



上海銀行(香港)
Bank of Shanghai (Hong Kong)

BANK OF SHANGHAI (HONG KONG) LIMITED

2026 INTERIM REGULATORY DISCLOSURES STATEMENTS

BANK OF SHANGHAI (HONG KONG) LIMITED
REGULATORY DISCLOSURES STATEMENTS
FOR THE FIRST SIX MONTHS ENDED 30 JUNE 2026

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BANK OF SHANGHAI (HONG KONG) LIMITED
REGULATORY DISCLOSURES STATEMENTS
FOR THE FIRST SIX MONTHS ENDED 30 JUNE 2026

1 INTRODUCTION

The information contained in this document is for Bank of Shanghai (Hong Kong) Limited (“**the Company**”) and its subsidiaries (together “**the Group**”) and is prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the Hong Kong Monetary Authority (“**HKMA**”).

Basis of preparation

As a result of the review of the scope of consolidation for regulatory purposes, the Bank is required to calculate the key prudential ratios on both unconsolidated and consolidated basis with effective from 1 July 2022. Except where indicated otherwise, the financial information contained in this Regulatory Disclosure Statement has been prepared on a consolidated basis. The financial information for different position dates were prepared on different consolidation bases and may not be directly comparable.

In calculating the risk-weighted amount (“**RWA**”), the Company adopted the Standardised (Credit Risk) Approach for credit risk and the Standardised (Market Risk) Approach for market risk. For operational risk, the capital requirement was determined by using the Standardised Approach.

2 KEY PRUDENTIAL RATIOS

The following table provides an overview of the Bank’s key prudential ratios.

In HK\$'000		As at 30 June 2026	As at 31 March 2026	As at 31 December 2025	As at 30 September 2025	As at 30 June 2025
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	5,193,262	5,145,293	5,053,047	5,039,857	5,009,822
2 & 2a	Tier 1	5,193,262	5,145,293	5,053,047	5,039,857	5,009,822
3 & 3a	Total capital	5,385,351	5,366,545	5,324,621	5,315,700	5,283,002
	RWA (amount)					
4	Total RWA	22,666,672	24,369,739	24,763,914	26,068,262	27,909,061
4a	Total RWA (pre-floor)	22,666,672	24,369,739	24,763,914	26,068,262	27,909,061
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	22.9	21.1	20.4	19.3	18.0
5b	CET1 ratio (%) (pre-floor ratio)	22.9	21.1	20.4	19.3	18.0
6 & 6a	Tier 1 ratio (%)	22.9	21.1	20.4	19.3	18.0
6b	Tier 1 ratio (%) (pre-floor ratio)	22.9	21.1	20.4	19.3	18.0
7 & 7a	Total capital ratio (%)	23.8	22.0	21.5	20.4	18.9
7b	Total capital ratio (%) (pre-floor ratio)	23.8	22.0	21.5	20.4	18.9
	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 (%)	0.344	0.336	0.312	0.329	0.310
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs) ^a	–	–	–	–	–
11	Total AI-specific CET1 buffer requirements (%)	2.844	2.836	2.812	2.829	2.810
12	CET1 available after meeting the AI’s minimum capital requirements (%)	15.8	14.0	13.5	12.4	10.9

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2 KEY PRUDENTIAL RATIOS (CONTINUED)

In HK\$'000		As at 30 June 2026	As at 31 March 2026	As at 31 December 2025	As at 30 September 2025	As at 30 June 2025
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	29,987,214	31,643,897	30,408,071	32,285,640	35,489,313
13a	LR exposure measure based on mean values of gross assets of SFTs	29,764,924	31,604,605	30,386,964	32,030,416	35,639,639
14, 14a & 14b	LR (%)	17.3	16.3	16.6	15.6	14.1
14c & 14d	LR (%) based on mean values of gross assets of SFTs	17.4	16.3	16.6	15.7	14.1
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	NA	NA	NA	NA	NA
16	Total net cash outflows	NA	NA	NA	NA	NA
17	LCR (%)	NA	NA	NA	NA	NA
	Applicable to category 2 institutions only:					
17a	LMR (%)	145.2	135.8	119.7	114.3	99.4
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institutions only:					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR (%)	NA	NA	NA	NA	NA
	Applicable to category 2 institutions only:					
20a	CFR (%)	121.0	122.2	119.8	110.1	109.1

3 COMPOSITION OF CAPITAL

(a) Financial Statements and Regulatory Scope of Consolidation

Capital adequacy ratios were calculated in accordance with the Capital Rules issued by the HKMA. The basis of consolidation for regulatory reporting purpose is the same as the basis of consolidation for accounting purpose.

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet

Table 1: Reconciliation of Regulatory Scope Consolidated Balance Sheet to Capital Components

	Balance sheet as in published disclosure statements	Under regulatory scope of consolidation	Cross reference to Capital Disclosures
	As at 30 June 2026	As at 30 June 2026	
	HK\$'000	HK\$'000	
Assets			
Cash and balances from banks and central bank	2,176,068	2,176,068	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		41	(1)
Placements with and advances to banks	1,290,799	1,290,799	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		156	(2)
Financial assets at fair value through profit and loss	553,449	553,449	
Derivative financial assets	28,759	28,759	
Loans and advances to customers	15,393,432	15,393,432	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		182,873	(3)
Investment securities	9,237,580	9,237,580	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		367	(4)
Interests in associate	5,928	5,928	
Investment in subsidiary	–	–	
Property and equipments	27,637	27,637	
Intangible assets	6,811	6,811	(5)
Current tax recoverable	172	172	
Deferred tax assets	34,880	34,880	(6)
<i>of which: deferred tax liabilities related to intangible assets</i>		1,066	(7)
Other assets	228,604	228,602	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		140	(8)
Total assets	28,984,119	28,984,117	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 1: Reconciliation of Regulatory Scope Consolidated Balance Sheet to Capital Components (Continued)

	Balance sheet as in published disclosure statements	Under regulatory scope of consolidation	Cross reference to Capital Disclosures
	As at 30 June 2026	As at 30 June 2026	
	HK\$'000	HK\$'000	
Liabilities			
Deposits from customers	15,080,164	15,080,164	
Deposits from banks	2,941,726	2,941,726	
Financial assets sold under repurchase agreement	601,624	601,624	
Derivative financial liabilities	66,503	66,503	
Certificates of deposit and other debt securities issued	4,341,243	4,341,243	
Current tax payable	61,157	61,157	
Deferred tax liabilities	1,700	1,700	
Lease liabilities	23,961	23,961	
Other borrowings	226,850	226,850	
Other liabilities	404,236	404,236	
<i>of which: collective provision eligible for inclusion in Tier 2 capital</i>		8,512	(9)
Total liabilities	23,749,164	23,749,164	
Equity			
Share capital	6,305,476	6,305,476	
Of which: amount eligible for CET1	6,305,476	6,305,476	(10)
Of which: amount eligible for AT1	–	–	
Retained profits	(1,136,668)	(1,136,670)	(11)
Other reserves	66,147	66,147	(12)
<i>of which: regulatory reserves</i>		–	(13)
Total equity	5,234,955	5,234,953	
Total equity and liabilities	28,984,119	28,984,117	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures

As the Company does not have any capital deduction qualified for transition arrangement under section 3 of Schedule 4H of the Banking (Capital) Rules (“**BCR**”), the Company has applied full capital deductions under BCR and the Company adopted this Capital Disclosures Template for making disclosures specified in the relevant subsections of section 24 of Banking (Disclosures) Rules.

		(a) HK\$'000	(b) Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	6,305,476	(10)
2	Retained earnings	(1,136,670)	(11)
3	Disclosed reserves	66,147	(12)
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	CET1 capital before regulatory adjustments	5,234,953	
CET1 capital: regulatory deductions			
7	Valuation adjustments	–	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	5,745	(5) – (7)
10	Deferred tax assets (net of deferred tax liabilities)	35,946	(6) + (7)
11	Cash flow hedge reserve	–	
12	Excess of total EL amount over total eligible provisions under the IRB approach	–	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures (Continued)

		(a)	(b)
		HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
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)	–	
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	–	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	–	(13)
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	41,691	
29	CET1 capital	5,193,262	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures (Continued)

		(a)	(b)
		HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	–	
31	of which: classified as equity under applicable accounting standards	–	
32	of which: classified as liabilities under applicable accounting standards	–	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	
36	AT1 capital before regulatory deductions	–	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	–	
38	Reciprocal cross-holdings in AT1 capital instruments	–	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments applied to AT1 capital	–	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	Total regulatory deductions to AT1 capital	–	
44	AT1 capital	–	
45	Tier 1 capital (T1 = CET1 + AT1)	5,193,262	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	–	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	–	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	192,089	
51	Tier 2 capital before regulatory deductions	192,089	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures (Continued)

		(a)	(b)
		HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	–	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under § 2(1) of Schedule 4F to BCR only)	–	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within § 48(1)(g) of BCR	–	
57	Total regulatory adjustments to Tier 2 capital	–	
58	Tier 2 capital	192,089	
59	Total regulatory capital (Total Capital = Tier 1 + Tier 2)	5,385,351	
60	Total risk weighted assets	22,666,672	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures (Continued)

		(a)	(b)
		HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Capital ratios (as a percentage of risk weighted assets)			
61	CET1 capital ratio	22.9%	
62	Tier 1 capital ratio	22.9%	
63	Total capital ratio	23.8%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.844%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.344%	
67	of which: higher loss absorbency requirement	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	15.76%	
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

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Table 2: Capital Disclosures (Continued)

		(a)	(b)
		HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	–	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
74	Mortgage servicing rights (net of associated deferred tax liability)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liability)	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)	192,089	(1)+(2)+(3)+(4)+(8)+(9)
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	247,882	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	–	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	–	

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Notes to the Table 2:

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

Row No.	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	5,745	5,745
	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)	35,946	–
	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.		

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3 COMPOSITION OF CAPITAL (CONTINUED)

(b) Capital Adequacy and Reconciliation of Regulatory Capital to the Balance Sheet (Continued)

Notes to the Table 2: (Continued)

Row No.	Description	Hong Kong basis	Basel III basis
	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	—	—
19	Explanation For the purpose of determining the total amount of significant LAC 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.		

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3 COMPOSITION OF CAPITAL (CONTINUED)

(c) Main Features of Capital Instruments

1	Issuer	Bank of Shanghai (Hong Kong) Limited	Bank of Shanghai (Hong Kong) Limited	Bank of Shanghai (Hong Kong) Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA
3	Governing law(s) of the instrument	Hong Kong	Hong Kong	Hong Kong
	<i>Regulatory treatment</i>			
4	Transitional Basel III rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
5	Basel III rules	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo*/group/group & solo	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	HK\$2,200 million	HK\$1,800 million	HK\$2,305 million
9	Par value of instrument	HK\$10 each	RMB10 each	HK\$10 each
10	Accounting classification	Shareholders' equity	Shareholders' equity	Shareholders' equity
11	Original date of issuance	12/2/1974	3/1/2014	10/1/2023
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable
	<i>Coupons/dividends</i>			
17	Fixed or floating dividend/coupon	Floating	Floating	Floating
18	Coupon rate and any related index	Not applicable	Not applicable	Not applicable
19	Existence of a dividend stopper	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable

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3 COMPOSITION OF CAPITAL (CONTINUED)

(c) Main Features of Capital Instruments (Continued)

27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	No	No
31	If write-down, write-down trigger(s)	Not applicable	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Not applicable	Not applicable
36	Non-compliant transitioned features	Not applicable	Not applicable	Not applicable
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable

4 LEVERAGE RATIO

(a) Components of Leverage ratio

Leverage Ratio Disclosure Template

	Item	As at 30 June 2026 HK\$'000	As at 31 March 2026 HK\$'000
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	28,746,339	30,869,504
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	(35,918)	(36,139)
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	(430,896)	(446,389)
6	Less: Asset amounts deducted in determining Basel III Tier 1 capital	(41,691)	(59,534)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	28,237,834	30,327,442

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4 LEVERAGE RATIO (CONTINUED)

(a) Components of Leverage ratio (continued)

	Item	As at 30 June 2026 HK\$'000	As at 31 March 2026 HK\$'000
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	21,620	23,972
9	Add-on amounts for PFE associated with all derivatives transactions	84,105	144,197
10	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit derivatives	–	–
12	Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives	–	–
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	105,725	168,169
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	639,915	239,504
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	38,290	12,365
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs (sum of rows 14 to 17)	678,205	251,869
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	6,974,071	6,603,599
20	Less: Adjustments for conversion to credit equivalent amounts	(6,008,621)	(5,707,182)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	–	–
22	Off-balance sheet items (sum of rows 19 to 21)	965,450	896,417
Capital and total exposures			
23	Tier 1 capital	5,193,262	5,145,293
24	Total exposures (sum of rows 7, 13, 18 and 22)	29,987,214	31,643,897
Leverage ratio			
25 & 25a	Leverage ratio	17.3%	16.3%
26	Minimum leverage ratio requirement	3.0%	3.0%
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	417,625	200,212
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	639,915	239,504
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)	29,764,924	31,604,605
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)	17.4%	16.3%

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4 LEVERAGE RATIO (CONTINUED)

(b) Reconciliation of published financial statements to leverage ratio exposure

	Item	Leverage ratio framework As at 30 June 2026 HK\$'000
1	Total consolidated assets as per published financial statements	28,984,119
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	—
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 LR exposure measure	—
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	—
7	Adjustments for eligible cash pooling transactions	—
8	Adjustments for derivative contracts	105,725
9	Adjustment for SFTs (i.e. repos and similar secured lending)	678,205
10	Adjustment for off-balance sheet (“ OBS ”) items (i.e. conversion to credit equivalent amounts of OBS exposures)	965,450
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(430,896)
12	Other adjustments	(315,389)
13	Leverage ratio exposure measure	29,987,214

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5 OVERVIEW OF RISK-WEIGHTED AMOUNT

The table below sets out the RWA by risk types and their corresponding capital requirements (i.e. 8% of the RWA):

	HK\$'000	RWA		Minimum capital requirement
		As at 30 June 2026	As at 31 March 2026	As at 30 June 2026
1	Credit risk for non-securitization exposures	19,800,497	21,271,654	1,584,040
2	Of which STC approach	19,800,497	21,271,654	1,584,040
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	–	–	–
6	Counterparty default risk and default fund contributions	30,037	42,172	2,403
7	Of which SA-CCR*	22,379	39,699	1,790
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
8a	Of which method for group 2b cryptoasset derivative contracts	–	–	–
9	Of which others	7,658	2,473	613
10	CVA risk	2,725	5,675	218
11	Equity positions in banking book under the simple risk-weight method and internal models method	NA	NA	NA
12	Collective investment scheme (“CIS”) exposures – look-through approach/third-party approach	NA	NA	NA
13	CIS exposures – mandate-based approach	NA	NA	NA
14	CIS exposures – fall-back approach	NA	NA	NA
14a	CIS exposures – combination of approaches	NA	NA	NA
15	Settlement risk	–	–	–
16	Securitization exposures in banking book	–	–	–
17	Of which SEC-IRBA	–	–	–
18	Of which SEC-ERBA	–	–	–
19	Of which SEC-SA	–	–	–
19a	Of which SEC-FBA	–	–	–

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5 OVERVIEW OF RISK-WEIGHTED AMOUNT (CONTINUED)

		RWA		Minimum capital requirement
HK\$'000		As at 30 June 2026	As at 31 March 2026	As at 30 June 2026
20	Market risk	2,161,288	2,294,525	172,903
21	Of which STM approach	2,161,288	2,294,525	172,903
22	Of which IMA	–	–	–
22a	Of which SSTM approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	NA	NA	NA
24	Operational risk	672,125	755,713	53,770
24a	Sovereign concentration risk	NA	NA	NA
25	Amounts below the thresholds for deduction (subject to 250% RW)	–	–	–
26	Output floor level applied	NA	NA	
27	Floor adjustment (before application of transitional cap)	NA	NA	
28	Floor adjustment (after application of transitional cap)	NA	NA	NA
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	22,666,672	24,369,739	1,813,334

Total RWA remained stable during the quarter.

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6 CREDIT RISK

(a) Credit quality of assets

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values
		Defaulted exposures	Non- defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
As at 30 June 2026		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Loans	288,238	18,930,657	305,269	122,199	183,070	–	18,913,626
2	Debt securities	40,029	9,832,723	367	–	367	–	9,872,385
3	Off-balance sheet exposures	–	893,478	1,393	–	1,393	–	892,085
4	Total	328,267	29,656,858	307,029	122,199	184,830	–	29,678,096

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- a) Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without taking action such as realising security (if held).
- b) Technical default: Borrower is more than 90 days past due on any credit obligation.

Loans included balances with banks and central bank, placements with and advances to banks, loans and advances to customers and related interest receivables.

Debt securities included non-trading investment securities and related interest receivables.

Off-balance sheet exposures included direct credit substitutes, transaction-related contingencies, trade-related contingencies and irrecoverable loans commitment.

(b) Changes in Stock of Defaulted Loans and Debt Securities

		(a)
As at 30 June 2026		HK\$'000
1	Defaulted loans and debt securities as at 31 December 2025	326,972
2	Loans and debt securities that have defaulted since the last reporting period	–
3	Returned to non-defaulted status	–
4	Amounts written off	–
5	Other changes (Note a)	1,295
6	Defaulted loans and debt securities as at 30 June 2026	328,267

Note a: Other change included repayments, market value change and exchange movements.

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6 CREDIT RISK (CONTINUED)

(c) Overview of Recognized Credit Risk Mitigation

		(a)	(b1)	(b)	(d)	(f)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
As at 30 June 2026		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Loans	18,442,415	471,211	61,600	409,611	–
2	Debt securities	9,872,385	–	–	–	–
3	Total	28,314,800	471,211	61,600	409,611	–
4	Of which defaulted	206,068	–	–	–	–

(d) Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach

		As at 30 June 2026					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
1	Sovereign exposures	884,292	–	884,292	–	–	–
2	Public sector entity exposures	1,484,142	–	1,484,142	–	355,607	24
3	Multilateral development bank exposures	158,098	–	158,098	–	–	–
3a	Unspecified multilateral body exposures	–	–	–	–	–	–
4	Bank exposures	10,628,207	–	10,628,207	–	2,669,733	25
4a	Qualifying non-bank financial institution exposures	108,394	112,158	108,394	11,216	89,708	75
5	Eligible covered bond exposures	–	–	–	–	–	–
6	General corporate exposures	13,962,757	6,767,994	13,491,545	916,667	14,050,785	98
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	3,166,304	2,078,699	3,166,304	249,435	3,077,003	90
6b	Specialized lending	–	–	–	–	–	–
7	Equity exposures	358,858	–	358,858	–	897,145	250
7a	Significant capital investments in commercial entities	5,928	–	5,928	–	14,820	250
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	183,781	–	183,781	–	275,672	150
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	–

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6 CREDIT RISK (CONTINUED)

(d) Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach (Continued)

		As at 30 June 2026					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Exposure classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
8	Retail exposures	–	–	–	–	–	–
8a	Exposures arising from IPO financing	–	–	–	–	–	–
9	Real estate exposures	1,061,730	93,919	1,061,730	37,567	1,099,297	100
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,061,730	93,919	1,061,730	37,567	1,099,297	100
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	–
9g	Of which: land acquisition, development and construction exposures	–	–	–	–	–	–
10	Defaulted exposures	233,420	–	233,420	–	350,130	150
11	Other exposures	27,637	–	27,637	–	27,637	100
11a	Cash and gold	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–
12	Total	29,097,244	6,974,071	28,626,032	965,450	19,830,534	67

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach

HK\$'000

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	884,292	–	–	–	–	–	884,292

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
2	Public sector entity exposures	–	1,288,212	195,930	–	–	–	1,484,142

		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3	Multilateral development bank exposures	158,098		–	–	–	–	–	158,098

		20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3a	Unspecified multilateral body exposures	–	–	–	–	–	–	–

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach (Continued)

HK\$'000

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4	Bank exposures	6,336,823	3,866,802	–	424,582	–	–	–	–	10,628,207

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4a	Qualifying non-bank financial institution exposures	–	–	–	–	119,610	–	–	–	119,610

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
5	Eligible covered bond exposures	–	–	–	–	–	–	–	–	–

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach (Continued)

HK\$'000

		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	–	–	118,283		1,192,555	978	13,096,396	–	–	14,408,212
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	15,772		326,157	–	3,073,810	–	–	3,415,739

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

		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures		358,858	–	–	358,858

		250%	400%	1,250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	5,928	–	–	–	5,928

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach (Continued)

HK\$'000

		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	183,781	–	–	–	183,781
				150%	Other	Total credit exposure amount (post-CCF and post-CRM)
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates			–	–	–
		45%	75%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
8	Retail exposures	–	–	–	–	–
				0%	Other	Total credit exposure amount (post-CCF and post-CRM)
8a	Exposures arising from IPO financing			–	–	–

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach (Continued)

HK\$'000

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,099,297	-	-	-	-	1,099,297
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		-	-	-		-		-			-								-	-
9b	Of which: no loan splitting applied		-	-	-		-		-			-								-	-
9c	Of which: loan splitting applied (secured)																				
9d	Of which: loan splitting applied (unsecured)																				
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)				-	-		-	-				-				-			-	-
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	-			-	-		-			-	-	-
9g	Of which: no loan splitting applied	-	-		-		-		-	-			-	-		-			-	-	-
9h	Of which: loan splitting applied (secured)																				
9i	Of which: loan splitting applied (unsecured)																				
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											-			-			-		-	-
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-					-	-	1,099,297			-	-	1,099,297
9l	Of which: no loan splitting applied	-	-		-		-		-				-	-		-			-	-	-
9m	Of which: loan splitting applied (secured)																				
9n	Of which: loan splitting applied (unsecured)																				
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																		-	-	-
9p	Of which: land acquisition, development and construction exposures															-			-	-	-

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6 CREDIT RISK (CONTINUED)

(e) Credit Risk Exposures by Asset Classes and by Risk Weights – STC approach (Continued)

HK\$'000

		0%	20%	50%	100%	150%	625%	937.5%	1,250%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures	–	–	–	–	233,420	–	–	–	–	233,420
11	Other exposures	–	–	–	27,637	–	–	–	–	–	27,637
11a	Cash and gold	–	–	–	–	–	–	–	–	–	–
11b	Items in the process of clearing or settlement	–	–	–	–	–	–	–	–	–	–

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

HK\$'000

		(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)
1	Less than 40%	12,534,227	–	–	12,534,227
2	40-70%	738,795	–	–	738,795
3	75%	1,300,454	117,112	0.10	1,312,165
4	85%	978	–	–	978
5	90-100%	13,269,591	6,856,959	0.14	14,223,330
6	105-130%	–	–	–	–
7	150%	417,201	–	–	417,201
8	250%	364,786	–	–	364,786
9	400%	–	–	–	–
10	1250%	–	–	–	–
11	Total exposures	28,626,032	6,974,071	0.14	29,591,482

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7 COUNTERPARTY CREDIT RISK (“CCR”)

(a) Analysis of Counterparty Credit Risk Exposures (Other than those to CCPs) by Approaches

		As at 30 June 2026					
		Replacement cost (RC) HK\$'000	PFE HK\$'000	Effect EPE HK\$'000	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM HK\$'000	RWA HK\$'000
1	SA – CCR approach (for derivative contracts)	15,443	52,457		1.4	95,060	22,379
1a	CEM (for derivative contracts)	–	–		1.4	–	–
1b	Method for group 2b cryptoasset derivative contracts	–	–		1.4	–	–
2	IMM (CCR) approach			–	–	–	–
3	Simple Approach (for SFTs)					38,290	7,658
4	Comprehensive Approach (for SFTs)					–	–
5	VaR (for SFTs)					–	–
6	Total						30,037

(b) Credit-related derivatives contracts and exposures to CCPs

The Company does not have credit-related derivatives exposures nor exposures to central counterparty as at 30 June 2026.

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7 COUNTERPARTY CREDIT RISK (“CCR”) (CONTINUED)

(c) Counterparty Credit Risk Exposures (Other than those to CCPs) by Asset Classes and by Risk Weights – for STC approach

		As at 30 June 2026											
		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
	Risk Weight Exposure class	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Sovereign exposures	–	–	–	–	–	–	–	–	–	–	–	–
2	Public sector entity exposures	–	–	–	–	–	–	–	–	–	–	–	–
3	Multilateral development bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
4	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–
5	Bank exposures	–	–	99,678	33,672	–	–	–	–	–	–	–	133,350
6	Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–	–	–	–
7	General corporate exposures	–	–	–	–	–	–	–	–	–	–	–	–
8	Retail exposures	–	–	–	–	–	–	–	–	–	–	–	–
9	Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–
10	Other exposures	–	–	–	–	–	–	–	–	–	–	–	–
12	Total	–	–	99,678	33,672	–	–	–	–	–	–	–	133,350

(d) Composition of Collateral for Counterparty Credit Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)

As at 30 June 2026						
Derivative contracts				SFTs		
Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received HK\$'000	Fair value of posted collateral HK\$'000	
Segregated HK\$'000	Unsegregated HK\$'000	Segregated HK\$'000	Unsegregated HK\$'000			
Cash – domestic currency	–	–	–	–	–	–
Cash – other currencies	–	14,116	–	35,918	–	–
Corporate bonds	–	–	–	–	–	639,915
Total	–	14,116	–	35,918	–	639,915

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8 MARKET RISK UNDER STM APPROACH

		As at 30 June 2026
		(a)
		Market risk capital charges under STM approach HK\$'000
1	General interest rate risk	10,835
2	Equity risk	—
3	Commodity risk	—
4	Foreign exchange risk	162,068
5	Credit spread risk (non-securitization)	—
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	—
7	Credit spread risk (securitization: CTP)	—
8	Standardized default risk charge ("SA-DRC") (non-securitization)	—
9	SA-DRC (securitization: non-CTP)	—
10	SA-DRC (securitization: CTP)	—
11	Group 2a cryptoasset exposures	—
12	Residual risk add-on	—
13	Total	172,903

9 CVA RISK UNDER REDUCED BASIC CVA APPROACH

		(a)	(b)
		Components HK\$'000	CVA risk capital charge under the reduced basic CVA approach HK\$'000
1	Aggregation of systematic components of CVA risk	505	
2	Aggregation of idiosyncratic components of CVA risk	255	
3	Total		218

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10 ASSET ENCUMBRANCE

	(a)	(c)	(d)
In HK\$'000	Encumbered assets	Unencumbered assets	Total
Cash and balances from banks and central bank	–	2,176,068	2,176,068
Placements with and advances to banks	–	1,290,799	1,290,799
Financial assets at fair value through profit and loss	–	553,449	553,449
Derivative financial assets	–	28,759	28,759
Loans and advances to customers	–	15,393,432	15,393,432
Investment securities	630,789	8,606,791	9,237,580
Interests in associate	–	5,928	5,928
Property and equipments	–	27,637	27,637
Intangible assets	–	6,811	6,811
Current tax recoverable	–	172	172
Deferred tax assets	–	34,880	34,880
Other assets	9,126	219,476	228,602
Total assets	639,915	28,344,202	28,984,117

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11 INTERNATIONAL CLAIMS

International claims are exposures of counterparties based on the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate international claims are shown as follows:

In HK\$'000

			Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
	Banks	Official sector			
As at 30 June 2026:					
Developed countries	5,955,277	—	—	454,097	6,409,374
Offshore centers	463,391	—	2,638,247	3,668,494	6,770,132
of which Hong Kong SAR	139,596	—	2,638,247	3,300,890	6,078,733
Developing Asia and Pacific	2,092,118	—	949,086	3,089,650	6,130,854
of which China	1,526,144	—	949,086	2,685,771	5,161,001
Developing Africa and Middle East	—	—	—	390,993	390,993
	8,510,786	—	3,587,333	7,603,234	19,701,353

In HK\$'000

			Non-bank private sector		Total
			Non-bank financial institution	Non-financial private sector	
	Banks	Official sector			
As at 31 December 2025:					
Developed countries	5,439,358	—	—	450,505	5,889,863
Offshore centers	537,751	—	2,258,614	3,937,347	6,733,712
of which Hong Kong SAR	394,715	—	2,258,614	3,297,842	5,950,171
Developing Asia and Pacific	2,149,634	—	1,225,344	3,980,255	7,355,233
of which China	1,588,464	—	1,225,344	3,508,480	6,322,288
Developing Africa and Middle East	273,146	—	—	232,298	505,444
	8,399,889	—	3,483,958	8,600,405	20,484,252

The geographical analysis has taken into account the transfer of risk.

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12 FURTHER ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

(a) Gross loans and advances to customers by industry sector

	30 June 2026		31 December 2025	
	HK'000	% of gross advances covered by collaterals	HK'000	% of gross advances covered by collaterals
Industrial, commercial and financial sectors				
– property development	1,277,304	72.3	1,383,683	–
– property investment	79,805	–	79,761	–
– financial concerns	4,374,601	7.4	4,415,110	7.1
– wholesale and retail trade	1,479,650	–	1,985,701	–
– manufacturing	1,659,238	–	1,446,573	–
– transport and transport equipment	2,378,356	–	1,674,910	–
– information technology	–	–	–	–
– electricity and gas	313,387	–	695,965	–
– others	1,439,084	9.5	1,437,229	–
	13,001,425	10.7	13,118,932	2.4
Individuals	–	–	–	–
Total gross loans and advances for use in HK	13,001,425	10.7	13,118,932	2.4
Trade finance	297,965	20.7	288,426	–
Gross loans and advances for use outside HK	2,398,994	3.4	3,909,878	4.1
Gross loans and advances to customers	15,698,384	9.7	17,317,236	2.7

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12 FURTHER ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Segmental analysis of loans and advances to customers by geographical area

Loans and advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party located in an area that is different from that of the counterparty.

	Gross loans and advances to customers HK\$'000	Impaired loans and advances (Stage 3) HK\$'000	Overdue loans and advances HK\$'000	Stage 3 ECL HK\$'000	Stage 1&2 ECL HK\$'000
At 30 June 2026					
– Hong Kong	10,170,098	288,114	288,114	(122,080)	(119,903)
– Mainland China	3,913,239	–	–	–	(38,627)
– Others	1,615,046	–	–	–	(24,342)
	<u>15,698,383</u>	<u>288,114</u>	<u>288,114</u>	<u>(122,080)</u>	<u>(182,872)</u>
At 31 December 2025					
– Hong Kong	10,494,806	287,218	287,218	(108,636)	(165,658)
– Mainland China	5,028,999	–	–	–	(68,892)
– Others	1,793,431	–	–	–	(30,833)
	<u>17,317,236</u>	<u>287,218</u>	<u>287,218</u>	<u>(108,636)</u>	<u>(265,383)</u>

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12 FURTHER ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Overdue loans and advances to customers

The overdue loans and advances of the Company are analysed as follows:

	As at 30 June 2026		As at 31 December 2025	
	HK\$'000	% of gross loans and advances to customers	HK\$'000	% of gross loans and advances to customers
Less than three months	–	–	–	–
Six months or less but over three months	–	–	–	–
One year or less but over six months	–	–	–	–
Over one year	288,114	1.84	287,218	1.66
	<u>288,114</u>	<u>1.84</u>	<u>287,218</u>	<u>1.66</u>
Allowance for credit and other losses made in respect of the above overdue loans and advances	<u>122,080</u>		<u>108,636</u>	
Current market value of collateral held against the covered portion of the above overdue loans and advances	<u>–</u>		<u>–</u>	
Covered portion of the above overdue loans and advances	<u>–</u>		<u>–</u>	
Uncovered portion of the above overdue loans and advances	<u>288,114</u>		<u>287,218</u>	

(d) Rescheduled loans and advances

The rescheduled loans and advances of the Company are analysed as follows:

	As at 30 June 2026		As at 31 December 2025	
	HK\$'000	% of gross loans and advances to customers	HK\$'000	% of gross loans and advances to customers
Rescheduled loans and advances	<u>246,366</u>	<u>1.57</u>	<u>244,559</u>	<u>1.41</u>

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12 FURTHER ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Repossessed assets

There were no repossessed assets as at 30 June 2026 and 31 December 2025.

(f) Overdue other assets

The overdue other assets of the Company are analysed as follows:

	As at 30 June 2026 HK\$'000	As at 31 December 2025 HK\$'000
Less than three months	—	—
Six months or less but over three months	—	—
One year or less but over six months	—	—
Over one year	125,244	123,434
	<u>125,244</u>	<u>123,434</u>

(g) Further analysis of loans and advances to customers

Impaired loans and advances, overdue loans and advances, Stage 3 ECL and Stage 1&2 ECL, in respect of industry sectors representing not less than 10% of gross loans and advances to customers are analysed as follows:

	30 June 2026			
	Impaired loans and advances HK\$'000	Overdue loans and advances HK\$'000	Stage 3 ECL HK\$'000	Stage 1&2 ECL HK\$'000
Financial concerns	—	—	—	(35,202)
Wholesale and retail trade	—	—	—	(27,870)
Manufacturing	—	—	—	(48,063)
Transport and transport equipment	—	—	—	(34,624)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(145,759)</u>
	31 December 2025			
	Impaired loans and advances HK\$'000	Overdue loans and advances HK\$'000	Stage 3 ECL HK\$'000	Stage 1&2 ECL HK\$'000
Financial concerns	—	—	—	(37,098)
Property development	—	—	—	(49,857)
Manufacturing	—	—	—	(74,910)
Transport and transport equipment	—	—	—	(36,709)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>(198,574)</u>

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13 MAINLAND ACTIVITIES

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
At 30 June 2026			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,181,003	–	2,181,003
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,039,849	–	2,039,849
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,846,952	436,559	6,283,511
4. Other entities of central government not reported in item 1 above	541,030	–	541,030
5. Other entities of local governments not reported in item 2 above	469,714	–	469,714
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	–	–	–
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,280,554	233,000	2,513,554
	<u>13,359,102</u>	<u>669,559</u>	<u>14,028,661</u>
Total assets after provision	<u>26,918,064</u>		
On-balance sheet exposures as percentage of total assets	<u>49.6%</u>		

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13 MAINLAND ACTIVITIES (CONTINUED)

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK\$'000	Total HK\$'000
At 31 December 2025			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	2,383,033	–	2,383,033
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,565,119	–	2,565,119
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,031,986	340,384	6,372,370
4. Other entities of central government not reported in item 1 above	544,117	–	544,117
5. Other entities of local governments not reported in item 2 above	446,569	–	446,569
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	–	–	–
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,823,711	252,224	3,075,935
	<u>14,794,535</u>	<u>592,608</u>	<u>15,387,143</u>
Total assets after provision	<u>27,670,551</u>		
On-balance sheet exposures as percentage of total assets	<u>53.5%</u>		

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14 CURRENCY CONCENTRATIONS

The Group (including the Company and its subsidiaries) had the following net foreign currency exposures which exceeded 10% of the net foreign currency exposure in all currencies:

	USD \$'000 HK\$ equivalent	RMB \$'000 HK\$ equivalent	Other foreign currencies \$'000 HK\$ equivalent	Total foreign currencies \$'000 HK\$ equivalent
As at 30 June 2026				
Spot assets	15,327,759	4,834,655	443,994	20,606,408
Spot liabilities	(18,348,707)	(637,154)	(41,868)	(19,027,729)
Forward purchases	6,490,526	403,951	335,007	7,229,484
Forward sales	(2,845,140)	(4,380,993)	(719,149)	(7,945,282)
Net long/(short) non-structural position	624,438	220,459	17,984	862,881

As at 31 December 2025

Spot assets	13,997,557	5,690,513	826,963	20,515,033
Spot liabilities	(17,631,146)	(541,025)	(29,827)	(18,201,998)
Forward purchases	9,760,402	1,705,378	11,867	11,477,647
Forward sales	(5,207,450)	(6,662,240)	(771,349)	(12,641,039)
Net long/(short) non-structural position	919,363	192,626	37,654	1,149,643

Net structural foreign exchange position of the bank as at 30 June 2026 is –1,800 million (first half of 2025: –1,800 million).

15 COUNTERCYCLICAL CAPITAL BUFFER

Geographical Distribution of Credit Exposures used in Countercyclical Capital Buffer (“CCyB”)

The following table provides an overview of the geographical distribution of the RWA of private sector credit exposures relevant for the calculation of the Bank’s CCyB ratio.

In HK\$'000		As at 30 June 2026			
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
1	Hong Kong	0.500	11,451,870		
	Sum		11,451,870		
	Total		16,439,398	0.344	77,973

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16 SEGMENTAL INFORMATION

The following sections show the financial information of the Company and its subsidiaries.

(a) Segmental information by class of business

In HK\$'000	Commercial banking	Investment banking	Others	Total
30 June 2026				
Total operating income	151,615	22,038	11,806	185,459
Operating profit before impairment losses	88,639	10,288	135	99,062
Profit before taxation	174,054	9,343	135	183,532
Total assets	26,920,076	2,772,656	(708,614)	28,984,118
30 June 2025				
Total operating income	237,202	58,457	(5,703)	289,956
Operating profit before impairment losses	178,944	29,558	–	208,502
Profit before taxation	122,250	28,747	–	150,997
31 December 2025				
Total assets	27,676,786	2,525,824	(862,443)	29,340,167

(b) Segmental information by booking location

In HK\$'000	30 June 2026		30 June 2025	
	Hong Kong	China	Hong Kong	China
Total operating income	173,537	7,726	278,342	17,690
Profit before taxation	189,233	(4,636)	141,361	5,131
	30 June 2026		31 December 2025	
	Hong Kong	China	Hong Kong	China
Total assets	29,725,114	468,997	30,193,580	474,887
Total liabilities	24,071,422	441,652	24,712,991	428,822
Contingent liabilities and commitments	6,974,071	–	7,207,351	–

Commercial banking business mainly comprises deposit account services, corporate lending and trade finance

Investment banking business primarily include, financial and investment advisory, mergers and acquisitions, securities brokerage, asset management, fixed income and direct investment.

Others encompass the results of that are not attributed to business segments.