

Standard Chartered Bank
(Hong Kong) Limited

Supplementary Notes to
Condensed Consolidated Interim
Financial Statements (unaudited)

For period ended
At 30 June 2025

Standard Chartered Bank (Hong Kong) Limited

Table of Contents

	<i>Page</i>
1 Basis of consolidation and preparation	1
2 Key prudential ratios and metrics	4
a. Key Prudential ratios (KM1)	4
b. Key metrics – LAC requirements for the Group (at LAC consolidation group level) (KM2(A))	5
c. Key metrics – TLAC requirements for non-HK resolution entity (at resolution group level) (KM2(B))	6
3 Overview of risk-weighted amount (“RWA”) (OV1)	7
4 Composition of regulatory capital	8
a. Composition of regulatory capital (CC1)	8
b. Reconciliation between accounting and regulatory balance sheets (CC2)	16
c. Main features of regulatory capital instruments (CCA) and non-capital LAC debt instruments (CCA(A))	18
d. LAC composition of the bank (at LAC consolidation group level) (TLAC1(A))	69
e. Creditor ranking of the bank at legal entity level (TLAC2)	71
5 Macprudential supervisory measures	72
Geographical distribution of credit exposures used in countercyclical capital buffer (CCyB1)	72
6 Leverage Ratio	73
a. Summary comparison of accounting asset against leverage ratio exposure measure (LR1)	73
b. Leverage ratio (LR2)	74
7 Liquidity	76
a. Liquidity Coverage Ratio – for category 1 institution (LIQ1)	76
b. Net Stable Funding Ratio – for category 1 institution (LIQ2)	78

	<i>Page</i>
8 Credit risk for non-securitization exposures	82
a. Credit quality of exposures (CR1)	82
b. Changes in defaulted loans and debt securities (CR2)	83
c. Overview of recognized credit risk mitigation (CR3)	83
d. Credit risk exposures and effects of recognized credit risk mitigation – for STC approach (CR4)	84
e. Credit risk exposures by exposure classes and by risk weights – for STC approach (CR5)	85
f. Credit risk exposures by portfolio and PD ranges – for IRB approach (CR6)	89
g. Effects on RWA of recognized credit derivative contracts used as recognized credit risk mitigation – for IRB approach (CR7)	94
h. RWA flow statements of credit risk exposures under IRB approach (CR8)	95
i. Specialized lending under supervisory slotting criteria approach – for IRB approach (CR10)	95
9 Counterparty Credit risk	96
a. Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches (CCR1)	96
b. Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach (CCR3)	96
c. Counterparty credit risk exposures (other than those to CCPs) by portfolio and PD range – for IRB approach (CCR4)	97
d. Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs) (CCR5)	99
e. Credit-related derivatives contracts (CCR6)	99
f. Exposures to CCPs (CCR8)	100
10 Credit valuation adjustment risk	100
a. CVA risk under reduced basic CVA approach (CVA1)	100

	<i>Page</i>
11 Securitization exposures	101
a. Securitization exposures in banking book (SEC1)	101
b. Securitization exposures in trading book (SEC2)	101
c. Securitization exposures in banking book and associated capital requirements – where AI acts as originator (SEC3)	102
d. Securitization exposures in banking book and associated capital requirements – where AI acts as investor (SEC4)	102
12 Market Risk	103
a. Market risk under STM approach (MR1)	103
13 Comparison of modelled and standardized RWAs	104
a. Comparison of modelled and standardized RWAs at risk level (CMS1)	104
b. Comparison of modelled and standardized RWAs for credit risk at exposure class level (CMS2)	105
14 Asset encumbrance (ENC)	106
15 International claims	106
16 Loans and advances to customers analysed by industry sector	107
17 Loans and advances to customers by geographical location	108
18 Overdue assets	109
19 Rescheduled assets	111
20 Mainland activities	111
21 Off-balance sheet exposures – Contingent liabilities and commitments	112
22 Foreign exchange risk	113

Supplementary Notes to Condensed Consolidated Interim Financial Statement (unaudited)

These notes are supplementary to and should be read in conjunction with the 2025 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 2025.

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:

Name of Company	Principal activity	30 June 2025	
		Total assets HK\$'M	Total equity HK\$'M
Prunelli Asset Purchaser HK Limited	Asset-backed securitization	7,088	–
Standard Chartered Securities Korea Limited	Provision of security trading, underwriting and brokerage transactions	1,837	1,785
Standard Chartered Securities (China) Limited	Securities business	1,098	833
Standard Chartered Securities (Hong Kong) Limited	Equity capital markets, corporate finance and institutional brokerage	138	132
Anchorpoint Financial Limited	Issuance of Stablecoins	93	93
Standard Chartered Trust (HK) Limited	Trustee services	8	8
Horsford Nominees Limited	Nominees services	–	–
		<u>10,262</u>	<u>2,851</u>

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 2025 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 2025. 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 24 October 2024.

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 2025 HK\$'M	(b) At 31 March 2025 HK\$'M	(c) At 31 December 2024 HK\$'M	(d) At 30 September 2024 HK\$'M	(e) At 30 June 2024 HK\$'M
Regulatory capital (amount)					
1 Common Equity Tier 1 (CET1)	157,448	153,682	150,675	153,641	145,990
2 Tier 1 ¹	194,921	184,883	174,108	179,031	166,681
3 Total capital ¹	213,818	204,728	184,679	193,559	180,610
RWA (amount)					
4 Total RWA	827,241	807,806	853,572	897,294	895,259
4a Total RWA (pre-floor)	827,241	807,806			
Risk-based regulatory capital ratios (as a percentage of RWA)					
5 CET1 ratio (%)	19.0%	19.0%	17.7%	17.1%	16.3%
5a CET1 ratio (%) (pre-floor ratio)	19.0%	19.0%			
6 Tier 1 ratio (%) ²	23.6%	22.9%	20.4%	20.0%	18.6%
6a Tier 1 ratio (%) (pre-floor ratio) ²	23.6%	22.9%			
7 Total capital ratio (%) ²	25.8%	25.3%	21.6%	21.6%	20.2%
7a Total capital ratio (%) (pre-floor ratio) ²	25.8%	25.3%			
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 (%)	0.5%	0.5%	0.5%	0.6%	0.6%
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 (%)	4.5%	4.5%	4.5%	4.6%	4.6%
12 CET1 available after meeting the AI's minimum capital requirements (%)	14.5%	14.5%	13.2%	12.6%	11.8%
Basel III leverage ratio					
13 Total leverage ratio (LR) exposure measure ³	2,937,587	2,730,477	2,617,747	2,814,386	2,699,713
13a LR exposure measure based on mean values of gross assets of SFTs ³	2,919,448	2,765,436			
14 LR (%)	6.6%	6.8%	6.7%	6.4%	6.2%
14a LR (%) based on mean values of gross assets of SFTs	6.7%	6.7%			
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)					
Applicable to category 1 institution only:					
15 Total high quality liquid assets (HQLA)	574,471	509,260	480,160	536,939	534,304
16 Total net cash outflows	279,632	270,191	237,664	272,163	286,898
17 LCR (%) ⁴	205%	189%	206%	200%	189%
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	1,712,277	1,594,122	1,533,197	1,550,769	1,513,168
19 Total required stable funding	1,224,597	1,184,979	1,142,548	1,106,588	1,079,295
20 NSFR (%)	140%	135%	134%	140%	140%
Applicable to category 2A institution only:					
20a CFR (%)	N/A	N/A	N/A	N/A	N/A

¹ Increase in Tier 1 and total capital were mainly due to issuance of new AT1 instrument.

² Increase in regulatory capital ratios were due to the increase in regulatory capital.

³ Increase in total leverage ratio exposure measure was in line with the balance sheet movement.

⁴ 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 2025 HK\$'M	(b) At 31 March 2025 HK\$'M	(c) At 31 December 2024 HK\$'M	(d) At 30 September 2024 HK\$'M	(e) At 30 June 2024 HK\$'M
	Of the material entity at LAC consolidation group level					
1	Internal loss-absorbing capacity available ¹	244,398	234,141	213,643	223,236	201,111
2	Risk-weighted amount under the LAC Rules	827,241	807,806	853,572	897,294	895,259
3	Internal LAC risk-weighted ratio ¹	29.5%	29.0%	25.0%	24.9%	22.5%
4	Exposure measure under the LAC Rules ²	2,937,587	2,730,477	2,617,747	2,814,386	2,699,713
5	Internal LAC leverage ratio ²	8.3%	8.6%	8.2%	7.9%	7.4%
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 FSB TLAC 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 Increase in internal loss-absorbing capacity available and internal LAC risk-weighted ratio were in line with the increase in total capital and total capital ratio respectively.

² Increase in exposure measure under the LAC Rules and internal LAC leverage ratio were in line with the increase in leverage exposures and leverage ratio respectively.

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.

		<i>At 30 June 2025 US\$'M</i>	<i>At 31 March 2025 US\$'M</i>	<i>At 31 December 2024 US\$'M</i>	<i>At 30 September 2024 US\$'M</i>	<i>At 30 June 2024 US\$'M</i>
	Of the non-HK resolution entity at resolution group level					
1	External loss-absorbing capacity available	86,574	85,180	84,563	86,983	85,746
2	Total risk-weighted amount under the relevant non-HK LAC regime	259,684	253,596	247,065	248,924	241,926
3	External loss-absorbing capacity as a percentage of risk-weighted amount	33.3%	33.6%	34.2%	34.9%	35.4%
4	Leverage ratio exposure measure under the relevant non-HK LAC regime	933,234	909,072	868,344	899,169	877,773
5	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	9.3%	9.4%	9.7%	9.7%	9.8%
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) At 31 March 2025 HK\$'M	(c) Minimum capital requirements At 30 June 2025 HK\$'M
		At 30 June 2025 HK\$'M	At 31 March 2025 HK\$'M	At 30 June 2025 HK\$'M
1	Credit risk for non-securitization exposures	536,608	528,885	42,928
2	Of which STC approach	37,349	42,509	2,988
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	181,739	170,629	14,539
4	Of which supervisory slotting criteria approach	23,627	22,404	1,890
5	Of which advanced IRB approach	103,288	95,139	8,263
5a	Of which retail IRB approach	114,953	113,839	9,196
5b	Of which specific risk-weight approach	75,652	84,365	6,052
6	Counterparty credit risk and default fund contributions	37,045	43,054	2,963
7	Of which SA-CCR	31,815	37,725	2,545
7a	Of which CEM	–	–	–
8	Of which IMM (CCR) approach	–	–	–
9	Of which others	5,230	5,329	418
10	CVA risk	21,840	25,123	1,747
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	358	357	29
13	CIS exposures – mandate-based approach	–	–	–
14	CIS exposures – fall-back approach	–	–	–
14a	CIS exposures – combination of approaches	–	–	–
15	Settlement risk	69	179	6
16	Securitization exposures in banking book	5,983	6,252	478
17	Of which SEC-IRBA	838	1,009	67
18	Of which SEC-ERBA (including IAA)	4,405	4,394	352
19	Of which SEC-SA	740	849	59
19a	Of which SEC-FBA	–	–	–
20	Market risk	114,975	101,634	9,198
21	Of which STM approach	114,975	101,634	9,198
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	88,218	86,393	7,057
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	22,473	16,248	1,798
26	Output floor level applied	50%	50%	
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	328	319	26
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	328	319	26
29	Total	827,241	807,806	66,178

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

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 2025		(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	102,362	(22)
3	Disclosed reserves	7,756	(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)	336	(25)
6	CET1 capital before regulatory adjustments¹	175,479	
CET1 capital: regulatory deductions			
7	Valuation adjustments	1,404	
8	Goodwill (net of associated deferred tax liabilities)	5,916	(4)
9	Other intangible assets (net of associated deferred tax liabilities)	6,021	(5)+(6)
10	Deferred tax assets (net of associated deferred tax liabilities)	1,996	(8)
11	Cash flow hedge reserve	1,749	(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	(375)	–(10)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	245	(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 2025		(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	1,075	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	596	(23)
26b	Regulatory reserve for general banking risks	479	(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	18,031	
29	CET1 capital¹	157,448	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium ²	37,437	(13)
31	of which: classified as equity under applicable accounting standards	37,437	
32	of which: classified as liabilities under applicable accounting standards	–	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	36	(26)

4 Composition of regulatory capital (continued)

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

At 30 June 2025		(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 deductions²	37,473	
	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	37,473	
45	Tier 1 capital (T1 = CET1 + AT1)³	194,921	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	14,704	(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)	46	(27)
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	3,879	(29)+(30)
51	Tier 2 capital before regulatory deductions	18,629	
	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)

		(a)	(b)
	At 30 June 2025	HK\$'M	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	(268)	
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	(268)	
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	(268)	
58	Tier 2 capital (T2)⁴	18,897	
59	Total regulatory capital (TC = T1 + T2)⁵	213,818	
60	Total RWA⁶	827,241	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio⁷	19.03%	
62	Tier 1 capital ratio⁷	23.56%	
63	Total capital ratio⁷	25.85%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	4.53%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	0.53%	
67	of which: higher loss absorbency requirement	1.50%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements⁷	14.53%	
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)

		(a)	(b)
	At 30 June 2025	HK\$M	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	2,568	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	6,422	(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)	663	(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	827	
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)	3,216	(30)
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	3,211	

¹ The increase in CET1 capital was mainly contributed by increase in disclosed reserves compared to FY2024.

² The movement was mainly due to issuance of new AT1 instruments.

³ The increase in Tier 1 capital was mainly due to increase in CET1 capital and issuance of new AT1 instruments.

⁴ The increase in Tier 2 capital was mainly due to issuance of new T2 instrument.

⁵ The increase in total regulatory capital was mainly due to increase in Tier 1 capital and issuance of new T2 instruments.

⁶ Decrease in total RWA was mainly due to decrease in credit risk and operational risk RWA.

⁷ Increase in risk-based regulatory capital ratios were mainly due to increase in regulatory capital and decrease 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 2025	
		Hong Kong basis	Basel III basis
		HK\$'M	HK\$'M
Description			
9	Other intangible assets (net of associated deferred tax liabilities)	6,021	6,021

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)	1,996	150
----	---	-------	-----

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)

		At 30 June 2025	
		Hong Kong basis	Basel III basis
Description		HK\$'M	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)

		At 30 June 2025	
		Hong Kong basis	Basel III basis
	Description	HK\$'M	HK\$'M
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–

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) <i>Consolidated balance sheet as in published financial statements (At 30 June 2025) HK\$'M</i>	(b) <i>Under regulatory scope of consolidation (At 30 June 2025) HK\$'M</i>	(c) <i>Cross reference to note 4a (CC1)</i>
Assets			
Cash and balances at central banks	94,436	94,436	
Loans and advances to banks	138,432	138,296	
Hong Kong SAR Government certificates of indebtedness	49,941	49,941	
Financial assets at fair value through profit or loss	711,803	710,924	
Investment securities	426,564	426,564	
Loans and advances to customers	1,025,316	1,025,316	
Amounts due from fellow subsidiaries	283,803	283,779	
Amounts due from immediate holding company	24	24	
Amounts due from subsidiaries of the Bank	–	–	
of which: significant capital investments in financial sector entities that are outside the scope of regulatory consolidation	–	–	(1)
Investment in subsidiaries of the Bank	–	3,221	
of which: significant capital investments in financial sector entities that are outside the scope of regulatory consolidation ¹	–	3,254	(2)
Interest in an associate	6,548	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	10,344	10,263	
Goodwill and intangible assets	13,171	13,127	
of which: goodwill	–	5,916	(4)
of which: other intangible assets	–	7,211	(5)
Current tax assets	195	195	
Deferred tax assets	791	772	
of which: deferred tax liabilities relating to intangible assets	–	(1,190)	(6)
of which: deferred tax liabilities related to defined benefit pension fund net assets	–	(34)	(7)
of which: other deferred tax assets	–	1,996	(8)
Other assets	138,100	138,063	
of which: defined benefit pension fund net assets	–	279	(9)
	2,899,468	2,898,089	

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) <i>Consolidated balance sheet as in published financial statements (At 30 June 2025) HK\$'M</i>	(b) <i>Under regulatory scope of consolidation (At 30 June 2025) HK\$'M</i>	(c) <i>Cross reference to note 4a (CC1)</i>
Liabilities			
Hong Kong SAR currency notes in circulation	49,941	49,941	
Deposits by banks	31,829	31,675	
Customer accounts	2,018,856	2,018,788	
Financial liabilities at fair value through profit or loss	274,773	274,773	
of which: gains or losses due to changes in own credit risk	–	375	(10)
Debt securities in issue	20,359	20,359	
Amounts due to immediate holding company	50,410	50,410	
of which: subordinated liabilities eligible for inclusion in regulatory capital	–	14,704	(11)
Amounts due to fellow subsidiaries	125,204	117,686	
Amounts due to subsidiaries of the Bank	–	9,418	
Current tax liabilities	2,723	2,723	
Deferred tax liabilities	1,441	1,441	
Other liabilities	107,800	107,747	
	2,683,336	2,684,961	
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	37,437	37,437	
of which: amount eligible for AT1	–	37,437	(13)
Reserves	113,122	110,118	
of which: Cumulative cash flow hedge reserve that relate to the hedging of financial instruments that are not fair valued on the balance sheet	–	1,749	(14)
of which: Cumulative cash flow hedge reserves that relate to the hedging of financial instruments that are fair valued on the balance sheet	–	52	(15)
of which: FVOCI reserve – Equity	–	3	(16)
of which: FVOCI reserve – Debt	–	1,259	(17)
of which: Exchange reserve	–	(9,114)	(18)
of which: Share option equity reserve	–	(101)	(19)
of which: Own credit adjustment reserve	–	(375)	(20)
of which: Other reserves	–	14,283	(21)
of which: Retained profits	–	102,362	(22)
of which: Cumulative fair value gains arising from the revaluation of land and buildings (audited)	–	596	(23)
of which: Regulatory reserve for general banking risks	–	479	(24)
Non-controlling interests	548	548	
of which: portion allowable in CET1 capital	–	336	(25)
of which: portion allowable in AT1 capital	–	36	(26)
of which: portion allowable in T2 capital	–	46	(27)
Total equity	216,132	213,128	
Total liabilities and equity	2,899,468	2,898,089	

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 2025		
	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\$900 million Floating Rate Undated Additional Tier 1 Capital Securities	US\$900m	7,031	7,031
US\$1,000 million Fixed Rate Undated Additional Tier 1 Capital Securities ¹	US\$1,000m	7,750	7,750
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	7,784	7,784
US\$800 million Floating Rate Undated Additional Tier 1 Capital Securities	US\$800m	6,270	6,270
Tier 2 capital instruments			
Fixed rate (1.20%) Tier 2 Notes due 2031, callable from 2026	EUR1,000m	8,950	8,950
US\$700 million Fixed rate (6.673%) Tier 2 Notes due to 2040, callable from 2035	US\$700m	5,754	5,754
(ii) Only LAC (but not regulatory capital) requirements			
Non-capital LAC Debt Instruments			
US\$1,500 million 1.456 per cent Notes due 2027	US\$1,500m	Nil	11,700
US\$1,250 million 2.608 per cent Notes due 2028	US\$1,250m	Nil	9,475
EUR1,000 million 4.196 per cent Notes due 2032	EUR1,000m	Nil	9,405

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.

Footnote:

¹ On 26 July 2025, the Group early redeemed the fixed rate undated Additional Tier 1 capital securities amounting to US\$1,000 million (HK\$7,750 million)

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
<i>Regulatory treatment</i>		
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
	<i>Coupons/dividends</i>	
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\$900 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
<i>Regulatory treatment</i>		
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)	HKD7,031 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,031 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD900 Million
10	Accounting classification	Shareholders' equity
11	Original date of issuance	24 June 2019
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\$900 million Floating Rate Undated Additional Tier 1 Capital Securities (continued)

15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 12 April 2026 Early 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 <i>Coupons/dividends</i>	N/A
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	SOFR + 0.26161 per cent + 4.48 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\$900 million Floating Rate Undated Additional Tier 1 Capital Securities (continued)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	---

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\$900 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
<i>Regulatory treatment</i>		
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)	HKD7,750 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,750 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	30 June 2020
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes

Footnote:

¹ Include solo-consolidated

² On 26 July 2025, the Group early redeemed the fixed rate undated Additional Tier 1 capital securities amounting to US\$1,000 million (HK\$7,750 million)

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: 26 July 2025 to first reset date 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 <i>Coupons/dividends</i>	Any reset date thereafter
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.00 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

² On 26 July 2025, the Group early redeemed the fixed rate undated Additional Tier 1 capital securities amounting to US\$1,000 million (HK\$7,750 million)

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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

Footnote:

¹ Include solo-consolidated

² On 26 July 2025, the Group early redeemed the fixed rate undated Additional Tier 1 capital securities amounting to US\$1,000 million (HK\$7,750 million)

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

² On 26 July 2025, the Group early redeemed the fixed rate undated Additional Tier 1 capital securities amounting to US\$1,000 million (HK\$7,750 million)

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
<i>Regulatory treatment</i>		
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 <i>Coupons/dividends</i>	Each distribution payment date thereafter
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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

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
<i>Regulatory treatment</i>		
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 <i>Coupons/dividends</i>	Each reset date thereafter
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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

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
<i>Regulatory treatment</i>		
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
<i>Coupons/dividends</i>		
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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

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
<i>Regulatory treatment</i>		
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)	HKD7,784 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD7,784 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 <i>Coupons/dividends</i>	Any Reset Date thereafter
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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

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
<i>Regulatory treatment</i>		
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
	<i>Coupons/dividends</i>	
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)

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	--

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)

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
<i>Regulatory treatment</i>		
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)	HKD8,950 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD8,950 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)

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
	<i>Coupons/dividends</i>	
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)

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

<p>31 If write-down, write-down trigger(s)</p>	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
--	---

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)

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
<i>Regulatory treatment</i>		
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)	HKD5,754 Million
8a	Amount recognised in loss-absorbing capacity (currency in millions, as of most recent reporting date)	HKD5,754 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 <i>Coupons/dividends</i>	Not applicable
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)	<p>Upon a Loss Absorption Event or Non-Viability Event.</p> <p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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;</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event</p> <p>“Non-Viability Event” means the earlier of:</p> <p>(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</p> <p>(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</p>
---	--

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)

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

US\$1,500 million 1.456 per cent Notes due 2027

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
<i>Regulatory treatment</i>		
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)	HKD11,700 Million
9	Par value of instrument	Issue price at 100 per cent of the Aggregate Nominal Amount of USD1,500 Million
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	14 January 2021
12	Perpetual or dated	Dated
13	Original maturity date	14 January 2027
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\$1,500 million 1.456 per cent Notes due 2027 (continued)

15	Optional call date, contingent call dates and redemption amount	Optional call date: 14 January 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. US\$1,000 per Calculation amount
16	Subsequent call dates, if applicable	N/A
	<i>Coupons/dividends</i>	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	1.456 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\$1,500 million 1.456 per cent Notes due 2027 (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\$1,500 million 1.456 per cent Notes due 2027 (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\$1,250 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
<i>Regulatory treatment</i>		
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)	HKD9,475 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
	<i>Coupons/dividends</i>	
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
	<p>“Loss Absorption Event” means:</p> <p>(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</p> <p>(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:</p> <p>(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</p> <p>(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</p> <p>or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p>

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
<i>Regulatory treatment</i>		
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)	HKD9,405 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
	<i>Coupons/dividends</i>	
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.
	<p data-bbox="845 616 1181 649">“Loss Absorption Event” means:</p> <p data-bbox="845 683 1407 1041">(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</p> <p data-bbox="845 1075 1407 1254">(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:</p> <p data-bbox="845 1288 1407 1444">(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</p> <p data-bbox="845 1478 1407 1691">(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;</p> <p data-bbox="845 1724 1407 1800">or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event.</p>

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)

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 ¹	157,448
2	Additional Tier 1 ("AT1") capital before LAC adjustments ²	37,473
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 ²	37,473
6	Tier 2 ("T2") capital before LAC adjustments ³	18,897
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 ³	18,897
11	Internal loss-absorbing capacity arising from regulatory capital	213,818
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	30,580
17	Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments	30,580
Non-regulatory capital elements of internal loss-absorbing capacity: adjustments		
18	Internal loss-absorbing capacity before deductions	244,398
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	244,398

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 ⁴	827,241
24	Exposure measure under the LAC Rules ⁵	2,937,587
Internal LAC ratios and buffers		
25	Internal LAC risk-weighted ratio ⁶	29.5%
26	Internal LAC leverage ratio	8.3%
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 ⁶	13.8%
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)	4.5%
29	Of which: capital conservation buffer requirement	2.5%
30	Of which: institution-specific countercyclical capital buffer requirement	0.5%
31	Of which: higher loss absorbency requirement	1.5%

¹ The increase in CET1 capital was mainly contributed by increase in disclosed reserves.

² The increase was mainly due to issuance of new AT1 instruments.

³ The increase was mainly due to issuance of new T2 instrument.

⁴ Decrease in total RWA was mainly due to decrease in credit risk and operational risk RWA.

⁵ Increase in total leverage ratio exposure measure was in line with the balance sheet movement.

⁶ Increase in regulatory capital ratios were due to the increase in regulatory capital and decrease in RWA.

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				Sum of 1 to 4
		1 (most junior)	2	3	4 (most senior)	
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	37,438	14,704	30,580	147,747
4	Subset of row 3 that are excluded liabilities	–	–	–	–	–
5	Total capital and liabilities less excluded liabilities	65,025	37,438	14,704	30,580	147,747
6	Subset of row 5 that are eligible as internal loss-absorbing capacity	65,025	37,438	14,704	30,580	147,747
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	–	–	–	11,700	11,700
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	–	–	–	9,475	9,475
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	–	–	8,950	9,405	18,355
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	5,754	–	5,754
11	Subset of row 6 that is perpetual securities	65,025	37,438	–	–	102,463

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 Macprudential 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 2025

In HKD million

	<i>Geographical breakdown by Jurisdiction (J)</i>	<i>Applicable JCCyB ratio in effect (%)</i>	<i>RWA used in computation of CCyB ratio</i>	<i>AI-specific CCyB ratio (%)</i>	<i>CCyB amount</i>
1	Hong Kong	0.500%	181,523		
2	Australia	1.000%	5,311		
3	Belgium	1.000%	66		
4	Denmark	2.500%	88		
5	France	1.000%	40		
6	Germany	0.750%	939		
7	Ireland	1.500%	2,593		
8	Luxembourg	0.500%	3,283		
9	Netherlands	2.000%	3,674		
10	Norway	2.500%	1		
11	South Korea	1.000%	100,808		
12	Sweden	2.000%	716		
13	United Kingdom	2.000%	17,387		
14	Sum ¹		316,429		
15	Total²		470,458	0.5250%	4,343

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 (15) 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 2025		(a) Value under the Leverage Ratio framework (HK\$'M)
1	Total consolidated assets as per published financial statements	2,899,468
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(1,379)
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	11,635
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	8,383
10	Adjustment for off-balance sheet (“OBS”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	157,102
11	Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure	(19,047)
12	Other adjustments	(118,575)
13	Leverage ratio exposure measure	2,937,587

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 total assets was mainly due to the increase in loans and advances to customers, amounts due from fellow subsidiaries, investment securities and other assets.

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 2025	At 31 March 2025
		HK\$'M	HK\$'M
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	2,665,720	2,439,887
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	(24,917)	(18,916)
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	(296,755)	(264,847)
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(17,308)	(16,422)
6	Less: Asset amounts deducted in determining Tier 1 capital	(18,406)	(16,514)
7	Total on-balance sheet exposures (excluding derivatives contracts and SFTs) (sum of rows 1 to 6)¹	2,308,334	2,123,188
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)	35,485	44,732
9	Add-on amounts for PFE associated with all derivatives contracts	120,164	117,378
10	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit-related derivative contracts	29,284	22,937
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	(17,585)	(16,670)
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	167,348	168,377
Exposure arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	296,755	268,875
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	8,383	5,586
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs (sum of rows 14 to 17)	305,138	274,461

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)	(b)
		At 30 June 2025	At 31 March 2025
		HK\$'M	HK\$'M
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	759,591	792,475
20	Less: Adjustments for conversion to credit equivalent amounts	(602,489)	(627,706)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(335)	(318)
22	Off-balance sheet items (sum of rows 19 to 21)	156,767	164,451
Capital and total exposures			
23	Tier 1 capital	194,921	184,883
24	Total exposures (sum of rows 7, 13, 18 and 22)¹	2,937,587	2,730,477
Leverage ratio			
25 & 25a	Leverage ratio	6.64%	6.77%
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	278,616	303,834
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	296,755	268,875
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)	2,919,448	2,765,436
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)	6.68%	6.69%

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

¹ Increase in on-balance sheet exposures and total exposures were mainly due to the increase in trading assets, liquid assets and customer loans.

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 2025 and 30 June 2025 are 72 and 71.

Basis of disclosure: Consolidated

		Q2 2025 Currency: (HK\$mil)		Q1 2025 Currency: (HK\$mil)	
		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)		574,471		509,260
B. CASH OUTFLOWS					
2	Retail deposits and small business funding, of which:	1,062,831	80,473	1,002,311	75,437
3	Stable retail deposits and stable small business funding	188,131	9,407	189,834	9,492
4	Less stable retail deposits and less stable small business funding	546,622	54,662	506,407	50,641
4a	Retail term deposits and small business term funding	328,078	16,404	306,070	15,304
5	Unsecured wholesale funding (other than small business funding) and debt securities and prescribed instruments issued by the institution, of which:	873,137	370,796	806,684	337,576
6	Operational deposits	400,628	99,483	365,869	90,911
7	Unsecured wholesale funding (other than small business funding) not covered in Row 6	465,896	264,700	437,568	243,418
8	Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period	6,613	6,613	3,247	3,247
9	Secured funding transactions (including securities swap transactions)		1,548		6,550
10	Additional requirements, of which:	369,089	81,242	344,229	69,107
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	51,535	44,771	34,509	34,389
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	345	345	180	180
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	317,209	36,126	309,540	34,538
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	57,093	57,093	57,265	57,265
15	Other contingent funding obligations (whether contractual or non-contractual)	585,829	3,400	575,708	3,164
16	TOTAL CASH OUTFLOWS		594,552		549,099
C. CASH INFLOWS					
17	Secured lending transactions (including securities swap transactions)	123,793	33,182	123,009	29,313
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	256,284	175,571	241,431	159,475
19	Other cash inflows	112,786	106,167	97,848	90,120
20	TOTAL CASH INFLOWS	492,863	314,920	462,288	278,908
D. LIQUIDITY COVERAGE RATIO		ADJUSTED VALUE		ADJUSTED VALUE	
21	TOTAL HQLA		574,471		509,260
22	TOTAL NET CASH OUTFLOWS		279,632		270,191
23	LCR (%)		205%		189%

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 2025. The average LCR was 205% for the quarter ending 30 Jun 2025 (31 Mar 2025: 189%), mainly as a result of increase in commercial surplus due to increase in customer deposits.

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 Management Committee ("Cluster ALCO") and the Country Asset and Liability Management 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.

Majority of the Group's customer deposits are denominated in HKD, USD, CNY and KRW. The Group holds higher USD denominated HQLA due to its significant market depth and ease of conversion in the event of liquidity stress. This is in line with the Alternative Liquidity Approach option prescribed by HKMA. 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 2025

	(a)	(b)	(c)	(d)	(e)
	<i>Unweighted value by residual maturity</i>				<i>Weighted amount</i>
Basis of disclosure: consolidated	<i>No specified term to maturity</i>	<i><6 months or repayable on demand</i>	<i>6 months to < 12 months</i>	<i>12 months or more</i>	
Currency: (HK\$mil)					
A. Available stable funding ("ASF") item					
1 Capital:	215,635	4,387	11,779	36,913	258,437
2 Regulatory capital	215,635	–	–	14,704	230,339
2a Minority interests not covered by row 2	–	–	–	–	–
3 Other capital instruments	–	4,387	11,779	22,209	28,098
4 Retail deposits and small business funding:	–	1,044,034	53,989	12,099	1,009,567
5 Stable deposits		182,585	2,344	380	176,063
6 Less stable deposits		861,449	51,645	11,719	833,504
7 Wholesale funding:		1,058,845	48,608	21,753	430,444
8 Operational deposits		399,427	–	–	199,713
9 Other wholesale funding	–	659,418	48,608	21,753	230,731
10 Liabilities with matching interdependent assets	49,941	–	–	–	–
11 Other liabilities:	110,362	48,543	7,376	10,141	13,829
12 Net derivative liabilities	2,179				
13 All other funding and liabilities not included in the above categories	108,183	48,543	7,376	10,141	13,829
14 Total ASF					1,712,277
B. Required stable funding ("RSF") item					
15 Total HQLA for NSFR purposes				727,573	46,231
16 Deposits held at other financial institutions for operational purposes	–	4,195	–	–	2,098
17 Performing loans and securities:	44,737	684,737	206,367	796,988	990,399
18 Performing loans to financial institutions secured by Level 1 HQLA	–	100,897	2,111	1,210	14,204
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	15,015	247,646	66,874	99,320	185,020
20 Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:	29,722	253,845	59,185	168,768	418,645
21 With a risk-weight of less than or equal to 35% under the STC approach	–	–	–	5,177	5,177
22 Performing residential mortgages, of which:	–	11,540	6,427	426,078	214,864

7 Liquidity (continued)

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

Table 1: LIQ2 for Quarter ending 30th June 2025 (continued)

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				Weighted amount
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	
23	With a risk-weight of less than or equal to 35% under the STC approach	–	10,317	5,505	318,247	214,771
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	70,809	71,770	101,612	157,666
25	Assets with matching interdependent liabilities	49,941	–	–	–	–
26	Other assets:	236,470	64,787	–	75	169,663
27	Physical traded commodities, including gold	27,427				23,314
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	43,506				41,950
29	Net derivative assets	–				–
30	Total derivative liabilities before deduction of variation margin posted	64,545				3,227
31	All other assets not included in the above categories	100,992	64,787	–	75	101,172
32	Off-balance sheet items				913,674	16,206
33	Total RSF					1,224,597
34	Net Stable Funding Ratio (%)					140%

Table 2: LIQ2 for Quarter ending 31st March 2025

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				Weighted amount
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	
A.	Available stable funding ("ASF") item					
1	Capital:	203,706	6,280	11,670	34,611	244,152
2	Regulatory capital	203,706	1,945	–	13,789	217,495
2a	Minority interests not covered by row 2	–	–	–	–	–
3	Other capital instruments	–	4,335	11,670	20,822	26,657
4	Retail deposits and small business funding:	–	980,488	39,779	10,636	937,267
5	Stable deposits		165,756	2,057	328	159,750
6	Less stable deposits		814,732	37,722	10,308	777,517
7	Wholesale funding:		962,267	39,727	20,118	399,140
8	Operational deposits		361,612	–	–	180,806
9	Other wholesale funding	–	600,655	39,727	20,118	218,334

7 Liquidity (continued)

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

Table 2: LIQ2 for Quarter ending 31st March 2025 (continued)

		(a)	(b)	(c)	(d)	(e)
		Unweighted value by residual maturity				Weighted amount
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	
10	Liabilities with matching interdependent assets	49,711		–	–	–
11	Other liabilities:	95,489	39,528	7,110	10,009	13,564
12	Net derivative liabilities	–				
13	All other funding and liabilities not included in the above categories	95,489	39,528	7,110	10,009	13,564
14	Total ASF					1,594,123
B.	Required stable funding (“RSF”) item					
15	Total HQLA for NSFR purposes				605,281	48,721
16	Deposits held at other financial institutions for operational purposes	–	9,395	–	–	4,698
17	Performing loans and securities:	36,364	664,755	235,570	773,358	977,802
18	Performing loans to financial institutions secured by Level 1 HQLA	–	58,521	1,883	749	8,221
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	9,779	275,037	65,492	109,734	193,515
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:	26,585	240,297	79,889	160,703	406,190
21	With a risk-weight of less than or equal to 35% under the STC approach	–	–	–	4,726	4,726
22	Performing residential mortgages, of which:	–	11,611	6,396	401,740	203,904
23	With a risk-weight of less than or equal to 35% under the STC approach	–	9,659	5,473	301,926	203,818
24	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	–	79,289	81,910	100,432	165,972
25	Assets with matching interdependent liabilities	49,711	–	–	–	–
26	Other assets:	194,804	38,809	–	74	138,078
27	Physical traded commodities, including gold	16,180				13,753
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	32,086				30,528
29	Net derivative assets	8,475				8,475

7 Liquidity (continued)

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

Table 2: LIQ2 for Quarter ending 31st March 2025 (continued)

		(a)	(b)	(c)	(d)	(e)
		<i>Unweighted value by residual maturity</i>				
Basis of disclosure: consolidated Currency: (HK\$mil)		<i>No specified term to maturity</i>	<i><6 months or repayable on demand</i>	<i>6 months to < 12 months</i>	<i>12 months or more</i>	<i>Weighted amount</i>
30	Total derivative liabilities before deduction of variation margin posted	55,780				2,789
31	All other assets not included in the above categories	82,283	38,809	–	74	82,533
32	Off-balance sheet items				914,575	15,679
33	Total RSF					1,184,978
34	Net Stable Funding Ratio (%)					135%

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 complement Liquidity Coverage Ratio (LCR) which measures short-term resilience to liquidity risk. The Group has continuously maintained a healthy NSFR ratio during the first half of 2025, and well above the regulatory requirement minimum of 100%. NSFR was 140% for the quarter ending 30 June 2025 (31 March 2025: 135%), mainly as a result of increase in commercial surplus due to increase in customer deposits.

Composition of AI's interdependent assets and liabilities

Complying with HKMA Banking Liquidity Rules, the Group's interdependent assets and liabilities consist of legal tender notes and certificates of indebtedness, being one of the note-issuing banks in Hong Kong.

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	
	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions	provisions for credit losses on IRB approach exposures	Net values (a+b-c)
At 30 June 2025	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
1 Loans	17,875	1,380,968	17,266	155	556	16,555	1,381,577
2 Debt securities	–	393,972	40	–	–	40	393,932
3 Off-balance sheet exposures	833	922,627	335	–	41	294	923,125
4 Total	18,708	2,697,567	17,641	155	597	16,889	2,698,634

The increase was mainly due to increase in loans and debt securities partially offset by decrease in off-balance sheet exposures.

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 2024)	16,370
2 Loans and debt securities that have defaulted since the last reporting period	3,531
3 Returned to non-defaulted status	(5)
4 Amounts written off	(1,601)
5 Other changes ¹	(420)
6 Defaulted loans and debt securities at end of the current reporting period (30 June 2025)	17,875

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.

	<i>Exposures Unsecured Carrying Amount HK\$'Mn</i>	<i>Exposures to be secured HK\$'Mn</i>	<i>Exposures secured by recognised collateral HK\$'Mn</i>	<i>Exposures secured by recognised guarantees HK\$'Mn</i>	<i>Exposures Secured by Recognised credit derivative contracts HK\$'Mn</i>
At 30 June 2025					
1. Loans	795,338	586,239	463,672	65,546	-
2. Debt Securities	393,789	143	-	143	-
3. Total	1,189,127	586,382	463,672	65,689	-
4. -of which Defaulted	13,673	4,202	3,141	3	-

The increase in exposures to be secured was mainly due to increase in secured loans which was in line with balance sheet movements.

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 2025		(a)	(b)	(c)	(d)	(e)	(f)
		<i>Exposures pre-CCF and pre-CRM</i>		<i>Exposures post-CCF and post-CRM</i>		<i>RWA and RWA density</i>	
Exposure classes		<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>RWA</i>	<i>RWA density</i>
		<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>%</i>
1	Sovereign exposures	2	–	2	–	–	0%
2	Public sector entity exposures	–	–	1,473	391	65	3%
3	Multilateral development bank exposures	27,780	–	27,780	–	–	0%
4	Bank exposures	1,399	22	1,399	22	284	20%
4a	Qualifying non-bank financial institution exposures	–	–	4,152	67	882	21%
6	General corporate exposures	18,449	20,861	9,810	2,042	8,458	71%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	1	–	1	–	1	100%
7	Equity exposures	340	–	340	–	849	250%
8	Retail exposures	39,485	76,551	21,109	7,509	20,822	73%
9	Real estate exposures	17,389	1,603	15,938	304	5,219	32%
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	12,307	48	11,849	19	2,963	25%
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	239	–	82	34%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	995	1	1,027	–	634	62%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	460	1,351	456	285	595	80%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	226	–	113	–	170	150%
9g	Of which: land acquisition, development and construction exposures	1,146	203	–	–	–	0%
10	Defaulted exposures	712	107	712	15	770	106%
12	Total	105,556	99,144	82,715	10,350	37,349	40%

Increase in exposures pre-CCF and pre-CRM was mainly driven by increase in multilateral development bank exposures, and corporate exposures.

Increase in total exposures post-CCF and post-CRM was mainly driven by increase in multilateral development bank 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 2025		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
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	1,537	327	–	–	–	–	1,864

		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	27,780		–	–	–	–	–	27,780

		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	1,421	–	–	–	–	–	–	–	1,421

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
4a	Qualifying non- bank financial institution exposures	4,090	–	–	129	–	–	–	–	4,219

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 2025		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
6	General corporate exposures	1,195	–	2,981		68	6,202	1,406	–	–	11,852
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–		–	–	1	–	–	1

		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		340	–	–	340

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 2025		Total credit exposure amount (post CCF and post-CRM)																								
		45%					75%					100%					Other									
		HK\$'M					HK\$'M					HK\$'M					HK\$'M					HK\$'M				
8	Retail exposures	4,482					21,342					2,762					32					28,618				
		Total credit exposure amount (post-CCF and post-CRM)																								
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other						
		HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M					
9	Real estate exposures	-	5,894	2,065	5,139	-	278	497	17	957		160	583	74	-	158	13	-	113	294	16,242					
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		5,894	2,065	3,454		278	-	17	-		160	-			-			-	-	11,868					
9b	Of which: no loan splitting applied		5,894	2,065	3,454		278	-	17	-		160	-			-			-	-	11,868					
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)				226	-		-		-			-		-		13			-	239					
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	953			31	19	-	24			-	-	1,027					
9g	Of which: no loan splitting applied	-	-		-		-		-	953			31	19		24			-	-	1,027					
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)	-	-		-		-		-				552	55		134			-	-	741					
9l	Of which: no loan splitting applied	-	-		-		-		-				552	55		134			-	-	741					
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)																			113	-	113				
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 2025		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
10	Defaulted exposures		176	374	177	727

At 30 June 2025		(a)	(b)	(c)	(d)
Risk Weight		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M
1	Less than 40%	43,674	67	59.32%	49,923
2	40-70%	4,837	18,105	10.23%	9,499
3	75%	32,602	58,111	10.64%	21,993
4	85%	11,375	18,914	12.44%	6,276
5	90-100%	10,798	3,529	14.54%	4,502
6	105-130%	18	142	10.00%	45
7	150%	1,912	276	33.62%	487
8	250%	340	–	0.00%	340
9	400%	–	–	0.00%	–
10	1250%	–	–	0.00%	–
11	Total exposures	105,556	99,144		93,065

* 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.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
At 30 June 2025	Original on- balance sheet gross exposure HK\$M	Off- balance sheet exposures pre-CCF HK\$M	Average CCF	EAD post-CRM and post-CCF HK\$M	Average PD	Number of obligors	Average LGD	Average maturity	RWA HK\$M	RWA density	EL HK\$M	Provisions HK\$M
Portfolio (i) – Bank												
0.00 to < 0.15	230,396	26,862	40.6%	277,651	0.06%	221	44.7%	0.83	39,204	14%	70	
0.15 to < 0.25	9,673	517	62.6%	9,871	0.22%	40	43.2%	0.90	3,428	35%	9	
0.25 to < 0.50	1,513	17	95.5%	233	0.39%	11	44.5%	2.32	161	69%	–	
0.50 to < 0.75	26,387	201	85.2%	15,940	0.51%	28	18.6%	0.80	3,986	25%	15	
0.75 to < 2.50	8,188	3,617	83.7%	6,318	1.31%	64	44.2%	1.40	6,784	107%	36	
2.50 to < 10.00	588	96	81.6%	281	4.13%	22	45.0%	0.54	396	141%	5	
10.00 to < 100.00	9	4	50.3%	10	13.51%	8	45.0%	0.30	22	215%	1	
100.00 (Default)	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
Sub-total	276,754	31,314	46.4%	310,304	0.11%	394	43.3%	0.85	53,981	17%	136	542
Portfolio (ii) – Corporate – Large corporates												
0.00 to < 0.15	90,033	203,770	18.2%	126,213	0.08%	773	39.2%	1.72	22,452	18%	41	
0.15 to < 0.25	30,086	62,974	14.7%	36,559	0.22%	347	34.9%	1.35	10,321	28%	28	
0.25 to < 0.50	20,975	60,497	18.4%	37,059	0.39%	329	38.1%	1.09	14,570	39%	55	
0.50 to < 0.75	33,529	74,466	18.7%	42,336	0.59%	456	36.7%	1.21	20,367	48%	91	
0.75 to < 2.50	17,953	47,763	21.0%	25,409	1.25%	261	36.7%	1.39	17,339	68%	115	
2.50 to < 10.00	14,682	3,770	14.0%	8,406	3.48%	35	25.6%	1.10	5,832	69%	85	
10.00 to < 100.00	6,537	1,091	39.6%	2,973	23.55%	5	31.3%	2.71	5,147	173%	224	
100.00 (Default)	8,946	383	10.1%	8,985	100.00%	12	39.8%	1.00	–	0%	3,576	
Sub-total	222,741	454,714	18.1%	287,940	3.78%	2,218	37.5%	1.46	96,028	33%	4,215	9,833
Portfolio (iii) – Corporate – Financial Institutions Treated as Corporates												
0.00 to < 0.15	40,440	32,776	26.5%	55,546	0.08%	161	43.4%	1.33	11,705	21%	18	
0.15 to < 0.25	12,428	15,208	21.7%	15,578	0.22%	41	41.7%	1.08	6,262	40%	14	
0.25 to < 0.50	7,244	11,971	14.2%	8,879	0.39%	33	45.0%	1.11	5,446	61%	16	
0.50 to < 0.75	5,956	17,224	11.7%	7,970	0.53%	54	44.5%	1.14	5,579	70%	20	
0.75 to < 2.50	2,480	5,539	13.3%	2,711	1.02%	29	44.8%	1.67	2,700	100%	12	
2.50 to < 10.00	–	288	10.2%	29	3.46%	5	42.6%	1.00	38	130%	–	
10.00 to < 100.00	–	–	0.0%	–	13.77%	1	45.0%	1.00	–	199%	–	
100.00 (Default)	–	–	0.0%	–	0.00%	–	0.0%	–	–	0%	–	
Sub-total	68,548	83,006	19.8%	90,713	0.20%	324	43.4%	1.26	31,730	35%	80	318

8 Credit risk for non-securitization exposures (continued)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
At 30 June 2025	Original on- balance sheet gross exposure HK\$M	Off- balance sheet exposures pre-CCF HK\$M	Average CCF	EAD post-CRM and post-CCF HK\$M	Average PD	Number of obligors	Average LGD	Average maturity	RWA HK\$M	RWA density	EL HK\$M	Provisions HK\$M
Portfolio (iv) – Sovereign												
0.00 to < 0.15	470,346	10,460	19.9%	485,700	0.02%	61	45.1%	150	40,847	8%	53	
0.15 to < 0.25	197	–	0.0%	197	0.22%	1	45.0%	100	63	32%	–	
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	2,553	–	0.0%	1,662	1.17%	2	45.8%	127	1,394	84%	9	
2.50 to < 10.00	8,915	123	37.0%	6,977	4.49%	5	45.0%	175	9,459	136%	140	
10.00 to < 100.00	2,367	–	0.0%	1,581	13.77%	1	45.0%	5.00	3,852	244%	98	
100.00 (Default)	105	–	0.0%	105	100.00%	1	45.0%	4.93	569	544%	2	
Sub-total	484,483	10,583	20.1%	496,222	0.16%	71	45.1%	1.52	56,184	11%	302	565
Portfolio (v) – Corporate – specialized lending (other than HVCRE)												
0.00 to < 0.15	3,991	2,245	39.5%	4,876	0.08%	20	27.6%	3.14	847	17%	1	–
0.15 to < 0.25	3,400	5,274	39.4%	3,382	0.22%	24	27.9%	4.24	1,250	37%	2	–
0.25 to < 0.50	1,893	2,362	11.7%	2,168	0.39%	16	45.0%	1.57	990	46%	4	–
0.50 to < 0.75	1,120	2,220	21.3%	1,489	0.61%	28	40.1%	1.94	827	56%	4	–
0.75 to < 2.50	4,064	5,537	27.4%	3,393	1.18%	42	34.2%	1.38	2,061	61%	13	–
2.50 to < 10.00	2,892	15,829	17.7%	4,965	4.86%	30	34.3%	0.74	4,712	95%	79	–
10.00 to < 100.00	162	1,380	23.9%	447	11.04%	8	40.3%	0.59	729	163%	20	–
100.00 (Default)	–	–	0.0%	–	–	–	0.0%	–	–	0%	–	–
Sub-total	17,522	34,847	24.0%	20,720	1.74%	168	33.3%	2.15	11,416	55%	123	976
Portfolio (vi) – Corporate – small-and-medium sized corporates												
0.00 to < 0.15	1,581	394	35.1%	1,720	0.13%	9	51.5%	2.02	510	30%	1	
0.15 to < 0.25	700	348	24.3%	760	0.23%	172	29.4%	1.51	171	22%	1	
0.25 to < 0.50	967	527	7.6%	1,005	0.30%	172	22.6%	1.67	217	22%	1	
0.50 to < 0.75	1,636	823	23.5%	1,739	0.59%	232	25.7%	1.36	539	31%	3	
0.75 to < 2.50	5,249	1,409	14.8%	5,268	1.68%	1,324	30.8%	1.78	3,046	58%	31	
2.50 to < 10.00	5,042	483	16.3%	4,714	4.10%	1,498	37.5%	2.02	4,157	88%	74	
10.00 to < 100.00	2,025	129	25.7%	1,820	21.38%	311	36.7%	2.14	2,550	140%	171	
100.00 (Default)	947	9	37.7%	943	100.00%	286	55.8%	2.10	3,504	372%	311	
Sub-total	18,147	4,122	18.9%	17,969	9.07%	4,004	35.5%	1.86	14,694	82%	593	415

8 Credit risk for non-securitization exposures (continued)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
At 30 June 2025	Original on- balance sheet gross exposure	Off- balance sheet exposures pre-CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
PD scale	HK\$M	HK\$M		HK\$M					HK\$M		HK\$M	HK\$M
Portfolio (vii) – Corporate – other corporates												
0.00 to < 0.15	4,781	6,896	20.1%	10,922	0.09%	71	36.1%	170	1,931	18%	3	
0.15 to < 0.25	2,079	5,225	8.0%	3,282	0.22%	104	49.7%	1.61	1,347	41%	4	
0.25 to < 0.50	1,071	3,798	15.0%	1,964	0.38%	122	40.8%	1.34	815	42%	3	
0.50 to < 0.75	1,597	4,751	19.4%	2,930	0.57%	103	43.0%	2.10	1,929	66%	8	
0.75 to < 2.50	10,975	10,385	11.3%	9,808	1.38%	304	29.1%	1.12	5,189	53%	45	
2.50 to < 10.00	6,408	4,870	10.7%	5,630	4.40%	246	24.2%	1.44	3,889	69%	68	
10.00 to < 100.00	4,761	5,587	9.3%	2,874	13.23%	228	30.9%	2.13	4,150	144%	132	
100.00 (Default)	1,202	345	14.6%	1,252	100.00%	46	45.3%	1.24	1,744	139%	2,434	
Sub-total	32,874	41,857	13.3%	38,662	5.32%	1,224	34.4%	1.54	20,994	54%	2,697	2,756
Portfolio (viii) – Retail – QRRE (transactor)												
0.00 to < 0.15	2,337	35,825	55.7%	22,287	0.08%	348,033	89.7%	–	989	4%	9	
0.15 to < 0.25	6	72	88.2%	70	0.24%	9,670	78.9%	–	7	10%	–	
0.25 to < 0.50	947	4,244	70.1%	3,924	0.33%	35,417	89.8%	–	564	14%	6	
0.50 to < 0.75	942	10,650	56.0%	6,907	0.68%	73,811	89.9%	–	1,766	26%	24	
0.75 to < 2.50	882	3,011	66.4%	2,880	1.43%	26,592	89.8%	–	1,285	45%	21	
2.50 to < 10.00	1,605	1,301	109.5%	3,030	2.85%	10,271	89.9%	–	2,226	73%	43	
10.00 to < 100.00	3	2	73.3%	5	34.63%	176	85.6%	–	10	191%	1	
100.00 (Default)	3	1	5.1%	3	100.00%	401	63.0%	–	5	154%	1	
Sub-total	6,725	55,106	58.8%	39,106	0.54%	504,371	89.8%	–	6,852	18%	105	69
Portfolio (ix) – Retail – QRRE (revolver)												
0.00 to < 0.15	3,564	52,471	58.6%	34,289	0.10%	404,886	90.0%	–	1,905	6%	18	
0.15 to < 0.25	3	20	84.8%	20	0.24%	1,875	78.9%	–	2	10%	–	
0.25 to < 0.50	1,895	8,695	71.6%	8,120	0.32%	64,326	90.0%	–	1,149	14%	13	
0.50 to < 0.75	1,956	15,110	56.0%	10,410	0.68%	94,452	90.0%	–	2,662	26%	35	
0.75 to < 2.50	2,115	5,382	69.0%	5,828	1.31%	43,360	90.0%	–	2,437	42%	38	
2.50 to < 10.00	6,178	4,492	101.3%	10,727	3.92%	50,927	90.0%	–	9,588	89%	210	
10.00 to < 100.00	1,653	209	201.2%	2,073	18.90%	8,543	90.0%	–	4,276	206%	196	
100.00 (Default)	194	1	5.0%	194	100.00%	1,815	63.4%	–	309	159%	87	
Sub-total	17,558	86,380	62.6%	71,661	1.70%	670,184	89.9%	–	22,328	31%	597	224

8 Credit risk for non-securitization exposures (continued)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
At 30 June 2025	Original on- balance sheet gross exposure HK\$M	Off- balance sheet exposures pre-CCF HK\$M	Average CCF	EAD post-CRM and post-CCF HK\$M	Average PD	Number of obligors	Average LGD	Average maturity	RWA HK\$M	RWA density	EL HK\$M	Provisions HK\$M
Portfolio (x) – Retail – Residential mortgage exposures (including both to individuals and to property-holding shell companies)												
0.00 to < 0.15	235,359	117	70.8%	235,442	0.09%	99,646	19.1%	–	10,002	4%	42	
0.15 to < 0.25	121,987	2,892	42.4%	123,213	0.19%	76,237	18.4%	–	8,817	7%	44	
0.25 to < 0.50	38,017	37	105.2%	38,055	0.44%	29,212	18.6%	–	4,962	13%	31	
0.50 to < 0.75	9,433	–	40.0%	9,433	0.58%	3,512	23.4%	–	1,895	20%	13	
0.75 to < 2.50	21,809	37	48.6%	21,827	1.17%	18,345	19.5%	–	5,888	27%	50	
2.50 to < 10.00	5,249	1	71.0%	5,250	3.80%	4,483	17.7%	–	2,612	49%	36	
10.00 to < 100.00	823	–	64.5%	823	31.02%	821	18.2%	–	759	92%	46	
100.00 (Default)	1,184	–	20.0%	1,184	100.00%	1,248	20.1%	–	1,955	165%	81	
Sub-total	433,861	3,084	44.3%	435,227	0.59%	233,504	18.9%	–	36,890	8%	343	450
Portfolio (xi) – Retail – small business retail exposures												
0.00 to < 0.15	67	2	80.0%	51	0.08%	9	56.8%	–	6	12%	–	
0.15 to < 0.25	72	3	92.9%	54	0.20%	11	37.0%	–	8	15%	–	
0.25 to < 0.50	399	2	95.9%	260	0.39%	10	18.3%	–	29	11%	–	
0.50 to < 0.75	486	–	89.2%	289	0.61%	14	24.1%	–	56	20%	–	
0.75 to < 2.50	1,275	3	100.1%	718	1.34%	43	37.9%	–	361	50%	4	
2.50 to < 10.00	497	–	94.6%	232	4.06%	58	67.8%	–	226	97%	6	
10.00 to < 100.00	84	–	40.2%	31	30.03%	23	86.3%	–	47	150%	8	
100.00 (Default)	27	–	40.2%	24	100.00%	11	75.6%	–	40	165%	17	
Sub-total	2,907	10	92.4%	1,659	3.36%	179	38.6%	–	773	47%	35	15

8 Credit risk for non-securitization exposures (continued)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
At 30 June 2025	Original on- balance sheet gross exposure HK\$M	Off- balance sheet exposures pre-CCF HK\$M	Average CCF	EAD post-CRM and post-CCF HK\$M	Average PD	Number of obligors	Average LGD	Average maturity	RWA HK\$M	RWA density	EL HK\$M	Provisions HK\$M
Portfolio (xii) – Retail – Other retail exposures to individuals												
0.00 to < 0.15	1,668	6,821	69.4%	6,405	0.08%	35,313	82.6%	–	1,088	17%	4	
0.15 to < 0.25	1,355	1,572	99.9%	2,925	0.16%	21,479	81.7%	–	851	29%	3	
0.25 to < 0.50	5,499	1,737	82.2%	6,927	0.33%	24,487	78.6%	–	3,054	44%	17	
0.50 to < 0.75	5,724	2,927	58.4%	7,433	0.68%	29,123	81.6%	–	5,132	69%	39	
0.75 to < 2.50	14,507	1,273	78.5%	15,505	1.40%	56,458	73.2%	–	13,039	84%	153	
2.50 to < 10.00	17,366	1,379	101.0%	18,759	4.97%	73,102	69.4%	–	19,006	101%	601	
10.00 to < 100.00	3,148	26	173.6%	3,194	25.19%	19,635	74.5%	–	4,721	148%	587	
100.00 (Default)	1,072	1	20.0%	1,073	100.00%	12,256	63.7%	–	1,218	114%	574	
Sub-total	50,339	15,736	75.5%	62,221	5.00%	271,853	74.9%	–	48,109	77%	1,978	741
Total (all portfolios subject to the IRB approaches)	1,632,459	820,759	28.0%	1,872,404	1.25%	1,688,494	40.6%	1.34	399,979	21%	11,204	16,904

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.

Increase in exposures was in line with the balance sheet movement during the period.

The increase in RWA was due to increase in asset size which was contributed by bank, sovereign and retail 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)
		<i>Pre-credit derivatives RWA</i>	<i>Actual RWA</i>
		<i>HK\$'M</i>	<i>HK\$'M</i>
At 30 June 2025			
1	Corporate – Specialized lending (project finance)	3,546	3,546
2	Corporate – Specialized lending (object finance)	7,410	7,410
3	Corporate – Specialized lending (commodities finance)	7,619	7,619
4	Corporate – Specialized lending (income-producing real estate)	16,468	16,468
5	Corporate – Specialized lending (high-volatility commercial real estate)	–	–
6	Corporate – Small-and-medium sized corporates	14,694	14,694
7	Corporate – Large corporates	96,028	96,028
8	Corporate – Financial institutions treated as corporates	31,730	31,730
9	Corporate – Other corporates	20,994	20,994
10	Sovereign – Sovereigns	50,966	50,966
11	Sovereign – Sovereign foreign public sector entities	5,218	5,218
12	Sovereign – Multilateral development banks	–	–
13	Bank – Banks (excluding covered bonds)	43,944	43,944
14	Bank – Qualifying non-bank financial institutions	7,346	7,346
15	Bank – Public sector entities (excluding sovereign foreign public sector entities)	2,691	2,691
16	Bank – Unspecified multilateral bodies	–	–
17	Bank – Covered bonds	–	–
18	Retail – Small business retail exposures	773	773
19	Retail – Residential mortgages to individuals	36,384	36,384
20	Retail – Residential mortgages to property-holding shell companies	506	506
21	Retail – Qualifying revolving retail exposures (QRRE) (transactor)	6,852	6,852
22	Retail – QRRE (revolver)	22,328	22,328
23	Retail – Other retail exposures to individuals	48,109	48,109
24	CIS – CIS exposures	–	–
25	Other – Cash items	70	70
26	Other – Other items	75,652	75,652
27	Total (under the IRB calculation approaches)	499,328	499,328

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 2025)	486,376
2 Asset size	(5,240)
3 Asset quality	4,135
4 Model updates	-
5 Methodology and policy	-
6 Acquisitions and disposals	-
7 Foreign exchange movements	13,988
8 Other	-
9 RWA as at end of reporting period (30 June 2025)	499,259

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

- RWA decrease from asset size which is in line with balance sheet movement,
- RWA increase from asset quality mainly due to credit migration during the period,
- RWA increase from foreign exchange rate movement mainly due to the appreciation of KRW, CNY and TWD in relation to HKD 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 2025		(a)	(b)	(c)	(d)(i)	(d)(ii)	(d)(iii)	(d)(iv)	(d)(v)	(e)	(f)
Supervisory Rating Grade	Remaining Maturity	On-balance sheet exposure amount	Off-balance sheet exposure amount	SRW	EAD amount					RWA	Expected loss amount
		HK\$'M	HK\$'M		PF HK\$'M	OF HK\$'M	CF HK\$'M	IPRE HK\$'M	Total HK\$'M		
Strong [^]	Less than 2.5 years	11,442	489	50%	-	71	-	9,883	9,954	4,977	-
Strong	Equal to or more than 2.5 years	15,164	1,541	70%	-	6,315	-	4,928	11,243	7,869	45
Good [^]	Less than 2.5 years	6,035	367	70%	-	157	-	4,861	5,018	3,513	20
Good	Equal to or more than 2.5 years	4,748	732	90%	-	2,123	-	1,049	3,172	2,855	25
Satisfactory		4,189	330	115%	-	594	-	2,960	3,554	4,087	100
Weak		130	-	250%	-	-	-	130	130	326	10
Default		2,598	-	0%	-	-	-	2,598	2,598	-	1,299
Total		44,306	3,459		-	9,260	-	26,409	35,669	23,627	1,499

[^] Use of preferential risk-weights.

Decrease in total exposure and RWA was due to decrease in OF and 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 (a) used for computing default risk exposure	Default risk exposure after CRM	RWA
At 30 June 2025	HK\$'M	HK\$'M			HK\$'M	HK\$'M
1 SA-CCR (for derivative contracts) ¹	17,635	63,426		1.4	111,464	31,815
1a CEM (for derivative contracts)	-	-		1.4	-	-
2 IMM (CCR) approach			-	1.4	-	-
3 Simple approach (for SFTs)					-	-
4 Comprehensive approach (for SFTs) ²					299,527	4,875
5 VaR (for SFTs)					-	-
6 Total						36,690

¹ Decrease in default risk exposures was due to decrease in replacement cost of derivative exposures.

² Increase in default risk exposure was due to increase in volume of SFTs.

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 2025	(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
												Total default risk exposure after CRM
Risk Weight	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	
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	121	-	-	-	-	-	-	-	-	-	-	121
7 General corporate exposures	-	-	-	-	-	-	-	81	11	-	-	92
8 Retail exposures	-	-	-	-	-	-	-	-	-	-	667	667
11 Total	121	-	-	-	-	-	-	81	11	-	667	880

Increase in total default risk exposure after CRM was mainly due to increase in retail exposures partially offset by decrease in corporate 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) <i>EAD post-CRM PD scale HK\$'M</i>	(b) <i>Average PD</i>	(c) <i>Number of obligors</i>	(d) <i>Average LGD</i>	(e) <i>Average maturity</i>	(f) <i>RWA HK\$'M</i>	(g) <i>RWA density</i>
At 30 June 2025							
Foundation IRB approach							
Portfolio (i) – Bank							
0.00 to < 0.15	218,999	0.05%	196	13.2%	0.32	9,912	5%
0.15 to < 0.25	13,797	0.22%	34	15.1%	0.55	1,851	13%
0.25 to < 0.50	4,602	0.39%	15	6.1%	0.17	319	7%
0.50 to < 0.75	1,868	0.56%	11	15.3%	0.38	413	22%
0.75 to < 2.50	2	1.17%	2	45.0%	1.00	1	79%
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	239,268	0.07%	258	13.2%	0.33	12,496	5%
Portfolio (ii) – Corporate							
0.00 to < 0.15	72,597	0.10%	337	11.2%	0.72	3,842	5%
0.15 to < 0.25	32,003	0.22%	419	17.1%	0.49	4,651	15%
0.25 to < 0.50	9,739	0.39%	144	25.4%	0.60	2,660	27%
0.50 to < 0.75	20,227	0.53%	177	21.1%	0.50	6,008	30%
0.75 to < 2.50	5,371	1.12%	82	26.9%	0.62	2,552	48%
2.50 to < 10.00	71	4.63%	8	40.3%	1.00	79	111%
10.00 to < 100.00	40	22.00%	5	40.7%	1.00	83	207%
100.00 (Default)	–	0.00%	–	0.0%	–	–	0%
Sub-total	140,048	0.26%	1,172	15.6%	0.62	19,875	14%

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)

	(a) EAD post-CRM HK\$'M	(b) Average PD	(c) Number of obligors	(d) Average LGD	(e) Average maturity	(f) RWA HK\$'M	(g) RWA density
At 30 June 2025							
PD scale							
Advanced IRB approach							
Portfolio (iii) – Sovereign							
0.00 to < 0.15	27,089	0.04%	25	11.4%	0.14	315	1%
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)	–	100.00%	5	70.0%	1.00	–	875%
Sub-total	27,089	0.04%	30	11.4%	0.14	315	1%
Portfolio (iv) – Corporate							
0.00 to < 0.15	556	0.10%	23	35.7%	0.68	67	12%
0.15 to < 0.25	326	0.22%	34	37.6%	1.00	94	29%
0.25 to < 0.50	83	0.36%	22	33.5%	1.00	30	37%
0.50 to < 0.75	823	0.55%	33	30.6%	0.62	411	50%
0.75 to < 2.50	1,106	1.20%	52	56.4%	0.90	1,110	100%
2.50 to < 10.00	777	4.46%	22	66.3%	1.00	1,434	184%
10.00 to < 100.00	9	13.77%	16	75.0%	1.00	28	323%
100.00 (Default)	26	100.00%	2	25.0%	2.52	–	0%
Sub-total	3,706	2.20%	204	47.3%	0.85	3,174	86%
Total (all portfolios subject to the IRB approaches)	410,111	0.15%	1,664	14.2%	0.42	35,860	9%

Increase in EAD post-CRM was mainly due to the increase in sovereign and corporate exposures partially offset by decrease in bank exposures.

Decrease in RWA was contributed by corporate exposures, having a lower PD and LGD compared to last period.

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)
	<i>Derivative contracts</i>				<i>SFTs</i>	
At 30 June 2025	<i>Fair value of recognized collateral received</i>		<i>Fair value of posted collateral</i>		<i>Fair value of recognized collateral received</i>	<i>Fair value of posted collateral</i>
<i>Exposure classes</i>	<i>Segregated</i>	<i>Unsegregated</i>	<i>Segregated</i>	<i>Unsegregated</i>		
	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Cash – domestic currency	–	200	–	7	1,000	17,802
Cash – other currencies	–	14,858	–	33,592	30,449	195,817
Domestic sovereign debt	–	–	–	–	19,088	–
Other sovereign debt	–	10,517	–	11,737	55,386	65,122
Government agency debt	–	–	–	–	50,721	–
Corporate bonds	–	20,112	–	27,245	54,032	19,409
Equity securities	–	–	–	–	69,164	1,377
Other collateral	–	283	–	–	–	–
Total	–	45,970	–	72,581	279,840	299,527

Increase in unsegregated collateral posted for derivative contracts and collateral received and posted for 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)
	<i>Protection bought</i>	<i>Protection sold</i>
At 30 June 2025	<i>HK\$'M</i>	<i>HK\$'M</i>
Notional amounts		
Single-name credit default swaps	235	235
Index credit default swaps	–	–
Total return swaps	226,703	17,463
Credit-related options	–	–
Other credit-related derivative contracts	26,052	12,395
Total notional amounts	252,990	30,093
Fair values		
Positive fair value (asset)	788	1,188
Negative fair value (liability)	(4,756)	(80)

Increase in total notional amounts were mainly driven by the increase in transaction volume.

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 2025	(a)	(b)
	Exposure after CRM HK\$'M	RWA HK\$'M
1 Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		355
2 Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	5,311	106
3 (i) OTC derivative transactions	-	-
4 (ii) Exchange-traded derivative contracts	5,311	106
5 (iii) Securities financing transactions	-	-
6 (iv) Netting sets subject to valid cross-product netting agreements	-	-
7 Segregated initial margin	-	
8 Unsegregated initial margin	7,838	157
9 Funded default fund contributions	2,643	92
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	-	-

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

10 Credit valuation adjustment risk

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

	(a)	(b)
	Components	CVA risk capital charge under the reduced basic CVA approach
1 Aggregation of systematic components of CVA risk	6,126,046,627,880	
2 Aggregation of idiosyncratic components of CVA risk	1,098,982,827,349	
3 Total		1,747

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:	-	-	-	-	-	-	27,549	-	27,549
2 residential mortgage	-	-	-	-	-	-	17,210	-	17,210
3 credit card	-	-	-	-	-	-	1,965	-	1,965
4 other retail exposures	-	-	-	-	-	-	8,374	-	8,374
5 re-securitization exposures	-	-	-	-	-	-	-	-	-
6 Wholesale (total) – of which:	-	4,221	4,221	-	-	-	4,026	-	4,026
7 loans to corporates	-	4,221	4,221	-	-	-	4,026	-	4,026
8 commercial mortgage	-	-	-	-	-	-	-	-	-
9 lease and receivables	-	-	-	-	-	-	-	-	-
10 other wholesale	-	-	-	-	-	-	-	-	-
11 re-securitization exposures	-	-	-	-	-	-	-	-	-

The decrease in exposures during the period was mainly driven by the decrease in originator exposures partially offset by increase in investor positions.

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:	-	-	-	-	-	-	1,481	-	1,481
2 residential mortgage	-	-	-	-	-	-	614	-	614
3 credit card	-	-	-	-	-	-	47	-	47
4 other retail exposures	-	-	-	-	-	-	820	-	820
5 re-securitization exposures	-	-	-	-	-	-	-	-	-
6 Wholesale (total) – of which:	-	-	-	-	-	-	1,098	-	1,098
7 loans to corporates	-	-	-	-	-	-	-	-	-
8 commercial mortgage	-	-	-	-	-	-	-	-	-
9 lease and receivables	-	-	-	-	-	-	-	-	-
10 other wholesale	-	-	-	-	-	-	1,098	-	1,098
11 re-securitization exposures	-	-	-	-	-	-	-	-	-

The decrease in exposures during the period was mainly driven by the decrease in investor exposures under wholesale.

11 Securitization exposures (continued)

c. Securitization exposures in banking book and associated capital requirements – where AI acts as originator (SEC3)

The following table sets out the securitization exposures in the banking book where the Group acts as originator 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)				RWAs (by regulatory approach)				Capital charges after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
1 Total exposures	4,178	-	-	43	-	4,221	-	-	-	838	-	-	-	67	-	-	-
2 Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Of which simple, transparent and comparable	N/A																
6 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which simple, transparent and comparable	N/A																
8 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitization	4,178	-	-	43	-	4,221	-	-	-	838	-	-	-	67	-	-	-
10 Of which securitization	4,178	-	-	43	-	4,221	-	-	-	838	-	-	-	67	-	-	-
11 Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	4,178	-	-	43	-	4,221	-	-	-	838	-	-	-	67	-	-	-
13 Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Please refer to note 11(a) for the main drivers of the exposures.

d. 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)				RWAs (by regulatory approach)				Capital charges after cap				
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
1 Total exposures	31,481	94	-	-	-	-	26,644	4,931	-	-	4,405	740	-	-	352	59	-
2 Traditional securitization	31,481	94	-	-	-	-	26,644	4,931	-	-	4,405	740	-	-	352	59	-
3 Of which securitization	31,481	94	-	-	-	-	26,644	4,931	-	-	4,405	740	-	-	352	59	-
4 Of which retail	27,455	94	-	-	-	-	25,529	2,020	-	-	4,238	303	-	-	339	24	-
5 Of which simple, transparent and comparable	N/A																
6 Of which wholesale	4,026	-	-	-	-	-	1,115	2,911	-	-	167	437	-	-	13	35	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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.

		(a)
		Market risk capital charges under STM approach
At 30 June 2025		HK\$'M
1	General interest rate risk	1,400
2	Equity risk	11
3	Commodity risk	1,011
4	Foreign exchange risk	1,200
5	Credit spread risk (non-securitization)	1,329
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	46
7	Credit spread risk (securitization: CTP)	-
8	Standardized default risk charge ("SA-DRC") (non-securitization)	2,985
9	SA-DRC (securitization: non-CTP)	47
10	SA-DRC (securitization: CTP)	-
11	Residual risk add-on	1,169
12	Total	9,198

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			
	<i>RWA calculated under model-based approaches that the AI has the MA’s approval to use</i>	<i>RWA for portfolios where standardized approaches are used</i>	<i>Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)</i>	<i>RWA calculated using full standardized approach (i.e. used in the computation of the output floor)</i>
	HK\$M	HK\$M	HK\$M	HK\$M
1 Credit risk for non-securitization exposures	499,259	37,349	536,608	831,181
2 Counterparty credit risk and default fund contributions	–	37,045	37,045	72,739
3 CVA risk		21,840	21,840	21,840
4 Securitization exposures in banking book	838	5,145	5,983	6,079
5 Market risk	–	114,975	114,975	114,975
6 Operational risk		88,218	88,218	88,218
7 Residual RWA	–	22,900	22,900	22,900
8 Total	500,097	327,472	827,569	1,157,932

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 using full	
		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)	standardized approach (i.e. RWA used in the computation of the output floor)
		HK\$'M	HK\$'M	HK\$'M	HK\$'M
1	Sovereign	56,184	12,914	56,184	13,969
1a	Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach	5,218	3,693	5,218	5,818
2	Bank exposures	53,981	87,932	54,862	89,098
3	Equity			–	849
4	Corporate exposures (excluding specialized lending)	163,446	363,950	167,473	340,097
4a	Of which: F-IRB is applied	127,758	319,973	129,390	77,869
4b	Of which: A-IRB is applied	35,688	43,977	38,084	254,334
5	Retail exposures	114,952	190,588	116,248	281,980
5a	Of which: qualifying revolving retail	29,181	25,322	29,181	67,412
5b	Of which: other retail exposures to individuals and small business retail exposures	48,881	39,601	50,177	5,437
5c	Of which: residential mortgages	36,890	125,666	36,890	198,987
6	Corporate exposures – Specialized lending	35,043	53,075	35,043	29,502
6a	Of which: income-producing real estate and high-volatility commercial real estate	16,468	24,106	16,468	24,106
7	Other exposures	75,652	75,652	106,798	75,686
8	Total	499,258	784,112	536,608	831,181

14 Asset Encumbrance (ENC)

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

	<i>Encumbered assets HK \$'M</i>	<i>Unencumbered assets HK \$'M</i>	<i>Total HK \$'M</i>
1. Equity instruments	–	49,465	49,465
2. Debt securities	113,945	763,418	877,363
3. Loans and Advances	17,872	1,475,136	1,493,008
4. Other assets	81,348	396,905	478,253
5. Total assets	213,165	2,684,924	2,898,089

15 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:

	<i>Banks HK\$'M</i>	<i>Official sector HK\$'M</i>	<i>Non-bank financial institution HK\$'M</i>	<i>Non-financial private sector HK\$'M</i>	<i>Total HK\$'M</i>
At 30 June 2025					
Developed countries	293,982	112,121	123,959	106,663	636,725
– of which United Kingdom (excluding Guernsey, Isle of Man and Jersey)	224,166	586	62,352	18,034	305,138
Offshore centres	18,944	6,047	29,808	99,566	154,365
– of which Hong Kong SAR	5,435	1,371	22,353	67,827	96,986
Developing Asia and Pacific	233,164	125,958	40,512	92,028	491,662
– of which China	195,493	68,926	31,643	67,212	363,274

16 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 2025	% of loans and advances covered by collateral or other securities
	HK\$'M	
Gross loans and advances for use in Hong Kong		
<i>Industrial, commercial and financial</i>		
– Property development	13,422	37%
– Property investment	20,731	79%
– Financial concerns	34,781	22%
– Stockbrokers	3,073	48%
– Wholesale and retail trade	11,048	11%
– Manufacturing	17,867	4%
– Transport and transport equipment	8,562	15%
– Recreational activities	42	–
– Information technology	6,555	–
– Others	18,470	9%
<i>Individuals</i>		
– Advances for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	992	100%
– Advances for the purchase of other residential properties	231,971	100%
– Credit card advances	32,703	–
– Others	37,747	34%
<i>Total gross loans and advances for use in Hong Kong</i>	437,964	64%
Trade finance	54,715	20%
Trade bills	1,512	2%
Gross loans and advances for use outside Hong Kong	548,345	49%
Gross loans and advances to customers	1,042,536	54%

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

16 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:

	<i>Impaired loans and advances to customers</i>	<i>Overdue loans and advances to customers</i>	<i>Stage 3 expected credit loss provision</i>	<i>Stage 1 & 2 expected credit loss provision</i>	<i>Provision charge/ (release)</i>
At 30 June 2025	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Advances for the purchase of other residential properties	412	160	19	3	–
Gross loans and advances for use outside Hong Kong	14,256	9,534	10,370	2,196	915

17 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.

	<i>Total gross loans and advances to customers</i>	<i>Impaired loans and advances to customers</i>	<i>Overdue loans and advances to customers</i>	<i>Specific provisions</i>	<i>Collective provisions</i>
At 30 June 2025	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>	<i>HK\$'M</i>
Hong Kong	429,354	3,800	2,268	1,879	2,245
Mainland China	145,665	10,990	8,048	9,328	990
Taiwan	88,412	782	86	188	351
South Korea	253,830	2,087	910	1,321	524
Others	125,275	199	200	107	287
Total	1,042,536	17,858	11,512	12,823	4,397

18 Overdue assets**(i) Overdue loans and advances to customers**

	<i>At 30 June 2025</i>	
	<i>HK\$'M</i>	<i>% of loans and advances to customers</i>
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	695	0.07%
1 year or less but over 6 months	815	0.08%
Over 1 year	10,002	0.96%
	<u>11,512</u>	<u>1.11%</u>

Fair value of collateral held against the covered portion of overdue loans and advances to customers

1,693

Covered portion of overdue loans and advances to customers

1,714

Uncovered portion of overdue loans and advances to customers

9,798

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.

	<i>At 30 June 2025 HK\$'M</i>
--	---------------------------------------

Stage 3 expected credit loss provision against loans and advances to customers overdue more than 3 months

9,889

18 Overdue assets (continued)**(ii) Overdue loans and advances to banks**

	<i>At 30 June 2025</i>	
	<i>HK\$'M</i>	<i>% of loans and advances to banks</i>
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%
	<u>17</u>	<u>0.01%</u>

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

	<i>At 30 June 2025 HK\$'M</i>
Stage 3 expected credit loss provision against loans and advances to banks overdue more than 3 months	<u>17</u>

As at 30 June 2025, there were no debt securities and other assets overdue more than 3 months.

Reposessed collateral

As at 30 June 2025, the amount of assets obtained by taking possession of collateral held as security was as follows:

	<i>At 30 June 2025 HK\$'M</i>
Property, plant and equipment	<u>115</u>

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.

Reposessed 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.

19 Rescheduled assets

	At 30 June 2025	
	HK\$'M	% of loans and advances to customers
Rescheduled loans and advances to customers	3,637	0.35%

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 18.

As at 30 June 2025, there were no rescheduled loans and advances to banks, debt securities and other assets.

20 Mainland activities

	On-balance sheet exposure HK\$'M	Off-balance sheet exposure HK\$'M	Total HK\$'M
At 30 June 2025			
(i) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	201,802	24,132	225,934
(ii) Local governments, local government-owned entities and their subsidiaries and JVs	8,472	4,190	12,662
(iii) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	160,207	43,885	204,092
(iv) Other entities of central government not reported in item (i) above	7,913	157	8,070
(v) Other entities of local governments not reported in item (ii) above	–	56	56
(vi) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	25,401	1,494	26,895
(vii) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	16,589	2,912	19,501
Total	420,384	76,826	497,210
Total assets after provision	2,348,198		
On-balance sheet exposures as percentage of total assets	17.90%		

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.

21 Off-balance sheet exposures

Contingent liabilities and commitments

	At 30 June 2025 HK\$'M
Contractual or notional amounts	
Direct credit substitutes	12,791
Transaction-related contingencies	52,518
Trade-related contingencies	11,742
Forward asset purchase	99
Other commitments:	
which are not unconditionally cancellable:	
with original maturity of not more than one year	10,804
with original maturity of more than one year	147,064
which are unconditionally cancellable	689,171
Total	924,189
Risk-weighted amounts	79,455

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.

22 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:

	<i>Consolidated</i>
	<i>At</i>
	<i>30 June 2025</i>
US dollars exposure	<i>HK\$'M</i>
Spot assets	809,745
Spot liabilities	(990,235)
Forward purchases	5,885,394
Forward sales	(5,672,174)
Net option position (note)	(19,025)
	<u>13,705</u>
Net long non-structural position	<u>13,705</u>
Chinese Renminbi exposure	
Spot assets	744,668
Spot liabilities	(520,400)
Forward purchases	4,107,896
Forward sales	(4,358,352)
Net option position (note)	19,388
	<u>(6,800)</u>
Net short non-structural position	<u>(6,800)</u>
South Korean Won exposure	
Spot assets	499,722
Spot liabilities	(431,708)
Forward purchases	1,237,546
Forward sales	(1,307,012)
Net option position (note)	(1,268)
	<u>(2,720)</u>
Net short non-structural position	<u>(2,720)</u>

(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:

	<i>At</i>
	<i>30 June 2025</i>
	<i>HK\$'M</i>
US dollars	28,728
Chinese Renminbi	41,456

Acronyms

AI	Authorized institution	OF	Object finance
AIRB	Advanced internal ratings-based approach	OTC	Over-the-counter
ALCO	Asset and Liability Committee	PD	Probability of default
ASA	Alternative standardized approach	PF	Project finance
ASF	Available stable funding	PFE	Potential future exposure
AT1	Additional tier 1	PRC	People's Republic of China
Bank	Standard Chartered Bank (Hong Kong) Limited	PVA	Prudential Valuation Adjustments
BCBS	Basel Committee on Banking Supervision	PSE	Public sector entity
BCR	Banking (Capital) Rules	QRRE	Qualifying revolving retail exposures
BDR	Banking (Disclosure) Rules	RC	Replacement cost
BIA	Basic indicator approach	RSF	Required stable funding
BSC	Basic approach	RW	Risk-weight
CCF	Credit conversion factor	RWA	Risk-weighted asset/risk-weighted amount
CCP	Central counterparty	S&P	Standard & Poor's
CCR	Counterparty credit risk	SA-CCR	Standardized approach for counterparty credit risk
CCyB	Countercyclical capital buffer	SEC-ERBA	Securitization external ratings-based approach
CEM	Current exposure method	SEC-FBA	Securitization fall back approach
CET1	Common equity tier 1	SEC-IRBA	Securitization internal ratings-based approach
CF	Commodities finance	SEC-SA	Securitization standardized approach
CIS	Collective investment scheme	SFT	Securities financing transaction
CRC	Comprehensive risk charge	SME	Small and Medium Enterprises
CRM	Credit risk mitigation	SRW	Supervisory risk-weights
CVA	Credit valuation adjustment	STC	Standardized (credit risk) approach
D-SIB	Domestic systematically important authorized institution	STM	Standardized (market risk) approach
DTAs	Deferred tax assets	STO	Standardized (operational risk) approach
EAD	Exposure at default	VaR	Value at risk
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		