星展銀行DBS

星 展 銀 行（ 香 港 ）有 限 公 司

# DBS BANK (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

## REGULATORY DISCLOSURE STATEMENTS
**30 June 2026**
(Unaudited)

**DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES**

**REGULATORY DISCLOSURES**

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## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 1 INTRODUCTION

The information contained in this document pertains to DBS Bank (Hong Kong) Limited (the "Bank") and its subsidiaries (the "Group"). It is made pursuant to the Banking (Disclosure) Rules ("BDR"), Part 6 of the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ("LAC Rules"), and disclosure templates issued by the Hong Kong Monetary Authority ("HKMA").

These banking disclosures are governed by the Group's disclosure policy and standard, which have been approved by the senior management and the Board. The disclosure policy and standard outline the governance, control and assurance requirements for publication of this document. Furthermore, these disclosures have undergone an independent review in accordance with the aforementioned policy and standard.

For the purposes of calculating its risk-weighted assets ("RWA"), the Bank uses the Internal Ratings-Based ("IRB") Approach for the majority of its non-securitization credit risk exposures. For those exposures exempted from the IRB approach, the Bank applies the Standardized Approach. For securitization exposures under the banking book, the Bank uses External Ratings-Based Approach ("SEC-ERBA") and Standardized Approach ("SEC-SA"). The Bank uses Reduced Basic CVA Approach ("BA-CVA") for the computation of CVA risk capital requirements and respective Standardized Approaches for operational and market risks.

The numbers in this document are expressed in millions of Hong Kong dollars, unless otherwise stated.

### 2 SCOPE OF CONSOLIDATION

For regulatory reporting purposes, the Bank computes key regulatory ratios on a combined basis including the Bank and its overseas branch, unless otherwise specified. It is different from the basis of consolidation for accounting purposes.

The following entities are within the Group's accounting scope of consolidation but excluded from its regulatory scope of consolidation.

| Name of entity | Principal activities | Total Assets In HK$ millions | Total Equity In HK$ millions |
|---|---|---|---|
| Dao Heng Finance Limited | Inactive | 72 | 71 |
| Hang Lung Bank (Nominee) Limited | Inactive | – | – |
| DBS Kwong On (Nominees) Limited | Inactive | – | – |
| Overseas Trust Bank Nominees Limited | Inactive | – | – |
| Ting Hong Nominees Limited | Provision of nominee, trustee and agency services | – | – |
| DBS Trustee (Hong Kong) Limited | Inactive | 5 | 5 |

## REGULATORY DISCLOSURES

### 3 KEY PRUDENTIAL RATIOS AND KEY METRICS

### 3.1 KM1 – Key Prudential Ratios

The following table provides an overview of the Bank's key prudential ratios which were calculated in accordance with the following Rules, where relevant, issued by the HKMA.

– Banking (Capital) Rules ("BCR")
– Banking (Liquidity) Rules ("BLR")

| | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| **In HK$ millions** | | **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) | 48,368 | 45,943 | 45,471 | 47,015 | 47,330 |
| 2 & 2a | Tier 1 | 50,768 | 48,343 | 47,871 | 48,415 | 48,730 |
| 3 & 3a | Total capital | 54,007 | 51,182 | 50,667 | 51,092 | 51,404 |
| | **RWA (amount)** | | | | | |
| 4 | Total RWA | 224,752 | 216,508 | 217,698 | 226,988 | 228,046 |
| 4a | Total RWA (pre-floor) | 224,752 | 216,508 | 217,698 | 226,988 | 228,046 |
| | **Risk-based regulatory capital ratios (as a percentage of RWA)** | | | | | |
| 5 & 5a | CET1 ratio (%) | 21.5 | 21.2 | 20.9 | 20.7 | 20.8 |
| 5b | CET1 ratio (%) (pre-floor ratio) | 21.5 | 21.2 | 20.9 | 20.7 | 20.8 |
| 6 & 6a | Tier 1 ratio (%) | 22.6 | 22.3 | 22.0 | 21.3 | 21.4 |
| 6b | Tier 1 ratio (%) (pre-floor ratio) | 22.6 | 22.3 | 22.0 | 21.3 | 21.4 |
| 7 & 7a | Total capital ratio (%) | 24.0 | 23.6 | 23.3 | 22.5 | 22.5 |
| 7b | Total capital ratio (%) (pre-floor ratio) | 24.0 | 23.6 | 23.3 | 22.5 | 22.5 |
| | **Additional CET1 buffer requirements (as a percentage of RWA)** | | | | | |
| 8 | Capital conservation buffer requirement (%) | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| 9 | Countercyclical capital buffer requirement (%) | 0.347 | 0.362 | 0.351 | 0.345 | 0.350 |
| 10 | Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 11 | Total AI-specific CET1 buffer requirements (%) | 2.847 | 2.862 | 2.851 | 2.845 | 2.850 |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 16.0 | 15.6 | 15.3 | 14.5 | 14.5 |
| | **Basel III Leverage ratio** | | | | | |
| 13 | Total leverage ratio (LR) exposure measure | 600,467 | 592,185 | 578,652 | 563,452 | 554,367 |
| 13a | LR exposure measure based on mean values of gross assets of SFTs | 609,243 | 600,226 | 576,967 | 557,914 | 557,636 |
| 14, 14a & 14b | LR (%) | 8.5 | 8.2 | 8.3 | 8.6 | 8.8 |
| 14c & 14d | LR (%) based on mean values of gross assets of SFTs | 8.3 | 8.1 | 8.3 | 8.7 | 8.7 |

## 3 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

### 3.1 KM1 – Key Prudential Ratios (continued)

| In HK$ millions | | (a) As at 30 June 2026 | (b) As at 31 March 2026 | (c) As at 31 December 2025 | (d) As at 30 September 2025 | (e) As at 30 June 2025 |
|---|---|---|---|---|---|---|
| | **Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)** | | | | | |
| | Applicable to category 1 institutions only: | | | | | |
| 15 | Total high quality liquid assets (HQLA) | 171,808 | 169,367 | 162,376 | 157,351 | 138,642 |
| 16 | Total net cash outflows | 87,501 | 81,899 | 86,901 | 86,446 | 73,565 |
| 17 | LCR (%) | 196.6 | 207.2 | 187.2 | 182.5 | 189.4 |
| | Applicable to category 2 institutions only: | | | | | |
| 17a | LMR (%) | NA | NA | NA | NA | NA |
| | **Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)** | | | | | |
| | Applicable to category 1 institutions only: | | | | | |
| 18 | Total available stable funding | 378,397 | 374,423 | 365,577 | 351,425 | 351,997 |
| 19 | Total required stable funding | 243,061 | 219,436 | 224,716 | 230,791 | 232,870 |
| 20 | NSFR (%) | 155.7 | 170.6 | 162.7 | 152.3 | 151.2 |
| | Applicable to category 2A institutions only: | | | | | |
| 20a | CFR (%) | NA | NA | NA | NA | NA |

The increase in capital ratios in the second quarter of 2026 was mainly driven by net profit accretion, partially offset by balance sheet growth.

Commentaries for the quarter explaining significant changes in the above metrics, if any, have been included in subsequent sections of this document.

## 3 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

### 3.2 KM2(A) – Key Metrics – LAC Requirements for Material Subsidiaries (at LAC Consolidation Group Level)

The following table provides a summary of the Bank's internal loss-absorbing capacity available at LAC consolidation group level.

| | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| **In HK$ millions** | | **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** |
| **Of the material entity at LAC consolidation group level** | | | | | | |
| 1 | Internal loss-absorbing capacity available | 54,007 | 51,182 | 50,667 | 51,092 | 51,404 |
| 2 | Risk-weighted amount under the LAC Rules | 224,752 | 216,508 | 217,698 | 226,988 | 228,046 |
| 3 | Internal LAC risk-weighted ratio (%) | 24.0 | 23.6 | 23.3 | 22.5 | 22.5 |
| 4 | Exposure measure under the LAC Rules | 600,467 | 592,185 | 578,652 | 563,452 | 554,367 |
| 5 | Internal LAC leverage ratio (%) | 9.0 | 8.6 | 8.8 | 9.1 | 9.3 |
| 6a | Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?[1] | NA | NA | NA | NA | NA |
| 6b | Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?[1] | NA | NA | NA | NA | NA |
| 6c | If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied[1] | NA | NA | NA | NA | NA |

*Footnote:*

1 *The subordination exemptions under Section 11 of the Financial Stability Board ("FSB") Total Loss-absorbing Capacity Term Sheet ("TLAC Term Sheet") do not apply in Hong Kong under the LAC Rules.*

The increase in Internal LAC risk-weighted ratio and Internal LAC leverage ratio in the second quarter of 2026 was mainly driven by net profit accretion, partially offset by balance sheet growth.

## 3 KEY PRUDENTIAL RATIOS AND KEY METRICS (continued)

### 3.3 KM2(B) – Key Metrics – TLAC Requirements for Non-HK Resolution Entity (at Resolution Group Level)

The following table provides a summary of the external loss-absorbing capacity available at resolution group level of the non-HK resolution entity.

| | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| **In HK$ millions** | | **As at 30 June 2026[1]** | **As at 31 March 2026[1]** | **As at 31 December 2025[1]** | **As at 30 September 2025[1]** | **As at 30 June 2025[1]** |
| **Of the non-HK resolution entity resolution group level** | | | | | | |
| 1 | External loss-absorbing capacity available | 397,809 | 394,116 | 396,739 | 393,639 | 398,537 |
| 2 | Total risk-weighted amount under the relevant non-HK LAC regime | 2,313,292 | 2,250,771 | 2,214,967 | 2,212,143 | 2,187,402 |
| 3 | External loss-absorbing capacity as a percentage of risk-weighted amount (%) | 17.2 | 17.5 | 17.9 | 17.8 | 18.2 |
| 4 | Leverage ratio exposure measure under the relevant non-HK LAC regime | 6,603,355 | 6,411,709 | 6,115,063 | 6,029,657 | 5,864,910 |
| 5 | External loss-absorbing capacity as a percentage of leverage ratio exposure measure (%) | 6.0 | 6.1 | 6.5 | 6.5 | 6.8 |
| 6a | Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? | NA | NA | NA | NA | NA |
| 6b | Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? | NA | NA | NA | NA | NA |
| 6c | If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied | NA | NA | NA | NA | NA |

*Footnote:*

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

## 4 OVERVIEW OF RISK-WEIGHTED ASSETS

### 4.1 OV1 – Overview of Risk-Weighted Assets

The following table sets out the Bank's risk-weighted assets ("RWA") and the corresponding minimum capital requirements by risk types.

| | | (a) | (b) | (c) |
|---|---|---|---|---|
| | | **RWA** | | **Minimum capital requirements[1]** |
| **In HK$ millions** | | **As at 30 June 2026** | **As at 31 March 2026** | **As at 30 June 2026** |
| 1 | Credit risk for non-securitization exposures | 193,622 | 186,391 | 15,489 |
| 2 | Of which STC approach | 38,526 | 34,216 | 3,082 |
| 2a | Of which BSC approach | – | – | – |
| 3 | Of which foundation IRB approach | 95,542 | 92,760 | 7,643 |
| 4 | Of which supervisory slotting criteria approach | 20,250 | 23,248 | 1,620 |
| 5 | Of which advanced IRB approach | – | – | – |
| 5a | Of which retail IRB approach | 27,763 | 28,347 | 2,221 |
| 5b | Of which specific risk-weight approach | 11,541 | 7,820 | 923 |
| 5c | Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Division 5, 6 and 8 of Part 12 of the BCR | – | – | – |
| 6 | Counterparty credit risk and default fund contributions | 2,065 | 4,837 | 166 |
| 7 | Of which SA-CCR approach | 1,220 | 1,311 | 98 |
| 7a | Of which CEM | NA | NA | NA |
| 8 | Of which IMM(CCR) approach | – | – | – |
| 8a | Of which method for group 2b cryptoasset derivative contracts | – | – | – |
| 9 | Of which others | 845 | 3,526 | 68 |
| 10 | CVA Risk | 1,080 | 1,202 | 86 |
| 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 | – | – | – |
| 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 | 141 | 105 | 11 |
| 17 | Of which SEC-IRBA | – | – | – |
| 18 | Of which SEC-ERBA (including IAA) | 90 | 105 | 7 |
| 19 | Of which SEC-SA | 51 | – | 4 |
| 19a | Of which SEC-FBA | – | – | – |
| 20 | Market risk | 6,709 | 3,414 | 537 |
| 21 | Of which STM approach | 6,709 | 3,414 | 537 |
| 22 | Of which IMA | – | – | – |
| 22a | Of which SSTM approach | – | – | – |
| 23 | Capital charge for moving exposures between trading book and banking book | – | – | – |

## 4 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

### 4.1 OV1 – Overview of Risk-Weighted Assets (continued)

| | | (a) | (b) | (c) |
|---|---|---|---|---|
| | | RWA | | Minimum capital requirements[1] |
| In HK$ millions | | As at 30 June 2026 | As at 31 March 2026 | As at 30 June 2026 |
| 24 | Operational risk | 19,771 | 19,198 | 1,582 |
| 24a | Sovereign concentration risk | – | – | – |
| 25 | Amounts below the thresholds for deduction (subject to 250% RW) | 1,566 | 1,542 | 125 |
| 26 | Output floor level applied | 55% | 55% | |
| 27 | Floor adjustment (before application of transitional cap) | – | – | |
| 28 | Floor adjustment (after application of transitional cap) | NA | NA | NA |
| 28a | Deduction to RWA | 202 | 181 | 16 |
| 28b | Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital | 202 | 181 | 16 |
| 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 | 224,752 | 216,508 | 17,980 |

*Footnote:*

1 *Minimum capital requirements correspond to 8% of the RWA.*

The risk-weighted assets increased during the quarter was mainly driven by credit risk for non-securitization exposures and market risk.

## 4 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

### 4.2 CMS1 – Comparison of Modelled and Standardized RWAs at Risk Level

The following table provides the comparison of the RWA calculated under model-based approaches approved by the HKMA against the RWA calculated under full standardized approaches.

| | | As at 30 June 2026 | | | |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| | | RWA | | | |
| In HK$ millions | | RWA calculated under model-based approaches that approved by the HKMA | RWA for portfolios where standardized approaches are used | Total actual RWA reports as current requirements (a) + (b) | RWA calculated using full standardized approach used in the output floor computation |
| 1 | Credit risk for non-securitization exposures | 155,096 | 38,526 | 193,622 | 277,387 |
| 2 | Counterparty credit risk and default fund contributions | 1,298 | 767 | 2,065 | 3,312 |
| 3 | CVA risk | | 1,080 | 1,080 | 1,080 |
| 4 | Securitization exposures in banking book | – | 141 | 141 | 141 |
| 5 | Market risk | – | 6,709 | 6,709 | 6,709 |
| 6 | Operational risk | | 19,771 | 19,771 | 19,771 |
| 7 | Residual RWA | – | 1,566 | 1,566 | 1,566 |
| 8 | Total | 156,394 | 68,560 | 224,954 | 309,966 |

The difference in the RWA calculated using model-based approaches and the RWA calculated using full standardized approaches was largely due to credit risk for corporate exposures.

## 4 OVERVIEW OF RISK-WEIGHTED ASSETS (continued)

### 4.3 CMS2 – Comparison of Modelled and Standardized RWAs for Credit Risk at Exposure Class Level

| | | As at 30 June 2026 | | | |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| | | RWA | | | |
| In HK$ millions | | RWA calculated under model-based approaches that approved by the HKMA | RWA for column (a) if re-calculated using the standardized approach | Total actual RWA reports as current requirements | RWA calculated using full standardized approach used in the output floor computation |
| 1 | Sovereign exposures | – | – | 4,990 | 4,990 |
| 1a | Of which: categorised as public sector entity exposures and multilateral development bank exposures under the STC approach | – | – | 940 | 940 |
| 2 | Bank exposures | 12,686 | 17,900 | 13,503 | 18,717 |
| 3 | Equity | | | – | – |
| 4 | Corporate exposures (excluding specialized lending) | 82,856 | 159,699 | 113,343 | 190,185 |
| 4a | Of which: FIRB is applied | 82,856 | 159,699 | 82,856 | 159,699 |
| 4b | Of which: AIRB is applied | – | – | – | – |
| 5 | Retail exposures | 27,763 | 19,072 | 29,995 | 21,305 |
| 5a | Of which: qualifying revolving retail | 18,862 | 10,162 | 18,862 | 10,162 |
| 5b | Of which: other retail exposures to individuals and small business retail exposures | 6,316 | 4,619 | 7,352 | 5,655 |
| 5c | Of which: residential mortgages | 2,585 | 4,291 | 3,781 | 5,488 |
| 6 | Corporate exposures - Specialized lending | 20,250 | 30,649 | 20,250 | 30,649 |
| 6a | Of which: income-producing real estate and high-volatility commercial real estate | 19,927 | 30,289 | 19,927 | 30,289 |
| 7 | Other exposures | 11,541 | 11,541 | 11,541 | 11,541 |
| 7a | Cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR | – | – | – | – |
| 8 | Total | 155,096 | 238,861 | 193,622 | 277,387 |

The difference in the RWA calculated using model-based approaches and the RWA calculated using full standardised approach was largely due to lower risk-weights used to compute corporate exposures under FIRB approach.

## 5 COMPOSITION OF REGULATORY CAPITAL

### 5.1 CC1 – Composition of Regulatory Capital

| | | (a) | (b) |
|---|---|---|---|
| As at 30 June 2026 | | Component of regulatory capital In HK$ millions | Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation |
| | **CET1 capital: instruments and reserves** | | |
| 1 | Directly issued qualifying CET1 capital instruments plus any related share premium | 8,995 | (4) |
| 2 | Retained earnings | 38,067 | (6) |
| 3 | Disclosed reserves | 2,069 | (9) |
| 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** | 49,131 | |
| | **CET1 capital: regulatory deductions** | | |
| 7 | Valuation adjustments | 8 | |
| 8 | Goodwill (net of associated deferred tax liabilities) | – | |
| 9 | Other intangible assets (net of associated deferred tax liabilities) | – | |
| 10 | Deferred tax assets (net of associated deferred tax liabilities) | 443 | (2) |
| 11 | Cash flow hedge reserve | (269) | (10) |
| 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) | – | |
| 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) | NA | NA |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.1 CC1 – Composition of Regulatory Capital (continued)

| | | (a) | (b) |
|---|---|---|---|
| | | **Component of regulatory capital In HK$ millions** | Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation |
| 21 | Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities) | NA | NA |
| 22 | Amount exceeding the 15% threshold | NA | NA |
| 23 | of which: significant investments in the ordinary share of financial sector entities | NA | NA |
| 24 | of which: mortgage servicing rights | NA | NA |
| 25 | of which: deferred tax assets arising from temporary differences | NA | NA |
| 26 | National specific regulatory adjustments applied to CET1 capital | 581 | |
| 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 | 531 | (7) |
| 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 | 50 | |
| 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** | 763 | |
| 29 | **CET1 capital** | 48,368 | |
| | **AT1 capital: instruments** | | |
| 30 | Qualifying AT1 capital instruments plus any related share premium | 2,400 | |
| 31 | of which: classified as equity under applicable accounting standards | 2,400 | (5) |
| 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** | 2,400 | |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.1 CC1 – Composition of Regulatory Capital (continued)

| | | (a) | (b) |
|---|---|---|---|
| | | **Component of regulatory capital In HK$ millions** | Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation |
| | **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** | 2,400 | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | 50,768 | |
| | **Tier 2 capital: instruments and provisions** | | |
| 46 | Qualifying Tier 2 capital instruments plus any related share premium | 2,353 | (3) |
| 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 | 886 | (8) – (1) |
| 51 | **Tier 2 capital before regulatory deductions** | 3,239 | |
| | **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) | – | |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.1 CC1 – Composition of Regulatory Capital (continued)

| | | (a) | (b) |
|---|---|---|---|
| | | **Component of regulatory capital In HK$ millions** | Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation |
| 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)** | 3,239 | |
| 59 | **Total regulatory capital (TC = T1 + T2)** | 54,007 | |
| 60 | **Total RWA** | 224,752 | |
| | **Capital ratios (as a percentage of RWA)** | | |
| 61 | **CET1 capital ratio** | 21.5% | |
| 62 | **Tier 1 capital ratio** | 22.6% | |
| 63 | **Total capital ratio** | 24.0% | |
| 64 | **Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)** | 2.847% | |
| 65 | of which: capital conservation buffer requirement | 2.5% | |
| 66 | of which: bank specific countercyclical capital buffer requirement | 0.347% | |
| 67 | of which: higher loss absorbency requirement | 0.0% | |
| 68 | CET1 (as a percentage of RWA) available after meeting minimum capital requirements | 16.0% | |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.1 CC1 – Composition of Regulatory Capital (continued)

| | | (a) | (b) |
|---|---|---|---|
| | | **Component of regulatory capital In HK$ millions** | Cross-referenced to Section 5.2 Source based on reference numbers of the balance sheet under regulatory scope of consolidation |
| | **National minima (if different from Basel 3 minimum)** | | |
| 69 | National CET1 minimum ratio | NA | NA |
| 70 | National Tier 1 minimum ratio | NA | NA |
| 71 | National Total capital minimum ratio | NA | NA |
| | **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 | 1,808 | |
| 73 | Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 37 | |
| 74 | Mortgage servicing rights (net of associated deferred tax liabilities) | NA | NA |
| 75 | Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities) | NA | NA |
| | **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) | 715 | |
| 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 | 513 | |
| 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) | 373 | |
| 79 | Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA | 938 | |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.1 CC1 – Composition of Regulatory Capital (continued)

**Note to the template**

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

<table>
<tr><th>Row No.</th><th>Description</th><th>Hong Kong basis HK$M</th><th>Basel III basis HK$M</th></tr>
<tr><td rowspan="2">10</td><td>Deferred tax assets (net of associated deferred tax liabilities)</td><td>443</td><td>–</td></tr>
<tr><td colspan="3"><u>Explanation</u><br><br>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.<br><br>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.</td></tr>
</table>

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.2 CC2 – Reconciliation of Regulatory Capital to Balance Sheet

| In HK$ millions | Balance sheet as in published financial statements As at 30 June 2026 | Under regulatory scope of consolidation As at 30 June 2026 | Cross-referenced to Composition of Regulatory Capital in Section 5.1 |
|---|---|---|---|
| **Assets** | | | |
| Cash and balances with central banks | 3,605 | 3,605 | |
| Government securities and treasury bills | 110,553 | 110,553 | |
| Due from banks | 86,825 | 86,825 | |
| Derivatives assets | 8,327 | 8,327 | |
| Bank and corporate securities | 67,007 | 67,007 | |
| Loans and advances to customers | 286,525 | 286,525 | |
| *of which: Allowances eligible for inclusion in Tier 2 capital* | | *(807)* | (1) |
| Other assets | 8,887 | 8,747 | |
| *of which: Deferred tax assets deducted from CET1 capital* | | *443* | (2) |
| Subsidiaries | – | 37 | |
| Properties and other fixed assets | 7,416 | 7,416 | |
| **Total assets** | **579,145** | **579,042** | |
| **Liabilities** | | | |
| Due to banks | 26,305 | 26,305 | |
| Deposits and balances from customers | 464,429 | 464,471 | |
| Derivatives liabilities | 2,292 | 2,292 | |
| Other liabilities | 32,031 | 32,031 | |
| Amount due to subsidiaries | – | 59 | |
| Subordinated liability | 2,353 | 2,353 | (3) |
| **Total liabilities** | **527,410** | **527,511** | |
| **Equity** | | | |
| Share capital | 8,995 | 8,995 | (4) |
| Other equity instruments | 2,400 | 2,400 | (5) |
| Reserves | 40,340 | 40,136 | |
| *Retained earnings* | | *38,067* | (6) |
| *of which: Regulatory reserve for general banking risks* | | *531* | (7) |
| *of which: Regulatory reserve eligible for inclusion in Tier 2 capital* | | *79* | (8) |
| *Other reserves* | | *2,069* | (9) |
| *of which: Cash flow hedge reserves* | | *(269)* | (10) |
| **Total equity** | **51,735** | **51,531** | |
| **Total liabilities and equity** | **579,145** | **579,042** | |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.3 CCA (A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments

The following disclosures are made solely pursuant to the requirements of the Banking (Disclosures) Rules issued by the HKMA. They are not a summary of the terms, do not purport to be complete, and should be read in conjunction with, and are qualified in their entirety by, the relevant transaction documents available at https://www.dbs.com/hongkong/en/financials/regulatory-captial-instruments.page. This includes the issuances made over the previous period.

| As at 30 June 2026 | | CET 1 Capital Ordinary Shares | Additional Tier 1 Capital HK$1.0b Perpetual Capital Securities issued in November 2025 | Additional Tier 1 Capital HK$1.4b Perpetual Capital Securities issued in January 2022 | Tier 2 Capital US$300m Subordinated Loan issued in December 2022 |
|---|---|---|---|---|---|
| 1 | Issuer | DBS Bank (Hong Kong) Limited | DBS Bank (Hong Kong) Limited | DBS Bank (Hong Kong) Limited | DBS Bank (Hong Kong) Limited |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | NA | NA | NA | NA |
| 3 | Governing law(s) of the instrument | Hong Kong law | Hong Kong law | Hong Kong law | Hong Kong law |
| 3a | Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for non-capital LAC debt instruments governed by non-Hong Kong law) | NA | NA | NA | NA |
| | *Regulatory treatment* | | | | |
| 4 | Transitional Basel III rules | NA | NA | NA | NA |
| 5 | Basel III rules | Common Equity Tier 1 | Additional Tier 1 | Additional Tier 1 | Tier 2 |
| 6 | Eligible at solo/group/group & solo (for regulatory capital purposes) | Solo | Solo | Solo | Solo |
| 6a | Eligible at solo/LAC consolidation group/solo and LAC consolidation group (for LAC purposes) | Solo | Solo | Solo | Solo |
| 7 | Instrument type | Ordinary shares | Capital securities | Capital securities | Subordinated loan |
| 8 | Amount recognized in regulatory capital (currency in millions, as of most recent reporting date) | HK$8,995 million | HK$1,000 million | HK$1,400 million | HK$2,353 million |
| 8a | Amount recognized in loss-absorbing capacity (currency in millions, as of most recent reporting date) | HK$8,995 million | HK$1,000 million | HK$1,400 million | HK$2,353 million |
| 9 | Par value of instrument | NA | HK$1,000 million | HK$1,400 million | US$300 million |
| 10 | Accounting classification | Shareholders' equity | Shareholders' equity | Shareholders' equity | Liability – amortized cost |
| 11 | Original date of issuance | Various dates | 27 November 2025 | 13 January 2022 | 13 December 2022 |
| 12 | Perpetual or dated | Perpetual | Perpetual | Perpetual | Dated |
| 13 | Original maturity date | No maturity | No maturity | No maturity | 13 December 2032 |
| 14 | Issuer call subject to prior supervisory approval | No | Yes | Yes | Yes |
| 15 | Optional call date, contingent call dates and redemption amount | NA | First optional call date: 27 November 2030<br><br>Contingent call dates: Change of qualification event, redemption for taxation reasons<br><br>Redemption amount: Principal amount together with accrued and unpaid distributions | First optional call date: 13 January 2027<br><br>Contingent call dates: Change of Qualification Event, redemption for taxation reasons<br><br>Redemption amount: Principal amount together with accrued and unpaid distributions | First optional call date: 13 December 2027<br><br>Contingent call dates: Change of Qualification Event or Tax Event<br><br>Redemption amount: Principal amount together with accrued and unpaid interest |
| 16 | Subsequent call dates, if applicable | NA | Optional call dates – any date after 27 November 2030 | Optional call dates – any date after 13 January 2027 | Optional call dates – any date after 13 December 2027 |
| | *Coupons/dividends* | | | | |
| 17 | Fixed or floating dividend/coupon | Discretionary dividend amount | Fixed to floating | Fixed to floating | Floating |
| 18 | Coupon rate and any related index | NA | 4.13% p.a. up to 27 November 2030. 5Y HK Dollar Swap Rate plus a fixed spread of 1.32% p.a. thereafter, reset every 5 years | 2.86% p.a. up to 13 January 2027. 5Y HK Dollar Swap Rate plus 1.29% p.a. thereafter, reset every 5 years | The interest rate shall be calculated by the Benchmark Rate plus 1.87% p.a.<br><br>The Benchmark Rate for each Interest Period shall be equal to the value of the compounded average daily Secured Overnight Financing Rates for each day during the relevant Interest Rate Period as calculated on the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period in the manner stated in Clause 4(ii) of the Tier 2 Loan Agreement |
| 19 | Existence of a dividend stopper | NA | Yes | Yes | No |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.3 CCA (A) – Main Features of Regulatory Capital Instruments and Non-Capital LAC Debt Instruments (continued)

| | | CET 1 Capital Ordinary Shares | Additional Tier 1 Capital HK$1.0b Perpetual Capital Securities issued in November 2025 | Additional Tier 1 Capital HK$1.4b Perpetual Capital Securities issued in January 2022 | Tier 2 Capital US$300m Subordinated Loan issued in December 2022 |
|---|---|---|---|---|---|
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary | Fully discretionary | Fully discretionary | Mandatory |
| 21 | Existence of step-up or other incentive to redeem | No | No | No | No |
| 22 | Non-cumulative or cumulative | Non-cumulative | Non-cumulative | Non-cumulative | Non-cumulative |
| 23 | Convertible or non-convertible | Non-convertible | Non-convertible[1] | Non-convertible[1] | Non-convertible[1] |
| 24 | If convertible, conversion trigger(s) | NA | NA | NA | NA |
| 25 | If convertible, fully or partially | NA | NA | NA | NA |
| 26 | If convertible, conversion rate | NA | NA | NA | NA |
| 27 | If convertible, mandatory or optional conversion | NA | NA | NA | NA |
| 28 | If convertible, specify instrument type convertible into | NA | NA | NA | NA |
| 29 | If convertible, specify issuer of instrument it converts into | NA | NA | NA | NA |
| 30 | Write-down feature | No | Yes[1] | Yes[1] | Yes[1] |
| 31 | If write-down, write-down trigger(s) | NA | Occurrence of a Non-viability Trigger Event, which is the earlier of:<br><br>(i) The HKMA notifying the Bank in writing that the HKMA is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and<br><br>(ii) The HKMA notifying the Bank 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 Bank would become non-viable. | 1) Occurrence of a Non-viable event, which is the earlier of:<br><br>(i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and<br><br>(ii) The HKMA notifying the Bank 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 Bank would become non-viable.<br><br>2) Subject to Hong Kong Resolution Authority bail-in power | 1) Occurrence of a Non-viable event, which is the earlier of:<br><br>(i) The HKMA notifying the Bank in writing that it is of the opinion that a write-off is necessary, without which the Bank would become non-viable; and<br><br>(ii) The HKMA notifying the Bank 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 Bank would become non-viable.<br><br>2) Subject to Hong Kong Resolution Authority bail-in power |
| 32 | If write-down, full or partial | NA | Fully or partially | Fully or partially | Fully or partially |
| 33 | If write-down, permanent or temporary | NA | Permanent | Permanent | Permanent |
| 34 | If temporary write-down, description of write-up mechanism | NA | NA | NA | NA |
| 34a | Type of subordination | Contractual | Contractual | Contractual | Contractual |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned) | Immediately subordinated to Additional Tier 1 capital instruments | Immediately subordinated to Tier 2 capital instruments | Immediately subordinated to Tier 2 capital instruments | Immediately subordinated to unsubordinated creditors and all other Subordinated Creditors of the Bank whose claims are expressed to rank, by its terms or by operation of law, senior to the Tier 2 Loan. |
| 36 | Non-compliant transitioned features | NA | NA | NA | NA |
| 37 | If yes, specify non-compliant features | NA | NA | NA | NA |

*Footnote:*

1 *The terms and conditions of the Perpetual Capital Securities contain a provision that the holder of the instruments acknowledges and agrees to be bound by the exercise of powers under the Financial Institutions (Resolution) Ordinance (Cap. 628) ("FIRO").*

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.4 TLAC1(A) – LAC Composition of Material Subsidiary (at LAC Consolidation Group Level)

| In HK$ millions | | As at 30 June 2026 |
|---|---|---|
| | | (a) |
| | **Regulatory capital elements of internal loss-absorbing capacity and adjustments** | |
| 1 | Common Equity Tier 1 ("CET1") capital | 48,368 |
| 2 | Additional Tier 1 ("AT1") capital before LAC adjustments | 2,400 |
| 3 | AT1 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group | – |
| 4 | Other adjustments | – |
| 5 | AT1 capital eligible under the LAC Rules | 2,400 |
| 6 | Tier 2 ("T2") capital before LAC adjustments | 3,239 |
| 7 | Amortized portion of T2 capital instruments that are internal LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group | – |
| 8 | T2 capital instruments ineligible as internal loss-absorbing capacity as not issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group | – |
| 9 | Other adjustments | – |
| 10 | T2 capital eligible under the LAC Rules | 3,239 |
| 11 | **Internal loss-absorbing capacity arising from regulatory capital** | 54,007 |
| | **Non-regulatory capital elements of internal loss-absorbing capacity** | |
| 12 | Internal non-capital LAC debt instruments issued directly or indirectly to, and held directly or indirectly by, the resolution entity or non-HK resolution entity in the material subsidiary's resolution group | – |
| **17** | **Internal loss-absorbing capacity arising from non-capital LAC debt instruments before adjustments** | – |
| | **Non-regulatory capital elements of internal loss-absorbing capacity; adjustments** | |
| **18** | **Internal loss-absorbing capacity before deductions** | 54,007 |
| 19 | Deductions of exposures between the material subsidiary's LAC consolidation group and group companies outside that group that correspond to non-capital items eligible for internal loss-absorbing capacity | – |
| 20 | Deduction of holdings of its own non-capital LAC liabilities | – |
| 21 | Other adjustments to internal loss-absorbing capacity | – |
| 22 | **Internal loss-absorbing capacity after deductions** | 54,007 |
| | **Risk-weighted amount and exposure measure under the LAC Rules for internal loss-absorbing capacity purposes** | |
| 23 | Risk-weighted amount under the LAC Rules | 224,752 |
| 24 | Exposure measure under the LAC Rules | 600,467 |

## 5 COMPOSITION OF REGULATORY CAPITAL (continued)

### 5.4 TLAC1(A) – LAC Composition of Material Subsidiary (at LAC Consolidation Group Level) (continued)

| In HK$ millions | | As at 30 June 2026 (a) |
|---|---|---|
| | **Internal LAC ratios and buffers** | |
| 25 | **Internal LAC risk-weighted ratio** | 24.0% |
| 26 | **Internal LAC leverage ratio** | 9.0% |
| 27 | **CET1 capital (as a percentage of RWA under the Banking (Capital) Rules ("BCR")) available after meeting the LAC consolidation group's minimum capital and LAC requirements** | 16.0% |
| 28 | Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer requirements plus higher loss absorbency requirement, expressed as a percentage of RWA under the BCR) | 2.847% |
| 29 | Of which: capital conservation buffer requirement | 2.5% |
| 30 | Of which: institution-specific countercyclical capital buffer requirement | 0.347% |
| 31 | Of which: higher loss absorbency requirement | 0.0% |

### 5.5 TLAC2 – Material Subsidiary – Creditor Ranking at Legal Entity Level

| In HK$ millions | | As at 30 June 2026<br>Creditor ranking<br>1<br>(most junior) | <br><br>2 | <br><br>3<br>(most senior) | <br>Sum of values in columns 1 to 3 |
|---|---|---|---|---|---|
| 1 | Is a resolution entity or a non-HK resolution entity the creditor/investor? | Yes | Yes | Yes | |
| 2 | Description of creditor ranking | CET1 Capital ordinary shares | Additional Tier 1 capital instrument | Tier 2 capital instrument | |
| 3 | Total capital and liabilities net of credit risk mitigation | 8,995 | 2,400 | 2,353 | 13,748 |
| 4 | Subset of row 3 that are excluded liabilities | – | – | – | – |
| 5 | Total capital and liabilities less excluded liabilities | 8,995 | 2,400 | 2,353 | 13,748 |
| 6 | Subset of row 5 that are eligible as internal loss-absorbing capacity | 8,995 | 2,400 | 2,353 | 13,748 |
| 7 | Subset of row 6 with 1 year <= residual maturity < 2 years | – | – | – | – |
| 8 | Subset of row 6 with 2 years <= residual maturity < 5 years | – | – | – | – |
| 9 | Subset of row 6 with 5 years <= residual maturity < 10 years | – | – | 2,353 | 2,353 |
| 10 | Subset of row 6 with residual maturity >= 10 years, but excluding perpetual securities | – | – | – | – |
| 11 | Subset of row 6 that is perpetual securities | 8,995 | 2,400 | – | 11,395 |

## 6 COUNTERCYCLICAL CAPITAL BUFFER

### 6.1 CCyB1 – 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 Countercyclical Capital Buffer ratio.

| In HK$ millions | | As at 30 June 2026 | | | |
|---|---|---|---|---|---|
| | | (a) | (c) | (d) | (e) |
| | **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 SAR | 0.50 | 113,421 | | |
| 2 | Australia | 1.00 | 29 | | |
| 3 | Belgium | 1.00 | 329 | | |
| 4 | Chile | 0.50 | 5 | | |
| 5 | Denmark | 2.50 | 4 | | |
| 6 | France | 1.00 | 9 | | |
| 7 | Germany | 0.75 | 221 | | |
| 8 | Ireland | 1.50 | 2 | | |
| 9 | Netherlands | 2.00 | 4 | | |
| 10 | Saudi Arabia | 1.00 | 298 | | |
| 11 | South Africa | 1.00 | 35 | | |
| 12 | South Korea | 1.00 | 1,031 | | |
| 13 | Spain | 0.50 | 3 | | |
| 14 | Sweden | 2.00 | 49 | | |
| 15 | United Arab Emirates | 0.50 | 7 | | |
| 16 | United Kingdom | 2.00 | 380 | | |
| | Sum | | 115,827 | | |
| | **Total** | | **171,664** | **0.347** | **780** |

## 7 LEVERAGE RATIO

### 7.1 LR1 – Summary Comparison of Accounting Assets Against Leverage Ratio Exposure Measure

The following tables provide a reconciliation of the Group's balance sheet assets with the leverage ratio exposure measure and the breakdown of the Bank's leverage ratio regulatory elements.

| **In HK$ millions** | | (a) |
|---|---|---|
| | **Item** | **Value under the LR framework As at 30 June 2026** |
| 1 | Total consolidated assets as per published financial statements | 579,145 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 37 |
| 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 | NA |
| 5 | Adjustment for fiduciary assets recognized 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 | (3,004) |
| 9 | Adjustment for SFTs (i.e. repos and similar secured lending) | 309 |
| 10 | Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures) | 36,640 |
| 11 | Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure | (142) |
| 12 | Other adjustments | (12,518) |
| 13 | **Leverage ratio exposure measure** | 600,467 |

## 7 LEVERAGE RATIO (continued)

### 7.2 LR2 – Leverage Ratio

| In HK$ millions | | (a) As at 30 June 2026 | (b) As at 31 March 2026 |
|---|---|---|---|
| **On-balance sheet exposures** | | | |
| 1 | On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral) | 506,648 | 493,579 |
| 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 | – | – |
| 4 | Less: Adjustment for assets other than money received under SFTs that are recognized as an asset | – | – |
| 5 | Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital | (4,493) | (4,361) |
| 6 | Less: Asset amounts deducted in determining Tier 1 capital | (764) | (642) |
| 7 | **Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)** | 501,391 | 488,576 |
| **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) | 1,798 | 2,126 |
| 9 | Add-on amounts for PFE associated with all derivative contracts | 3,525 | 3,558 |
| 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)** | 5,323 | 5,684 |
| **Exposures arising from SFTs** | | | |
| 14 | Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | 56,935 | 60,706 |
| 15 | Less: Netted amounts of cash payables and cash receivables of gross SFT assets | – | – |
| 16 | CCR exposure for SFT assets | 309 | 370 |
| 17 | Agent transaction exposures | – | – |
| 18 | **Total exposures arising from SFTs (sum of rows 14 to 17)** | 57,244 | 61,076 |

## 7 LEVERAGE RATIO (continued)

### 7.2 LR2 – Leverage Ratio (continued)

| In HK$ millions | | (a) As at 30 June 2026 | (b) As at 31 March 2026 |
|---|---|---|---|
| **Other off-balance sheet exposures** | | | |
| 19 | Off-balance sheet exposure at gross notional amount | 221,133 | 222,439 |
| 20 | Less: Adjustments for conversion to credit equivalent amounts | (184,493) | (185,451) |
| 21 | Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital | (131) | (139) |
| 22 | **Off-balance sheet items (sum of rows 19 to 21)** | 36,509 | 36,849 |
| **Capital and total exposures** | | | |
| 23 | **Tier 1 capital** | 50,768 | 48,343 |
| 24 | **Total exposures (sum of rows 7, 13, 18 and 22)** | 600,467 | 592,185 |
| **Leverage ratio** | | | |
| 25 & 25a | **Leverage ratio (%)** | 8.5 | 8.2 |
| 26 | **Minimum leverage ratio requirement (%)** | 3.0 | 3.0 |
| 27 | **Applicable leverage buffers (%)** | NA | NA |
| **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 | 65,711 | 68,747 |
| 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 | 56,935 | 60,706 |
| 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) | 609,243 | 600,226 |
| 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) (%) | 8.3 | 8.1 |

The difference between the mean value and the quarter-end value of gross SFT assets was mainly driven by the reduction of reverse repo transactions. The difference has no material impact on the leverage ratio.

The increase in leverage ratio was mainly driven by net profit accretion, partially offset by balance sheet growth.

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES

### 8.1 CR1 – Credit Quality of Exposures

| | | As at 30 June 2026 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| | | Gross carrying amount of | | | Of which ECL accounting provisions[1] for credit losses on STC approach exposures | | Of which ECL accounting provisions for credit losses on IRB approach exposures | |
| In HK$ millions | | Defaulted exposures | Non-defaulted exposures | Allowances/ Impairments | Allocated in regulatory category of specific provisions | Allocated in regulatory category of collective provisions | | Net values (a+b-c) |
| 1 | Loans | 5,744 | 375,975 | 4,475 | 135 | 82 | 4,258 | 377,244 |
| 2 | Debt securities | – | 149,610 | 12 | – | 4 | 8 | 149,598 |
| 3 | Off-balance sheet exposures | – | 48,134 | 131 | – | 4 | 127 | 48,003 |
| | **Total** | 5,744 | 573,719 | 4,618 | 135 | 90 | 4,393 | 574,845 |

*Footnote:*

[1] *ECL accounting provisions classified as Stage 1 and Stage 2 are treated as collective provisions while those classified as Stage 3 are treated as specific provisions. Specific and collective provisions are ascribed to the identified Standardized Approach exposures.*

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 DBS taking action such as realising security (if held).

b) Technical default: Borrower is more than 90 days past due on any credit obligation to DBS.

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

Debt securities included non-trading government securities and treasury bills, banks and corporate securities, and related accrued interest receivables.

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

### 8.2 CR2 – Changes in Defaulted Loans and Debt Securities

| In HK$ millions | | (a) Amount |
|---|---|---|
| 1 | **Defaulted loans and debt securities at 31 December 2025** | 6,339 |
| 2 | Loans and debt securities that have defaulted since the last reporting period | 885 |
| 3 | Returned to non-defaulted status | (4) |
| 4 | Amounts written off | (923) |
| 5 | Other changes (note) | (553) |
| 6 | **Defaulted loans and debt securities at 30 June 2026** | 5,744 |

Note: Other changes mainly related to settlement and repayments from customers.

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.3 CR3 – Overview of Recognized Credit Risk Mitigation

| | | As at 30 June 2026 | | | | |
|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) |
| In HK$ millions | | 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 |
| 1 | Loans | 245,755 | 131,489 | 93,994 | 17,463 | – |
| 2 | Debt securities | 149,311 | 287 | – | 287 | – |
| **3** | **Total** | 395,066 | 131,776 | 93,994 | 17,750 | – |
| 4 | Of which defaulted | 2,363 | 1,112 | 733 | 255 | – |

### 8.4 CR4 – Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach

| | | As at 30 June 2026 | | | | | |
|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) |
| In HK$ millions | | 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 (%) |
| 1 | Sovereign exposures | 98,651 | – | 99,577 | 16 | 4,050 | 4 |
| 2 | Public sector entity exposures | 27,255 | 3,764 | 27,254 | 905 | 940 | 3 |
| 3 | Multilateral development bank exposures | 427 | – | 427 | – | – | – |
| 3a | Unspecified multilateral body exposures | 1,101 | – | 1,101 | – | 220 | 20 |
| 4 | Bank exposures | 124 | – | 27 | – | 39 | 147 |
| 4a | Qualifying non-bank financial institution exposures | 200 | 1,766 | 1,289 | 108 | 557 | 40 |
| 5 | Eligible covered bond exposures | – | – | – | – | – | – |
| 6 | General corporate exposures | 34,735 | 12,267 | 32,442 | 1,398 | 29,237 | 86 |
| 6a | Of which: non-bank financial institution exposures excluding those reported under row 4a | 6,311 | 3,148 | 6,284 | 301 | 5,689 | 86 |
| 6b | Specialized lending | – | – | – | – | – | – |
| 7 | Equity exposures | – | – | – | – | – | – |
| 7a | Significant capital investments in commercial entities | – | – | – | – | – | – |
| 7b | Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities | – | – | – | – | – | – |
| 7c | Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates | – | – | – | – | – | – |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.4 CR4 – Credit Risk Exposures and Effects of Recognized Credit Risk Mitigation – STC approach (continued)

| | | As at 30 June 2026 | | | | | |
|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) |
| In HK$ millions | | Exposures pre-CCF and pre-CRM | | Exposures post-CCF and post-CRM[1] | | 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 (%) |
| 8 | Retail exposures | 315 | 835 | 310 | 95 | 405 | 100 |
| 8a | Exposures arising from IPO financing | – | – | – | – | – | – |
| 9 | Real estate exposures | 4,308 | 440 | 4,308 | 48 | 2,364 | 54 |
| 9a | Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties) | 2,575 | – | 2,575 | – | 784 | 30 |
| 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) | 544 | – | 544 | – | 358 | 66 |
| 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) | 1,136 | 416 | 1,136 | 41 | 1,132 | 96 |
| 9f | Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties) | 47 | 24 | 47 | 7 | 80 | 150 |
| 9g | Of which: land acquisition, development and construction exposures | 6 | – | 6 | – | 10 | 150 |
| 10 | Defaulted exposures | 596 | – | 596 | – | 714 | 120 |
| 11 | Other exposures | – | – | – | – | – | – |
| 11a | Cash and gold | – | – | – | – | – | – |
| 11b | Items in the process of clearing or settlement | – | – | – | – | – | – |
| 12 | **Total** | **167,712** | **19,072** | **167,331** | **2,570** | **38,526** | **23** |

*Footnote:*

1 *Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.*

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach

| In HK$ millions | | As at 30 June 2026 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Exposure class \ Risk Weight | 0% | 20% | 50% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
| 1 | Sovereign exposures | 86,396 | 11,434 | – | 1,763 | – | – | 99,593 |

| | Exposure class \ Risk Weight | 0% | 20% | 50% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|
| 2 | Public sector entity exposures | 23,460 | 4,699 | – | – | – | – | 28,159 |

| | Exposure class \ Risk Weight | 0% | 20% | 30% | 50% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|---|
| 3 | Multilateral development bank exposures | 427 | | – | – | – | – | – | 427 |

| | Exposure class \ Risk Weight | 20% | 30% | 50% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|
| 3a | Unspecified multilateral body exposures | 1,101 | – | – | – | – | – | 1,101 |

| | Exposure class \ Risk Weight | 20% | 30% | 40% | 50% | 75% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|---|---|
| 4 | Bank exposures | – | 1 | – | – | – | – | 26 | – | 27 |

| | Exposure class \ Risk Weight | 20% | 30% | 40% | 50% | 75% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|---|---|
| 4a | Qualifying non-bank financial institution exposures | 3 | 1,086 | – | – | 308 | – | – | – | 1,397 |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

| In HK$ millions | | As at 30 June 2026 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Exposure class / Risk Weight | 10% | 15% | 20% | 25% | 35% | 50% | 100% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
| 5 | Eligible covered bond exposures | – | – | – | – | – | – | – | – | – |

| | Exposure class / Risk Weight | 20% | 30% | 50% | 65% | 75% | 85% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 | General corporate exposures | – | – | 5,851 | | 6,711 | – | 21,278 | – | – | 33,840 |
| 6a | Of which: non-bank financial institution exposures excluding those reported under row 4a | – | – | 593 | | 2,395 | – | 3,597 | – | – | 6,585 |

| | Exposure class / Risk Weight | 20% | 50% | 75% | 80% | 100% | 130% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|---|---|---|---|
| 6b | Specialized lending | – | – | – | – | – | – | – | – | – |

| | Exposure class / Risk Weight | 100% | 250% | 400% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|
| 7 | Equity exposures | | – | – | – | – |

| | Exposure class / Risk Weight | 250% | 400% | 1250% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|
| 7a | Significant capital investments in commercial entities | – | – | – | – | – |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

In HK$ millions — As at 30 June 2026

| | Exposure class \ Risk Weight | 150% | 250% | 400% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|
| 7b | Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities | – | – | – | – | – |

| | Exposure class \ Risk Weight | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|
| 7c | Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates | – | – | – |

| | Exposure class \ Risk Weight | 45% | 75% | 100% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|---|
| 8 | Retail exposures | – | – | 405 | – | 405 |

| | Exposure class \ Risk Weight | 0% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|
| 8a | Exposures arising from IPO financing | – | – | – |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

| In HK$ millions | | As at 30 June 2026 | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Exposure class \ Risk Weight | 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[1]) |
| 9 | Real estate exposures | – | 512 | 312 | 966 | – | 785 | – | – | 462 | | – | 185 | – | – | 1,074 | – | – | 60 | – | 4,356 |
| 9a | Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties) | | 512 | 312 | 966 | | 785 | – | – | – | | – | – | | | | – | | | – | 2,575 |
| 9b | Of which: no loan splitting applied | | 512 | 312 | 966 | | 785 | – | – | – | | – | – | | | | – | | | – | 2,575 |
| 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) | – | – | | – | | – | | – | 462 | | | 5 | – | | 77 | | | – | – | 544 |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

| In HK$ millions | | As at 30 June 2026 | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Risk Weight / Exposure class | 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[1]) |
| 9g | Of which: no loan splitting applied | – | – | | – | | – | | – | 462 | | | 5 | – | | 77 | | | – | – | 544 |
| 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) | – | – | | – | | – | | – | | | | 180 | – | | 997 | | | – | – | 1,177 |
| 9l | Of which: no loan splitting applied | – | – | | – | | – | | – | | | | 180 | – | | 997 | | | – | – | 1,177 |
| 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) | | | | | | | | | | | | | | | | | | 54 | – | 54 |
| 9p | Of which: land acquisition, development and construction exposures | | | | | | | | | | | | | | | – | | | 6 | – | 6 |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

| In HK$ millions | | As at 30 June 2026 | | | | |
|---|---|---|---|---|---|---|
| | Risk Weight / Exposure class | 50% | 100% | 150% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
| 10 | Defaulted exposures | | – | 476 | 120 | 596 |

| | Risk Weight / Exposure class | 100% | 1250% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|
| 11 | Other exposures | – | – | – | – |

| | Risk Weight / Exposure class | 0% | 100% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|
| 11a | Cash and gold | – | – | – | – |

| | Risk Weight / Exposure class | 0% | 20% | Other | Total credit exposure amount (post-CCF and post-CRM[1]) |
|---|---|---|---|---|---|
| 11b | Items in the process of clearing or settlement | – | – | – | – |

*Footnote:*

[1] *Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.*

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.5 CR5 – Credit Risk Exposures by Exposure Classes and by Risk Weights – STC approach (continued)

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

| In HK$ millions | | As at 30 June 2026 | | | |
|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) |
| | **Risk Weight** | **On-balance sheet exposure** | **Off-balance sheet exposure (pre-CCF)** | **Weighted average CCF[2] (%)** | **Exposure (post-CCF and post-CRM[1])** |
| 1 | Less than 40% | 129,597 | 3,928 | 23 | 130,518 |
| 2 | 40-70% | 7,097 | – | – | 7,097 |
| 3 | 75% | 6,992 | 3,988 | 5 | 7,205 |
| 4 | 85% | – | – | – | – |
| 5 | 90-100% | 23,090 | 9,736 | 15 | 24,519 |
| 6 | 105-130% | – | – | – | – |
| 7 | 150% | 555 | 24 | 29 | 562 |
| 8 | 250% | – | – | – | – |
| 9 | 400% | – | – | – | – |
| 10 | 1250% | – | – | – | – |
| 11 | Total exposures | 167,331 | 17,676 | 15 | 169,901 |

*Footnote:*

1 *Exposure amounts after applicable CCF are shown net of impairment allowances and write-offs. Thereafter, CRM is subsequently applied.*

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

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.6 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach

**Foundation IRB Approach**

| | As at 30 June 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g | h | i | j | k | l |
| PD scale (%) | Original on-balance sheet gross exposure HK$'M | Off-balance sheet exposures pre-CCF HK$'M | Average CCF (%) | EAD post-CRM and post-CCF HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) | EL HK$'M | Provisions HK$'M |
| **Sovereign** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.15 to <0.25 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.25 to <0.50 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.75 to <2.50 | – | – | – | – | – | – | – | – | – | – | – | |
| 2.50 to <10.00 | – | – | – | – | – | – | – | – | – | – | – | |
| 10.00 to <100.00 | – | – | – | – | – | – | – | – | – | – | – | |
| 100.00 (Default) | – | – | – | – | – | – | – | – | – | – | – | |
| **Sub-total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Bank** | | | | | | | | | | | | |
| 0.00 to <0.15 | 69,919 | 947 | 91 | 70,796 | 0.06 | 73 | 45 | 1.0 | 12,200 | 17 | 19 | |
| 0.15 to <0.25 | 172 | 8 | 50 | 176 | 0.24 | 7 | 45 | 1.0 | 78 | 44 | 0 | |
| 0.25 to <0.50 | 192 | – | 40 | 192 | 0.35 | 5 | 45 | 1.0 | 106 | 55 | 0 | |
| 0.50 to <0.75 | 453 | – | – | 453 | 0.61 | 2 | 45 | 0.5 | 276 | 61 | 1 | |
| 0.75 to <2.50 | 29 | – | – | 29 | 1.04 | 6 | 45 | 0.9 | 26 | 88 | 0 | |
| 2.50 to <10.00 | – | – | – | – | – | – | – | – | – | – | – | |
| 10.00 to <100.00 | – | – | – | – | – | – | – | – | – | – | – | |
| 100.00 (Default) | – | – | – | – | – | – | – | – | – | – | – | |
| **Sub-total** | **70,765** | **955** | **91** | **71,646** | **0.07** | **93** | **45** | **1.0** | **12,686** | **18** | **20** | **211** |
| **Corporate – small-and-medium size corporates** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.15 to <0.25 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.25 to <0.50 | – | 7 | 11 | 1 | 0.39 | 1 | 40 | 0.9 | 0 | 31 | 0 | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | – | – | – | – | |
| 0.75 to <2.50 | 35 | 36 | 10 | 39 | 1.68 | 4 | 19 | 2.3 | 13 | 34 | 0 | |
| 2.50 to <10.00 | 9 | 4 | 10 | 9 | 3.01 | 2 | 40 | 1.0 | 7 | 74 | 0 | |
| 10.00 to <100.00 | – | – | – | – | – | – | – | – | – | – | – | |
| 100.00 (Default) | – | – | – | – | – | – | – | – | – | – | – | |
| **Sub-total** | **44** | **47** | **10** | **49** | **1.91** | **7** | **23** | **2.1** | **20** | **42** | **0** | **0** |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.6 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)

**Foundation IRB Approach (continued)**

| | As at 30 June 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g | h | i | j | k | l |
| PD scale (%) | Original on-balance sheet gross exposure HK$'M | Off-balance sheet exposures pre-CCF HK$'M | Average CCF (%) | EAD post-CRM and post-CCF HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) | EL HK$'M | Provisions HK$'M |
| **Corporate – large corporates** | | | | | | | | | | | | |
| 0.00 to <0.15 | 39,728 | 28,123 | 22 | 48,811 | 0.05 | 55 | 40 | 1.8 | 7,083 | 15 | 10 | |
| 0.15 to <0.25 | 18,111 | 22,016 | 10 | 21,472 | 0.22 | 60 | 40 | 1.7 | 7,421 | 35 | 19 | |
| 0.25 to <0.50 | 37,022 | 22,771 | 5 | 36,463 | 0.32 | 101 | 40 | 1.4 | 14,474 | 40 | 47 | |
| 0.50 to <0.75 | 969 | 5,857 | 9 | 1,491 | 0.56 | 28 | 39 | 1.3 | 772 | 52 | 3 | |
| 0.75 to <2.50 | 2,627 | 7,908 | 7 | 2,756 | 1.44 | 42 | 37 | 1.6 | 2,101 | 76 | 15 | |
| 2.50 to <10.00 | 1,304 | 38 | 30 | 1,314 | 7.86 | 6 | 39 | 1.9 | 1,924 | 146 | 41 | |
| 10.00 to <100.00 | 2 | – | – | – | – | – | – | – | – | – | – | |
| 100.00 (Default) | 3,042 | – | – | 3,042 | 100.00 | 3 | 40 | 1.0 | – | – | 1,217 | |
| **Sub-total** | **102,805** | **86,713** | **12** | **115,349** | **2.93** | **295** | **40** | **1.7** | **33,775** | **29** | **1,352** | **1,970** |
| **Corporate – financial institutions treated as corporates** | | | | | | | | | | | | |
| 0.00 to <0.15 | 8,307 | 14,354 | 14 | 8,739 | 0.11 | 118 | 24 | 1.2 | 900 | 10 | 2 | |
| 0.15 to <0.25 | 651 | 918 | 10 | 742 | 0.22 | 2 | 45 | 1.0 | 237 | 32 | 1 | |
| 0.25 to <0.50 | 3,002 | 1,926 | 17 | 3,613 | 0.31 | 9 | 44 | 1.2 | 1,489 | 41 | 5 | |
| 0.50 to <0.75 | 490 | 91 | – | 214 | 0.60 | 6 | 39 | 1.0 | 104 | 49 | 0 | |
| 0.75 to <2.50 | 337 | 114 | 22 | 240 | 1.37 | 8 | 14 | 1.0 | 58 | 24 | 0 | |
| 2.50 to <10.00 | 4 | – | – | 4 | 8.34 | 1 | 20 | 5.0 | 4 | 93 | 0 | |
| 10.00 to <100.00 | 491 | 13 | 10 | 492 | 33.91 | 1 | 15 | 1.0 | 394 | 80 | 26 | |
| 100.00 (Default) | – | – | – | – | – | – | – | – | – | – | – | |
| **Sub-total** | **13,282** | **17,416** | **14** | **14,044** | **1.39** | **145** | **30** | **1.2** | **3,186** | **23** | **34** | **50** |
| **Corporate – other corporates** | | | | | | | | | | | | |
| 0.00 to <0.15 | 17,795 | 39,488 | 13 | 22,964 | 0.10 | 6,938 | 21 | 2.1 | 2,880 | 13 | 4 | |
| 0.15 to <0.25 | 2,108 | 4,574 | 17 | 3,208 | 0.22 | 5 | 40 | 2.1 | 1,208 | 38 | 3 | |
| 0.25 to <0.50 | 15,808 | 5,595 | 25 | 16,887 | 0.33 | 249 | 36 | 1.7 | 6,509 | 39 | 20 | |
| 0.50 to <0.75 | 2,906 | 6,216 | 11 | 3,813 | 0.61 | 468 | 34 | 2.2 | 2,036 | 53 | 8 | |
| 0.75 to <2.50 | 10,740 | 12,485 | 12 | 12,952 | 1.62 | 1,735 | 33 | 2.6 | 10,333 | 80 | 68 | |
| 2.50 to <10.00 | 14,110 | 4,815 | 13 | 13,934 | 4.99 | 1,963 | 32 | 2.8 | 15,294 | 110 | 223 | |
| 10.00 to <100.00 | 5,581 | 363 | 11 | 5,538 | 18.79 | 221 | 27 | 2.6 | 7,615 | 138 | 300 | |
| 100.00 (Default) | 1,870 | 21 | 45 | 1,743 | 100.00 | 161 | 32 | 2.1 | – | – | 566 | |
| **Sub-total** | **70,918** | **73,557** | **14** | **81,039** | **4.68** | **11,740** | **30** | **2.3** | **45,875** | **57** | **1,192** | **1,259** |
| **Total (all portfolios)** | **257,814** | **178,688** | **14** | **282,127** | **2.63** | **12,280** | **38** | **1.6** | **95,542** | **34** | **2,598** | **3,490** |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.6 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)

**Retail IRB Approach**

| | As at 30 June 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g | h | i | j | k | l |
| PD scale (%) | Original on-balance sheet gross exposure HK$'M | Off-balance sheet exposures pre-CCF HK$'M | Average CCF (%) | EAD post-CRM and post-CCF HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) | EL HK$'M | Provisions HK$'M |
| **Retail – QRRE (transactor)** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | | – | – | – | |
| 0.15 to <0.25 | 1,746 | 30,612 | 72 | 23,933 | 0.18 | 259,982 | 101 | | 2,379 | 10 | 44 | |
| 0.25 to <0.50 | 1,477 | 6,841 | 68 | 6,132 | 0.33 | 66,238 | 98 | | 966 | 16 | 20 | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | | – | – | – | |
| 0.75 to <2.50 | 1,404 | 8,809 | 63 | 6,945 | 1.79 | 95,865 | 97 | | 3,963 | 57 | 120 | |
| 2.50 to <10.00 | – | – | – | – | – | – | – | | – | – | – | |
| 10.00 to <100.00 | 0 | 0 | 67 | – | 20.78 | 10 | 96 | | 1 | 239 | – | |
| 100.00 (Default) | 0 | – | – | – | 100.00 | 56 | 107 | | 1 | 251 | – | |
| **Sub-total** | **4,627** | **46,262** | **70** | **37,010** | **0.51** | **422,151** | **100** | | **7,310** | **20** | **184** | **116** |
| **Retail – QRRE (revolver)** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | | – | – | – | |
| 0.15 to <0.25 | 619 | 6,267 | 73 | 5,210 | 0.18 | 62,444 | 102 | | 522 | 10 | 10 | |
| 0.25 to <0.50 | 677 | 1,993 | 71 | 2,095 | 0.33 | 19,349 | 100 | | 335 | 16 | 7 | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | | – | – | – | |
| 0.75 to <2.50 | 3,330 | 9,160 | 76 | 10,279 | 1.73 | 115,087 | 101 | | 6,006 | 58 | 180 | |
| 2.50 to <10.00 | 275 | 59 | 118 | 344 | 6.75 | 1,696 | 110 | | 553 | 161 | 25 | |
| 10.00 to <100.00 | 1,248 | 157 | 180 | 1,531 | 18.55 | 11,369 | 96 | | 3,588 | 234 | 273 | |
| 100.00 (Default) | 118 | – | – | 118 | 100.00 | 1,057 | 110 | | 548 | 465 | 86 | |
| **Sub-total** | **6,267** | **17,636** | **75** | **19,577** | **3.16** | **211,002** | **101** | | **11,552** | **59** | **581** | **268** |
| **Retail – residential mortgages exposures (including both to individuals and to property-holding shell companies)** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | | – | – | – | |
| 0.15 to <0.25 | 4,661 | – | – | 4,661 | 0.22 | 3,016 | 13 | | 267 | 6 | 1 | |
| 0.25 to <0.50 | 597 | – | – | 597 | 0.41 | 70 | 13 | | 54 | 9 | 0 | |
| 0.50 to <0.75 | 13,213 | – | – | 13,213 | 0.63 | 2,488 | 13 | | 1,610 | 12 | 11 | |
| 0.75 to <2.50 | 35 | – | – | 35 | 1.80 | 8 | 32 | | 20 | 58 | 0 | |
| 2.50 to <10.00 | 449 | – | – | 449 | 9.84 | 116 | 13 | | 270 | 60 | 6 | |
| 10.00 to <100.00 | 46 | – | – | 46 | 33.97 | 11 | 13 | | 35 | 77 | 2 | |
| 100.00 (Default) | 86 | – | – | 86 | 100.00 | 23 | 32 | | 329 | 383 | 1 | |
| **Sub-total** | **19,087** | **–** | **–** | **19,087** | **1.27** | **5,732** | **13** | | **2,585** | **14** | **21** | **41** |

## DBS BANK (HONG KONG) LIMITED AND ITS SUBSIDIARIES

## REGULATORY DISCLOSURES

### 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.6 CR6 – Credit Risk Exposures by Portfolio and PD ranges – for IRB approach (continued)

**Retail IRB Approach (continued)**

| | As at 30 June 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g | h | i | j | k | l |
| PD scale (%) | Original on-balance sheet gross exposure HK$'M | Off-balance sheet exposures pre-CCF HK$'M | Average CCF (%) | EAD post-CRM and post-CCF HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) | EL HK$'M | Provisions HK$'M |
| **Retail – small business retail exposures** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | | – | – | – | |
| 0.15 to <0.25 | – | – | – | – | – | – | – | | – | – | – | |
| 0.25 to <0.50 | – | – | – | – | – | – | – | | – | – | – | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | | – | – | – | |
| 0.75 to <2.50 | – | – | – | – | – | – | – | | – | – | – | |
| 2.50 to <10.00 | – | – | – | – | – | – | – | | – | – | – | |
| 10.00 to <100.00 | – | – | – | – | – | – | – | | – | – | – | |
| 100.00 (Default) | – | – | – | – | – | – | – | | – | – | – | |
| **Sub-total** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | **–** | **–** | **–** | **–** |
| **Retail – other retail exposures to individuals** | | | | | | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – | | – | – | – | |
| 0.15 to <0.25 | – | – | – | – | – | – | – | | – | – | – | |
| 0.25 to <0.50 | 326 | – | – | 326 | 0.30 | 1,895 | 54 | | 95 | 29 | 1 | |
| 0.50 to <0.75 | – | – | – | – | – | – | – | | – | – | – | |
| 0.75 to <2.50 | 1,179 | – | – | 1,179 | 1.90 | 5,524 | 93 | | 1,399 | 119 | 21 | |
| 2.50 to <10.00 | 1,460 | – | – | 1,460 | 6.51 | 4,437 | 94 | | 2,113 | 145 | 91 | |
| 10.00 to <100.00 | 2,410 | – | – | 2,410 | 25.38 | 1,838 | 45 | | 2,503 | 104 | 259 | |
| 100.00 (Default) | 96 | – | – | 96 | 100.00 | 223 | 63 | | 206 | 215 | 64 | |
| **Sub-total** | **5,471** | **–** | **–** | **5,471** | **15.10** | **13,917** | **69** | | **6,316** | **115** | **436** | **164** |
| **Total (all portfolios)** | **35,452** | **63,898** | **72** | **81,145** | **2.31** | **652,802** | **78** | | **27,763** | **34** | **1,222** | **589** |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.7 CR7 – Effects on RWA of Recognized Credit Derivative Contracts used as Recognized Credit Risk Mitigation – for IRB approach

The Bank does not have credit derivative contracts used as recognized credit risk mitigation.

| | | As at 30 June 2026 | |
|---|---|---|---|
| | | (a) | (b) |
| **In HK$ millions** | | **Pre-credit derivatives RWA** | **Actual RWA** |
| 1 | Corporate – Specialized lending (project finance) | 40 | 40 |
| 2 | Corporate – Specialized lending (object finance) | 283 | 283 |
| 3 | Corporate – Specialized lending (commodities finance) | – | – |
| 4 | Corporate – Specialized lending (income-producing real estate) | 19,927 | 19,927 |
| 5 | Corporate – Specialized lending (high-volatility commercial real estate) | – | – |
| 6 | Corporate – Small-and-medium sized corporates | 20 | 20 |
| 7 | Corporate – Large corporates | 33,775 | 33,775 |
| 8 | Corporate – Financial institutions treated as corporates | 3,186 | 3,186 |
| 9 | Corporate – Other corporates | 45,875 | 45,875 |
| 10 | Sovereign – Sovereigns | – | – |
| 11 | Sovereign – Sovereign foreign public sector entities | – | – |
| 12 | Sovereign – Multilateral development banks | – | – |
| 13 | Bank – Banks (excluding covered bonds) | 12,659 | 12,659 |
| 14 | Bank – Qualifying non-bank financial institutions | 27 | 27 |
| 15 | Bank – Public sector entities (excluding sovereign foreign public sector entities) | – | – |
| 16 | Bank – Unspecified multilateral bodies | – | – |
| 17 | Bank – Covered bonds | – | – |
| 18 | Retail – Small business retail exposures | – | – |
| 19 | Retail – Residential mortgages to individuals | 2,491 | 2,491 |
| 20 | Retail – Residential mortgages to property-holding shell companies | 94 | 94 |
| 21 | Retail – Qualifying revolving retail exposures (QRRE) (transactor) | 7,310 | 7,310 |
| 22 | Retail – Qualifying revolving retail exposures (QRRE) (revolver) | 11,552 | 11,552 |
| 23 | Retail – Other retail exposures to individuals | 6,316 | 6,316 |
| 24 | CIS – CIS exposures | – | – |
| 25 | Other – Cash items | – | – |
| 26 | Other – Other items | 11,541 | 11,541 |
| **27** | **Total (under the IRB calculation approaches)** | 155,096 | 155,096 |

## 8 CREDIT RISK FOR NON-SECURITIZATION EXPOSURES (continued)

### 8.8 CR8 – RWA Flow Statements of Credit Risk Exposures under IRB approach

The following table explains the change in credit RWA under IRB approach for the quarter.

| | (a) |
|---|---|
| **In HK$ millions** | **RWA** |
| **As at 31 March 2026** | 152,175 |
| Asset size | 7,002 |
| Asset quality[1] | (4,192) |
| Model updates | – |
| Methodology and policy | – |
| Acquisitions and disposals | – |
| Foreign exchange movements | 111 |
| Others | – |
| **As at 30 June 2026** | 155,096 |

*Footnote:*

[1] *This represents movements in RWA resulting from factors (other than exposure movements) such as changes in borrower risk, portfolio mix, tenor, credit risk mitigation, etc.*

The increase in Credit RWA during the quarter was mainly driven by asset size and asset quality movements.

### 8.9 CR10 – Specialized Lending Under Supervisory Slotting Criteria Approach – for IRB approach

Specialized lending under supervisory slotting criteria approach – other than HVCRE

| | | As at 30 June 2026 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **In HK$ millions** | | (a) | (b) | (c) | (d) (i) | (d) (ii) | (d) (iii) | (d) (iv) | (d) (v) | (e) | (f) |
| | | | | | EAD amount | | | | | | |
| **Supervisory Rating Grade** | **Remaining Maturity** | **On-balance sheet exposure amount** | **Off-balance sheet exposure amount** | **SRW (%)** | **PF** | **OF** | **CF** | **IPRE** | **Total** | **RWA** | **Expected loss amount** |
| Strong^ | Less than 2.5 years | 8,191 | 2,186 | 50% | – | – | – | 8,699 | 8,699 | 4,349 | – |
| Strong | Equal to or more than 2.5 years | 434 | 1,582 | 70% | 57 | – | – | 1,154 | 1,211 | 848 | 5 |
| Good^ | Less than 2.5 years | 9,989 | 484 | 70% | – | – | – | 10,171 | 10,171 | 7,120 | 41 |
| Good | Equal to or more than 2.5 years | 3,175 | 3,900 | 90% | – | 314 | – | 4,424 | 4,738 | 4,265 | 38 |
| Satisfactory | | 791 | 143 | 115% | – | – | – | 843 | 843 | 969 | 24 |
| Weak | | 1,076 | 9 | 250% | – | – | – | 1,080 | 1,080 | 2,699 | 86 |
| Default | | 11 | – | 0% | – | – | – | 11 | 11 | – | 5 |
| Total | | 23,667 | 8,304 | | 57 | 314 | – | 26,382 | 26,753 | 20,250 | 199 |

^ Use of preferential risk-weights.

## 9 COUNTERPARTY CREDIT RISK

### 9.1 CCR1 – Analysis of Counterparty Credit Risk Exposures (Other than those to CCPs) by Approaches

| | | As at 30 June 2026 | | | | | |
|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) |
| In HK$ millions | | Replacement cost (RC) | PFE | Effective EPE | Alpha (α) used for computing default risk exposure | Default risk exposure after CRM | RWA |
| 1 | SA-CCR approach (for derivative contracts) | 975 | 2,388 | | 1.4 | 4,708 | 1,220 |
| 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) | | | | | – | – |
| 4 | Comprehensive approach (for SFTs) | | | | | 46,510 | 845 |
| 5 | VaR (for SFTs) | | | | | – | – |
| 6 | **Total** | | | | | | 2,065 |

The Bank uses SA-CCR approach to calculate the counterparty default risk exposures for derivative contracts.

## 9 COUNTERPARTY CREDIT RISK (continued)

### 9.2 CCR3 – Counterparty Credit Risk Exposures (Other than those to CCPs) by Exposure Classes and by Risk Weights – for STC approach

| In HK$ millions | | As at 30 June 2026 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (ca) | (cb) | (d) | (e) | (ea) | (f) | (g) | (h) | (i) |
| | **Risk Weight** / **Exposure class** | **0%** | **10%** | **20%** | **30%** | **40%** | **50%** | **75%** | **85%** | **100%** | **150%** | **Others** | **Total default risk exposure after CRM** |
| 1 | Sovereign exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 | Public sector entity exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 3 | Multilateral development bank exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 4 | Unspecified multilateral body exposures | – | – | – | – | – | – | – | – | – | – | – | |
| 5 | Bank exposures | – | – | – | – | – | – | – | – | – | 79 | – | 79 |
| 6 | Qualifying non-bank financial institution exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 7 | General corporate exposures | – | – | – | – | – | – | – | – | 648 | – | – | 648 |
| 8 | Retail exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | Defaulted exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | Other exposures | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | **Total** | – | – | – | | | – | – | | 648 | 79 | – | 727 |

## 9 COUNTERPARTY CREDIT RISK (continued)

### 9.3 CCR4 – Counterparty Credit Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach

**Foundation IRB Approach**

The following table sets out the parameters used for the calculation of the Bank's CCR capital requirements for IRB approach models. The Bank adopts FIRB approach for all of its IRB exposures which are subject to CCR capital requirements.

| | As at 30 June 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g |
| PD scale (%) | EAD post-CRM HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) |
| **Sovereign** | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – |
| 0.15 to <0.25 | – | – | – | – | – | – | – |
| 0.25 to <0.50 | – | – | – | – | – | – | – |
| 0.50 to <0.75 | – | – | – | – | – | – | – |
| 0.75 to <2.50 | – | – | – | – | – | – | – |
| 2.50 to <10.00 | – | – | – | – | – | – | – |
| 10.00 to <100.00 | – | – | – | – | – | – | – |
| 100.00 (Default) | – | – | – | – | – | – | – |
| **Sub-total** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Bank** | | | | | | | |
| 0.00 to <0.15 | 35,249 | 0.06 | 5 | 5 | 1.0 | 587 | 2 |
| 0.15 to <0.25 | – | – | – | – | – | – | – |
| 0.25 to <0.50 | 13,441 | 0.39 | 2 | 1 | 1.0 | 101 | 1 |
| 0.50 to <0.75 | – | – | – | – | – | – | – |
| 0.75 to <2.50 | – | – | – | – | – | – | – |
| 2.50 to <10.00 | – | – | – | – | – | – | – |
| 10.00 to <100.00 | – | – | – | – | – | – | – |
| 100.00 (Default) | – | – | – | – | – | – | – |
| **Sub-total** | **48,690** | **0.15** | **7** | **4** | **1.0** | **688** | **1** |

## 9 COUNTERPARTY CREDIT RISK (continued)

### 9.3 CCR4 – Counterparty Credit Risk Exposures (Other than those to CCPs) by portfolio and PD range – for IRB approach (continued)

**Foundation IRB Approach (continued)**

| | As at 30 June 2026 | | | | | | |
|---|---|---|---|---|---|---|---|
| | a | b | c | d | e | f | g |
| PD scale (%) | EAD post-CRM HK$'M | Average PD (%) | Number of obligors | Average LGD (%) | Average maturity (years) | RWA HK$'M | RWA density (%) |
| **Corporate** | | | | | | | |
| 0.00 to <0.15 | 779 | 0.11 | 3 | 40 | 1.3 | 149 | 19 |
| 0.15 to <0.25 | 521 | 0.22 | 5 | 40 | 1.0 | 148 | 28 |
| 0.25 to <0.50 | 225 | 0.33 | 8 | 40 | 1.7 | 97 | 43 |
| 0.50 to <0.75 | 29 | 0.61 | 6 | 40 | 1.0 | 15 | 51 |
| 0.75 to <2.50 | 226 | 1.37 | 26 | 40 | 1.5 | 180 | 79 |
| 2.50 to <10.00 | 16 | 5.36 | 10 | 40 | 1.0 | 19 | 118 |
| 10.00 to <100.00 | 0 | 28.83 | 1 | 40 | 1.0 | 1 | 210 |
| 100.00 (Default) | – | – | – | – | – | – | – |
| **Sub-total** | **1,796** | **0.39** | **59** | **40** | **1.3** | **609** | **34** |
| **Retail** | | | | | | | |
| 0.00 to <0.15 | – | – | – | – | – | – | – |
| 0.15 to <0.25 | – | – | – | – | – | – | – |
| 0.25 to <0.50 | – | – | – | – | – | – | – |
| 0.50 to <0.75 | – | – | – | – | – | – | – |
| 0.75 to <2.50 | – | – | – | – | – | – | – |
| 2.50 to <10.00 | – | – | – | – | – | – | – |
| 10.00 to <100.00 | – | – | – | – | – | – | – |
| 100.00 (Default) | – | – | – | – | – | – | – |
| **Sub-total** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total (all portfolios)** | **50,486** | **0.16** | **66** | **5** | **1.0** | **1,297** | **3** |

## 9 COUNTERPARTY CREDIT RISK (continued)

### 9.4 CCR5 – Composition of Collateral for Counterparty Credit Risk Exposures (including those for Contracts or Transactions Cleared through CCPs)

The following table provides a breakdown of all types of collateral posted or recognized collateral received by the Bank to support or reduce the CCR exposures related to derivative transactions or to Securities Financing Transactions ("SFTs"), including transactions cleared through a CCP.

| | As at 30 June 2026 | | | | | |
|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| | 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 |
| **In HK$ millions** | **Segregated** | **Unsegregated** | **Segregated** | **Unsegregated** | | |
| Cash – other currencies | – | – | – | 23 | 9,540 | 47,249 |
| Debt securities | – | 309 | – | – | 42,861 | 9,864 |
| Equity securities | – | – | – | – | 2,984 | – |
| **Total** | – | 309 | – | 23 | 55,385 | 57,113 |

### 9.5 CCR6 – Credit-related Derivatives Contracts

| | As at 30 June 2026 | |
|---|---|---|
| | (a) | (b) |
| **In HK$ millions** | **Protection bought** | **Protection sold** |
| Notional amounts | | |
| Total return swaps | 13,010 | 5,924 |
| **Total notional amounts** | 13,010 | 5,924 |
| Fair Values | | |
| Positive fair values (asset) | 344 | 5,171 |
| Negative fair values (liability) | (42) | – |

## 10 SECURITIZATION EXPOSURES

### 10.1 SEC1 – Securitization Exposures in Banking Book

The following table provides an overview of the Bank's securitization exposures in the banking book.

| | | As at 30 June 2026 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| | | Acting as originator (excluding sponsor) | | | Acting as sponsor | | | Acting as investor | | |
| **In HK$ millions** | | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total | Traditional | Synthetic | Sub-total |
| 1 | Retail (total) – of which: | – | – | – | – | – | – | 546 | – | 546 |
| 2 | residential mortgage | – | – | – | – | – | – | – | – | – |
| 3 | credit card | – | – | – | – | – | – | – | – | – |
| 4 | other retail exposures | – | – | – | – | – | – | 546 | – | 546 |
| 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 | – | – | – | – | – | – | – | – | – |

## 10 SECURITIZATION EXPOSURES (continued)

### 10.2 SEC4 – Securitization Exposures in Banking Book and Associated Capital Requirements – A Reporting Bank acts as Investor

The following table provides the exposure amounts, RWA and capital requirements of the Bank's securitization exposures in the banking book.

| | | As at 30 June 2026 | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) |
| | | Exposure values (by RW bands) | | | | | Exposure values (by regulatory approach) | | | | RWAs (by regulatory approach) | | | | Capital charges after cap | | | |
| In HK$ millions | | ≤20% RW | >20% to 50% RW | >50% to 100% RW | >100% to <1250% RW | 1250% RW | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | SEC-FBA | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | SEC-FBA | SEC-IRBA | SEC-ERBA (incl. IAA) | SEC-SA | SEC-FBA |
| 1 | **Total exposures** | 448 | – | 98 | – | – | – | 448 | 98 | – | – | 90 | 51 | – | – | 7 | 4 | – |
| 2 | Traditional securitization | 448 | – | 98 | – | – | – | 448 | 98 | – | – | 90 | 51 | – | – | 7 | 4 | – |
| 3 | Of which securitization | 448 | – | 98 | – | – | – | 448 | 98 | – | – | 90 | 51 | – | – | 7 | 4 | – |
| 4 | Of which retail | 448 | – | 98 | – | – | – | 448 | 98 | – | – | 90 | 51 | – | – | 7 | 4 | – |
| 5 | Of which wholesale | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 6 | Of which re-securitization | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 7 | Synthetic securitization | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 8 | Of which securitization | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | Of which retail | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | Of which wholesale | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | Of which re-securitization | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

## 11 CREDIT VALUATION ADJUSTMENT RISK

### 11.1 CVA1 – CVA Risk under Reduced Basic CVA Approach

The Bank adopts the reduced basic CVA ("BA-CVA") approach to compute CVA risk capital requirements.

| | | As at 30 June 2026 | |
|---|---|---|---|
| | | (a) | (b) |
| **In HK$ millions** | | **Components** | **CVA risk capital charge under the reduced basic CVA approach** |
| 1 | Aggregation of systematic components of CVA risk | 199 | |
| 2 | Aggregation of idiosyncratic components of CVA risk | 102 | |
| 3 | Total | | 86 |

The Bank does not hold financial instruments to hedge against CVA risk.

## 12 MARKET RISK

### 12.1 MR1 – Market Risk under STM Approach

| In HK$ millions | | As at 30 June 2026<br>Market risk capital charges under STM approach |
|---|---|---|
| 1 | General interest rate risk | 104 |
| 2 | Equity risk | – |
| 3 | Commodity risk | – |
| 4 | Foreign exchange risk | 135 |
| 5 | Credit spread risk (non-securitization) | 221 |
| 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) | 76 |
| 9 | SA-DRC (securitization: non-CTP) | – |
| 10 | SA-DRC (securitization: CTP) | – |
| 11 | Group 2a cryptoassets exposures | – |
| 12 | Residual risk add-on | 1 |
| 13 | **Total** | 537 |

The increase in market risk capital charges under STM approach in the first half of 2026 was mainly due to increased trading bond exposures.

## 13 ASSET ENCUMBRANCE

### 13.1 ENC – Asset Encumbrance

The following table shows the carrying amount as reported in the financial statements for encumbered and unencumbered assets.

| | As at 30 June 2026 | | |
|---|---|---|---|
| | (a) | (c) | (d) |
| **At HK$ millions** | **Encumbered assets**[1] | **Unencumbered assets** | **Total** |
| Cash and balances with central banks | 32 | 3,573 | 3,605 |
| Government securities and treasury bills | 19,061 | 91,492 | 110,553 |
| Due from banks | – | 86,825 | 86,825 |
| Bank and corporate securities | – | 67,007 | 67,007 |
| Loans and advances to customers | – | 286,525 | 286,525 |
| Other assets | 4 | 24,523 | 24,527 |
| Total | 19,097 | 559,945 | 579,042 |

*Footnote:*

1 *Assets that are restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations.*

## 14 INTERNATIONAL CLAIMS

Analysis of the Bank's international claims by location and by type of counterparty is as follows:

| In HK$ millions | Banks | Official sector | Non-bank private sector: Non-bank financial institutions | Non-bank private sector: Non-financial private sector | Others | Total |
|---|---|---|---|---|---|---|
| **As at 30 June 2026** | | | | | | |
| **Developed countries, of which** | **36,324** | **82,036** | **26,107** | **11,475** | **–** | **155,942** |
| **– United States** | **7,775** | **70,373** | **24,362** | **5,632** | **–** | **108,142** |
| **– Others** | **28,549** | **11,663** | **1,745** | **5,843** | **–** | **47,800** |
| **Offshore centres, of which** | **38,492** | **1,113** | **12,119** | **100,037** | **–** | **151,761** |
| **– Singapore** | **36,505** | **5** | **697** | **5,697** | **–** | **42,904** |
| **– Hong Kong, China** | **1,982** | **1,108** | **7,650** | **91,373** | **–** | **102,113** |
| **– Others** | **5** | **–** | **3,772** | **2,967** | **–** | **6,744** |
| **Developing Europe** | **–** | **–** | **–** | **3** | **–** | **3** |
| **Developing Latin America and Caribbean** | **5** | **–** | **–** | **801** | **–** | **806** |
| **Developing Africa and Middle East** | **271** | **79** | **–** | **366** | **–** | **716** |
| **Developing Asia-Pacific, of which** | **13,062** | **4,784** | **5,044** | **38,434** | **–** | **61,324** |
| **– China** | **8,587** | **1,196** | **4,616** | **31,331** | **–** | **45,730** |
| **– Others** | **4,475** | **3,588** | **428** | **7,103** | **–** | **15,594** |
| **International Organizations** | **–** | **–** | **–** | **–** | **2,258** | **2,258** |
| | **88,154** | **88,012** | **43,270** | **151,116** | **2,258** | **372,810** |
| As at 31 December 2025 | | | | | | |
| Developed countries, of which | 14,099 | 118,318 | 16,793 | 6,520 | – | 155,730 |
| – United States | 4,956 | 101,457 | 16,514 | 2,990 | – | 125,917 |
| – Others | 9,143 | 16,861 | 279 | 3,530 | – | 29,813 |
| Offshore centres, of which | 36,442 | 27 | 7,911 | 92,916 | – | 137,296 |
| – Singapore | 34,562 | 5 | 673 | 2,940 | – | 38,180 |
| – Hong Kong, China | 1,877 | 22 | 6,524 | 88,490 | – | 96,913 |
| – Others | 3 | – | 714 | 1,486 | – | 2,203 |
| Developing Europe | – | – | – | 3 | – | 3 |
| Developing Latin America and Caribbean | – | – | – | 794 | – | 794 |
| Developing Africa and Middle East | 505 | – | – | 2,098 | – | 2,603 |
| Developing Asia-Pacific, of which | 19,135 | 6,559 | 3,248 | 40,063 | – | 69,005 |
| – China | 17,424 | 2,444 | 3,243 | 34,711 | – | 57,822 |
| – Others | 1,711 | 4,115 | 5 | 5,352 | – | 11,183 |
| International Organizations | – | – | – | – | 1,394 | 1,394 |
| | 70,181 | 124,904 | 27,952 | 142,394 | 1,394 | 366,825 |

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

## 15 LOANS AND ADVANCES TO CUSTOMERS

The Group employs a range of policies and practices to mitigate credit risk, one of which is the taking of collateral. The collateral includes cash, marketable securities, properties, trade receivables, inventory, equipment and other physical and financial collateral.

### 15.1 Loans and Advances to Customers by Loan Usage

The analysis of the Bank's gross loans and advances to customers by loan usage and the corresponding balances covered by collateral are as follows. Gross loans and advances to customers refers to "Total loans and advances to customers" and "Acceptance and bills of exchange held" reported in the HKMA return of "Return of Assets and Liabilities".

| In HK$ millions | **As at 30 June 2026** Outstanding balance | **As at 30 June 2026** Balance covered by collateral | As at 31 December 2025 Outstanding balance | As at 31 December 2025 Balance covered by collateral |
|---|---|---|---|---|
| Gross loans and advances for use in Hong Kong | | | | |
| Industrial, commercial and financial | | | | |
| – Property development | **18,005** | **16,525** | 19,527 | 16,948 |
| – Property investment | **30,379** | **30,316** | 32,983 | 31,914 |
| – Financial concerns | **13,091** | **9,017** | 10,098 | 3,844 |
| – Stockbrokers | **200** | **–** | 100 | – |
| – Wholesale and retail trade | **14,807** | **6,565** | 12,606 | 7,444 |
| – Manufacturing | **23,292** | **7,386** | 18,109 | 7,437 |
| – Transport and transport equipment | **11,049** | **6,667** | 11,109 | 6,689 |
| – Recreational activities | **661** | **190** | 209 | 207 |
| – Information technology | **10,595** | **8,192** | 9,450 | 8,181 |
| – Others | **20,296** | **7,547** | 19,687 | 8,796 |
| Individuals | | | | |
| – Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes | **4** | **4** | 5 | 5 |
| – Loans for the purchase of other residential properties | **19,991** | **19,991** | 20,928 | 20,906 |
| – Credit card advances | **9,861** | **–** | 10,168 | – |
| – Others | **32,308** | **27,519** | 26,163 | 17,240 |
| | **204,539** | **139,919** | 191,142 | 129,611 |
| Trade finance (including trade bills) | **24,317** | **1,731** | 23,011 | 1,333 |
| Gross loans and advances for use outside Hong Kong | **51,003** | **22,878** | 57,408 | 29,299 |
| | **279,859** | **164,528** | 271,561 | 160,243 |

## 15 LOANS AND ADVANCES TO CUSTOMERS (continued)

### 15.1 Loans and Advances to Customers by Loan Usage (continued)

Analysis of impaired advances, impairment allowances for the individual loan usage category which accounted for 10% or more of the Bank's gross loans and advances to customers:

| In HK$ millions | Impaired advances to customers | Specific allowances | General allowances |
|---|---|---|---|
| **As at 30 June 2026** | | | |
| Property investment | **173** | **15** | **238** |
| Individuals – for other private purposes | **75** | **86** | **349** |
| As at 31 December 2025 | | | |
| Property investment | 273 | 16 | 310 |

### 15.2 Loans and Advances to Customers by Geographical Area

The analysis of the Bank's gross loans and advances to customers by geographical area is based on the location of the counterparty after taking into account the transfer of risk. In general, transfer of risk applies if the claim is guaranteed by a party in a country which is different from that of the counterparty.

| In HK$ millions | Loans | Trade finance (including trade bills) | Total |
|---|---|---|---|
| **As at 30 June 2026** | | | |
| Hong Kong | **213,326** | **12,394** | **225,720** |
| Mainland China | **30,111** | **6,067** | **36,178** |
| Others | **12,105** | **5,856** | **17,961** |
| | **255,542** | **24,317** | **279,859** |
| As at 31 December 2025 | | | |
| Hong Kong | 205,513 | 8,127 | 213,640 |
| Mainland China | 32,094 | 8,500 | 40,594 |
| Others | 10,943 | 6,384 | 17,327 |
| | 248,550 | 23,011 | 271,561 |

## 15 LOANS AND ADVANCES TO CUSTOMERS (continued)

### 15.2 Loans and Advances to Customers by Geographical Area (continued)

Analysis of impaired advances, impairment allowances for loans and trade finance which accounted for 10% or more of the Bank's gross loans and advances to customers:

| In HK$ millions | Impaired advances to customers | Specific allowances | General allowances |
|---|---|---|---|
| **As at 30 June 2026** | | | |
| Hong Kong | **5,434** | **2,223** | **2,056** |
| Mainland China | **71** | **32** | **12** |
| As at 31 December 2025 | | | |
| Hong Kong | 5,800 | 2,397 | 2,057 |
| Mainland China | 294 | 214 | 2 |

## 16 OVERDUE AND RESCHEDULED ASSETS

### 16.1 Overdue Loans and Advances to Customers

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

| In HK$ millions | **As at 30 June 2026** | **% of gross loans and advances to customers** | As at 31 December 2025 | % of gross loans and advances to customers |
|---|---|---|---|---|
| Six months or less but over three months | **536** | **0.19** | 239 | 0.09 |
| One year or less but over six months | **227** | **0.08** | 350 | 0.13 |
| Over one year | **1,112** | **0.40** | 1,390 | 0.51 |
| | **1,875** | **0.67** | 1,979 | 0.73 |
| Specific allowances made in respect of the above overdue loans and advances | **793** | | 933 | |
| Current market value of collateral held against the covered portion of the above overdue loans and advances | **1,413** | | 1,698 | |
| Covered portion of the above overdue loans and advances | **1,112** | | 1,359 | |
| Uncovered portion of the above overdue loans and advances | **763** | | 620 | |

## 16 OVERDUE AND RESCHEDULED ASSETS (continued)

### 16.2 Rescheduled Advances

The rescheduled loans and advances of the Bank (excluding those which have been overdue for over three months and reported in section 16.1 above) are analysed as follows:

| In HK$ millions | **As at 30 June 2026** | **% of gross loans and advances to customers** | As at 31 December 2025 | % of gross loans and advances to customers |
|---|---|---|---|---|
| Rescheduled loans and advances | **585** | **0.21** | 1,003 | 0.37 |

### 16.3 Repossessed Assets

The amount of repossessed assets as at 30 June 2026 was HK$193 million. (31 December 2025: HK$199 million).

### 16.4 Overdue Other Assets

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

| In HK$ millions | **As at 30 June 2026** | As at 31 December 2025 |
|---|---|---|
| Six months or less but over three months | **–** | – |
| One year or less but over six months | **–** | – |
| Over one year | **3** | 11 |
| | **3** | 11 |

## 17 MAINLAND ACTIVITIES

The table below summarises the non-bank Mainland China exposure of the Bank (excluding its Macau Branch), categorised by types of counterparties, which are prepared in accordance with the HKMA return of "Return of Mainland Activities":

**As at 30 June 2026**

| In HK$ millions<br>Types of Counterparties | On-balance sheet exposures | Off-balance sheet exposures | Total |
|---|---|---|---|
| (a) Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs") | 38,913 | 1,722 | 40,635 |
| (b) Local governments, local government-owned entities and their subsidiaries and JVs | 11,066 | 1,396 | 12,462 |
| (c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 41,303 | 3,161 | 44,464 |
| (d) Other entities of central government not reported in part (a) above | 14,555 | 3,323 | 17,878 |
| (e) Other entities of local governments not reported in part (b) above | 2,452 | 56 | 2,508 |
| (f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 12,837 | 1,758 | 14,595 |
| (g) Other counterparties where the exposures are considered by the reporting institution to be non–bank Mainland China exposures | 16,896 | 3,485 | 20,381 |
| **Total** | 138,022 | 14,901 | 152,923 |
| **Total assets after provisions** | 576,749 | | |
| **On-balance sheet exposures as percentage of total assets** | 23.93% | | |

## 17 MAINLAND ACTIVITIES (continued)

As at 31 December 2025

| In HK$ millions<br>Types of Counterparties | | On-balance sheet exposures | Off-balance sheet exposures | Total |
|---|---|---|---|---|
| (a) | Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs") | 26,988 | 1,227 | 28,215 |
| (b) | Local governments, local government-owned entities and their subsidiaries and JVs | 13,669 | 394 | 14,063 |
| (c) | PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs | 46,841 | 7,920 | 54,761 |
| (d) | Other entities of central government not reported in part (a) above | 6,827 | 479 | 7,306 |
| (e) | Other entities of local governments not reported in part (b) above | 1,952 | 64 | 2,016 |
| (f) | PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China | 12,909 | 2,261 | 15,170 |
| (g) | Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 13,804 | 4,896 | 18,700 |
| Total | | 122,990 | 17,241 | 140,231 |
| Total assets after provisions | | 551,069 | | |
| On-balance sheet exposures as percentage of total assets | | 22.32% | | |

## 18 FOREIGN EXCHANGE EXPOSURES

The table below summarises the Bank's net non-structural and net structural foreign currency positions which are prepared in accordance with the HKMA return of "Foreign Currency Position". The net options position is calculated on the basis of the delta-weighted position of foreign exchange option contracts. Structural foreign exchange positions of the Bank are arising from capital investments outside Hong Kong, mainly in Chinese Renminbi and Macau Pataca.

| In HK$ millions | USD | CNY | AUD | JPY | MOP | EUR | CHF | SGD | Others | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **As at 30 June 2026** | | | | | | | | | | |
| **Spot assets** | **235,728** | **55,640** | **6,255** | **13,165** | **879** | **7,108** | **4,693** | **2,070** | **11,756** | **337,294** |
| **Spot liabilities** | **(270,463)** | **(25,415)** | **(10,207)** | **(5,321)** | **(540)** | **(7,527)** | **(864)** | **(2,020)** | **(14,408)** | **(336,765)** |
| **Forward purchases** | **71,661** | **11,722** | **6,091** | **4,689** | **–** | **2,652** | **2,709** | **1,476** | **8,554** | **109,554** |
| **Forward sales** | **(37,766)** | **(42,091)** | **(1,494)** | **(12,381)** | **–** | **(2,143)** | **(6,501)** | **(1,477)** | **(6,452)** | **(110,305)** |
| **Net options position** | **–** | **–** | **3** | **–** | **–** | **–** | **–** | **–** | **(3)** | **–** |
| **Net long/(short) non-structural position** | **(840)** | **(144)** | **648** | **152** | **339** | **90** | **37** | **49** | **(553)** | **(222)** |
| **Net structural position** | **–** | **544** | **–** | **–** | **(129)** | **–** | **–** | **–** | **–** | **415** |
| As at 31 December 2025 | | | | | | | | | | |
| Spot assets | 239,654 | 53,741 | 803 | 18,625 | 928 | 11,588 | 4,748 | 1,465 | 10,516 | 342,068 |
| Spot liabilities | (261,981) | (28,224) | (10,138) | (5,528) | (646) | (8,085) | (759) | (1,457) | (14,656) | (331,474) |
| Forward purchases | 83,099 | 18,737 | 16,812 | 4,730 | – | 1,006 | 1,998 | 1,477 | 8,937 | 136,796 |
| Forward sales | (53,413) | (48,630) | (7,028) | (17,676) | – | (4,463) | (5,941) | (1,488) | (4,927) | (143,566) |
| Net options position | 2 | – | – | – | – | – | – | 1 | (3) | – |
| Net long/(short) non-structural position | 7,361 | (4,376) | 449 | 151 | 282 | 46 | 46 | (2) | (133) | 3,824 |
| Net structural position | – | 524 | – | – | (117) | – | – | – | – | 407 |

## 19 LIQUIDITY

### 19.1 LIQ1 – Liquidity Coverage Ratio

The Bank complies with the minimum requirement of Liquidity Coverage Ratio ("LCR") on a daily basis, in accordance with the Banking (Liquidity) Rules issued by the HKMA. The Bank is required to maintain an LCR of not less than 100%.

LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets ("HQLA") to meet its liquidity needs for a 30-calendar day liquidity stress scenario. Banking (Liquidity) Rules stipulates the range of liquid assets that qualify as HQLA, as well as the applicable haircuts for each category. Net cash outflows are computed using the standardized 30-day cash flow rates defined in the same notice. The amounts after the application of haircuts or 30-day cash flow rates are reflected in the "Weighted value" column of the tables below.

The Bank seeks to ensure that its LCR remains above the specified regulatory minimum requirements. This is achieved by:

1. Establishing internal early warning triggers and thresholds based on observed movements in LCR over time;

2. Monitoring and managing the LCR closely to ensure it stays within established boundaries; and

3. Strategically managing the liquidity risk arising from the balance sheet structure.

## 19 LIQUIDITY (continued)

### 19.1 LIQ1 – Liquidity Coverage Ratio (continued)

Table LIQ1: Average LCR for the quarter ended 30 June 2026

| 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 June 2026: (72) | | In HK$ millions | |
|---|---|---|---|
| **Basis of disclosure: unconsolidated** | | **Unweighted value (average)** | **Weighted value (average)** |
| **A. HQLA** | | | |
| 1 | Total HQLA | | 171,808 |
| **B. Cash Outflows** | | | |
| 2 | Retail deposits and small business funding, of which: | 274,351 | 22,202 |
| 3 | *Stable retail deposits and stable small business funding* | 8,927 | 268 |
| 4 | *Less stable retail deposits and less stable small business funding* | 173,259 | 17,326 |
| 4a | *Retail term deposits and small business term funding* | 92,165 | 4,608 |
| 5 | Unsecured wholesale funding (other than small business funding), debt securities and prescribed instruments issued by the AI, of which: | 171,660 | 98,877 |
| 6 | *Operational deposits* | 10,066 | 2,102 |
| 7 | *Unsecured wholesale funding (other than small business funding) not covered in row 6* | 161,594 | 96,775 |
| 8 | *Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period* | – | – |
| 9 | Secured funding transactions (including securities swap transactions) | | 37 |
| 10 | Additional requirements, of which: | 50,244 | 8,824 |
| 11 | *Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements* | 3,198 | 3,198 |
| 12 | *Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions* | – | – |
| 13 | *Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)* | 47,046 | 5,626 |
| 14 | Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows | 4,771 | 4,771 |
| 15 | Other contingent funding obligations (whether contractual or non-contractual) | 227,800 | 812 |
| 16 | **Total Cash Outflows** | | 135,523 |
| **C. Cash Inflows** | | | |
| 17 | Secured lending transactions (including securities swap transactions) | 43,851 | 9,135 |
| 18 | Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions | 117,106 | 29,576 |
| 19 | Other cash inflows | 10,143 | 9,311 |
| 20 | **Total Cash Inflows** | 171,100 | 48,022 |
| **D. Liquidity Coverage Ratio** | | | **Adjusted value** |
| 21 | **Total HQLA** | | 171,808 |
| 22 | **Total Net Cash Outflows** | | 87,501 |
| 23 | **LCR (%)** | | 196.6 |

## 19 LIQUIDITY (continued)

### 19.1 LIQ1 – Liquidity Coverage Ratio (continued)

The Bank has maintained a healthy liquidity position in the second quarter of 2026, with LCR being well above regulatory requirement. Quarter-on-quarter, the net cash outflow increased which had led to the decrease of average LCR.

(i) Composition of High Quality Liquid Assets

The Bank holds a pool of unencumbered HQLAs that is readily available to meet cash flow obligations under stress scenarios, as defined in the LCR rules. These liquid assets consist predominantly of Level 1 HQLA, including mainly Hong Kong exchange fund bills and notes, other government debt securities and balances with central banks. This is supplemented by covered bonds issued by reputable financial institutions.

(ii) Concentration of funding sources

The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Customer deposits form a sound funding base and serve as the main source of funding for the Bank. It is complemented by a well-diversified book of wholesale funding, including but not limited to interbank money market borrowing and the issuance of certificates of deposit. For more information on the Bank’s funding strategy, please refer to section 23.1.3 of annual regulatory disclosure for the year ended 31 December 2025.

(iii) Derivatives exposures

The Bank actively manages its over-the-counter (“OTC”) and exchange-traded derivative contracts, which comprise mainly of currency, interest rate and bond futures, foreign exchange forwards, interest rate and cross currency swaps, and foreign exchange options. Collaterals may be required to be posted to counterparties and/or the exchanges, depending on the daily mark-to-market of these derivative positions. The Bank’s largest counterparty for OTC derivatives is its parent company.

(iv) Currency mismatch

Customer deposit in Hong Kong, largely denominated in Hong Kong Dollar (“HKD”) and United States Dollar (“USD”), is a major funding source for the Bank. The Bank makes appropriate use of swap markets for the deployment of surplus funds to meet customer demand for loans. Its liquid assets are predominantly denominated in HKD, USD.

(v) Centralisation of liquidity management

The Bank seeks to manage its liquidity in a prudent manner to ensure that its liquidity obligations would always be honored under normal and adverse circumstances. The Bank centrally manages its liquidity position and provides funding support to its overseas branch for the lending growth.

## 19 LIQUIDITY (continued)

### 19.2 LIQ2 – Net Stable Funding Ratio

The Bank maintains a healthy liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base. The NSFR remains well above the regulatory minimum requirement of 100%.

The Bank seeks to ensure that its NSFR remains above the specified regulatory minimum requirements, which is achieved by:

1. Monitoring the NSFR closely against an internal early warning trigger; and

2. Managing and developing strategies to build a diversified funding base with access to funding sources across retail and wholesale channels.

Table 1 LIQ2: NSFR for the quarter ended 30 June 2026

| In HK$ millions | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| Basis of disclosure: unconsolidated | | Unweighted value by residual maturity | | | | Weighted amount |
| | | No specified term to maturity | < 6 months or repayable on demand | 6 months to < 12 months | 12 months or more | |
| **A. Available stable funding ("ASF") item** | | | | | | |
| 1 | Capital: | 53,880 | – | – | 2,353 | 56,233 |
| 2 | *Regulatory capital* | 53,880 | – | – | 2,353 | 56,233 |
| 2a | *Minority interests not covered by row 2* | – | – | – | – | – |
| 3 | *Other capital instruments* | – | – | – | – | – |
| 4 | Retail deposits and small business funding: | – | 274,320 | 1,653 | 38 | 249,049 |
| 5 | *Stable deposits* | | 12,706 | 28 | – | 12,098 |
| 6 | *Less stable deposits* | | 261,614 | 1,625 | 38 | 236,951 |
| 7 | Wholesale funding: | – | 224,939 | 1,719 | 1,305 | 73,115 |
| 8 | *Operational deposits* | | 9,802 | – | – | 4,901 |
| 9 | *Other wholesale funding* | – | 215,137 | 1,719 | 1,305 | 68,214 |
| 10 | Liabilities with matching interdependent assets | – | – | – | – | – |
| 11 | Other liabilities: | 25,055 | 5,261 | – | – | – |
| 12 | *Net derivative liabilities* | – | | | | |
| 13 | *All other funding and liabilities not included in the above categories* | 25,055 | 5,261 | – | – | – |
| 14 | **Total ASF** | | | | | 378,397 |
| | | | | | | |
| 15 | Total HQLA for NSFR purposes | 514 | 82,841 | 5,911 | 71,792 | 12,770 |
| 16 | Deposits held at other financial institutions for operational purposes | – | 791 | – | – | 395 |
| 17 | Performing loans and securities: | 13,662 | 236,852 | 47,754 | 93,042 | 202,919 |
| 18 | *Performing loans to financial institutions secured by Level 1 HQLA* | – | 19,731 | – | – | 1,973 |

## 19 LIQUIDITY (continued)

### 19.2 LIQ2 – Net Stable Funding Ratio (continued)

Table 1 LIQ2: NSFR for the quarter ended 30 June 2026 (continued)

| In HK$ millions | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| **Basis of disclosure: unconsolidated** | | **Unweighted value by residual maturity** | | | | **Weighted amount** |
| | | No specified term to maturity | < 6 months or repayable on demand | 6 months to < 12 months | 12 months or more | |
| 19 | *Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions* | 85 | 66,253 | 15,310 | 6,568 | 24,247 |
| 20 | *Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:* | 13,459 | 144,988 | 24,467 | 57,861 | 145,350 |
| 21 | *With a risk-weight of less than or equal to 35% under the STC approach* | – | – | – | – | – |
| 22 | *Performing residential mortgages, of which:* | – | 803 | 676 | 21,638 | 19,131 |
| 23 | *With a risk-weight of less than or equal to 35% under the STC approach* | – | – | – | – | – |
| 24 | *Securities that are not in default and do not qualify as HQLA, including exchange–traded equities* | 118 | 5,077 | 7,301 | 6,975 | 12,218 |
| 25 | Assets with matching interdependent liabilities | – | – | – | – | – |
| 26 | Other assets: | 24,818 | 2,019 | 187 | 1,331 | 24,670 |
| 27 | *Physical traded commodities, including gold* | – | | | | – |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | – | | | | – |
| 29 | *Net derivative assets* | 5,974 | | | | 5,974 |
| 30 | *Total derivative liabilities before adjustments for deduction of variation margin posted* | 2,234 | | | | 112 |
| 31 | *All other assets not included in the above categories* | 16,610 | 2,019 | 187 | 1,331 | 18,584 |
| 32 | Off-balance sheet items | | 267,908 | – | – | 2,307 |
| 33 | **Total RSF** | | | | | 243,061 |
| 34 | **Net Stable Funding Ratio (%)** | | | | | 155.7 |

## 19 LIQUIDITY (continued)

### 19.2 LIQ2 – Net Stable Funding Ratio (continued)

Table 2 LIQ2: NSFR for the quarter ended 31 March 2026

| In HK$ millions | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| Basis of disclosure: unconsolidated | | Unweighted value by residual maturity | | | | Weighted amount |
| | | No specified term to maturity | < 6 months or repayable on demand | 6 months to < 12 months | 12 months or more | |
| **A. Available stable funding ("ASF") item** | | | | | | |
| 1 | Capital: | 51,294 | – | – | 2,352 | 53,646 |
| 2 | *Regulatory capital* | 51,294 | – | – | 2,352 | 53,646 |
| 2a | *Minority interests not covered by row 2* | – | – | – | – | – |
| 3 | *Other capital instruments* | – | – | – | – | – |
| 4 | Retail deposits and small business funding: | – | 273,908 | 3,549 | 4 | 250,234 |
| 5 | *Stable deposits* | | 10,289 | 93 | – | 9,863 |
| 6 | *Less stable deposits* | | 263,619 | 3,456 | 4 | 240,371 |
| 7 | Wholesale funding: | – | 213,752 | 2,188 | 1,108 | 70,543 |
| 8 | *Operational deposits* | | 9,394 | – | – | 4,697 |
| 9 | *Other wholesale funding* | – | 204,358 | 2,188 | 1,108 | 65,846 |
| 10 | Liabilities with matching interdependent assets | – | – | – | – | – |
| 11 | Other liabilities: | 19,332 | 9,313 | – | – | – |
| 12 | *Net derivative liabilities* | – | | | | |
| 13 | *All other funding and liabilities not included in the above categories* | 19,332 | 9,313 | – | – | – |
| 14 | **Total ASF** | | | | | 374,423 |
| | | | | | | |
| 15 | Total HQLA for NSFR purposes | 540 | 87,452 | 13,601 | 60,153 | 12,677 |
| 16 | Deposits held at other financial institutions for operational purposes | – | 1,247 | – | – | 623 |
| 17 | Performing loans and securities: | 13,803 | 241,516 | 39,289 | 84,889 | 186,035 |
| 18 | *Performing loans to financial institutions secured by Level 1 HQLA* | – | 33,029 | – | – | 3,303 |
| 19 | *Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions* | 60 | 73,145 | 2,179 | 3,650 | 15,771 |
| 20 | *Performing loans, other than performing residential mortgage, to non-financial corporate clients, retail and small business customers, sovereigns, the Monetary Authority for the account of the Exchange Fund, central banks and PSEs, of which:* | 13,625 | 127,089 | 32,333 | 52,098 | 135,575 |

## 19 LIQUIDITY (continued)

### 19.2 LIQ2 – Net Stable Funding Ratio (continued)

Table 2 LIQ2: NSFR for the quarter ended 31 March 2026 (continued)

| In HK$ millions | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| **Basis of disclosure: unconsolidated** | | **Unweighted value by residual maturity** | | | | **Weighted amount** |
| | | No specified term to maturity | < 6 months or repayable on demand | 6 months to < 12 months | 12 months or more | |
| 21 | *With a risk-weight of less than or equal to 35% under the STC approach* | – | – | – | – | – |
| 22 | *Performing residential mortgages, of which:* | – | 825 | 700 | 22,130 | 19,574 |
| 23 | *With a risk-weight of less than or equal to 35% under the STC approach* | – | – | – | – | – |
| 24 | *Securities that are not in default and do not qualify as HQLA, including exchange–traded equities* | 118 | 7,428 | 4,077 | 7,011 | 11,812 |
| 25 | Assets with matching interdependent liabilities | – | – | – | – | – |
| 26 | Other assets: | 18,140 | 2,521 | 583 | 1,140 | 17,815 |
| 27 | *Physical traded commodities, including gold* | – | | | | – |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | – | | | | – |
| 29 | *Net derivative assets* | 3,269 | | | | 3,269 |
| 30 | *Total derivative liabilities before adjustments for deduction of variation margin posted* | 2,095 | | | | 105 |
| 31 | *All other assets not included in the above categories* | 12,776 | 2,521 | 583 | 1,140 | 14,441 |
| 32 | Off-balance sheet items | | 273,335 | – | – | 2,286 |
| 33 | **Total RSF** | | | | | 219,436 |
| 34 | **Net Stable Funding Ratio (%)** | | | | | 170.6 |

The NSFR remained well above the regulatory requirement in the first half of 2026. Compared to previous quarter, the NSFR as of end 2Q 2026 decreased. It was mainly due to increase in customer loan.

The NSFR is sensitive to (i) balance sheet movements resulting from commercial loan and deposit activities, and (ii) movements due to positions falling into the NSFR 1-year tenor.

There are no interdependent assets and liabilities as of end 1Q and 2Q 2026.

## 19 LIQUIDITY (continued)

### 19.3 Approach to Liquidity Management

The Bank's approach to liquidity risk management is based on the building blocks of governance by risk committees' oversight, policies that define overarching principles and specific risk methodologies, and standards that establish the detailed requirements. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. For more information on the Bank's approach to liquidity risk management, please refer to section 23.1 of annual regulatory disclosure for the year ended 31 December 2025.

## 20 ABBREVIATIONS

| Abbreviations | Brief Description |
|---|---|
| AI | Authorised Institutions |
| AIRB | Advanced IRB Approach |
| ASF | Available Stable Funding |
| AT1 | Additional Tier 1 |
| BA-CVA | Reduced Basic CVA Approach |
| BCR | Banking (Capital) Rules |
| BDR | Banking (Disclosure) Rules |
| BLR | Banking (Liquidity) Rules |
| BSC | Basic Approach |
| CCF | Credit Conversion Factor |
| CCP | Central Counterparty |
| CCR | Counterparty Credit Risk |
| CCyB | Countercyclical Capital Buffer |
| CEM | Current Exposure Method |
| CET1 | Common Equity Tier 1 |
| CF | Commodities Finance |
| CFR | Core Funding Ratio |
| CIS | Collective Investment Scheme |
| CRM | Credit Risk Mitigation |
| CVA | Credit Valuation Adjustment |
| D-SIB | Domestic Systemically Important Authorized Institution |
| DTAs | Deferred Tax Assets |
| EAD | Exposure At Default |
| ECL | Expected Credit Loss |
| EL | Expected Loss |
| EPE | Expected Positive Exposure |
| FIRB | Foundation IRB Approach |
| FIRO | Financial Institutions (Resolution) Ordinance |
| FSB | Financial Stability Board |
| G-SIB | Global Systemically Important Authorized Institution |
| HKMA | Hong Kong Monetary Authority |
| HQLA | High Quality Liquid Assets |
| HVCRE | High-volatility Commercial Real Estate |
| IAA | Internal Assessment Approach |

## 20 ABBREVIATIONS (continued)

| Abbreviations | Brief Description |
|---|---|
| IMA | Internal Models Approach |
| IMM (CCR) | Internal Models Method (Counterparty Credit Risk) |
| IPRE | Income-producing Real Estate |
| IRB | Internal Ratings-Based |
| JCCyB | Jurisdictional Countercyclical Capital Buffer |
| LAC | Loss-absorbing Capacity |
| LAC Rules | Financial Institutions (Resolution)<br>(Loss-absorbing Capacity Requirements – Banking Sector) Rules |
| LCR | Liquidity Coverage Ratio |
| LGD | Loss Given Default |
| LMR | Liquidity Maintenance Ratio |
| LR | Leverage Ratio |
| MSRs | Mortgage Servicing Rights |
| NA | Not Applicable |
| NSFR | Net Stable Funding Ratio |
| OF | Object Finance |
| OTC | Over-the-Counter |
| PD | Probability of Default |
| PF | Project Finance |
| PFE | Potential Future Exposure |
| PSE | Public Sector Entity |
| RSF | Required Stable Funding |
| RWA | Risk Weighted Assets |
| SA-CCR | Standardized (Counterparty Credit Risk) |
| SEC-ERBA | Securitization External Ratings-Based Approach |
| SEC-FBA | Securitization Fall-back Approach |
| SEC-IRBA | Securitization Internal Ratings-Based Approach |
| SEC-SA | Securitization Standardized Approach |
| SFT | Securities Financing Transaction |
| SRW | Supervisory Risk Weights |
| SSTM | Simplified Standardized Approach |
| STC | Standardized (Credit Risk) |
| STM | Standardized (Market Risk) |
| TLAC | Total Loss-absorbing Capacity |
| VaR | Value-at-risk |