

REGULATORY DISCLOSURE STATEMENT

31 March 2026 (Unaudited)



CREATE SHARED VALUE

Bank of Communications (Hong Kong) Limited

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Contents

BANK OF COMMUNICATIONS (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)
REGULATORY DISCLOSURE STATEMENT (UNAUDITED)

Ref	Contents	Page(s)
	Introduction	2
	Key prudential ratios and overview of RWA	
KM1	Key prudential ratios	3
KM2(A)	Key metrics – LAC requirements for material subsidiaries (at LAC consolidation group level)	4
KM2(B)	Key metrics – TLAC requirements for non-HK resolution entity (at resolution group level)	5
OV1	Overview of RWA	6 – 7
	Leverage ratio	
LR2	Leverage ratio	7 – 8
	Liquidity	
LIQ1	Liquidity Coverage Ratio – for category 1 institution	9 – 10

Introduction

The information contained in this document is prepared in accordance with the Banking (Disclosure) Rules (“BDR”), Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules (“LAC Rules”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

The Regulatory Disclosure Statement

The Regulatory Disclosure Statement comprises Pillar 3 Disclosure Requirements under the framework of the Basel Committee on Banking Supervision. These disclosures are supplemented by specific additional requirements of the HKMA set out in the BDR and the LAC Rules.

According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosures section of our website www.hk.bankcomm.com.

Key prudential ratios and overview of RWA

KM1: Key prudential ratios

		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Regulatory capital (amount)					
1 & 1a.	Common Equity Tier 1 (CET1)	62,919,615	61,905,467	60,385,218	58,310,568	56,845,879
2 & 2a.	Tier 1	62,919,615	61,905,467	60,385,218	58,310,568	56,845,879
3 & 3a.	Total capital	72,830,102	71,677,705	70,118,625	68,205,879	66,650,883
	RWA (amount)					
4.	Total RWA	252,753,820	251,470,424	251,052,678	261,739,881	266,062,391
4a.	Total RWA (pre-floor)	252,753,820	251,470,424	251,052,678	261,739,881	266,062,391
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a.	CET1 ratio (%)	24.89%	24.62%	24.05%	22.28%	21.37%
5b.	CET1 ratio (%) (pre-floor ratio)	24.89%	24.62%	24.05%	22.28%	21.37%
6 & 6a.	Tier 1 ratio (%)	24.89%	24.62%	24.05%	22.28%	21.37%
6b.	Tier 1 ratio (%) (pre-floor ratio)	24.89%	24.62%	24.05%	22.28%	21.37%
7 & 7a.	Total capital ratio (%)	28.81%	28.50%	27.93%	26.06%	25.05%
7b.	Total capital ratio (%) (pre-floor ratio)	28.81%	28.50%	27.93%	26.06%	25.05%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8.	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9.	Countercyclical capital buffer requirement (%)	0.421%	0.423%	0.426%	0.419%	0.417%
10.	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.000%	0.000%	0.000%	0.000%	0.000%
11.	Total AI-specific CET1 buffer requirements (%)	2.921%	2.923%	2.926%	2.919%	2.917%
12.	CET1 available after meeting the AI's minimum capital requirements (%)	18.89%	18.62%	18.05%	16.28%	15.37%
	Basel III leverage ratio					
13.	Total leverage ratio (LR) exposure measure	467,880,391	449,602,235	443,532,991	455,620,206	458,386,720
13a.	LR exposure measure based on mean values of gross assets of SFTs	465,363,259	448,142,674	442,067,908	456,297,949	460,495,356
14, 14a & 14b.	LR (%)	13.45%	13.77%	13.61%	12.80%	12.40%
14c & 14d.	LR (%) based on mean values of gross assets of SFTs	13.52%	13.81%	13.66%	12.78%	12.34%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15.	Total high quality liquid assets (HQLA)	66,340,633	60,466,204	61,429,923	62,661,638	64,881,050
16.	Total net cash outflows	34,145,535	34,105,554	25,486,292	29,920,889	39,989,677
17.	LCR (%)	199.68%	182.92%	244.86%	213.99%	165.51%
	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	346,693,818	339,837,026	341,248,078	350,335,076	340,148,392
19.	Total required stable funding	263,267,872	259,389,382	257,168,766	261,935,985	267,963,330
20.	NSFR (%)	131.69%	131.01%	132.69%	133.75%	126.94%
	Applicable to category 2A institution only:					
20a.	CFR (%)	N/A	N/A	N/A	N/A	N/A

Key prudential ratios and overview of RWA (Continued)

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

		31 Mar 2026	31 Dec 2025 ¹	30 Sep 2025 ¹	30 Jun 2025 ¹	31 Mar 2025 ¹
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Of the material entity at LAC consolidation group level:					
1.	Internal loss-absorbing capacity available	64,990,724	N/A	N/A	N/A	N/A
2.	Risk-weighted amount under the LAC Rules	252,753,820	N/A	N/A	N/A	N/A
3.	Internal LAC risk-weighted ratio	25.71%	N/A	N/A	N/A	N/A
4.	Exposure measure under the LAC Rules	467,880,391	N/A	N/A	N/A	N/A
5.	Internal LAC leverage ratio	13.89%	N/A	N/A	N/A	N/A
6a.	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ²	N/A	N/A	N/A	N/A	N/A
6b.	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ²	N/A	N/A	N/A	N/A	N/A
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. ²	N/A	N/A	N/A	N/A	N/A

Note:

1. The LAC disclosures for the Bank commences on 31 March 2026 in accordance with the LAC Rules, accordingly the prior periods' metrics are not available.
2. The subordination exemptions under Section 11 of the Financial Stability Board ("FSB") Total Loss-absorbing Capacity Term Sheet ("TLAC Term Sheet") do not apply in Hong Kong under the LAC Rules.

Key prudential ratios and overview of RWA (Continued)

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

		31 Mar 2026 ¹	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Of the non-HK resolution entity at resolution group level:						
1.	External loss-absorbing capacity available	2,264,052,020	N/A	N/A	N/A	N/A
2.	Total risk-weighted amount under the relevant non-HK LAC regime	11,687,045,452	N/A	N/A	N/A	N/A
3.	External loss-absorbing capacity as a percentage of risk-weighted amount	19.37%	N/A	N/A	N/A	N/A
4.	Leverage ratio exposure measure under the relevant non-HK LAC regime	20,439,036,578	N/A	N/A	N/A	N/A
5.	External loss-absorbing capacity as a percentage of leverage ratio exposure measure	11.08%	N/A	N/A	N/A	N/A
6a.	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	N/A	N/A	N/A	N/A	N/A
6b.	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	N/A	N/A	N/A	N/A	N/A
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

Note:

1. With the relevant non-HK LAC regime in the non-HK jurisdiction not having been implemented, the values for rows 1 to 5 are reported on the regulatory capital regime of the non-HK jurisdiction as proxies.

Key prudential ratios and overview of RWA (Continued)

OV1: Overview of RWA

		RWA		Minimum capital requirements
		As at 31 Mar 2026	As at 31 Dec 2025	As at 31 Mar 2026
		HK\$'000	HK\$'000	HK\$'000
1.	Credit risk for non-securitization exposures	233,887,656	228,370,379	18,711,012
2.	Of which STC approach	233,887,656	228,370,379	18,711,012
2a.	Of which BSC approach	–	–	–
3.	Of which foundation IRB approach	–	–	–
4.	Of which supervisory slotting criteria approach	–	–	–
5.	Of which advanced IRB approach	–	–	–
5a.	Of which retail IRB approach	–	–	–
5b.	Of which specific risk-weight approach	–	–	–
5c.	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	–	N/A	–
6.	Counterparty credit risk and default fund contributions	3,230,813	3,190,382	258,465
7.	Of which SA-CCR approach	3,106,766	3,107,620	248,541
7a.	Of which CEM	–	–	–
8.	Of which IMM(CCR) approach	–	–	–
8a.	Of which method for group 2b cryptoasset derivative contracts	–	N/A	–
9.	Of which others	124,047	82,762	9,924
10.	CVA risk	5,393,988	3,286,075	431,519
11.	Equity positions in banking book under the simple risk-weight method and internal models method	N/A*	N/A*	N/A*
12.	Collective investment scheme (“CIS”) exposures – look-through approach / third-party approach	–	–	–
13.	CIS exposures – mandate-based approach	–	–	–
14.	CIS exposures – fall-back approach	–	–	–
14a.	CIS exposures – combination of approaches	–	–	–
15.	Settlement risk	–	–	–
16.	Securitization exposures in banking book	–	–	–
17.	Of which SEC-IRBA	–	–	–
18.	Of which SEC-ERBA (including IAA)	–	–	–
19.	Of which SEC-SA	–	–	–
19a.	Of which SEC-FBA	–	–	–
20.	Market risk	675,975	380,088	54,078
21.	Of which STM approach	675,975	380,088	54,078
22.	Of which IMA	–	–	–
22a.	Of which SSTM approach	–	–	–
23.	Capital charge for moving exposures between trading book and banking book	–	–	–
24.	Operational risk	9,565,388	16,243,500	765,231
24a.	Sovereign concentration risk	–	–	–
25.	Amounts below the thresholds for deduction (subject to 250% RW)	–	–	–
26.	Output floor level applied	–	–	–
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	–	–	–
28b.	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	–	–	–
28c.	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	–	–	–
29.	Total	252,753,820	251,470,424	20,220,305

* Not applicable in the case of Hong Kong

Key prudential ratios and overview of RWA (Continued)

OV1: Overview of RWA (Continued)

The total RWA in 2026 Q1 increased by HK\$1,283 million compared to last quarter. The key contributor was the credit risk for non-securitization exposures RWA which increased by HK\$5,517 million.

Leverage ratio

LR2: Leverage ratio

		31 Mar 2026	31 Dec 2025
		HK\$'000	HK\$'000
On-balance sheet exposures			
1.	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	441,536,458	430,966,922
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	(400,287)	(1,234,641)
4.	Less: Adjustment for assets other than money received under SFTs that are recognised as an asset	–	–
5.	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(1,995,344)	(1,921,197)
6.	Less: Asset amounts deducted in determining Tier 1 capital	(1,147,500)	(989,781)
7.	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	437,993,327	426,821,303
Exposures arising from derivative contracts			
8.	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and / or with bilateral netting)	5,761,497	5,911,024
9.	Add-on amounts for PFE associated with all derivative contracts	4,203,806	4,349,915
10.	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11.	Adjusted effective notional amount of written credit-related derivative contracts	–	–
12.	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	–	–
13.	Total exposures arising from derivative contracts (sum of rows 8 to 12)	9,965,303	10,260,939
Exposures arising from SFTs			
14.	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	10,905,996	4,402,507
15.	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16.	CCR exposure for SFT assets	269,735	127,959
17.	Agent transaction exposures	–	–
18.	Total exposures arising from SFTs (sum of rows 14 to 17)	11,175,731	4,530,466
Other off-balance sheet exposures			
19.	Off-balance sheet exposure at gross notional amount	25,827,174	24,343,139
20.	Less: Adjustments for conversion to credit equivalent amounts	(17,062,610)	(16,333,804)
21.	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(18,534)	(19,808)
22.	Off-balance sheet items (sum of rows 19 to 21)	8,746,030	7,989,527

Leverage ratio (Continued)

LR2: Leverage ratio (Continued)

		31 Mar 2026	31 Dec 2025
		HK\$'000	HK\$'000
Capital and total exposures			
23.	Tier 1 capital	62,919,615	61,905,467
24.	Total exposures (sum of rows 7, 13, 18 and 22)	467,880,391	449,602,235
Leverage ratio			
25 & 25a.	Leverage ratio	13.45%	13.77%
26.	Minimum leverage ratio requirement	3%	3%
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	8,388,864	2,942,946
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	10,905,996	4,402,507
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)	465,363,259	448,142,674
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)	13.52%	13.81%

* Not applicable in the case of Hong Kong

Liquidity

LIQ1: Liquidity Coverage Ratio – for category 1 institution

31 Mar 2026

Average liquidity coverage ratio (“LCR”)	
– First quarter	199.68%

The Bank’s LCR and HKD HQLA Level 1 LCR were above the regulatory requirement for the period.

The Bank’s average LCR for the period ended 31 March 2026 was 199.68%.

In the first quarter of year 2026, the Bank’s LCR increased as a result of increase in HQLA bonds.

Level 1 HQLA is the major component of the Bank’s HQLA portfolio, which consists of balance with the HKMA, Exchange Fund Bills / Notes and unencumbered sovereign bonds. The Bank also holds a portion of Level 2 HQLA, which include corporate bonds with high credit rating. The main drivers of net cash outflows are retail deposits and small business funding, wholesale funding and loans during the quarter. Deposit is the major funding source of the Bank.

LCR net cash outflow arising from off-balance sheet derivatives and additional collateral provision are not material. The Bank’s major liquidity profile is captured in the LCR calculation.

The Bank’s HKD HQLA Level 1 LCR was above the regulatory requirement for the period. The Bank holds Level 1 HQLA denominated in foreign currencies (mainly CNY and USD) to cover respective LCR net cash outflow in foreign currency. The foreign currency LCR mismatch is bolstered mainly by our HKD-denominated HQLA through FX contracts. The Bank has established internal monitoring limit on LCR for foreign major currencies according to Supervisory Policy Manual LM-1 issued by the HKMA.

The Bank has established internal limit and management action trigger level on LCR and NSFR to ensure our liquidity risk is controlled at the level commensurate with our risk appetite. The Bank’s daily liquidity management is governed by the liquidity management requirement of parent bank and there is considerable level of interaction between members of the parent group. The Bank submits liquidity management reports to parent bank regularly and participates in the group liquidity stress test.

Liquidity (Continued)

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

2026 First quarter:

Number of data points used in calculating the average value of the LCR and related components set out in this template for the quarter ending on 31 Mar 2026: (73)		HK\$'000	
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1.	Total HQLA		66,340,633
B. Cash Outflows			
2.	Retail deposits and small business funding, of which:	263,178,907	18,642,746
3.	<i>Stable retail deposits and stable small business funding</i>	11,729,130	586,457
4.	<i>Less stable retail deposits and less stable small business funding</i>	109,676,010	10,967,601
4a.	<i>Retail term deposits and small business term funding</i>	141,773,767	7,088,688
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	64,624,536	35,500,357
6.	<i>Operational deposits</i>	3,254,341	750,845
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	61,364,133	34,743,450
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	6,062	6,062
9.	Secured funding transactions (including securities swap transactions)		104,314
10.	Additional requirements, of which:	26,833,697	6,288,801
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	2,561,159	2,468,452
12.	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	–	–
13.	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	24,272,538	3,820,349
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	3,764,696	3,764,696
15.	Other contingent funding obligations (whether contractual or non-contractual)	22,354,481	29,768
16.	Total Cash Outflows		64,330,682
C. Cash Inflows			
17.	Secured lending transactions (including securities swap transactions)	–	–
18.	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	77,058,714	25,503,906
19.	Other cash inflows	4,692,237	4,681,241
20.	Total Cash Inflows	81,750,951	30,185,147
D. Liquidity Coverage Ratio			Adjusted value
21.	Total HQLA		66,340,633
22.	Total Net Cash Outflows		34,145,535
23.	LCR (%)		199.68%