



Bank of Communications (Hong Kong) Limited
(Incorporated in Hong Kong with limited liability)

REGULATORY DISCLOSURE STATEMENT

30 June 2025 (Unaudited)



CREATE SHARED VALUE

Bank of Communications (Hong Kong) Limited

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Introduction

The information contained in this document is prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”). Within this document, Mainland China excludes Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), Macau Special Administrative Region of the People’s Republic of China and Taiwan.

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.

According to the BDR, 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.commcom.com.

Key prudential ratios and overview of RWA

KM1: Key prudential ratios

		30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Regulatory capital (amount)					
1 & 1a.	Common Equity Tier 1 (CET1)	58,310,568	56,845,879	55,177,830	54,096,557	52,567,136
2 & 2a.	Tier 1	58,310,568	56,845,879	59,049,280	57,968,007	56,438,586
3 & 3a.	Total capital	68,205,879	66,650,883	68,759,460	67,756,142	66,206,642
	RWA (amount)					
4.	Total RWA	261,739,881	266,062,391	290,900,268	301,376,165	302,537,806
4a.	Total RWA (pre-floor)	261,739,881	266,062,391	290,900,268	301,376,165	302,537,806
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a.	CET1 ratio (%)	22.28%	21.37%	18.97%	17.95%	17.38%
5b.	CET1 ratio (%) (pre-floor ratio)	22.28%	21.37%	18.97%	17.95%	17.38%
6 & 6a.	Tier 1 ratio (%)	22.28%	21.37%	20.30%	19.23%	18.66%
6b.	Tier 1 ratio (%) (pre-floor ratio)	22.28%	21.37%	20.30%	19.23%	18.66%
7 & 7a.	Total capital ratio (%)	26.06%	25.05%	23.64%	22.48%	21.88%
7b.	Total capital ratio (%) (pre-floor ratio)	26.06%	25.05%	23.64%	22.48%	21.88%
	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 (%)	0.419%	0.417%	0.412%	0.766%	0.773%
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 (%)	2.919%	2.917%	2.912%	3.266%	3.273%
12.	CET1 available after meeting the AI's minimum capital requirements (%)	16.28%	15.37%	14.30%	13.23%	12.66%
	Basel III leverage ratio					
13.	Total leverage ratio (LR) exposure measure	455,620,206	458,386,720	447,356,478	463,317,172	453,834,919
13a.	LR exposure measure based on mean values of gross assets of SFTs	456,297,949	460,495,356	N/A	N/A	N/A
14, 14a & 14b.	LR (%)	12.80%	12.40%	13.20%	12.51%	12.44%
14c & 14d.	LR (%) based on mean values of gross assets of SFTs	12.78%	12.34%	N/A	N/A	N/A
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institution only:					
15.	Total high quality liquid assets (HQLA)	62,661,638	64,881,050	62,542,159	55,245,979	46,986,217
16.	Total net cash outflows	29,920,889	39,989,677	37,779,897	34,572,475	28,603,431
17.	LCR (%)	213.99%	165.51%	167.03%	161.62%	165.64%
	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	350,335,076	340,148,392	336,770,774	337,636,419	340,685,574
19.	Total required stable funding	261,935,985	267,963,330	260,200,350	267,608,341	263,827,753
20.	NSFR (%)	133.75%	126.94%	129.43%	126.17%	129.13%
	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)

OV1: Overview of RWA

		RWA		Minimum capital requirements
		As at 30 Jun 2025	As at 31 Mar 2025	As at 30 Jun 2025
		HK\$'000	HK\$'000	HK\$'000
1.	Credit risk for non-securitization exposures	236,372,652	240,943,221	18,909,812
2.	Of which STC approach	236,372,652	240,943,221	18,909,812
2a.	Of which BSC approach	–	–	–
3.	Of which foundation IRB approach	–	–	–
4.	Of which supervisory slotting criteria approach	–	–	–
5.	Of which advanced IRB approach	–	–	–
5a.	Of which retail IRB approach	–	–	–
5b.	Of which specific risk-weight approach	–	–	–
6.	Counterparty credit risk and default fund contributions	4,239,065	4,403,595	339,125
7.	Of which SA-CCR approach	4,128,393	4,183,241	330,271
7a.	Of which CEM	–	–	–
8.	Of which IMM(CCR) approach	–	–	–
9.	Of which others	110,672	220,354	8,854
10.	CVA risk	4,400,038	4,931,175	352,003
11.	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable*	Not applicable*	Not applicable*
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	987,138	938,375	78,971
21.	Of which STM approach	987,138	938,375	78,971
22.	Of which IMA	–	–	–
22a.	Of which SSTM approach	–	–	–
23.	Capital charge for moving exposures between trading book and banking book	–	–	–
24.	Operational risk	15,740,988	14,846,025	1,259,279
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)	Not applicable*	Not applicable*	Not applicable*
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	261,739,881	266,062,391	20,939,190

* Not applicable in the case of Hong Kong

Key prudential ratios and overview of RWA (Continued)

OV1: Overview of RWA (Continued)

During the second quarter in 2025, the total RWA decreased by HK\$4,323 million. The key contributor was the credit risk RWA for non-securitization exposures, which was mainly driven by the decline in debt securities of credit risk exposure.

Composition of regulatory capital

CC1: Composition of regulatory capital

		Amount HK\$'000	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	44,999,807	(12)
2.	Retained earnings	12,647,591	(15)
3.	Disclosed reserves	1,824,046	(13)
5.	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	–
6.	CET1 capital before regulatory deductions	59,471,444	–
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)	72,672	(7)-(10)
10.	Deferred tax assets (net of associated deferred tax liabilities)	–	–
11.	Cash flow hedge reserve	146,762	(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	3,301	(4)+(8)
15.	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	–
16.	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	–
17.	Reciprocal cross-holdings in CET1 capital instruments	–	–
18.	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–
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

Composition of regulatory capital (Continued)

CC1: Composition of regulatory capital (Continued)

		Amount HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
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	938,141	–
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	938,141	(16)
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	1,160,876	–
29.	CET1 capital	58,310,568	–
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)	58,310,568	–

Composition of regulatory capital (Continued)

CC1: Composition of regulatory capital (Continued)

		Amount HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
	Tier 2 capital: instruments and provisions		
46.	Qualifying Tier 2 capital instruments plus any related share premium	7,852,750	(9)
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	2,042,561	(11)+(16)-(1) -(2)-(3)-(5)-(6)
51.	Tier 2 capital before regulatory deductions	9,895,311	–
	Tier 2 capital: regulatory deductions		
52.	Investments in own Tier 2 capital instruments	–	–
53.	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	–
54.	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	–
54a.	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	–	–
55.	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	–
55a.	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	–
56.	National specific regulatory adjustments applied to Tier 2 capital	–	–
56a.	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	–
56b.	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	–	–
57.	Total regulatory adjustments to Tier 2 capital	–	–
58.	Tier 2 capital (T2)	9,895,311	–
59.	Total regulatory capital (TC = T1 + T2)	68,205,879	–
60.	Total RWA	261,739,881	–
	Capital ratios (as a percentage of RWA)		
61.	CET1 capital ratio	22.28%	–
62.	Tier 1 capital ratio	22.28%	–
63.	Total capital ratio	26.06%	–

Composition of regulatory capital (Continued)

CC1: Composition of regulatory capital (Continued)

		Amount HK\$'000	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation
64.	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.919%	–
65.	of which: capital conservation buffer requirement	2.500%	–
66.	of which: bank specific countercyclical capital buffer requirement	0.419%	–
67.	of which: higher loss absorbency requirement	0.000%	–
68.	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	16.28%	–
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
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	2,708,587	–
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 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)	2,042,561	–
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	3,006,839	–
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	–	–

Composition of regulatory capital (Continued)

CC1: Composition of regulatory capital (Continued)

Notes to the Template

	Description	Hong Kong basis	Basel III basis
		HK\$'000	HK\$'000
9.	Other intangible assets (net of associated deferred tax liabilities)	72,672	72,672
	<u>Explanation</u> 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)	–	–
	<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
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)	–	–
	<u>Explanation</u> For the purpose of determining the total amount of insignificant 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 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.		

Composition of regulatory capital (Continued)

CC1: Composition of regulatory capital (Continued)

Notes to the Template (Continued)

	Description	Hong Kong basis	Basel III basis
		HK\$'000	HK\$'000
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)	–	–
<u>Explanation</u> 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.			
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)	–	–
<u>Explanation</u> 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 LAC 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)	–	–
<u>Explanation</u> 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 LAC investments in Tier 2 capital instruments and non-capital LAC liabilities 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 and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.			

Composition of regulatory capital (Continued)

CC2: Reconciliation of regulatory capital to balance sheet

	Balance sheet as in published financial statements (as at 30 Jun 2025)	Under regulatory scope of consolidation (as at 30 Jun 2025)	
	HK\$'000	HK\$'000	Reference
Assets			
Cash and balances with central bank	1,564,727	1,564,727	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		(3,854)	(1)
Due from and placements with banks and other financial institutions	41,350,843	41,350,843	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		(32,346)	(2)
Loans and advances to customers	201,617,256	201,617,256	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		(993,123)	(3)
Financial assets at fair value through profit or loss	6,251,225	6,251,225	
<i>of which: debit valuation adjustments in respects of derivative contracts</i>		2,186	(4)
Financial assets at fair value through other comprehensive income	134,783,340	134,783,340	
Financial assets at amortized cost	49,669,554	49,669,554	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		(50,144)	(5)
Fixed assets	130,931	130,931	
Right-of-use assets	186,944	186,944	
Other assets	9,033,496	9,033,496	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		(6,903)	(6)
<i>of which: other intangible assets</i>		87,032	(7)
Total assets	444,588,316	444,588,316	

Composition of regulatory capital (Continued)

CC2: Reconciliation of regulatory capital to balance sheet (Continued)

	Balance sheet as in published financial statements (as at 30 Jun 2025)	Under regulatory scope of consolidation (as at 30 Jun 2025)	
	HK\$'000	HK\$'000	Reference
Liabilities			
Due to banks and other financial institutions	12,914,561	12,914,561	
Financial liabilities at fair value through profit or loss	2,458,757	2,458,757	
<i>of which: debit valuation adjustments in respects of derivative contracts</i>		1,115	(8)
Due to customers	354,489,636	354,489,636	
Current tax liabilities	1,335,232	1,335,232	
Debt securities issued	7,852,750	7,852,750	(9)
Deferred tax liabilities	158,018	158,018	
<i>of which: deferred income tax liabilities on other intangible assets</i>		14,360	(10)
Lease liabilities	192,180	192,180	
Other liabilities	5,715,738	5,715,738	
<i>of which: collective impairment allowances (Stage 1 and 2) reflected in regulatory capital</i>		18,050	(11)
Total liabilities	385,116,872	385,116,872	
Equity			
Share capital	44,999,807	44,999,807	(12)
Other reserves	1,824,046	1,824,046	(13)
<i>of which: cash flow hedge reserve</i>		146,762	(14)
Retained earnings	12,647,591	12,647,591	(15)
<i>of which: regulatory capital for general banking risk</i>		938,141	(16)
Total equity	59,471,444	59,471,444	
Total equity and liabilities	444,588,316	444,588,316	

Composition of regulatory capital (Continued)

CCA: Main features of regulatory capital instruments

		Ordinary shares	Tier 2 capital bonds
1.	Issuer	Bank of Communications (Hong Kong) Limited	Bank of Communications (Hong Kong) Limited
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	ISIN: XS2357352702
3.	Governing law(s) of the instrument	Hong Kong law	The Bonds are governed by, and shall be construed in accordance with, English law, except that the subordination provisions shall be governed by and construed in accordance with the laws of Hong Kong.
	<i>Regulatory treatment</i>		
4.	Transitional Basel III rules	Not applicable	Not applicable
5.	Basel III rules	Common Equity Tier 1	Tier 2
6.	Eligible at solo / group / solo and group	Solo	Solo
7.	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Tier 2 capital
8.	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$44,999,807,000	US\$1,000 million
9.	Par value of instrument	Not applicable	US\$1,000 million
10.	Accounting classification	Shareholders' equity	Liability – amortized cost
11.	Original date of issuance	1 share issued on 29 July 2014 299,999,999 shares issued on 9 February 2015 7,600,000,000 shares issued on 19 January 2018 10,000,000,000 shares issued on 28 June 2018 20,000,000,000 shares issued on 21 September 2020	8 July 2021
12.	Perpetual or dated	Perpetual	Dated
13.	Original maturity date	No maturity	8 July 2031
14.	Issuer call subject to prior supervisory approval	No	Yes
15.	Optional call date, contingent call dates and redemption amount	Not applicable	First call date: 8 July 2026 (Redemption in whole at 100%)
16.	Subsequent call dates, if applicable	No	Not applicable
	<i>Coupons / dividends</i>		
17.	Fixed or floating dividend / coupon	Not applicable	Fixed

Composition of regulatory capital (Continued)

CCA: Main features of regulatory capital instruments (Continued)

		Ordinary shares	Tier 2 capital bonds
18.	Coupon rate and any related index	Not applicable	Year 1-5: 2.304% per annum payable, semi-annually in arrear; Year 5 onwards: resettable on year 5 at the prevailing 5-year U.S. Treasury yield plus 1.4% per annum.
19.	Existence of a dividend stopper	Not applicable	No
20.	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21.	Existence of step-up or other incentive to redeem	Not applicable	No
22.	Non-cumulative or cumulative	Non-cumulative	Cumulative
23.	Convertible or non-convertible	Non-convertible	Non-convertible
24.	If convertible, conversion trigger(s)	Not applicable	Not applicable
25.	If convertible, fully or partially	Not applicable	Not applicable
26.	If convertible, conversion rate	Not applicable	Not applicable
27.	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28.	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29.	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable
30.	Write-down feature	No	Yes
31.	If write-down, write-down trigger(s)	Not applicable	If a Non-Viability Event occurs and is continuing. "Non-Viability Event" means the earlier of: (a) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable; and (b) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

Composition of regulatory capital (Continued)

CCA: Main features of regulatory capital instruments (Continued)

		Ordinary shares	Tier 2 capital bonds
32.	If write-down, full or partial	Not applicable	Full or partial
33.	If write-down, permanent or temporary	Not applicable	Permanent
34.	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Represents the most subordinated claim in liquidation	Subject to the insolvency laws of Hong Kong and other applicable laws, in the event of a Winding-Up of the Issuer (other than pursuant to a Permitted Reorganisation), the rights and claims of the Bondholders in respect of or arising under the Bonds, shall rank (i) subordinate and junior in right of payment to, and of all claims of, (a) all depositors and unsubordinated creditors of the Issuer and (b) all other holders of Subordinated Indebtedness of the Issuer whose claims are stated to rank senior to the Bonds or rank senior to the Bonds by operation of law or contract; (ii) pari passu in right of payment to and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of, the holders of Junior Obligation which include all classes of share capital of the Issuer and any Tier 1 Capital Instruments.
36.	Non-compliant transitioned features	Not applicable	Not applicable
37.	If yes, specify non-compliant features	Not applicable	Not applicable
Full terms and conditions of capital instruments		Ordinary shares	Tier 2 capital bonds due 2031

Macroprudential supervisory measures

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

	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (HK\$'000)	AI-specific CCyB ratio (%)	CCyB amount (HK\$'000)
1.	Hong Kong SAR	0.5%	156,035,189		
2.	Australia	1%	377		
3.	Belgium	1%	139,352		
4.	Denmark	2.5%	166,106		
5.	Ireland	1.5%	2,555,494		
6.	Netherlands	2%	434,117		
7.	South Korea	1%	152,979		
8.	Sweden	2%	317,119		
9.	United Kingdom	2%	657,532		
10.	Sum		160,458,265		
11.	Total		203,788,870	0.419%	1,096,690

CCyB ratio is calculated as the weighted average of the applicable jurisdictional CCyB ratio, effective at the date for which the determination is made, in respect of the jurisdictions (including Hong Kong) where the Bank has private sector credit exposures. The weight to be attributed to a given jurisdiction's applicable CCyB ratio is the ratio of the Bank's aggregate risk-weighted amount for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction (RWAj) to the sum of the Bank's aggregate RWAj across all jurisdictions in which the AI has private sector credit exposure.

Leverage ratio

LR1: Summary comparison of accounting assets against leverage ratio exposure measure

	Item	Value under the LR framework (HK\$'000)
1.	Total consolidated assets as per published financial statements	444,588,316
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	6,511,924
9.	Adjustment for SFTs (i.e. repos and similar secured lending)	239,897
10.	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	6,592,698
11.	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(5,614,477)
12.	Other adjustments	3,301,848
13.	Leverage ratio exposure measure	455,620,206

* Not applicable in the case of Hong Kong

Leverage ratio (Continued)

LR2: Leverage ratio

		30 Jun 2025	31 Mar 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)	437,179,162	432,495,905
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	(1,296,141)	(241,825)
4.	Less: Adjustment for securities 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	(5,605,077)	(5,189,653)
6.	Less: Asset amounts deducted in determining Tier 1 capital	(1,159,761)	(1,173,162)
7.	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	429,118,183	425,891,265
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)	7,162,512	7,424,704
9.	Add-on amounts for PFE associated with all derivative contracts	5,247,917	5,192,475
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)	12,410,429	12,617,179
Exposures arising from SFTs			
14.	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	7,268,399	13,145,182
15.	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16.	CCR exposure for SFT assets	239,897	820,817
17.	Agent transaction exposures	–	–
18.	Total exposures arising from SFTs (sum of rows 14 to 17)	7,508,296	13,965,999
Other off-balance sheet exposures			
19.	Off-balance sheet exposure at gross notional amount	20,909,132	18,697,101
20.	Less: Adjustments for conversion to credit equivalent amounts	(14,316,434)	(12,777,859)
21.	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(9,400)	(6,965)
22.	Off-balance sheet items (sum of rows 19 to 21)	6,583,298	5,912,277

Leverage ratio (Continued)

LR2: Leverage ratio (Continued)

		30 Jun 2025	31 Mar 2025
		HK\$'000	HK\$'000
Capital and total exposures			
23.	Tier 1 capital	58,310,568	56,845,879
24.	Total exposures (sum of rows 7, 13, 18 and 22)	455,620,206	458,386,720
Leverage ratio			
25 & 25a.	Leverage ratio	12.80%	12.40%
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	7,946,142	15,253,818
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	7,268,399	13,145,182
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)	456,297,949	460,495,356
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)	12.78%	12.34%

* Not applicable in the case of Hong Kong

Liquidity

30 Jun 2025

Average liquidity coverage ratio ("LCR")	
– Second quarter	213.99%
Average LCR for the period	189.42%
Net stable funding ratio ("NSFR")	
– First quarter end	126.94%
– Second quarter end	133.75%

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 30 June 2025 was 189.42%. The Bank's NSFR for the first quarter and second quarter ends of year 2025 were 126.94% and 133.75% respectively.

In the second quarter of year 2025, the Bank's LCR increased as a result of increase in deposits and decrease in Non-HQLA Bonds.

In the second quarter end of year 2025, the Bank's NSFR increased as a result of increase in deposits and decrease in Non-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

2025 Second 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 30 Jun 2025: (72)		HK\$'000	
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1.	Total HQLA		62,661,638
B. Cash Outflows			
2.	Retail deposits and small business funding, of which:	262,608,328	18,462,230
3.	<i>Stable retail deposits and stable small business funding</i>	11,789,099	589,455
4.	<i>Less stable retail deposits and less stable small business funding</i>	106,636,268	10,663,627
4a.	<i>Retail term deposits and small business term funding</i>	144,182,961	7,209,148
5.	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	55,067,809	26,242,084
6.	<i>Operational deposits</i>	3,005,740	693,048
7.	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	52,038,524	25,525,491
8.	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	23,545	23,545
9.	Secured funding transactions (including securities swap transactions)		2,473,106
10.	Additional requirements, of which:	26,455,775	5,419,258
11.	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	8,935,705	3,610,065
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>	17,520,070	1,809,193
14.	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,945,284	2,945,284
15.	Other contingent funding obligations (whether contractual or non-contractual)	11,609,436	37,695
16.	Total Cash Outflows		55,579,657
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	64,157,854	19,050,520
19.	Other cash inflows	6,618,325	6,608,248
20.	Total Cash Inflows	70,776,179	25,658,768
D. Liquidity Coverage Ratio			
21.	Total HQLA		62,661,638
22.	Total Net Cash Outflows		29,920,889
23.	LCR (%)		213.99%

Liquidity (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution

2025 Second quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A.	Available stable funding ("ASF") item					
1.	Capital:	60,575,864	86,930	–	7,852,750	68,428,614
2.	<i>Regulatory capital</i>	60,575,864	86,930	–	7,852,750	68,428,614
2a.	<i>Minority interests not covered by row 2</i>	–	–	–	–	–
3.	<i>Other capital instruments</i>	–	–	–	–	–
4.	Retail deposits and small business funding:	–	258,047,305	6,813,202	110,663	239,164,248
5.	<i>Stable deposits</i>		13,479,415	103,144	2,946	12,906,377
6.	<i>Less stable deposits</i>		244,567,890	6,710,058	107,717	226,257,871
7.	Wholesale funding:	–	103,027,544	919,699	102,441	42,742,214
8.	<i>Operational deposits</i>		3,007,628	–	–	1,503,814
9.	<i>Other wholesale funding</i>	–	100,019,916	919,699	102,441	41,238,400
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	2,793,232	1,245,035	–	–	–
12.	<i>Net derivative liabilities</i>	–				
13.	<i>All other funding and liabilities not included in the above categories</i>	2,793,232	1,245,035	–	–	–
14.	Total ASF					350,335,076
B.	Required stable funding ("RSF") item					
15.	Total HQLA for NSFR purposes	355,625	12,332,738	5,053,572	101,525,332	36,724,589
16.	Deposits held at other financial institutions for operational purposes	–	266,032	–	–	133,016
17.	Performing loans and securities:	47,230,873	53,138,368	26,070,055	178,021,267	208,158,321
18.	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	–	–	–	–
19.	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	19,144,720	38,926,080	5,117,727	12,744,962	40,287,458

Liquidity (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 Second quarter end: (Continued)

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
20.	<i>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:</i>	28,086,153	9,758,544	12,151,624	63,042,080	85,956,509
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	4,182,228	443,754	620,040	8,105,641	8,519,012
22.	<i>Performing residential mortgages, of which:</i>	–	937,135	901,717	44,464,663	30,332,492
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	883,282	849,899	41,909,484	28,107,755
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	3,516,609	7,898,987	57,769,562	51,581,862
25.	Assets with matching interdependent liabilities	–	–	–	–	–
26.	Other assets:	16,609,390	1,851,373	–	–	15,952,749
27.	<i>Physical traded commodities, including gold</i>	–				–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	1,998,007				1,698,306
29.	<i>Net derivative assets</i>	4,449,401				4,449,401
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	447,004				22,350
31.	<i>All other assets not included in the above categories</i>	9,714,978	1,851,373	–	–	9,782,692
32.	Off-balance sheet items		2,714	871	29,659,032	967,310
33.	Total RSF					261,935,985
34.	Net Stable Funding Ratio (%)					133.75%

Liquidity (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 First quarter end:

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A.	Available stable funding ("ASF") item					
1.	Capital:	58,967,760	41,312	–	7,780,039	66,747,799
2.	Regulatory capital	58,967,760	41,312	–	7,780,039	66,747,799
2a.	Minority interests not covered by row 2	–	–	–	–	–
3.	Other capital instruments	–	–	–	–	–
4.	Retail deposits and small business funding:	–	256,056,886	3,204,869	8,077	233,991,064
5.	Stable deposits		12,894,427	53,741	717	12,301,476
6.	Less stable deposits		243,162,459	3,151,128	7,360	221,689,588
7.	Wholesale funding:	–	109,154,018	2,709,308	101,351	39,409,529
8.	Operational deposits		3,334,948	–	–	1,667,474
9.	Other wholesale funding	–	105,819,070	2,709,308	101,351	37,742,055
10.	Liabilities with matching interdependent assets	–	–	–	–	–
11.	Other liabilities:	2,525,996	3,992,498	–	–	–
12.	Net derivative liabilities	–				
13.	All other funding and liabilities not included in the above categories	2,525,996	3,992,498	–	–	–
14.	Total ASF					340,148,392
B.	Required stable funding ("RSF") item					
15.	Total HQLA for NSFR purposes	358,660	15,929,560	5,438,169	96,430,842	35,666,093
16.	Deposits held at other financial institutions for operational purposes	–	208,434	–	–	104,217
17.	Performing loans and securities:	43,298,052	47,906,887	31,318,289	184,833,321	215,289,229
18.	Performing loans to financial institutions secured by Level 1 HQLA	–	–	–	–	–
19.	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	17,034,695	27,689,346	7,747,768	14,385,548	39,447,529

Liquidity (Continued)

LIQ2: Net Stable Funding Ratio – for category 1 institution (Continued)

2025 First quarter end: (Continued)

Basis of disclosure: Hong Kong office		Unweighted value by residual maturity				Weighted amount HK\$'000
		No specified term to maturity	< 6 months or repayable on demand	6 months to < 12 months	12 months or more	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
20.	<i>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:</i>	26,263,357	7,865,571	13,646,157	68,278,545	88,864,679
21.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	3,405,201	1,387,854	381,493	7,853,811	8,203,031
22.	<i>Performing residential mortgages, of which:</i>	–	865,256	841,169	43,454,426	29,530,420
23.	<i>With a risk-weight of less than or equal to 35% under the STC approach</i>	–	822,263	799,373	41,295,273	27,652,746
24.	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	11,486,714	9,083,195	58,714,802	57,446,601
25.	<i>Assets with matching interdependent liabilities</i>	–	–	–	–	–
26.	<i>Other assets:</i>	16,702,707	3,050,418	–	–	16,027,092
27.	<i>Physical traded commodities, including gold</i>	–				–
28.	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	1,766,132				1,501,212
29.	<i>Net derivative assets</i>	4,835,034				4,835,034
30.	<i>Total derivative liabilities before adjustments for deduction of variation margin posted</i>	531,481				26,574
31.	<i>All other assets not included in the above categories</i>	9,570,060	3,050,418	–	–	9,664,272
32.	<i>Off-balance sheet items</i>		2,714	871	28,115,307	876,699
33.	Total RSF					267,963,330
34.	Net Stable Funding Ratio (%)					126.94%

Credit risk for non-securitization exposures

CR1: Credit quality of exposures

		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		
		HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000	HK\$'000
1.	Loans	5,460,985	244,237,121	5,520,905	4,491,582	1,029,323	–	244,177,201
2.	Debt securities	–	184,492,782	50,144	–	50,144	–	184,442,638
3.	Off-balance sheet exposures	–	15,375,030	13,265	–	13,265	–	15,361,765
4.	Total	5,460,985	444,104,933	5,584,314	4,491,582	1,092,732	–	443,981,604

CR2: Changes in defaulted loans and debt securities

		Amount
		HK\$'000
1.	Defaulted loans and debt securities at 31 Dec 2024	4,983,697
2.	Loans and debt securities that have defaulted since the last reporting period	764,944
3.	Returned to non-defaulted status	(27,316)
4.	Amounts written off	(222,616)
5.	Other changes	(37,724)
6.	Defaulted loans and debt securities at 30 Jun 2025	5,460,985

Between Dec 2024 and Jun 2025, the Bank's defaulted loans and debt securities increased from HK\$4,984 million by 10% to HK\$5,461 million. The main contributor was the loans and debt securities of HK\$765 million defaulted during the reporting period.

CR3: Overview of recognized credit risk mitigation

		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
		HK\$'000				
1.	Loans	225,800,697	18,376,504	1,317,758	2,731,175	–
2.	Debt securities	179,368,858	5,073,780	–	5,073,780	–
3.	Total	405,169,555	23,450,284	1,317,758	7,804,955	–
4.	Of which defaulted	731,464	466,081	–	436,901	–

As of Jun 2025, the Bank's carrying amount for unsecured exposures was HK\$405,170 million. There is a decrease of HK\$3,280 million compared to that of Dec 2024. This was mainly due to the drop in unsecured debt securities of HK\$5,939 million.

Credit risk for non-securitization exposures (Continued)

CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

	Exposure classes	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
1.	Sovereign exposures	28,909,761	–	35,132,050	–	2,949,847	8%
2.	Public sector entity exposures	11,840,310	375,000	7,716,416	281,364	1,599,556	20%
3.	Multilateral development bank exposures	9,721,213	–	9,721,213	–	–	0%
3a.	Unspecified multilateral body exposures	–	–	–	–	–	0%
4.	Bank exposures	90,656,298	–	93,100,870	3,894	24,629,755	26%
4a.	Qualifying non-bank financial institution exposures	–	–	–	–	–	0%
5.	Eligible covered bond exposures	4,440,273	–	4,440,273	–	444,027	10%
6.	General corporate exposures	193,183,076	20,262,196	190,051,263	4,479,028	155,176,773	80%
6a.	Of which: non-bank financial institution exposures excluding those reported under row 4a	45,308,506	2,669,199	45,308,506	902,715	36,141,936	78%
6b.	Specialized lending	1,461,550	–	1,461,550	–	1,461,550	100%
7.	Equity exposures	10,256	–	10,256	–	25,640	250%
7a.	Significant capital investments in commercial entities	–	–	–	–	–	0%
7b.	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	2,708,587	–	2,708,587	–	4,062,881	150%
7c.	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	0%
8.	Retail exposures	15,792,189	7,151,151	15,050,323	1,171,201	14,585,252	90%
8a.	Exposures arising from IPO financing	–	–	–	–	–	0%
9.	Real estate exposures	73,121,138	1,874,270	71,127,943	532,927	26,542,535	37%
9a.	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	54,340,049	569,364	54,027,873	37,095	13,183,619	24%

Credit risk for non-securitization exposures (Continued)

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

	Exposure classes	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
9b.	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	491,348	–	491,348	–	242,195	49%
9c.	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	12,839,217	156,851	12,239,881	38,178	8,185,036	67%
9d.	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	1,216,816	–	1,216,816	–	851,771	70%
9e.	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	0%
9f.	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	–	–	–	–	–	0%
9g.	Of which: land acquisition, development and construction exposures	4,233,708	1,148,055	3,152,025	457,654	4,079,914	113%
10.	Defaulted exposures	1,206,851	–	1,206,851	–	1,068,595	89%
11.	Other exposures	3,667,310	–	3,667,310	–	3,667,310	100%
11a.	Cash and gold	355,625	–	1,679,532	124,284	158,931	9%
11b.	Items in the process of clearing or settlement	2,261,040	–	2,261,040	–	–	0%
12.	Total	439,335,477	29,662,617	439,335,477	6,592,698	236,372,652	53%

Compared with Dec 2024, the bank's credit risk RWA decrease from HK\$259,723 million to HK\$236,373 million, a decrease of 9.0%.

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach

	Risk Weight							Total credit risk exposure amount (post-CCF and post-CRM)
		0%	20%	50%	100%	150%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1. Sovereign exposures		23,047,081	10,308,794	1,776,175	–	–	–	35,132,050

	Risk Weight							Total credit risk exposure amount (post-CCF and post-CRM)
		0%	20%	50%	100%	150%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2. Public sector entity exposures		–	7,997,780	–	–	–	–	7,997,780

	Risk Weight							Total credit risk exposure amount (post-CCF and post-CRM)
		0%	20%	30%	50%	100%	150%	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
3. Multilateral development bank exposures		9,721,213		–	–	–	–	9,721,213

	Risk Weight							Total credit risk exposure amount (post-CCF and post-CRM)
		20%	30%	50%	100%	150%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
3a. Unspecified multilateral body exposures		–	–	–	–	–	–	–

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

	Risk Weight Exposure classes	20%	30%	40%	50%	75%	100%	150%	Other	Total credit risk exposure amount (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
4.	Bank exposures	45,552,194	42,612,580	97,079	4,292,403	–	550,508	–	–	93,104,764

	Risk Weight Exposure classes	20%	30%	40%	50%	75%	100%	150%	Other	Total credit risk exposure amount (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
4a.	Qualifying non-bank financial institution exposures	–	–	–	–	–	–	–	–	–

	Risk Weight Exposure classes	10%	15%	20%	25%	35%	50%	100%	Other	Total credit risk exposure amount (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
5.	Eligible covered bond exposures	4,440,273	–	–	–	–	–	–	–	4,440,273

	Risk Weight Exposure classes	20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit risk exposure amount (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
6.	General corporate exposures	3,016,541	1,304,126	59,270,314		44,883,403	2,454,808	73,207,435	10,393,664	–	194,530,291
6a.	Of which: non-bank financial institution exposures excluding those reported under row 4a	1,642,537	–	12,131,956		20,519,862	–	7,035,491	4,881,375	–	46,211,221

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

	Risk Weight								Total credit risk exposure amount (post-CCF and post-CRM)
		20%	50%	75%	80%	100%	130%	150%	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
6b. Specialized lending		–	–	–	–	1,461,550	–	–	1,461,550

	Risk Weight					Total credit risk exposure amount (post-CCF and post-CRM)
		100%	250%	400%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
7. Equity exposures			10,256	–	–	10,256

	Risk Weight					Total credit risk exposure amount (post-CCF and post-CRM)
		250%	400%	1,250%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
7a. Significant capital investments in commercial entities		–	–	–	–	–

	Risk Weight					Total credit risk exposure amount (post-CCF and post-CRM)
		150%	250%	400%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
7b. Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities		2,708,587	–	–	–	2,708,587

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

	Exposure classes	Risk Weight		Total credit risk exposure amount (post-CCF and post-CRM)	
		150%	Other	HK\$'000	HK\$'000
7c.	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–

	Exposure classes	Risk Weight				Total credit risk exposure amount (post-CCF and post-CRM)
		45%	75%	100%	Other	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
8.	Retail exposures	805,227	7,649,998	5,677,101	2,089,198	16,221,524

	Exposure classes	Risk Weight		Total credit risk exposure amount (post-CCF and post-CRM)	
		0%	Other	HK\$'000	HK\$'000
8a.	Exposures arising from IPO financing	–	–	–	–

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

	Exposure classes	Risk Weight																				Total credit risk 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%	Others		
		HK\$'000																				
9.	Real estate exposures	-	32,306,369	10,708,908	8,104,713	-	1,210,877	307,442	605,706	9,930,819		2,291,591	-	663,826	-	4,326,209	124,866	-	940,469	139,075	71,660,870	
9a.	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		32,279,954	10,708,908	7,745,683		1,210,877	299,990	605,706	-		1,074,775	-				-			139,075	54,064,968	
9b.	Of which: no loan splitting applied		32,279,954	10,708,908	7,745,683		1,210,877	299,990	605,706	-		1,074,775	-				-			139,075	54,064,968	
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)				359,030	-		7,452		-			-		-		124,866			-	491,348	
9f.	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	26,415		-		-		-	9,930,819			-	663,826		1,656,999			-	-	12,278,059	
9g.	Of which: no loan splitting applied	-	26,415		-		-		-	9,930,819			-	663,826		1,656,999			-	-	12,278,059	
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)											1,216,816			-			-		-	1,216,816	
9k.	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				-	-		-			-	-	-	
9l.	Of which: no loan splitting applied	-	-		-		-		-				-	-		-			-	-	-	
9m.	Of which: loan splitting applied (secured)																					
9n.	Of which: loan splitting applied (unsecured)																					
9o.	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																		-	-	-	
9p.	Of which: land acquisition, development and construction exposures															2,669,210			940,469	-	3,609,679	

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

	Risk Weight					Total credit risk exposure amount (post-CCF and post-CRM)
		50%	100%	150%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
10. Defaulted exposures			205,385	573,454	428,012	1,206,851

	Risk Weight				Total credit risk exposure amount (post-CCF and post-CRM)
		100%	1,250%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
11. Other exposures		3,667,310	–	–	3,667,310

	Risk Weight				Total credit risk exposure amount (post-CCF and post-CRM)
		0%	100%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
11a. Cash and gold		1,009,161	–	794,655	1,803,816

	Risk Weight				Total credit risk exposure amount (post-CCF and post-CRM)
		0%	20%	Other	
Exposure classes		HK\$'000	HK\$'000	HK\$'000	HK\$'000
11b. Items in the process of clearing or settlement		2,261,040	–	–	2,261,040

Compared with Dec 2024, the Bank's post-CCF and post-CRM on balance exposure increased from HK\$430,953 million to HK\$445,928 million. This was mainly attributed to the increase in real estate exposures.

Credit risk for non-securitization exposures (Continued)

CR5: Credit risk exposures by exposure classes and by risk weights – for STC approach (Continued)

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures:

	Risk Weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF	Exposure (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
1.	Less than 40%	197,160,123	685,808	65%	203,749,486
2.	40% – 70%	75,658,277	6,122,245	23%	80,587,633
3.	75%	50,438,823	3,895,931	26%	52,533,401
4.	85%	3,833,174	813,091	14%	3,118,634
5.	90% – 100%	95,916,721	15,665,816	17%	89,098,527
6.	105% – 130%	992,651	–	0%	992,651
7.	150%	15,325,452	2,479,726	38%	15,837,587
8.	250%	10,256	–	0%	10,256
9.	400%	–	–	0%	–
10.	1,250%	–	–	0%	–
11.	Total exposures	439,335,477	29,662,617	22%	445,928,175

Counterparty credit risk

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

		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000
1.	SA-CCR approach (for derivative contracts)	4,874,937	3,328,389		1.4	11,484,657	4,128,393
1a.	CEM (for derivative contracts)	–	–		1.4	–	–
2.	IMM(CCR) approach			–	–	–	–
3.	Simple approach (for SFTs)					7,497,592	46,063
4.	Comprehensive approach (for SFTs)					–	–
5.	VaR (for SFTs)					–	–
6.	Total						4,174,456

There was a 42.6% decrease in counterparty credit risk RWA on default risk exposures compared to Dec 2024. The main contributor is originated from the decrease of replacement cost of SA-CCR approach.

Counterparty credit risk (Continued)

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

	Risk Weight Exposure classes	0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
		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	9,584	–	–	–	–	–	–	–	–	–	–	9,584
2.	Public sector entity exposures	–	–	–	–	–	–	–	–	–	–	–	–
3.	Multilateral development bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
4.	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–
5.	Bank exposures	–	–	965,259	8,900,306	–	666,420	–	–	–	–	–	10,531,985
6.	Qualifying non-bank financial institution exposures	–	–	31,633	–	–	–	–	–	–	–	–	31,633
7.	General corporate exposures	–	–	–	–	–	–	–	42,344	134,671	–	–	177,015
8.	Retail exposures	–	–	–	–	–	–	692,899	–	281,438	–	–	974,337
9.	Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–
10.	Other exposures	7,257,695	–	–	–	–	–	–	–	–	–	–	7,257,695
11.	Total	7,267,279	–	996,892	8,900,306	–	666,420	692,899	42,344	416,109	–	–	18,982,249

Compared to Dec 2024, total default risk exposure after CRM increased from HK\$14,584 million to HK\$18,982 million. The main contributor is originated from the increase in other exposures.

Counterparty credit risk (Continued)

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

	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash – domestic currency	–	–	31,695	–	250,000	–
Cash – other currencies	–	6,753	2,237,536	669,447	7,018,399	–
Domestic sovereign debt	–	–	–	–	–	251,348
Other sovereign debt	–	–	359,537	1,595	–	–
Government agency debt	–	–	–	–	–	–
Corporate bonds	–	–	–	555	–	7,246,244
Equity securities	–	–	–	–	–	–
Other collateral	–	–	–	–	–	–
Total	–	6,753	2,628,768	671,597	7,268,399	7,497,592

The collateral posted and received resulted from transaction with CCP, counterparties via CSA and repo transaction.

CCR6: Credit-related derivatives contracts

	Protection bought	Protection sold
	HK\$'000	HK\$'000
Notional amounts		
Single-name credit default swaps	–	–
Index credit default swaps	–	–
Total return swaps	–	–
Credit-related options	–	–
Other credit-related derivative contracts	–	–
Total notional amounts	–	–
Fair values		
Positive fair value (asset)	–	–
Negative fair value (liability)	–	–

Counterparty credit risk (Continued)

CCR8: Exposures to CCPs

		Exposure after CRM	RWA
		HK\$'000	HK\$'000
1.	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		64,609
2.	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	3,230,426	64,609
3.	(i) OTC derivative transactions	3,230,426	64,609
4.	(ii) Exchange-traded derivative contracts	–	–
5.	(iii) Securities financing transactions	–	–
6.	(iv) Netting sets subject to valid cross-product netting agreements	–	–
7.	Segregated initial margin	2,002,074	
8.	Unsegregated initial margin	–	–
9.	Funded default fund contributions	–	–
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	–	–

Compared to Dec 2024, RWA of default risk exposure to qualifying CCPs increased by 27%, originating from an increase in exposure on OTC derivatives. The collateral posted and received resulted from derivatives transaction via CCP.

Credit valuation adjustment risk

CVA1: CVA risk under reduced basic CVA approach

		Components	CVA risk capital charge under the reduced basic CVA approach
		HK\$'000	HK\$'000
1.	Aggregation of systematic components of CVA risk	702,167	
2.	Aggregation of idiosyncratic components of CVA risk	29,354	
3.	Total		352,003

Compared with Dec 2024, the CVA capital charge decreased from HK\$376 million to HK\$352 million. The main contributor is originated from decrease in derivatives EAD.

Securitization exposures

SEC1: Securitization exposures in banking book

		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1.	Retail (total) – of which:	–	–	–	–	–	–	–	–	–
2.	residential mortgage	–	–	–	–	–	–	–	–	–
3.	credit card	–	–	–	–	–	–	–	–	–
4.	other retail exposures	–	–	–	–	–	–	–	–	–
5.	re-securitization exposures	–	–	–	–	–	–	–	–	–
6.	Wholesale (total) – of which:	–	–	–	–	–	–	–	–	–
7.	loans to corporates	–	–	–	–	–	–	–	–	–
8.	commercial mortgage	–	–	–	–	–	–	–	–	–
9.	lease and receivables	–	–	–	–	–	–	–	–	–
10.	other wholesale	–	–	–	–	–	–	–	–	–
11.	re-securitization exposures	–	–	–	–	–	–	–	–	–

Securitization exposures (Continued)

SEC2: Securitization exposures in trading book

		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1.	Retail (total) – of which:	–	–	–	–	–	–	–	–	–
2.	residential mortgage	–	–	–	–	–	–	–	–	–
3.	credit card	–	–	–	–	–	–	–	–	–
4.	other retail exposures	–	–	–	–	–	–	–	–	–
5.	re-securitization exposures	–	–	–	–	–	–	–	–	–
6.	Wholesale (total) – of which:	–	–	–	–	–	–	–	–	–
7.	loans to corporates	–	–	–	–	–	–	–	–	–
8.	commercial mortgage	–	–	–	–	–	–	–	–	–
9.	lease and receivables	–	–	–	–	–	–	–	–	–
10.	other wholesale	–	–	–	–	–	–	–	–	–
11.	re-securitization exposures	–	–	–	–	–	–	–	–	–

Securitization exposures (Continued)

SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

		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 <1,250% RW	1,250% 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
		HK\$'000					HK\$'000				HK\$'000				HK\$'000			
1.	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.	Of which simple, transparent and comparable	Not applicable*																
6.	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Of which simple, transparent and comparable	Not applicable*																
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Not applicable in the case of Hong Kong

Securitization exposures (Continued)

SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

		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 <1,250% RW	1,250% 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
		HK\$'000					HK\$'000				HK\$'000				HK\$'000			
1.	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.	Of which simple, transparent and comparable	Not applicable*																
6.	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Of which simple, transparent and comparable	Not applicable*																
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Not applicable in the case of Hong Kong

Market risk

MR1: Market risk under STM approach

		Market risk capital charges under STM approach
		HK\$'000
1.	General interest rate risk	13,400
2.	Equity risk	–
3.	Commodity risk	4,585
4.	Foreign exchange risk	37,056
5.	Credit spread risk (non-securitization)	16,020
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)	7,902
9.	SA-DRC (securitization: non-CTP)	–
10.	SA-DRC (securitization: CTP)	–
11.	Residual risk add-on	8
12.	Total	78,971

Compared with Dec 2024, the market risk capital charge drop from HK\$280 million to HK\$79 million. The change was due to the drop in foreign exchange exposures.

Asset encumbrance

ENC: Asset encumbrance

	Encumbered assets	Unencumbered assets	Total
	HK\$'000	HK\$'000	HK\$'000
Cash and balances with central bank	–	1,564,727	1,564,727
Due from and placements with banks and other financial institutions	–	41,350,843	41,350,843
Loans and advances to customers	–	201,617,256	201,617,256
Financial assets	7,433,214	183,270,905	190,704,119
Fixed assets	–	130,931	130,931
Right-of-use assets	–	186,944	186,944
Other assets	–	9,033,496	9,033,496
Total assets	7,433,214	437,155,102	444,588,316

Additional balance sheet information

1. International claims

The information on international claims are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. Geographical segments, constituting 10% or more of the Bank's total international claims after taking into account any recognized risk transfer, are disclosed below.

	Bank	Official sector	Non-bank financial institutions	Non-financial private sector	Total
Equivalent in millions of HK\$					
<u>As at 30 Jun 2025</u>					
Developing Asia-Pacific	38,927	5,177	2,143	33,850	80,097
of which attributed to Mainland China	33,631	2,827	2,143	29,605	68,206
Developed economies	36,653	6,126	4,568	15,959	63,306
Offshore centres	2,218	8,744	27,668	49,528	88,158
of which attributed to Hong Kong	910	8,744	26,651	47,568	83,873
Developing Africa and Middle East	7,182	11,905	799	10,683	30,569

2. Impaired loans and advances to customers by geographical areas

	Gross amount of loans to customers HK\$'000	Gross amount of trade bills HK\$'000	Total amount of loans and advances to customers HK\$'000	Identified impaired loans and advances to customers HK\$'000	% of total loans and advances to customers	Stage 1 & 2 provision for ECL HK\$'000	Stage 3 provision for ECL HK\$'000
<u>As at 30 Jun 2025</u>							
Hong Kong	182,870,011	14,759	182,884,770	6,757,263	3.27	890,564	4,489,357
Mainland China	14,227,391	220,527	14,447,918	8,652	—	61,244	2,225
Others	9,746,552	22,721	9,769,273	—	—	41,315	—
	<u>206,843,954</u>	<u>258,007</u>	<u>207,101,961</u>	<u>6,765,915</u>	<u>3.27</u>	<u>993,123</u>	<u>4,491,582</u>

The gross amount of loans and advances to customers by geographical segment is classified in accordance with the location of the counterparties after taking into account the transfer of risk. In general, a transfer of risk arises if the loans or advances of a customer are guaranteed by a party in a country which is different from that of the customer. Geographical segment, constituting 10% or more of the Bank's total amount of loans and advances to customers after taking into account any recognized risk transfer, are disclosed above.

Additional balance sheet information (Continued)

3. The risk concentration analysis for loans and advances to customers by industry sectors (gross)

	30 Jun 2025 HK\$'000	% of total secured loans and advances
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
– Property development	20,968,361	27.76
– Property investment	15,585,565	69.19
– Financial concerns	25,129,391	3.88
– Stockbrokers	3,260,275	–
– Wholesale and retail trade	4,531,847	58.27
– Manufacturing	12,060,832	21.76
– Transport and transport equipment	10,816,780	38.27
– Recreational activities	981	100.00
– Information technology	1,534,818	1.71
– Others	22,840,622	28.20
Individuals		
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchases Scheme	94,988	100.00
– Loans for the purchase of other residential properties	46,763,549	99.99
– Credit card advances	115,474	–
– Others	15,719,217	91.18
Sub-total	179,422,700	52.75
Trade finance	609,622	34.87
Loans and advances for use outside Hong Kong	26,811,632	14.97
Total	206,843,954	47.80

Additional balance sheet information (Continued)

3. The risk concentration analysis for loans and advances to customers by industry sectors (gross) (Continued)

Gross loans, impaired loans, overdue loans, provision for Expected Credit Loss ("ECL") in respect of industry sectors which constitute not less than 10% of total amount of loans and advances to customers are analysed as follows:

	Gross amount of loans and advances to customers HK\$'000	Impaired loans HK\$'000	Overdue loans HK\$'000	Stage 1 & 2 provision for ECL HK\$'000	Stage 3 provision for ECL HK\$'000
As at 30 Jun 2025					
Loans and advances for use in Hong Kong					
– Industrial, commercial and financial	116,729,472	6,483,803	5,223,805	605,430	4,404,823
– Individuals	62,693,228	186,566	149,336	270,466	22,949
Trade finance	609,622	75,853	68,190	2,887	59,682
Loans and advances for use outside Hong Kong	26,811,632	15,585	15,546	112,930	20
	<u>206,843,954</u>	<u>6,761,807</u>	<u>5,456,877</u>	<u>991,713</u>	<u>4,487,474</u>

4. Gross amount of overdue loans and advances to customers

	30 Jun 2025 HK\$'000	% of total loans and advances to customers
Gross loans and advances to customers which have been overdue for periods of:		
More than 3 months but not more than 6 months	666,114	0.32
More than 6 months but not more than 1 year	379,747	0.18
More than 1 year	4,411,016	2.13
	<u>5,456,877</u>	2.63
Gross trade bills to customers which have been overdue for periods of:		
More than 3 months but not more than 6 months	–	–
More than 6 months but not more than 1 year	–	–
More than 1 year	4,108	0.01
	<u>4,108</u>	0.01
Total gross amount of overdue loans and advances to customers	<u>5,460,985</u>	2.64

Additional balance sheet information (Continued)

5. Overdue loans and advances to customers by geographical areas

	Overdue loans and advances to customers HK\$'000	Stage 3 provision for ECL HK\$'000
<u>As at 30 Jun 2025</u>		
Hong Kong	5,450,585	4,263,600
Mainland China	4,343	–
Others	6,057	–
	<u>5,460,985</u>	<u>4,263,600</u>
Of which:		
Market value of collateral held against the secured of overdue loans and advances	563,572	
Secured of overdue loans and advances	541,525	
Unsecured portion of overdue loans and advances	4,919,460	
Stage 3 provision for ECL	4,263,600	

Collateral held with respect to overdue loans and advances to customers is mainly properties.

6. Overdue and rescheduled loans and advances to customers

	30 Jun 2025 HK\$'000
Total rescheduled loans and advances to customers	102,053
Excluding: rescheduled loans and advances to customers overdue above 3 months	97,512
Net amounts of rescheduled loans and advances to customers	<u>4,541</u>
Percentage of net amounts of rescheduled loans and advances to customers in total loans (%)	–

7. Overdue assets

There were no other overdue assets as at 30 Jun 2025.

8. Repossessed assets

There were no repossessed assets held as at 30 Jun 2025.

Additional balance sheet information (Continued)

9. Non-bank Mainland exposures

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Mainland Activities.

	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposures HK\$'000
<u>As at 30 Jun 2025</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	52,202,188	343,416	52,545,604
2. Local governments, local government-owned entities and their subsidiaries and JVs	10,712,987	31,850	10,744,837
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	33,989,003	2,454,614	36,443,617
4. Other entities of central government not reported in item 1 above	37,347	65,879	103,226
5. Other entities of local governments not reported in item 2 above	144,619	–	144,619
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	485,572	–	485,572
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	–	–	–
Total	<u>97,571,716</u>	<u>2,895,759</u>	<u>100,467,475</u>
Total assets after provisions	444,570,335		
On-balance sheet exposures as percentage of total assets	21.95%		

Additional balance sheet information (Continued)

10. Foreign currency exposures

The information concerning the foreign currency exposures of the Bank arising from trading and non-trading positions are disclosed below:

	USD	Total
Equivalent in millions of HK\$		
<u>As at 30 Jun 2025</u>		
Spot assets	199,851	199,851
Spot liabilities	(126,924)	(126,924)
Forward purchases	85,214	85,214
Forward sales	(160,280)	(160,280)
Net options position*	383	383
Net long (short) position	(1,756)	(1,756)
Net structural position	–	–

* Net options position is calculated based on the basis of the delta-weighted position of the options contracts.

Except for the above foreign currencies, we do not disclose other foreign currency exposures arising from trading and non-trading positions, which constitutes less than 10% of the total net position in all foreign currencies as above. There is no net structural position in any foreign currencies.

11. Off-balance sheet exposures (other than derivative transactions)

The off-balance sheet exposures are based on nominal contract amounts and risk-weighted amounts of contingent liabilities and commitments defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of Capital Adequacy Ratio.

	30 Jun 2025 HK\$'000
Contract amounts	
Direct credit substitutes	129,329
Trade-related contingencies	941,606
Commitments that are unconditionally cancellable without prior notice	14,287,587
Commitments which have an original maturity of not more than 1 year	1,134,447
Commitments which have an original maturity of more than 1 year	13,169,648
Total	29,662,617
Risk-weighted amount	5,683,008