures used in countercyclical capital buffer (CCyB1)

The following table sets out an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Group's CCyB ratio.

At 30 June 2026
In HKD million

	Jurisdiction (J)	*Applicable JCCyB ratio in effect*	*Total RWA used in computation of CCyB ratio of AI*	*CCyB ratio of AI*	*CCyB amount of AI*
1	Hong Kong	0.500%	179,983		
2	Australia	1.000%	7,602		
3	South Africa	1.000%	225		
4	Chile	0.500%	277		
5	Denmark	2.500%	58		
6	France	1.000%	2,511		
7	Germany	0.750%	3,962		
8	Ireland	1.500%	1,871		
9	Luxembourg	0.500%	4,307		
10	Netherland	2.000%	3,067		
11	Saudi Arabia	1.000%	2,010		
12	South Korea	1.000%	103,296		
13	Spain	0.500%	178		
14	Sweden	2.000%	834		
15	United Arab Emirates	0.500%	3,035		
16	United Kingdom	2.000%	28,263		
17	Sum[1]		341,479		
18	**Total[2]**		**479,744**	**0.5832%**	**5 ,302**

[1] This represents the sum of RWAs for the private sector credit exposures in jurisdictions with a non-zero countercyclical buffer rate.
[2] The total RWAs used in the computation of the CCyB ratio in row (18) represents the total RWAs for the private sector credit exposures in all jurisdictions to which the bank is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero.

6 Leverage Ratio

a. Summary comparison of accounting asset against leverage ratio exposure measure (LR1)

The following table reconciles the total assets in the published financial statements to the LR exposure measure.

	At 30 June 2026	*(a)* *Value under the Leverage Ratio framework (HK$'M)*
1	Total consolidated assets as per published financial statements	3,170,622
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2,532)
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 leverage ratio 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	26,506
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	9,270
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	205,722
11	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(11,757)
12	Other adjustments	(161,464)
13	**Leverage ratio exposure measure**	**3,236,367**

Other adjustments mainly represent the Hong Kong Government certificates of indebtedness and assets deducted in determining Tier 1 capital. These are excluded for deriving the leverage ratio exposure in accordance with the HKMA requirements specified in Part 1C of the BCR.

The increase in assets was primarily attributable to increases in financial assets at fair value through profit or loss, amounts due from fellow subsidiaries, and loans and advances to banks and customers. The increase in the leverage ratio exposure measure was consistent with these balance sheet movements.

6 Leverage Ratio (continued)

b. Leverage ratio (LR2)

The following table sets out a detailed breakdown of the components of the LR denominator.

		(a)	(b)
		At 30 June 2026 HK$'M	At 31 March 2026 HK$'M
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	2,868,281	2,735,768
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	(27,562)	(22,934)
4	Less: Adjustment for assets other than money received under SFTs that are recognised as an asset	(355,649)	(314,074)
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(10,079)	(9,741)
6	Less: Asset amounts deducted in determining Tier 1 capital	(18,381)	(18,461)
7	**Total on-balance sheet exposures (excluding derivatives contracts and SFTs) (sum of rows 1 to 6)**	**2,456,610**	**2,370,558**
Exposure arising from derivative contracts			
8	Replacement cost associated with all derivatives contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	62,069	57,129
9	Add-on amounts for PFE associated with all derivatives contracts	120,173	129,647
10	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit-related derivative contracts	34,124	30,474
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	(6,900)	(17,063)
13	**Total exposures arising from derivative contracts (sum of rows 8 to 12)**	**209,466**	**200,187**
Exposure arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	355,650	314,074
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	9,270	10,116
17	Agent transaction exposures	–	–
18	**Total exposures arising from SFTs (sum of rows 14 to 17)**	**364,920**	**324,190**

6 Leverage Ratio (continued)

b. Leverage ratio (LR2) (continued)

The following table sets out a detailed breakdown of the components of the LR denominator. (continued)

		(a) *At 30 June 2026* *HK$'M*	*(b)* *At 31 March 2026* *HK$'M*
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	823,676	764,922
20	Less: Adjustments for conversion to credit equivalent amounts	(617,954)	(593,938)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(351)	(426)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**205,371**	**170,558**
Capital and total exposures			
23	**Tier 1 capital**	**184,300**	**192,163**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**3,236,367**	**3,065,493**
Leverage ratio			
25 & 25a	**Leverage ratio**	**5.69%**	**6.27%**
26	**Minimum leverage ratio requirement**	**3.00%**	**3.00%**
27	**Applicable leverage buffers***	**Not applicable**	**Not applicable**
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	371,941	356,324
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	355,650	314,074
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)	3,252,658	3,107,743
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)	5.67%	6.18%

* Items marked with * represents not applicable to Hong Kong.

The increase in the exposure measure was in line with balance sheet movements during the period, resulting in higher leverage exposures and a corresponding decrease in the leverage ratio.

7 Liquidity

a. Liquidity Coverage Ratio – for category 1 institution (LIQ1)

The following table sets out the details of LCR, high quality liquid assets ("HQLA"), and a breakdown of cash outflows and inflows.

Number of data points used in calculating the average value of the Liquidity Coverage Ratio (LCR) and related components set out in this Template for the quarter ending on 31 March 2026 and 30 June 2026 are 73 and 72.		Q2 2026 Currency: (HK$mil)		Q1 2026 Currency: (HK$mil)	
Basis of disclosure: Consolidated		UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)	UNWEIGHTED AMOUNT (Average Value)	WEIGHTED AMOUNT (Average Value)
A.	HIGH QUALITY LIQUID ASSETS				
1	Total high quality liquid assets (HQLA)		572,635		569,672
B.	CASH OUTFLOWS				
2	Retail deposits and small business funding, of which:	1,189,158	88,989	1,163,897	88,260
3	Stable retail deposits and stable small business funding	238,956	11,948	200,378	10,019
4	Less stable retail deposits and less stable small business funding	590,607	59,061	601,312	60,131
4a	Retail term deposits and small business term funding	359,595	17,980	362,207	18,110
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	956,025	418,376	920,200	396,538
6	Operational deposits	421,803	104,807	402,534	99,974
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6	531,568	310,915	513,100	291,998
8	Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period	2,654	2,654	4,566	4,566
9	Secured funding transactions (including securities swap transactions)		7,840		6,671
10	Additional requirements, of which:	413,221	122,215	398,532	105,483
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	113,912	85,122	97,826	70,813
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	607	607	5	5
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	298,702	36,486	300,701	34,665
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	76,969	76,969	80,246	80,246
15	Other contingent funding obligations (whether contractual or non-contractual)	607,593	6,260	589,845	5,216
16	TOTAL CASH OUTFLOWS		720,649		682,414
C.	CASH INFLOWS				
17	Secured lending transactions (including securities swap transactions)	180,778	44,674	175,879	45,641
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	298,465	206,108	276,676	192,632
19	Other cash inflows	135,976	131,641	135,362	129,994
20	TOTAL CASH INFLOWS	615,219	382,423	587,917	368,267
D.	LIQUIDITY COVERAGE RATIO		ADJUSTED VALUE		ADJUSTED VALUE
21	TOTAL HQLA		572,635		569,672
22	TOTAL NET CASH OUTFLOWS		338,226		314,147
23	LCR (%)		170%		181%

7 Liquidity (continued)

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

Key Drivers

Liquidity Coverage Ratio (LCR) measures the short-term resilience of the Group's liquidity risk profile, and is sensitive to balance sheet movement and composition. The Group has maintained a strong liquidity position well above the regulatory requirement of 100% throughout Q2 of 2026. The average LCR was 170% for the quarter ending 30 June 2026 (31 March 2026: 181%), mainly as a result of decrease in commercial surplus due to increase in commercial assets.

Composition of High Quality Liquid Asset ("HQLA")

The Group holds significant levels of high quality unencumbered liquid assets that can be liquefied, repo-ed or used as collateral in the event of a liquidity stress.

The liquid assets consist predominately of Level 1 assets, including mainly cash and central bank reserves, Hong Kong exchange fund bills and notes, US treasuries and other marketable debt securities issued or guaranteed by other central banks and governments. In addition, the Group also holds Level 2 assets such as high quality covered bonds, corporate bonds and bonds issued by public sector entities.

Concentration of Funding Sources

Our assets are primarily funded by customer deposits, largely made up of low cost and stable current and savings accounts. This forms a stable base for the Group's funding requirement. In addition, wholesale funding is widely diversified by client type and maturity which helps managing liquidity mismatches as required. The Group has various internal quantitative limits and metrics in place to monitor deposit concentrations, as well as HQLA issuer concentrations.

The Cluster Asset and Liability Committee ("Cluster ALCO") and the Country Asset and Liability Committee ("ALCO") monitor trends in the balance sheet and ensure that any concerns that might impact the stability of deposits are addressed in an effective and timely manner. Cluster ALCO and ALCO also review balance sheet plans to ensure that projected asset growth is matched by growth in customer deposits.

Derivatives Exposure

The use of derivatives for hedging and sale to customers as risk management products is an important part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk. The principal derivative instruments used by the Group are foreign exchange related and interest rate related contracts. Derivative positions are mark-to-market on a daily basis.

Currency Mismatch on LCR

Customer assets are as far as possible funded in the same currency. Where mismatches arise, they are controlled by limits on the amount of foreign currency that can be swapped to local currency and vice versa. Such limits are therefore a means of controlling reliance on foreign exchange markets, which minimizes the risk that obligations could not be met in the required currency in the event that access to foreign exchange markets becomes restricted. During this period, the Group maintained an amount of HKD-denominated level 1 assets well above the regulatory requirement of 20% of its HKD-denominated total net cash outflows.

Liquidity management

Treasury Markets is responsible for managing the Group's liquidity position within the approved liquidity and funding risk limits and thresholds. Oversight under the liquidity and funding framework resides with Cluster ALCO and ALCO, supported by Treasury Markets. Cluster ALCO and ALCO also ensure the Group remains in compliance with liquidity policies and practices, as well as local regulatory requirements.

It is the Group's policy to manage liquidity without presumption of the Group's parent support. Cluster ALCO and ALCO are responsible for ensuring that the Group is able to maintain adequate liquidity at all times and be in a position to meet all obligations as they fall due; repay depositors and fulfil all commitments to lend.

7 Liquidity (continued)

b. Net Stable Funding Ratio – for category 1 institution (LIQ2)

The following table sets out the details of NSFR and details of ASF and RSF components.

Table 1: LIQ2 for Quarter ending 30th June 2026

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				
Basis of disclosure: consolidated Currency: (HK$mil)		*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:	204,970	8,934	9,803	42,625	252,496
2	Regulatory capital	204,970	8,934	–	13,414	218,383
2a	Minority interests not covered by row 2	–	–	–	–	–
3	Other capital instruments	–	–	9,803	29,211	34,113
4	Retail deposits and small business funding:	–	1,147,657	45,684	13,181	1,096,791
5	Stable deposits		189,978	2,057	336	182,770
6	Less stable deposits		957,679	43,627	12,845	914,021
7	Wholesale funding:		1,077,590	59,290	51,779	485,704
8	Operational deposits		416,231	–	–	208,116
9	Other wholesale funding	–	661,359	59,290	51,779	277,588
10	Liabilities with matching interdependent assets	51,001	–	–	–	–
11	Other liabilities:	127,238	117,230	4,813	9,216	11,623
12	Net derivative liabilities	–				
13	All other funding and liabilities not included in the above categories	127,238	117,230	4,813	9,216	11,623
14	**Total ASF**					**1,846,614**
B.	**Required stable funding ("RSF") item**					
15	Total HQLA for NSFR purposes				771,347	89,639
16	Deposits held at other financial institutions for operational purposes	–	11,403	–	–	5,702
17	Performing loans and securities:	55,423	682,136	158,449	915,014	1,067,062
18	Performing loans to financial institutions secured by Level 1 HQLA	–	90,648	3,867	2,159	13,483
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	18,028	313,841	59,744	138,270	236,049
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:	37,395	251,416	64,542	290,055	464,185
21	With a risk-weight of less than or equal to 35% under the STC approach	–	9,033	4,094	69,012	51,911
22	Performing residential mortgages, of which:	–	3,409	2,439	292,748	161,510

7 Liquidity (continued)

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

Table 1: LIQ2 for Quarter ending 30th June 2026 (continued)

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				
Basis of disclosure: consolidated Currency: (HK$mil)		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	Weighted amount
23	With a risk-weight of less than or equal to 35% under the STC approach	–	1,574	1,911	245,733	161,469
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	22,822	27,857	191,782	191,835
25	Assets with matching interdependent liabilities	51,001	–	–	–	–
26	Other assets:	330,531	116,108	–	79	261,889
27	Physical traded commodities, including gold	67,350				57,249
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	62,935				60,949
29	Net derivative assets	23,796				23,796
30	Total derivative liabilities before deduction of variation margin posted	59,718				2,986
31	All other assets not included in the above categories	116,732	116,108	–	79	116,909
32	Off-balance sheet items				966,755	15,854
33	**Total RSF**					**1,440,146**
34	**Net Stable Funding Ratio (%)**					**128%**

Table 2: LIQ2 for Quarter ending 31st March 2026

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				
Basis of disclosure: consolidated Currency: (HK$mil)		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:	212,553	8,989	9,799	40,866	258,319
2	Regulatory capital	212,553	8,989	–	13,413	225,966
2a	Minority interests not covered by row 2	–	–	–	–	–
3	Other capital instruments	–	–	9,799	27,453	32,353
4	Retail deposits and small business funding:	–	968,146	190,567	25,631	1,079,470
5	Stable deposits		217,844	2,082	335	209,265
6	Less stable deposits		750,302	188,485	25,296	870,205
7	Wholesale funding:		1,023,974	44,740	19,308	409,706
8	Operational deposits		375,102	–	–	187,551
9	Other wholesale funding	–	648,872	44,740	19,308	222,155

7 Liquidity (continued)

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

Table 2: LIQ2 for Quarter ending 31st March 2026 (continued)

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				
Basis of disclosure: consolidated Currency: (HK$mil)		*No specified term to maturity*	*<6 months or repayable on demand*	*6 months to < 12 months*	*12 months or more*	*Weighted amount*
10	Liabilities with matching interdependent assets	51,191		–	–	–
11	Other liabilities:	115,025	62,998	5,428	6,609	9,323
12	Net derivative liabilities	–				
13	All other funding and liabilities not included in the above categories	115,025	62,998	5,428	6,609	9,323
14	**Total ASF**					**1,756,818**
B.	**Required stable funding ("RSF") item**					
15	Total HQLA for NSFR purposes				691,766	65,288
16	Deposits held at other financial institutions for operational purposes	–	8,598	–	–	4,299
17	Performing loans and securities:	46,878	626,932	165,964	887,750	1,029,736
18	Performing loans to financial institutions secured by Level 1 HQLA	–	87,436	11,406	343	24,524
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	13,765	270,834	59,748	119,011	203,275
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:	33,113	241,597	72,826	292,727	465,885
21	With a risk-weight of less than or equal to 35% under the STC approach	–	8,995	4,096	68,721	52,012
22	Performing residential mortgages, of which:	–	3,562	3,078	291,703	158,413
23	With a risk-weight of less than or equal to 35% under the STC approach	–	1,649	1,794	240,994	158,368
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	23,503	18,906	183,966	177,639
25	Assets with matching interdependent liabilities	51,191	–	–	–	–
26	Other assets:	318,676	89,414	–	78	254,434
27	Physical traded commodities, including gold	91,827				78,053
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	50,126				48,877
29	Net derivative assets	15,822				15,822

7 Liquidity (continued)

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

Table 2: LIQ2 for Quarter ending 31st March 2026 (continued)

		(a)	*(b)*	*(c)*	*(d)*	*(e)*
		Unweighted value by residual maturity				
Basis of disclosure: consolidated Currency: (HK$mil)		*No specified term to maturity*	*<6 months or repayable on demand*	*6 months to < 12 months*	*12 months or more*	*Weighted amount*
30	Total derivative liabilities before deduction of variation margin posted	52,098				2,605
31	All other assets not included in the above categories	108,803	89,414	–	78	109,077
32	Off-balance sheet items				908,902	15,043
33	**Total RSF**					**1,368,800**
34	**Net Stable Funding Ratio (%)**					**128%**

NSFR Key Drivers

Net Stable Funding Ratio (NSFR) requires the bank to maintain sufficient stable funding relative to required stable funding. It reflects a bank's long-term funding profile and compliment Liquidity Coverage Ratio (LCR) which measures short-term resilience to liquidity risk. The Group has continuously maintained a healthy NSFR ratio well above the regulatory requirement minimum of 100% during the first half of 2026. NSFR was 128% for the quarter ending 30 June 2026 (31 March 2026: 128%).

Composition of AI's interdependent assets and liabilities

As one of the note-issuing banks in Hong Kong, the Group's interdependent assets and liabilities consist of legal tender notes and certificates of indebtedness.

8 Credit risk for non-securitization exposures

a. Credit quality of exposures (CR1)

The following table sets out an overview of the credit quality of on – and off-balance sheet exposures.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of			Of which ECL accounting provisions for		Of which ECL accounting provisions for credit losses on IRB approach exposures	
At 30 June 2026		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		Net values (a+b-c)
		HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M	HK$'M
1	Loans	14,238	1,468,426	9,908	272	569	9,067	1,472,756
2	Debt securities	–	401,476	141	–	–	141	401,335
3	Off-balance sheet exposures	752	964,020	353	–	52	301	964,419
4	**Total**	**14,990**	**2,833,922**	**10,402**	**272**	**621**	**9,509**	**2,838,510**

The increase was primarily attributable to growth in loans and advances.

8 Credit risk for non-securitization exposures (continued)

b. Changes in defaulted loans and debt securities (CR2)

The following table sets out information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs.

		(a) *HK$'M*
1	**Defaulted loans and debt securities at end of the previous reporting period (31 December 2025)**	15,450
2	Loans and debt securities that have defaulted since the last reporting period	2,965
3	Returned to non-defaulted status	(123)
4	Amounts written off	(1,764)
5	Other changes[1]	(2,290)
6	**Defaulted loans and debt securities at end of the current reporting period (30 June 2026)**	14,238

1 Other changes included repayment, foreign exchange movement and the net increase in defaulted loans and debt securities.

c. Overview of recognized credit risk mitigation (CR3)

The following table sets out the extent of credit risk exposures covered by different types of recognized CRM.

At 30 June 2026		*Exposures Unsecured Carrying Amount* *HK$'Mn*	*Exposures to be secured* *HK$'Mn*	*Exposures secured by recognised collateral* *HK$'Mn*	*Exposures secured by recognised guarantees* *HK$'Mn*	*Exposures Secured by Recognised credit derivative contracts* *HK$'Mn*
1.	Loans	832,698	640,058	510,319	76,839	–
2.	Debt Securities	401,335	–	–	–	–
3.	**Total**	**1,234,033**	**640,058**	**510,319**	**76,839**	**–**
4.	–of which Defaulted	10,102	4,136	3,382	2	–

8 Credit risk for non-securitization exposures (continued)

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

The following table sets out the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements. RWA density provides a synthetic metric on riskiness of each portfolio.

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	2	–	2	–	–	0%
2	Public sector entity exposures	–	–	162	10	34	20%
3	Multilateral development bank exposures	43,173	–	43,173	–	–	0%
4	Bank exposures	1,813	–	1,813	–	363	20%
4a	Qualifying non-bank financial institution exposures	–	–	4,436	754	1,038	20%
6	General corporate exposures	21,975	15,928	8,597	1,522	7,766	77%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	104	512	964	51	585	58%
7	Equity exposures	337	–	337	–	842	250%
8	Retail exposures	55,487	84,631	31,699	7,758	31,779	81%
9	Real estate exposures	15,783	2,469	15,018	781	5,176	33%
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	11,846	40	11,577	33	2,896	25%
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	229	–	94	41%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	793	20	759	39	493	62%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	514	2,212	386	685	812	76%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	147	–	147	–	220	150%
9g	Of which: land acquisition, development and construction exposures	566	–	–	–	–	0%
10	Defaulted exposures	1,166	236	1,166	28	1,356	114%
12	**Total**	**139,736**	**103,264**	**106,403**	**10,853**	**48,354**	**41%**

Total exposures increased mainly due to increase in multilateral development bank, general corporate exposures and retail exposures, while the increase in risk-weighted assets was driven by general corporate exposures and retail exposures.

8 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5)

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	2	–	–	–	–	–	2

		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	–	172	–	–	–	–	172

		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	43,173		–	–	–	–	–	43,173

		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	1,813	–	–	–	–	–	–	–	1,813

		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	5,185	5	–	–	–	–	–	–	5,190

8 Credit risk for non-securitization exposures (continued)

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

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	1,192	–	896		18	6,314	1,699	–	–	10,119
6a Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	860		–	–	155	–	–	1,015

	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		337	–	–	337

8 Credit risk for non-securitization exposures (continued)

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

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	4,989	19,938	14,372	158	39,457

		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	-	5,516	2,001	5,325	-	94	379	10	746		121	995	141	-	3	33	-	147	288	15,799
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		5,516	2,001	3,857		94	-	10	-		132	-				-			-	11,610
9b	Of which: no loan splitting applied		-	-	-		-	-	-	-		-	-				-			-	-
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)				196	-		-		-			-		-		33			-	229
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	743		-	6	50	-	-			-	-	798
9g	Of which: no loan splitting applied	-	-		-		-		-	-			-	-		-			-	-	-
9h	Of which: loan splitting applied (secured)																				
9i	Of which: loan splitting applied (unsecured)																				
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				979	90		2			-	-	1,071
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)																		147	-	147
9p	Of which: land acquisition, development and construction exposures															-			-	-	-

8 Credit risk for non-securitization exposures (continued)

e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5) (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		201	737	256	1,194

Risk Weight At 30 June 2026	*(a)* *On-balance sheet exposure*	*(b)* *Off-balance sheet exposure (pre-CCF)*	*(c)* *Weighted average CCF**	*(d)* *Exposure (post-CCF and post-CRM)*
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*
1 Less than 40%	59,190	92	35.80%	64,928
2 40-70%	4,495	19,579	10.30%	7,247
3 75%	21,979	50,684	11.50%	20,941
4 85%	17,025	13,078	12.11%	6,455
5 90-100%	34,944	18,755	14.12%	16,274
6 105-130%	18	625	10.00%	113
7 150%	1,748	451	0.00%	961
8 250%	337	–	0.00%	337
9 400%	–	–	0.00%	–
10 1250%	–	–	0.00%	–
11 **Total exposures**	**139,736**	**103,264**		**117,256**

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

Please refer to note 8(d) for the main drivers of the change in total exposures post-CCF and post-CRM.

8 Credit risk for non-securitization exposures (continued)

f. Credit risk exposures by portfolio and PD ranges – for IRB approach (CR6)

The following table sets out the main parameters of internal models used for the calculation of credit risk capital requirements under the IRB approach, for the purpose of enhancing the transparency of RWA calculations and the reliability of regulatory measures.

At 30 June 2026 PD scale	(a) Original on-balance sheet gross exposure HK$'M	(b) Off-balance sheet exposures pre-CCF HK$'M	(c) Average CCF	(d) EAD post-CRM and post-CCF HK$'M	(e) Average PD	(f) Number of obligors	(g) Average LGD	(h) Average maturity	(i) RWA HK$'M	(j) RWA density	(k) EL HK$'M	(l) Provisions HK$'M
Portfolio (i) – Bank												
0.00 to < 0.15	232,979	35,175	39.4%	295,389	0.06%	266	44.3%	1.00	44,955	15%	73	
0.15 to < 0.25	6,450	199	59.4%	4,659	0.22%	35	45.0%	0.92	1,598	34%	5	
0.25 to < 0.50	1,474	7	72.7%	251	0.39%	11	44.4%	1.74	157	63%	–	
0.50 to < 0.75	29,611	1,303	61.8%	20,549	0.51%	29	8.3%	1.03	2,485	12%	9	
0.75 to < 2.50	12,343	1,447	94.7%	6,714	1.22%	60	42.4%	1.47	6,865	102%	35	
2.50 to < 10.00	1,856	324	91.0%	1,370	2.96%	39	43.7%	0.53	1,638	119%	18	
10.00 to < 100.00	20	11	100.0%	23	17.45%	10	45.0%	0.19	51	226%	2	
100.00 (Default)	332	–	0.0%	17	100.00%	2	45.0%	4.16	–	0%	7	
Sub-total	**285,065**	**38,466**	**41.5%**	**328,972**	**0.13%**	**452**	**42.1%**	**1.01**	**57,749**	**18%**	**149**	**578**
Portfolio (ii) – Corporate – Large corporates												
0.00 to < 0.15	108,394	211,187	25.0%	159,209	0.09%	784	38.4%	1.84	30,380	19%	52	
0.15 to < 0.25	25,936	80,496	18.8%	38,332	0.22%	365	36.0%	1.23	10,883	28%	30	
0.25 to < 0.50	15,178	63,070	20.6%	27,179	0.39%	337	40.5%	1.26	12,107	45%	43	
0.50 to < 0.75	34,181	75,046	19.4%	44,259	0.56%	439	33.9%	1.30	19,574	44%	86	
0.75 to < 2.50	15,019	38,969	20.4%	21,144	1.19%	259	38.0%	1.13	14,148	67%	96	
2.50 to < 10.00	7,318	3,996	8.5%	2,526	3.51%	30	32.0%	1.07	2,091	83%	28	
10.00 to < 100.00	2,567	344	46.4%	2,727	24.54%	4	32.9%	1.98	4,843	178%	220	
100.00 (Default)	1,981	345	10.0%	2,015	100.00%	11	40.0%	1.00	–	0%	806	
Sub-total	**210,574**	**473,453**	**21.9%**	**297,391**	**1.21%**	**2,229**	**37.5%**	**1.57**	**94,026**	**32%**	**1,361**	**2,887**
Portfolio (iii) – Corporate – Financial Institutions Treated as Corporates												
0.00 to < 0.15	43,100	47,139	29.8%	62,470	0.08%	101	43.0%	1.41	14,179	23%	23	
0.15 to < 0.25	14,206	15,086	17.8%	16,607	0.22%	41	45.0%	1.02	6,561	40%	16	
0.25 to < 0.50	9,450	14,741	13.7%	10,992	0.39%	34	45.1%	1.08	6,653	61%	19	
0.50 to < 0.75	5,843	24,696	17.7%	10,459	0.54%	57	44.3%	1.14	7,494	72%	25	
0.75 to < 2.50	3,060	4,468	20.6%	3,584	1.25%	28	39.4%	1.61	3,272	91%	18	
2.50 to < 10.00	606	192	10.0%	278	2.75%	6	41.2%	2.66	347	125%	3	
10.00 to < 100.00	–	–	0.0%	–	13.77%	2	45.0%	1.00	–	0%	–	
100.00 (Default)	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
Sub-total	**76,265**	**106,322**	**22.7%**	**104,390**	**0.23%**	**269**	**43.5%**	**1.30**	**38,506**	**37%**	**104**	**381**

8 Credit risk for non-securitization exposures (continued)

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

At 30 June 2026 PD scale	(a) Original on-balance sheet gross exposure HK$'M	(b) Off-balance sheet exposures pre-CCF HK$'M	(c) Average CCF	(d) EAD post-CRM and post-CCF HK$'M	(e) Average PD	(f) Number of obligors	(g) Average LGD	(h) Average maturity	(i) RWA HK$'M	(j) RWA density	(k) EL HK$'M	(l) Provisions HK$'M
Portfolio (iv) – Sovereign												
0.00 to < 0.15	498,907	11,516	31.7%	524,897	0.02%	59	45.1%	1.48	42,536	8%	55	
0.15 to < 0.25	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
0.25 to < 0.50	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
0.50 to < 0.75	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
0.75 to < 2.50	6,060	3,388	93.8%	8,136	1.06%	4	42.5%	2.28	6,714	83%	35	
2.50 to < 10.00	1,971	3,715	84.6%	3,387	4.36%	2	45.0%	1.84	4,584	135%	67	
10.00 to < 100.00	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
100.00 (Default)	2,855	–	0.0%	2,855	100.00%	2	45.0%	2.32	14,174	497%	151	
Sub-total	**509,793**	**18,619**	**45.7%**	**539,275**	**0.60%**	**67**	**45.1%**	**1.50**	**68,008**	**13%**	**308**	**823**
Portfolio (v) – Corporate – specialized lending (other than HVCRE)												
0.00 to < 0.15	6,440	8,587	25.0%	8,453	0.07%	36	24.4%	4.56	1,705	20%	2	
0.15 to < 0.25	3,141	5,240	25.8%	3,392	0.22%	17	25.0%	4.94	1,298	38%	2	
0.25 to < 0.50	2,766	2,056	33.5%	3,570	0.39%	17	27.4%	2.88	1,373	38%	4	
0.50 to < 0.75	3,783	8,238	24.7%	4,998	0.61%	27	41.0%	1.28	2,656	53%	13	
0.75 to < 2.50	4,411	5,451	12.1%	2,874	1.15%	32	38.1%	2.37	2,155	75%	12	
2.50 to < 10.00	1,569	3,290	83.8%	4,316	4.62%	22	32.0%	0.73	3,744	87%	60	
10.00 to < 100.00	–	39	0.0%	–	10.54%	1	36.3%	1.00	–	0%	–	
100.00 (Default)	141	14	0.0%	141	100.00%	4	19.4%	1.37	306	216%	8	
Sub-total	**22,251**	**32,915**	**25.5%**	**27,744**	**1.56%**	**156**	**30.4%**	**2.96**	**13,237**	**48%**	**101**	**1,136**
Portfolio (vi) – Corporate – small-and-medium sized corporates												
0.00 to < 0.15	784	174	35.8%	846	0.07%	6	45.5%	0.15	72	9%	–	
0.15 to < 0.25	808	1,070	18.8%	970	0.23%	44	25.6%	1.31	167	17%	1	
0.25 to < 0.50	807	722	17.7%	922	0.30%	67	17.5%	1.37	146	16%	1	
0.50 to < 0.75	1,523	1,093	20.5%	1,666	0.61%	47	32.3%	1.09	598	36%	4	
0.75 to < 2.50	2,579	1,715	12.6%	2,622	1.65%	135	19.3%	1.38	864	33%	11	
2.50 to < 10.00	4,058	900	8.2%	3,784	4.37%	84	18.4%	1.36	1,614	43%	41	
10.00 to < 100.00	2,048	692	11.4%	1,886	14.79%	89	36.5%	1.97	2,790	148%	116	
100.00 (Default)	805	44	3.0%	802	100.00%	39	51.8%	2.32	902	112%	463	
Sub-total	**13,412**	**6,410**	**15.2%**	**13,498**	**9.67%**	**511**	**27.0%**	**1.39**	**7,153**	**53%**	**637**	**534**

8 Credit risk for non-securitization exposures (continued)

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

At 30 June 2026 PD scale	(a) Original on-balance sheet gross exposure HK$'M	(b) Off-balance sheet exposures pre-CCF HK$'M	(c) Average CCF	(d) EAD post-CRM and post-CCF HK$'M	(e) Average PD	(f) Number of obligors	(g) Average LGD	(h) Average maturity	(i) RWA HK$'M	(j) RWA density	(k) EL HK$'M	(l) Provisions HK$'M
Portfolio (vii) – Corporate – other corporates												
0.00 to < 0.15	4,641	3,742	13.7%	5,353	0.06%	67	52.3%	2.33	1,308	24%	2	
0.15 to < 0.25	419	3,948	15.8%	1,403	0.22%	72	34.0%	1.30	363	26%	1	
0.25 to < 0.50	2,226	3,664	26.3%	3,761	0.39%	63	52.1%	1.18	2,049	55%	8	
0.50 to < 0.75	10,585	9,203	41.3%	5,899	0.57%	88	52.4%	2.40	5,193	88%	17	
0.75 to < 2.50	9,694	10,367	13.4%	9,881	1.29%	202	33.9%	1.43	6,044	61%	45	
2.50 to < 10.00	5,311	3,278	15.2%	5,083	3.59%	86	35.8%	1.14	4,506	89%	62	
10.00 to < 100.00	1,214	7,071	3.3%	998	23.30%	111	25.3%	1.04	1,103	110%	59	
100.00 (Default)	1,155	97	2.2%	1,157	100.00%	17	38.8%	1.39	2,025	175%	2,141	
Sub-total	**35,245**	**41,370**	**18.1%**	**33,535**	**5.23%**	**706**	**42.3%**	**1.66**	**22,591**	**67%**	**2,335**	**2,526**
Portfolio (viii) – Retail – QRRE (transactor)												
0.00 to < 0.15	2,609	31,395	56.8%	20,448	0.08%	293,257	90.0%	–	930	5%	8	
0.15 to < 0.25	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
0.25 to < 0.50	1,090	3,573	73.7%	3,725	0.33%	26,902	90.0%	–	538	14%	6	
0.50 to < 0.75	946	8,387	56.5%	5,686	0.68%	63,504	90.0%	–	1,457	26%	19	
0.75 to < 2.50	959	2,449	69.0%	2,646	1.40%	22,257	90.0%	–	1,168	44%	19	
2.50 to < 10.00	1,555	958	119.2%	2,698	2.83%	8,412	90.0%	–	1,977	73%	38	
10.00 to < 100.00	2	1	64.2%	2	59.74%	22	90.0%	–	4	218%	1	
100.00 (Default)	1	–	0.0%	1	100.00%	7	53.2%	–	3	178%	1	
Sub-total	**7,162**	**46,763**	**60.0%**	**35,206**	**0.52%**	**414,361**	**90.0%**	**–**	**6,077**	**17%**	**92**	**60**
Portfolio (ix) – Retail – QRRE (revolver)												
0.00 to < 0.15	3,817	41,560	61.0%	29,183	0.10%	382,098	90.0%	–	1,628	6%	15	
0.15 to < 0.25	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
0.25 to < 0.50	2,081	7,153	75.0%	7,448	0.32%	60,284	90.0%	–	1,058	14%	12	
0.50 to < 0.75	1,910	10,858	57.9%	8,201	0.68%	82,665	90.0%	–	2,098	26%	28	
0.75 to < 2.50	2,262	4,149	74.5%	5,351	1.30%	41,408	90.0%	–	2,219	41%	35	
2.50 to < 10.00	5,654	2,908	116.2%	9,032	3.95%	46,365	90.0%	–	8,111	90%	178	
10.00 to < 100.00	1,391	112	255.0%	1,675	19.05%	6,874	90.0%	–	3,462	207%	160	
100.00 (Default)	75	–	0.0%	75	100.00%	391	77.8%	–	91	123%	38	
Sub-total	**17,190**	**66,740**	**65.6%**	**60,965**	**1.53%**	**620,085**	**90.0%**	**–**	**18,667**	**31%**	**466**	**185**

8 Credit risk for non-securitization exposures (continued)

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

At 30 June 2026 PD scale	(a) Original on-balance sheet gross exposure HK$'M	(b) Off-balance sheet exposures pre-CCF HK$'M	(c) Average CCF	(d) EAD post-CRM and post-CCF HK$'M	(e) Average PD	(f) Number of obligors	(g) Average LGD	(h) Average maturity	(i) RWA HK$'M	(j) RWA density	(k) EL HK$'M	(l) Provisions HK$'M
Portfolio (x) – Retail – Residential mortgage exposures (including both to individuals and to property-holding shell companies)												
0.00 to < 0.15	234,566	102	60.5%	234,628	0.09%	101,562	15.6%	–	8,105	3%	34	
0.15 to < 0.25	117,038	5,242	40.8%	119,178	0.19%	72,100	16.6%	–	7,860	7%	39	
0.25 to < 0.50	39,269	22	103.0%	39,290	0.44%	30,187	18.4%	–	5,052	13%	31	
0.50 to < 0.75	8,731	4	40.0%	8,733	0.58%	3,434	20.3%	–	1,557	18%	11	
0.75 to < 2.50	19,754	41	41.8%	19,772	1.15%	18,096	18.4%	–	4,953	25%	42	
2.50 to < 10.00	4,891	–	89.1%	4,891	3.97%	4,634	17.0%	–	2,360	48%	33	
10.00 to < 100.00	772	–	373.4%	772	31.67%	789	18.6%	–	730	95%	45	
100.00 (Default)	1,089	–	33.1%	1,089	100.00%	1,307	20.7%	–	1,825	168%	80	
Sub-total	**426,110**	**5,411**	**41.5%**	**428,353**	**0.57%**	**232,109**	**16.4%**	**-**	**32,442**	**8%**	**315**	**395**
Portfolio (xi) – Retail – small business retail exposures												
0.00 to < 0.15	37	1	80.4%	30	0.08%	10	49.3%	–	3	11%	–	
0.15 to < 0.25	254	9	22.8%	74	0.21%	157	80.0%	–	24	33%	–	
0.25 to < 0.50	418	13	19.3%	196	0.40%	123	38.6%	–	47	24%	–	
0.50 to < 0.75	623	1	106.3%	285	0.63%	173	35.6%	–	82	29%	1	
0.75 to < 2.50	2,674	46	18.3%	919	1.46%	1,065	54.4%	–	590	64%	8	
2.50 to < 10.00	2,754	16	31.0%	717	3.75%	1,544	84.8%	–	864	120%	22	
10.00 to < 100.00	817	26	19.6%	207	31.83%	454	88.9%	–	321	155%	60	
100.00 (Default)	304	38	15.2%	94	100.00%	164	73.0%	–	217	230%	57	
Sub-total	**7,881**	**150**	**20.7%**	**2,522**	**8.06%**	**3,690**	**63.9%**	**-**	**2,148**	**85%**	**148**	**76**

8 Credit risk for non-securitization exposures (continued)

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

At 30 June 2026 *PD scale*	*(a)* *Original on-balance sheet gross exposure* *HK$'M*	*(b)* *Off-balance sheet exposures pre-CCF* *HK$'M*	*(c)* *Average CCF*	*(d)* *EAD post-CRM and post-CCF* *HK$'M*	*(e)* *Average PD*	*(f)* *Number of obligors*	*(g)* *Average LGD*	*(h)* *Average maturity*	*(i)* *RWA* *HK$'M*	*(j)* *RWA density*	*(k)* *EL* *HK$'M*	*(l)* *Provisions* *HK$'M*
Portfolio (xii) – Retail – Other retail exposures to individuals												
0.00 to < 0.15	606	5,480	62.1%	4,007	0.07%	25,655	84.4%	–	645	16%	2	
0.15 to < 0.25	1,118	1,255	99.8%	2,370	0.16%	17,818	79.0%	–	637	27%	2	
0.25 to < 0.50	4,245	1,484	83.1%	5,478	0.33%	20,643	77.4%	–	2,388	44%	13	
0.50 to < 0.75	4,048	2,327	55.1%	5,329	0.69%	24,141	80.1%	–	3,644	68%	28	
0.75 to < 2.50	9,153	994	81.3%	9,961	1.36%	41,492	67.9%	–	7,709	77%	86	
2.50 to < 10.00	10,707	758	109.3%	11,536	4.87%	47,583	63.4%	–	10,653	92%	326	
10.00 to < 100.00	1,955	17	158.7%	1,982	23.20%	16,802	70.2%	–	2,723	137%	310	
100.00 (Default)	856	1	20.0%	856	100.00%	10,765	61.9%	–	1,040	122%	447	
Sub-total	**32,688**	**12,316**	**71.7%**	**41,519**	**5.00%**	**204,899**	**71.7%**	**–**	**29,439**	**71%**	**1,214**	**491**
Total (all portfolios subject to the IRB approaches)	**1,643,636**	**848,935**	**30.3%**	**1,913,371**	**0.88%**	**1,479,534**	**39.5%**	**1.41**	**390,043**	**20%**	**7,230**	**10,072**

Provisions in this table represent the eligible provisions as defined under Division 1, Part 6 of the BCR which include the regulatory reserves for general banking risks and the impairment allowances reported under IRB approach, which increases as customer loan increases.

The increase in RWA was mainly due to an increase in corporate exposures.

8 Credit risk for non-securitization exposures (continued)

g. Effects on RWA of recognized credit derivative contracts used as recognized credit risk mitigation – for IRB approach (CR7)

The following table sets out the effect of recognized credit derivative contracts on the calculation of credit risk capital requirements under the IRB approach. The hypothetical RWA before taking into account the mitigation effect of recognized credit derivative contracts (column (a) below) is disclosed to evaluate the impact of recognized credit derivative contracts on RWA. This is irrespective of the extent that recognized CRM are taken into account in calculating the RWA.

		(a)	*(b)*
		Pre-credit derivatives RWA	*Actual RWA*
	At 30 June 2026	*HK$'M*	*HK$'M*
1	Corporate – Specialized lending (project finance)	5,592	5,592
2	Corporate – Specialized lending (object finance)	8,921	8,921
3	Corporate – Specialized lending (commodities finance)	7,278	7,278
4	Corporate – Specialized lending (income-producing real estate)	20,491	20,491
5	Corporate – Specialized lending (high-volatility commercial real estate)	–	–
6	Corporate – Small-and-medium sized corporates	7,153	7,153
7	Corporate – Large corporates	94,026	94,026
8	Corporate – Financial institutions treated as corporates	38,506	38,506
9	Corporate – Other corporates	22,591	22,591
10	Sovereign – Sovereigns	61,729	61,729
11	Sovereign – Sovereign foreign public sector entities	6,279	6,279
12	Sovereign – Multilateral development banks	–	–
13	Bank – Banks (excluding covered bonds)	45,736	45,736
14	Bank – Qualifying non-bank financial institutions	8,574	8,574
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	3,439	3,439
16	Bank – Unspecified multilateral bodies	–	–
17	Bank – Covered bonds	–	–
18	Retail – Small business retail exposures	2,148	2,148
19	Retail – Residential mortgages to individuals	31,867	31,867
20	Retail – Residential mortgages to property-holding shell companies	575	575
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	6,077	6,077
22	Retail – QRRE (revolver)	18,667	18,667
23	Retail – Other retail exposures to individuals	29,439	29,439
24	CIS –CIS exposures	–	–
25	Other – Cash items	836	836
26	Other – Other items	80,304	80,304
27	**Total (under the IRB calculation approaches)**	**500,228**	**500,228**

There is no effect in RWA as the Group does not have credit derivative contracts used as recognised credit risk mitigation.

8 Credit risk for non-securitization exposures (continued)

h. RWA flow statements of credit risk exposures under IRB approach (CR8)

The following table sets out a flow statement explaining variations in the RWA for credit risk determined under the IRB approach.

		(a) *Amount* *HK$'M*
1	**RWA as at end of previous reporting period (31 March 2026)**	**484,832**
2	Asset size	24,266
3	Asset quality	(9,629)
4	Model updates	–
5	Methodology and policy	–
6	Acquisitions and disposals	–
7	Foreign exchange movements	(76)
8	Other	–
9	**RWA as at end of reporting period (30 June 2026)**	**499,393**

The increase in RWA during the quarter were mainly due to the following items:

- RWA increase from asset size which is in line with balance sheet movement,
- RWA decrease from asset quality mainly due to credit migration during the period,

i. Specialized lending under supervisory slotting criteria approach – for IRB approach (CR10)

The following table sets out the quantitative information in respect of specialized lending under the supervisory slotting criteria approach.

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)*
		On-balance sheet exposure amount	*Off-balance sheet exposure amount*		*EAD amount*						*Expected loss amount*
Supervisory Rating Grade	*Remaining Maturity*	*HK$'M*	*HK$'M*	*SRW*	*PF HK$'M*	*OF HK$'M*	*CF HK$'M*	*IPRE HK$'M*	*Total HK$'M*	*RWA HK$'M*	*HK$'M*
Strong^	Less than 2.5 years	22,475	7,051	–	–	964	–	22,017	22,981	11,489	–
Strong	Equal to or more than 2.5 years	14,995	3,741	–	–	8,189	–	6,029	14,218	9,953	57
Good^	Less than 2.5 years	3,346	771	–	–	143	–	2,254	2,397	1,678	10
Good	Equal to or more than 2.5 years	5,332	782	–	–	2,300	–	603	2,903	2,613	23
Satisfactory		1,218	109	–	–	147	–	861	1,008	1,160	28
Weak		861	–	–	–	–	–	861	861	2,152	69
Default		2,397	–	–	–	–	–	2,397	2,397	–	1,199
Total		50,624	12,454		–	11,743	–	35,022	46,765	29,045	1,386

^ Use of preferential risk-weights.

Increase in total exposure and RWA was due to increase in IPRE exposures.

9 Counterparty Credit risk

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

The following table sets out a comprehensive breakdown of default risk exposures (other than those to CCPs), RWAs, and, where applicable, main parameters under the approaches used to calculate default risk exposures in respect of derivative contracts and SFTs.

		(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
	At 30 June 2026	HK$'M	HK$'M			HK$'M	HK$'M
1	SA-CCR (for derivative contracts)	26,779	69,590		1.4	132,214	37,999
1a	CEM (for derivative contracts)	–	–		1.4	–	–
1b	Method for group 2b cryptoasset derivative contracts	–	–		1.4	–	–
2	IMM (CCR) approach			–	0.0	–	–
3	Simple approach (for SFTs)					–	–
4	Comprehensive approach (for SFTs)					358,989	9,351
5	VaR (for SFTs)					–	–
6	**Total**						**47,350**

Increase in default risk exposures was due to increase in volume.

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

The following table sets out a breakdown of default risk exposures, other than those to CCPs, in respect of derivative contracts and SFTs that are subject to the STC approach, by asset classes and risk-weights (the latter representing the riskiness attributed to the exposure according to the respective approaches), irrespective of the approach used to determine the amount of default risk exposures.

	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
3	Multilateral development bank exposures	287	-	-	-	-	-	-	-	-	-	-	287
7	General corporate exposures	-	-	-	-	-	-	-	88	15	-	-	103
8	Retail exposures	-	-	-	-	-	-	-	-	-	1,260	-	1,260
11	**Total**	**287**	**-**	**-**			**-**	**-**	**88**	**15**	**1,260**	**-**	**1,650**

Increase in total default risk exposure after CRM was mainly due to increase in retail exposures.

9 Counterparty Credit risk (continued)

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

The following table sets out all the relevant parameters used for the calculation of counterparty credit risk capital requirements for IRB exposures (other than those to CCPs).

	(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*
At 30 June 2026	*EAD post-CRM*	*Average PD*	*Number of obligors*	*Average LGD*	*Average maturity*	*RWA*	*RWA density*
PD scale	*HK$'M*					*HK$'M*	
Foundation IRB approach							
Portfolio (i) – Bank							
0.00 to < 0.15	221,694	0.06%	200	14.6%	0.35	11,460	5%
0.15 to < 0.25	17,302	0.22%	34	8.5%	0.44	1,294	7%
0.25 to < 0.50	4,157	0.39%	17	8.2%	0.21	395	10%
0.50 to < 0.75	2,931	0.66%	11	11.0%	0.34	458	16%
0.75 to < 2.50	1,304	1.47%	6	4.3%	0.25	123	9%
2.50 to < 10.00	–	8.01%	1	45.0%	1.00	–	189%
10.00 to < 100.00	–	0.00%	–	0.0%	0.00	–	0%
100.00 (Default)	–	0.00%	–	0.0%	0.00	–	0%
Sub-total	**247,388**	**0.09%**	**269**	**14.0%**	**0.35**	**13,730**	**6%**
Portfolio (ii) – Corporate							
0.00 to < 0.15	82,548	0.11%	312	11.9%	0.63	4,480	5%
0.15 to < 0.25	63,071	0.22%	449	18.1%	0.44	9,602	15%
0.25 to < 0.50	14,261	0.39%	136	26.2%	0.55	4,434	31%
0.50 to < 0.75	49,406	0.55%	180	10.2%	0.20	6,958	14%
0.75 to < 2.50	7,810	1.16%	94	20.3%	0.44	2,749	35%
2.50 to < 10.00	191	2.78%	5	40.0%	1.00	184	96%
10.00 to < 100.00	74	15.16%	5	40.4%	1.00	137	185%
100.00 (Default)	–	0.00%	–	0.0%	0.00	–	0%
Sub-total	**217,363**	**0.30%**	**1,181**	**14.6%**	**0.47**	**28,544**	**13%**

9 Counterparty Credit risk (continued)

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

At 30 June 2026	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*
	EAD post-CRM	*Average PD*	*Number of obligors*	*Average LGD*	*Average maturity*	*RWA*	*RWA density*
PD scale	*HK$'M*					*HK$'M*	
Advanced IRB approach							
Portfolio (iii) – Sovereign							
0.00 to < 0.15	19,686	0.02%	23	33.5%	0.54	641	3%
0.15 to < 0.25	–	0.00%	–	0.0%	–	–	0%
0.25 to < 0.50	–	0.00%	–	0.0%	–	–	0%
0.50 to < 0.75	–	0.00%	–	0.0%	–	–	0%
0.75 to < 2.50	–	0.00%	–	0.0%	–	–	0%
2.50 to < 10.00	–	0.00%	–	0.0%	–	–	0%
10.00 to < 100.00	–	0.00%	–	0.0%	–	–	0%
100.00 (Default)	–	0.00%	–	0.0%	–	–	0%
Sub-total	**19,686**	**0.02%**	**23**	**33.5%**	**0.54**	**641**	**3%**
Portfolio (iv) – Corporate							
0.00 to < 0.15	284	0.10%	19	57.8%	1.00	75	26%
0.15 to < 0.25	2,647	0.22%	35	15.2%	0.34	346	13%
0.25 to < 0.50	177	0.39%	23	66.0%	1.00	119	67%
0.50 to < 0.75	698	0.64%	34	34.3%	0.61	329	47%
0.75 to < 2.50	372	1.25%	39	45.3%	0.70	291	78%
2.50 to < 10.00	907	3.44%	16	52.1%	0.78	1,229	135%
10.00 to < 100.00	22	13.28%	28	70.3%	1.00	66	298%
100.00 (Default)	8	100.00%	1	25.0%	3.00	–	0%
Sub-total	**5,115**	**1.11%**	**195**	**30.9%**	**0.55**	**2,455**	**48%**
Total (all portfolios subject to the IRB approaches)	**489,552**	**0.19%**	**1,668**	**15.2%**	**0.41**	**45,370**	**9%**

Increase in EAD post-CRM was mainly due to the increase in bank and corporates exposures. The increase in RWA was consistent with the increase in EAD.

9 Counterparty Credit risk (continued)

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

The following table sets out a breakdown of all types of collateral posted or recognized collateral received to support or reduce the exposures to counterparty credit risk exposures in respect of derivative contracts or SFTs entered into, including contracts or transactions cleared through a CCP.

	(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*
	Derivative contracts				*SFTs*	
At 30 June 2026	*Fair value of recognized collateral received*		*Fair value of posted collateral*		*Fair value of recognized collateral received*	*Fair value of posted collateral*
Exposure classes	*Segregated*	*Unsegregated*	*Segregated*	*Unsegregated*		
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Cash – domestic currency	–	–	–	109	–	19,232
Cash – other currencies	–	19,860	–	34,205	36,671	203,602
Domestic sovereign debt	–	–	–	–	41,067	–
Other sovereign debt	–	23,187	–	17,255	68,609	81,855
Government agency debt	–	–	–	–	16,224	1,083
Corporate bonds	–	45,976	–	45,889	78,858	24,152
Equity securities	–	–	–	–	80,983	29,066
Other collateral	–	282	–	–	–	–
Total	**–**	**89,305**	**–**	**97,458**	**322,412**	**358,990**

Increase in collateral received for derivative contracts and SFTs were mainly driven by the increase in volume.

e. Credit-related derivatives contracts (CCR6)

The following table sets out the amount of credit-related derivative contracts, broken down into credit protection bought and credit protection sold.

	(a)	*(b)*
	Protection bought	*Protection sold*
At 30 June 2026	*HK$'M*	*HK$'M*
Notional amounts		
Single-name credit default swaps	353	–
Index credit default swaps	–	–
Total return swaps	156,582	6,682
Credit-related options	–	–
Other credit-related derivative contracts	20,510	30,694
Total notional amounts	**177,445**	**37,376**
Fair values		
Positive fair value (asset)	807	327
Negative fair value (liability)	(1,690)	(11)

9 Counterparty Credit risk (continued)

f. Exposures to CCPs (CCR8)

The following table sets out a comprehensive breakdown of exposures to both qualifying and non-qualifying CCPs and the respective RWAs, covering all types of credit risk exposures (including default risk exposures to the CCPs, credit risk exposures arising from initial margins posted, and default fund contributions made, to the CCPs).

	At 30 June 2026	*(a)* *Exposure after CRM* *HK$'M*	*(b)* *RWA* *HK$'M*
1	**Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)**		**332**
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	7,735	155
3	*(i) OTC derivative transactions*	–	–
4	*(ii) Exchange-traded derivative contracts*	7,735	155
5	*(iii) Securities financing transactions*	–	–
6	*(iv) Netting sets subject to valid cross-product netting agreements*	–	–
7	Segregated initial margin	–	–
8	Unsegregated initial margin	6,747	135
9	Funded default fund contributions	798	42
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	–	–

Decrease in total exposures and RWA were mainly due to the decrease in volume of derivatives exposures with qualifying CCPs.

10 Credit valuation adjustment risk

a. CVA risk under reduced basic CVA approach (CVA1)

		(a) *Components*	*(b)* *CVA risk capital charge under the reduced basic CVA approach*
1	Aggregation of systematic components of CVA risk	8,993,194,228,031	
2	Aggregation of idiosyncratic components of CVA risk	2,031,293,997,850	
3	**Total**		**2,158**

The increase in the CVA risk capital charge was primarily driven by higher exposure volumes.

11 Securitization exposures

a. Securitization exposures in banking book (SEC1)

The following table sets out a breakdown of securitization exposures in the banking book.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	**-**	**-**	**-**	**-**	**-**	**-**	**33,151**	**-**	**33,151**
2	residential mortgage	–	–	–	–	–	–	23,763	–	23,763
3	credit card	–	–	–	–	–	–	475	–	475
4	other retail exposures	–	–	–	–	–	–	8,913	–	8,913
5	re-securitization exposures	–	–	–	–	–	–	–	–	–
6	Wholesale (total) – of which:	**-**	**-**	**-**	**-**	**-**	**-**	**18,418**	**-**	**18,418**
7	loans to corporates	–	–	–	–	–	–	17,568	–	17,568
8	commercial mortgage	–	–	–	–	–	–	–	–	–
9	lease and receivables	–	–	–	–	–	–	–	–	–
10	other wholesale	–	–	-	-	-	-	850	-	850
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

The increase in exposures during the period was mainly driven by higher retail exposures, partially offset by a decrease in wholesale exposures.

b. Securitization exposures in trading book (SEC2)

The following table sets out a breakdown of securitization exposures in the trading book.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	**-**	**-**	**-**	**-**	**-**	**-**	**5,195**	**-**	**5,195**
2	residential mortgage	–	–	–	–	–	–	1,864	–	1,864
3	credit card	–	–	–	–	–	–	7	–	7
4	other retail exposures	–	–	–	–	–	–	3,324	–	3,324
5	re-securitization exposures	–	–	–	–	–	–	–	–	–
6	Wholesale (total) – of which:	**-**	**-**	**-**	**-**	**-**	**-**	**1,538**	**-**	**1,538**
7	loans to corporates	–	–	–	–	–	–	–	–	–
8	commercial mortgage	–	–	–	–	–	–	92	–	92
9	lease and receivables	–	–	–	–	–	–	–	–	–
10	other wholesale	–	–	–	–	–	–	1,446	–	1,446
11	re-securitization exposures	–	–	–	–	–	–	–	–	–

The increase in exposures during the period was mainly driven by higher retail exposures, partially offset by a decrease in wholesale exposures.

11 Securitization exposures (continued)

c. Securitization exposures in banking book and associated capital requirements – where AI acts as investor (SEC4)

The following table sets out the securitization exposures in the banking book where the Group acts as an investing institution of securitization transactions and the associated capital requirements.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
		Exposure values (by RW bands)					"Exposure values (by regulatory approach)"				"RWA (by regulatory approach)"				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA	SEC-SA	SEC-FBA
1	**Total exposures**	**49,717**	**292**	**297**	**1,263**	**-**	**-**	**41,813**	**9,756**	**-**	**-**	**7,861**	**3,005**	**-**	**-**	**629**	**240**	**-**
2	Traditional securitization	49,717	292	297	1,263	-	-	41,813	9,756	-	-	7,861	3,005	-	-	629	240	-
3	*Of which securitization*	49,717	292	297	1,263	-	-	41,813	9,756	-	-	7,861	3,005	-	-	629	240	-
4	*Of which retail*	31,299	292	297	1,263	-	-	28,745	4,405	-	-	5,312	2,202	-	-	425	176	-
5	*Of which simple, transparent and comparable*	N/A																
6	*Of which wholesale*	18,418	-	-	-	-	-	13,068	5,351	-	-	2,549	803	-	-	204	64	-
7	*Of which simple, transparent and comparable*	N/A																
8	*Of which re-securitization*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	*Of which securitization*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*Of which retail underlying*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	*Of which wholesale*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	*Of which re-securitization*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Please refer to note 11(a) for the main drivers of the exposures. Increase in RWA was mainly due to increase in asset size.

12 Market risk

a. Market risk under STM approach (MR1)

The following table sets out the components of the market risk capital requirements calculated using the STM approach.

	At 30 June 2026	*(a)* *Market risk capital charges under STM approach* *HK$'M*
1	General interest rate risk	2,769
2	Equity risk	55
3	Commodity risk	21
4	Foreign exchange risk	2,498
5	Credit spread risk (non-securitization)	2,351
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	156
7	Credit spread risk (securitization: CTP)	-
8	Standardized default risk charge ("SA-DRC") (non-securitization)	2,444
9	SA-DRC (securitization: non-CTP)	183
10	SA-DRC (securitization: CTP)	–
11	Group 2a cryptoasset exposures	–
12	Residual risk add-on	1,478
13	**Total**	**11,955**

The increase in RWA was mainly due to increase in credit spread risk (non-securitization), foreign exchange risk and general interest rate risk.

13 Comparison of modelled and standardized RWAs

a. Comparison of modelled and standardized RWAs at risk level (CMS1)

The following table compares the RWA calculated under "full standardized" approaches against the actual RWA, part of which is calculated under any of the model-based approaches that the Group have the HKMA's approval to use.

		(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)*
1	Credit risk for non-securitization exposures[1]	499,393	48,354	547,747	870,323
2	Counterparty credit risk and default fund contributions	–	47,683	47,683	98,233
3	CVA risk		26,978	26,978	26,978
4	Securitization exposures in banking book	–	10,866	10,866	10,866
5	Market risk[2]	–	149,441	149,441	149,441
6	Operational risk		103,931	103,931	103,931
7	Residual RWA	–	22,910	22,910	22,910
8	**Total**	**499,393**	**410,163**	**909,556**	**1,282,682**

[1] The increase in RWA calculated under the full standardized approach was mainly driven by higher corporate, sovereign and other exposures during the period.

[2] The increase in market risk was mainly due to increase in credit spread risk (non-securitization), foreign exchange risk and SA-DRC.

13 Comparison of modelled and standardized RWAs (continued)

b. Comparison of modelled and standardized RWAs for credit risk at exposure class level (CMS2)

The following table compares the RWAs calculated according to the STC approach for output floor calculation for credit risk for non-securitization exposures at the exposure class level against the corresponding RWA figure calculated under the approaches, including both the STC approach and IRB approach (including the supervisory slotting criteria approach), used by the AI for calculating its credit risk.

		(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	68,008	10,736	68,016	10,744
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	4,366	–	4,366	–
2	Bank exposures	57,749	90,649	59,185	92,085
3	Equity			842	842
4	Corporate exposures (excluding specialized lending)	162,276	396,912	170,949	405,584
4a	Of which: F-IRB is applied	132,532	361,965	133,823	363,255
4b	Of which: A-IRB is applied	29,744	34,947	37,126	42,329
5	Retail exposures	88,773	174,404	125,949	211,580
5a	Of which: qualifying revolving retail	24,744	23,294	39,265	37,815
5b	Of which: other retail exposures to individuals and small business retail exposures	31,587	26,855	50,170	45,437
5c	Of which: residential mortgages	32,442	124,256	36,514	128,328
6	Corporate exposures – Specialized lending	42,282	68,128	42,502	68,348
6a	Of which: income-producing real estate and high-volatility commercial real estate	20,491	30,089	20,805	30,403
7	Other exposures	80,305	80,305	80,305	80,305
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**	**499,393**	**821,134**	**547,747**	**869,488**

The increase in RWA calculated using full standardized approach was mainly due to increase in corporate and other exposures.

14 Asset Encumbrance (ENC)

The following table presents a breakdown of encumbered and unencumbered assets on the balance sheet.

June 2026

	Encumbered assets	*Unencumbered assets*	*Total*
	HK $'M	*HK $'M*	*HK $'M*
1. Equity instruments	–	80,161	80,161
2. Debt securities	197,763	714,480	912,242
3. Loans and Advances	15,984	1,563,981	1,579,964
4. Other assets	81,215	514,508	595,722
5. Total assets	294,961	2,873,129	3,168,090

December 2025

	Encumbered assets	*Unencumbered assets*	*Total*
	HK $'M	*HK $'M*	*HK $'M*
1. Equity instruments	–	66,695	66,695
2. Debt securities	144,880	688,307	833,187
3. Loans and Advances	16,387	1,466,811	1,483,198
4. Other assets	71,007	443,825	514,832
5. Total assets	232,274	2,665,638	2,897,912

As at 30 June 2026, the Group's encumbered assets was HK$295 billion (31 December 2025: HK$232 billion), mainly as a result of increase in on-balance sheet assets pledged for credit enhancement of transactions from which it cannot be freely withdrawn.

15 Cryptoasset exposures

a. Cryptoasset exposures and RWAs (CAE1)

The following table sets out an overview of the Group's cryptoasset exposures according to the prudential classification of the cryptoassets (groups 1a, 1b, 2a and 2b) and the related RWAs.

		(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*
			Credit risk			*Market risk*	
Currency: (HK$M)		*Total exposure*	*Exposure/ EAD*	*RWA*	*Long exposure*	*Short exposure*	*RWA*
1	Group 1a cryptoassets	631	631	79	157	(35)	
2	Group 1b cryptoassets	–	–	–	–	–	
3	Group 2a cryptoassets	–	–	–	–	–	–
4	Group 2b cryptoassets	–	–	–	–	–	
5	Total	631	631	79	157	(35)	–
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		–				

15 Cryptoasset exposures (continued)

b. Accounting classification of cryptoasset exposures (CAE2)

The following table provides information on the accounting classification and measurement of the Group's cryptoasset exposures.

	(a)	*(b)*	*(c)*	*(d)*
	Carrying values of cryptoasset exposures under scope of regulatory consolidation			
Currency: (HK$M)	*Group 1a*	*Group 1b*	*Group 2a*	*Group 2b*
Assets				
Investment securities	631	–	–	–
Financial assets at fair value through profit or loss	157	–	–	–
Total assets	788	–	–	–
Liabilities				
Financial liabilities at fair value through profit or loss	35	–	–	–
Total liabilities	35	–	–	–

c. Liquidity requirements for cryptoasset exposures – for category 1 institution (CAE3)

The following table presents the key liquidity risk parameters for the relevant categories of cryptoasset exposures that are relevant to the calculation of LCR and NSFR.

		(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*	*(h)*	*(i)*
		Exposure amounts				*Liquidity risk*				
		Cryptoassets		*Cryptoliabilities*			*Cryptoassets*		*Cryptoliabilities*	
Currency: (HK$ M)		*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*
1	Group 1a	787	–	–	–		0%	16%	–	–
1.i	Of which: HQLA instrument	732				10%	0%	12%		
1.ii	Of which: tokenised claims on a bank	–	–	–	–		–	–	–	–
1.iii	Of which: other tokenised assets	55	–	–	–		0%	72%	–	–
2	Stablecoins	–	–	–	–		–	–	–	–
2.i	Of which: group 1b	–	–	–	–		–	–	–	–
2.ii	Of which: group 2	–	–	–	–		–	–	–	–
3	Other group 2	–	–	–	–		–	–	–	–

16 International claims

International claims are on-balance sheet exposures of counterparties based on the location of those counterparties after taking into account the transfer of risk. Recognized risk transfer refers to the reduction of exposure to a particular country by an effective transfer of credit risk to a different country. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated.

International claims on individual countries or segments, after risk transfer, amounting to 10% or more of the aggregated international claims are shown as below:

At 30 June 2026	*Banks*	*Official sector*	*Non-bank financial institution*	*Non-financial private sector*	*Total*
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Developed countries	319,682	123,341	192,236	102,221	737,480
– of which United Kingdom (excludes Guernsey, Isle of Man and Jersey)	243,535	91	82,832	27,009	353,467
Offshore centres	37,643	15,623	72,257	110,393	235,916
– of which Hong Kong SAR	25,453	6,243	51,036	74,431	157,163
Developing Asia and Pacific	149,298	147,791	33,101	167,957	498,147
– of which China	125,584	85,380	26,860	54,228	292,052

17 Loans and advances to customers analysed by industry sector

The analysis of gross loans and advances to customers by industry sector is based on the categories used by the HKMA.

	At 30 June 2026	*% of loans and advances covered by collateral or other securities*
	HK$'M	
Gross loans and advances for use in Hong Kong		
Industrial, commercial and financial		
–Property development	7,349	27%
–Property investment	19,522	76%
–Financial concerns	48,687	30%
–Stockbrokers	4,467	10%
–Wholesale and retail trade	16,563	14%
–Manufacturing	17,449	5%
–Transport and transport equipment	11,558	40%
–Recreational activities	44	–
–Information technology	6,305	1%
–Others	22,001	5%
Individuals		
–Advances for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	998	100%
–Advances for the purchase of other residential properties	243,558	100%
–Credit card advances	32,973	–
–Others	45,407	34%
Total gross loans and advances for use in Hong Kong	476,881	63%
Trade finance	55,828	22%
Trade bills	1,502	2%
Gross loans and advances for use outside Hong Kong	506,664	50%
Gross loans and advances to customers	1,040,875	54%

The above balances do not include inter-company loans and advances.

17 Loans and advances to customers analysed by industry sector (continued)

The amount of impaired and overdue loans and advances to customers and expected credit loss provision for industry sectors which constitute not less than 10% of the Bank and its subsidiaries' total loans and advances to customers are as follows:

	Impaired loans and advances to customers	*Overdue loans and advances to customers*	*Stage 3 expected credit loss provision*	*Stage 1 & 2 expected credit loss provision*	*Provision charge/ (release)*
At 30 June 2026	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Advances for the purchase of other residential properties	389	109	10	2	(7)
Gross loans and advances for use outside Hong Kong	10,654	3,845	4,665	1,769	681

18 Loans and advances to customers by geographical location

The analysis of gross loans and advances to customers by geographical location is in accordance with the location of counterparties, after taking into account of any recognised risk transfer.

	Total gross loans and advances to customers	*Impaired loans and advances to customers*	*Overdue loans and advances to customers*	*Stage 3 expected credit loss provision*	*Stage 1 & 2 expected credit loss provision*
At 30 June 2026	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Hong Kong	423,720	3,265	1,423	1,434	2,569
Mainland China	135,397	3,456	2,550	2,680	276
Taiwan	81,067	688	55	159	177
South Korea	233,270	2,681	1,042	1,543	373
Others	167,421	3,800	195	362	282
Total	**1,040,875**	**13,890**	**5,265**	**6,178**	**3,677**

19 Overdue assets

(i) Overdue loans and advances to customers

	At 30 June 2026	
	HK$'M	*% of loans and advances to customers*
Gross loans and advances to customers which have been overdue with respect to either principal or interest for periods of:		
6 months or less but over 3 months	696	0.07%
1 year or less but over 6 months	578	0.06%
Over 1 year	3,991	0.38%
	5,265	0.51%

	At 30 June 2026
	HK$'M
Fair value of collateral held against the covered portion of overdue loans and advances to customers	1,351
Covered portion of overdue loans and advances to customers	1,287
Uncovered portion of overdue loans and advances to customers	3,978

The covered portion of overdue loans and advances to customers represents the amount of collateral held against outstanding balances. It does not include any collateral held over and above outstanding exposures.

The collateral held in respect of overdue loans and advances to customers consists of cash, properties, securities and government guarantee.

	At 30 June 2026
	HK$'M
Stage 3 expected credit loss provision against loans and advances to customers overdue more than 3 months	3,821

19 Overdue assets (continued)

(ii) Overdue loans and advances to banks

	At 30 June 2026	
	HK$'M	*% of loans and advances to banks*
Gross loans and advances to customers which have been overdue with respect to either principal or interest for periods of:		
6 months or less but over 3 months	–	–
1 year or less but over 6 months	–	–
Over 1 year	17	0.01%
	17	0.01%

There is no collateral held against overdue loans and advances to banks.

	At 30 June 2026 HK$'M
Stage 3 expected credit loss provision against loans and advances to banks overdue more than 3 months	17

As at 30 June 2026, there were no debt securities and other assets overdue more than 3 months.

Repossessed collateral

As at 30 June 2026, the amount of assets obtained by taking possession of collateral held as security was as follows:

	At 30 June 2026 HK$'M
Property, plant and equipment	104

Loan collateral acquired from borrowers due to restructuring or their inability to repay, continues to be recorded as "Loans and advances to customers" in the statement of financial position at the lower of fair value (less costs to sell) and the carrying amount of the loan (net of any impairment allowances), until the collateral is realised.

Repossessed collateral obtained are intended to be realised in an orderly fashion to repay the impaired loans and are not held for the own use of Group.

20 Rescheduled assets

	At 30 June 2026	
	HK$'M	% of loans and advances to customers
Rescheduled loans and advances to customers	3,953	0.38%

Rescheduled loans and advances are those loans and advances, which have been restructured or renegotiated because of a deterioration in the financial position of the borrowers, or the inability of the borrowers to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans and advances to customers are stated net of any loans and advances that have subsequently become overdue for over 3 months and reported as overdue loans and advances in note 19.

As at 30 June 2026, there were no rescheduled loans and advances to banks, debt securities and other assets.

21 Mainland activities

	On-balance sheet exposure HK$'M	Off-balance sheet exposure HK$'M	Total HK$'M
At 30 June 2026			
(i) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	157,456	22,337	179,793
(ii) Local governments, local government-owned entities and their subsidiaries and JVs	10,911	1,911	12,822
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	152,546	39,143	191,689
(iv) Other entities of central government not reported in item (i) above	2,772	353	3,125
(v) Other entities of local governments not reported in item (ii) above	150	48	198
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	15,628	669	16,297
(vii) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	16,200	1,123	17,323
Total	355,663	65,584	421,247
Total assets after provision	2,584,124		
On-balance sheet exposures as percentage of total assets	13.76%		

The off-balance sheet exposure represents the amount at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contractual amounts do not represent future cash flows.

The note is compiled in accordance with the completion instructions of the return of Mainland activities ("MA(BS)20"), and hence only relates to the Bank and SCB China.

22 Off-balance sheet exposures – Contingent liabilities and commitments

	At 30 June 2026 *HK$'M*
Contractual or notional amounts	
Direct credit substitutes	47,938
Transaction-related contingencies	61,422
Trade-related contingencies	14,660
Forward asset purchase	99
Other commitments:	
which are not unconditionally cancellable:	
with original maturity of not more than one year	29,684
with original maturity of more than one year	150,605
which are unconditionally cancellable	661,586
Total	**965,994**
Risk-weighted amounts	**95,588**

Contingent liabilities and commitments are credit-related instruments, which include letters of credit, guarantees and commitments to extend credit The risk involved is similar to the credit risk involved in extending loan facilities to customers These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client defaults As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

23 Foreign exchange risk

The Group had the following non-structural foreign currency positions which exceeded 10% of the net non-structural position in all foreign currencies:

	Consolidated
	At
	30 June 2026
US dollars exposure	*HK$'M*
Spot assets	971,590
Spot liabilities	(1,041,248)
Forward purchases	5,356,051
Forward sales	(5,281,366)
Net option position (note)	2,466
Net long non-structural position	7,493
South Korean Won exposure	
Spot assets	534,443
Spot liabilities	(500,669)
Forward purchases	1,166,583
Forward sales	(1,213,743)
Net option position (note)	(738)
Net short non-structural position	(14,124)

(note) Net option position is calculated on the basis of delta-weighted positions of foreign exchange options contracts.

The Group had the following structural foreign currency positions which exceeded 10% of the net structural position in all foreign currencies:

	At
	30 June 2026
	HK$'M
US dollars	22,489
Chinese Renminbi	44,713
South Korean Won	19,708

Acronyms

AI	Authorized institution
AIRB	Advanced internal ratings-based approach
ALCO	Asset and Liability Committee
ASA	Alternative standardized approach
ASF	Available stable funding
AT1	Additional tier 1
Bank	Standard Chartered Bank (Hong Kong) Limited
BCBS	Basel Committee on Banking Supervision
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BIA	Basic indicator approach
BSC	Basic approach
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CEM	Current exposure method
CET1	Common equity tier 1
CF	Commodities finance
CIS	Collective investment scheme
CRC	Comprehensive risk charge
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
D-SIB	Domestic systematically important authorized institution
DTAs	Deferred tax assets
EAD	Exposure at default
EL	Expected loss
EPE	Expected positive exposure
FBA	Fall-back approach
FIRB	Foundation internal ratings-based approach
G-SIB	Global systematically important bank
HKMA	Hong Kong Monetary Authority
HVCRE	High-volatility commercial real estate
HQLA	High quality liquid assets
IMM	Internal models approach
IMM (CCR)	Internal models (counterparty credit risk) approach
ICAAP	Internal Capital Adequacy Assessment Process
IPRE	Income-producing real estate
IRB	Internal ratings-based approach
IRC	Incremental risk charge
JCCyB	Jurisdictional countercyclical capital buffer
JVs	Joint ventures
LAC	Loss-absorbing capacity
LCR	Liquidity coverage ratio
LGD	Loss given default
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look through approach
MBA	Mandate-based approach
MSRs	Mortgage servicing rights
N/A	Not applicable
NSFR	Net stable funding ratio
OF	Object finance
OTC	Over-the-counter
PD	Probability of default
PF	Project finance
PFE	Potential future exposure
PRC	People's Republic of China
PVA	Prudential Valuation Adjustments
PSE	Public sector entity
QRRE	Qualifying revolving retail exposures
RC	Replacement cost
RSF	Required stable funding
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
S&P	Standard & Poor's
SA-CCR	Standardized approach for counterparty credit risk
SEC-ERBA	Securitization external ratings-based approach
SEC-FBA	Securitization fall back approach
SEC-IRBA	Securitization internal ratings-based approach
SEC-SA	Securitization standardized approach
SFT	Securities financing transaction
SME	Small and Medium Enterprises
SRW	Supervisory risk-weights
STC	Standardized (credit risk) approach
STM	Standardized (market risk) approach
STO	Standardized (operational risk) approach
VaR	Value at risk