

Regulatory Disclosures

30 June 2025



集友銀行
Chiyu Banking Corporation Ltd.

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1. Basis of reporting

Liquidity Coverage Ratio (LCR):

The average value of liquidity coverage ratio is computed on the consolidated basis which comprises the positions of local offices, overseas branches and subsidiaries of the Bank specified by the Hong Kong Monetary Authority ("HKMA") for its regulatory purposes and in accordance with the Banking (Liquidity) Rules.

Net Stable Funding Ratio (NSFR):

The net stable funding ratio is computed on the consolidated basis which comprises the positions of local offices, overseas branches and subsidiaries of the Bank specified by the HKMA for its regulatory purposes and in accordance with the Banking (Liquidity) Rules.

Capital Adequacy Ratio (CAR):

Total capital ratio is computed on the consolidated basis which comprises the positions of local offices, overseas branches and designated subsidiaries of the Bank specified by the HKMA for its regulatory purposes and in accordance with the Banking (Capital) Rules.

2. Key prudential ratios, overview of risk management and RWA

KM1: Key prudential ratios

		At 30 June 2025	At 31 March 2025	At 31 December 2024	At 30 September 2024	At 30 June 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	15,683,942	15,430,627	15,107,186	15,532,375	14,864,799
2 & 2a	Tier 1	17,241,754	16,988,439	16,664,998	17,090,187	16,422,611
3 & 3a	Total capital	19,967,349	19,730,149	19,390,370	19,941,583	19,278,730
	RWA (amount)					
4	Total RWA	106,526,165	104,845,736	103,708,573	108,781,107	106,388,317
4a	Total RWA (pre-floor)	106,526,165	104,845,736	N/A	N/A	N/A
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	14.72	14.72	14.57	14.28	13.97
5b	CET1 ratio (%) (pre-floor ratio)	14.72	14.72	N/A	N/A	N/A
6 & 6a	Tier 1 ratio (%)	16.19	16.20	16.07	15.71	15.44
6b	Tier 1 ratio (%) (pre-floor ratio)	16.19	16.20	N/A	N/A	N/A
7 & 7a	Total capital ratio (%)	18.74	18.82	18.70	18.33	18.12
7b	Total capital ratio (%) (pre-floor ratio)	18.74	18.82	N/A	N/A	N/A
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.500	2.500	2.500	2.500	2.500
9	Countercyclical capital buffer requirement (%)	0.301	0.313	0.312	0.646	0.648
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.801	2.813	2.812	3.146	3.148
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.186%	10.203	10.067	9.711	9.437
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	189,379,207	176,932,911	181,517,049	185,754,324	185,435,988
13a	LR exposure measure based on mean values of gross assets of SFTs	187,393,384	176,476,196	N/A	N/A	N/A
14, 14a & 14b	LR (%)	9.10	9.60	9.18	9.20	8.86
14c & 14d	LR (%) based on mean values of gross assets of SFTs	9.19	9.63	N/A	N/A	N/A
	Liquidity Coverage Ratio (LCR)					
15	Total high quality liquid assets (HQLA)	21,978,465	22,011,964	20,993,321	23,312,402	22,798,890
16	Total net cash outflows	9,858,584	9,993,438	11,900,742	12,184,910	11,331,626
17	LCR (%)	232.03	231.61	178.75	192.93	204.63
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	128,654,215	127,163,520	122,979,135	130,596,044	129,346,012
19	Total required stable funding	98,650,689	93,374,937	94,177,393	99,505,359	99,397,876
20	NSFR (%)	130.41	136.19	130.58	131.25	130.13

2. Key prudential ratios, overview of risk management and RWA (continued)

OV1: Overview of RWA

		RWA		Minimum capital requirements
		At 30 June 2025	At 31 March 2025	At 30 June 2025
		HK\$'000	HK\$'000	HK\$'000
1	Credit risk for non-securitization exposures	98,668,364	97,763,196	7,893,469
2	Of which STC approach	98,668,364	97,763,196	7,893,469
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty credit risk and default fund contributions	437,032	527,764	34,963
7	Of which SA-CCR approach	133,069	194,271	10,646
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	303,963	333,493	24,317
10	CVA risk	160,725	183,750	12,858
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	2,387,913	1,646,650	191,033
21	Of which STM approach	2,387,913	1,646,650	191,033
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	4,300,363	4,199,575	344,029
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,175,695	1,168,673	94,056
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	603,927	643,872	48,314
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	603,927	643,872	48,314
29	Total	106,526,165	104,845,736	8,522,094



3. Composition of regulatory capital

CC1: Composition of regulatory capital

		At 30 June 2025	
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		HK\$'000	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	6,577,871	(4)
2	Retained earnings	9,316,110	(9)
3	Disclosed reserves	1,208,033	(5)+(6)+(7)+(8)
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	-	
6	CET1 capital before regulatory adjustments	17,102,014	
CET1 capital: regulatory deductions			
7	Valuation adjustments	5,346	
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)	29,624	(2)
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	-	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	(1) + (3)
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable



3. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2025	
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		HK\$'000	
	CET1 capital: regulatory deductions (continued)		
26	National specific regulatory adjustments applied to CET1 capital	1,383,102	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	1,098,050	(5) + (10)
26b	Regulatory reserve for general banking risks	285,052	(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	-	
26e	Capital shortfall of regulated non-bank subsidiaries	-	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	-	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	-	
28	Total regulatory deductions to CET1 capital	1,418,072	
29	CET1 capital	15,683,942	
	AT1 capital: instruments		
30	Qualifying AT1 capital instruments plus any related share premium	1,557,812	(11)
31	of which: classified as equity under applicable accounting standards	1,557,812	
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	1,557,812	
	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	1,557,812	
45	Tier 1 capital (T1 = CET1 + AT1)	17,241,754	



3. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2025	
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		HK\$'000	
	Tier 2 capital: instruments and provisions		
46	Qualifying Tier 2 capital instruments plus any related share premium	1,563,199	(12)
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	668,273	
51	Tier 2 capital before regulatory deductions	2,231,472	
	Tier 2 capital: regulatory deductions		
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	(494,123)	
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	(494,123)	[(5) + (10)]*45%
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	(494,123)	
58	Tier 2 capital (T2)	2,725,595	
59	Total regulatory capital (TC = T1 + T2)	19,967,349	
60	Total RWA	106,526,165	

3. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

		At 30 June 2025	
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		HK\$'000	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	14.72%	
62	Tier 1 capital ratio	16.19%	
63	Total capital ratio	18.74%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.801%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.301%	
67	of which: higher loss absorbency requirement	-	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	10.186%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	282,252	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	230,830	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	668,273	
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	1,253,514	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	



3. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

Notes to the template

	Description	Hong Kong basis	Basel III basis
		HK\$'000	HK\$'000
9	Other intangible assets (net of associated deferred tax liabilities)	-	-
	<u>Explanation</u> As set out in paragraph 87 of the Basel III text issued by the Basel Committee (December 2010), mortgage servicing rights ("MSRs") may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to follow the accounting treatment of including MSRs as part of intangible assets reported in the AI's financial statements and to deduct MSRs in full from CET1 capital. Therefore, the amount to be deducted as reported in row 9 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 9 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of MSRs to be deducted to the extent not in excess of the 10% threshold set for MSRs and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
10	Deferred tax assets (net of associated deferred tax liabilities)	29,624	-
	<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III..		
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
	<u>Explanation</u> For the purpose of determining the total amount of insignificant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 18 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 18 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		



3. Composition of regulatory capital (continued)

CC1: Composition of regulatory capital (continued)

	Description	Hong Kong basis	Basel III basis
		HK\$'000	HK\$'000
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
	<u>Explanation</u> For the purpose of determining the total amount of significant LAC investments in CET1 capital instruments issued by financial sector entities, an AI is required to aggregate any amount of loans, facilities or other credit exposures provided by it to any of its connected companies, where the connected company is a financial sector entity, as if such loans, facilities or other credit exposures were direct holdings, indirect holdings or synthetic holdings of the AI in the capital instruments of the financial sector entity, except where the AI demonstrates to the satisfaction of the MA that any such loan was made, any such facility was granted, or any such other credit exposure was incurred, in the ordinary course of the AI's business. Therefore, the amount to be deducted as reported in row 19 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 19 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach..		
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in AT1 capital instruments may be smaller. Therefore, the amount to be deducted as reported in row 39 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 39 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	-
	<u>Explanation</u> The effect of treating loans, facilities or other credit exposures to connected companies which are financial sector entities as CET1 capital instruments for the purpose of considering deductions to be made in calculating the capital base (see note re row 18 to the template above) will mean the headroom within the threshold available for the exemption from capital deduction of other insignificant LAC investments in Tier 2 capital instruments and non-capital LAC liabilities may be smaller. Therefore, the amount to be deducted as reported in row 54 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 54 (i.e. the amount reported under the "Hong Kong basis") adjusted by excluding the aggregate amount of loans, facilities or other credit exposures to the AI's connected companies which were subject to deduction under the Hong Kong approach.		
Remarks: The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.			

3. Composition of regulatory capital (continued)

CC2: Reconciliation of regulatory capital to balance sheet

	At 30 June 2025		
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	HK\$'000	HK\$'000	
Assets			
Cash and balances with banks and other financial institutions	23,541,838	23,487,104	
Placements with banks and other financial institutions maturing between one and twelve months	12,622,993	12,622,993	
Derivative financial instruments	46,272	46,272	
<i>of which: debit valuation adjustments in respect of derivative contracts</i>	-	-	(1)
Advances to customers and trade bills	78,227,319	78,227,319	
Investment in securities	67,575,010	67,189,837	
Investment in subsidiaries	-	230,830	
Amount due from subsidiaries	-	195,177	
Investment properties	2,050,477	2,050,477	
Properties, plant and equipment	1,798,571	1,798,406	
Current tax assets	1,923	1,923	
Deferred tax assets	37,595	29,625	(2)
Other assets	2,247,492	2,236,938	
Total assets	188,149,490	188,116,901	
Liabilities			
Deposits and balances from banks and other financial institutions	17,955,083	17,955,083	
Derivative financial instruments	245,225	245,225	
<i>of which: debit valuation adjustments in respect of derivative contracts</i>	-	-	(3)
Deposits from customers	146,143,274	146,171,353	
Other accounts and provisions	1,935,158	1,932,922	
Current tax liabilities	46,067	45,925	
Deferred tax liabilities	217,336	217,026	
Debt securities and certificates of deposit in issue	2,889,541	2,889,541	
<i>of which: included in Tier 2 capital</i>	-	1,563,199	(12)
Total liabilities	169,431,684	169,457,075	
Shareholders' equity			
Share capital	6,577,871	6,577,871	(4)
Reserves	10,582,123	10,524,143	
Premises revaluation reserve	999,278	999,278	(5)
Fair value reserve	32,582	57,400	(6)
Regulatory reserve	285,052	285,052	(7)
Translation reserve	(145,502)	(133,697)	(8)
Retained earnings	9,410,713	9,316,110	(9)
<i>of which: cumulative fair value gains arising from the revaluation of investment properties</i>	-	98,772	(10)
Additional equity instruments	1,557,812	1,557,812	
<i>of which: included in AT1 capital</i>	-	1,557,812	(11)
Total equity	18,717,806	18,659,826	
Total liabilities and equity	188,149,490	188,116,901	

3. Composition of regulatory capital (continued)

CCA: Main features of regulatory capital instruments

		CET1 Capital Ordinary shares	USD Non-Cumulative Subordinated Additional Tier 1 Capital Securities	USD Tier 2 Capital Subordinated notes
1	Issuer	Chiyu Banking Corporation Limited	Chiyu Banking Corporation Limited	Chiyu Banking Corporation Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	XS2543377068	XS2460522555
3	Governing law(s) of the instrument	Hong Kong law	The Capital Securities are governed by and shall be construed in accordance with English Law, except that the subordination provisions are governed by and shall be construed in accordance with Hong Kong law.	The Capital Securities are governed by and shall be construed in accordance with English Law, except that the subordination provisions are governed by and shall be construed in accordance with Hong Kong law
	<i>Regulatory treatment</i>			
4	Transitional Basel III rules	Not applicable	Not applicable	Not applicable
5	Basel III rules	Common Equity Tier 1	Additional Tier 1	Tier 2
6	Eligible at solo / group / solo and group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Additional Tier 1 capital instruments	Subordinated Tier 2 Bonds
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$6,578m (as of 30 June 2025)	HK\$1,558m (as of 30 June 2025)	HK\$1,563m (as of 30 June 2025)
9	Par value of instrument	No par value (refer to Note 1 for details)	US\$200m	US\$200m
10	Accounting classification	Shareholders' equity	Equity instruments	Liability – amortised cost
11	Original date of issuance	10 July 1947 (refer to Note 2 for details)	26 October 2022	7 April 2022
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	No maturity	Not applicable	7 April 2032
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	First call date: 26 October 2027 (Redemption in whole at 100%)	First call date: 4 April 2027 (Redemption in whole at 100%)
16	Subsequent call dates, if applicable	Not applicable	Any distribution payment date thereafter	Any Interest Payment Date thereafter
	<i>Dividend / coupon</i>			
17	Fixed or floating dividend / coupon	Floating	Fixed	Fixed

3. Composition of regulatory capital (continued)

CCA: Main features of regulatory capital instruments (continued)

		CET1 Capital Ordinary shares	USD Non-Cumulative Subordinated Additional Tier 1 Capital Securities	USD Tier 2 Capital Subordinated notes
18	Coupon rate and any related index	Not applicable	Year 1-5: 8.00% per annum payable semi-annually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at then prevailing 5-year US Treasury rate plus a fixed initial spread	Year 1 - 5: 5.75% per annum payable semi-annually in arrear; Year 5 onwards: resets on year 5 at the then-prevailing 5-year U.S. Treasury rate plus a fixed initial spread
19	Existence of a dividend stopper	No	Yes	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Noncumulative	Noncumulative	Not applicable
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	Yes	Yes
31	If write-down, write-down trigger(s)	Not applicable	Upon the occurrence of a Non-Viability Event	Upon the occurrence of a Non-Viability Event
32	If write-down, full or partial	Not applicable	Full or Partial	Full or Partial
33	If write-down, permanent or temporary	Not applicable	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not Applicable	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Not applicable	Depositors, bank's unsubordinated creditors, creditors of Tier 2 capital and all other subordinated indebtedness of the bank stated to rank senior to the Capital Securities.	All unsubordinated creditors of the bank (including its depositors), and all other subordinated creditors of the bank whose claims are stated to rank senior to the Capital Securities or rank senior to the Capital Securities by operation of law or contract

3. Composition of regulatory capital (continued)

CCA: Main features of regulatory capital instruments (continued)

		CET1 Capital Ordinary shares	USD Non-Cumulative Subordinated Additional Tier 1 Capital Securities	USD Tier 2 Capital Subordinated notes
36	Non-compliant transitioned features	Not applicable	Not Applicable	Not Applicable
37	If yes, specify non-compliant features	Not applicable	Not Applicable	Not Applicable

Note 1: Pursuant to the Hong Kong Companies Ordinance (Chapter 622) which has commenced operation on 3 March 2014, all shares issued by a company incorporated in Hong Kong before, on and after that commencement date shall have no par value and the relevant concept of authorised share capital is abolished.

Note 2:

- Several issuance of ordinary share had been made since the first issuance. Last issuance was on 28 December 2020.
- The concepts of par value for shares and authorised share capital have been abolished following the commencement of the Hong Kong Companies Ordinance (Chapter 622) as mentioned in Note 1.



4. Macroprudential supervisory measures

CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer

	Geographical breakdown by Jurisdiction (J)	At 30 June 2025			
		Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	HK\$'000	%	HK\$'000
1	Hong Kong SAR	0.500%	42,654,025		
2	Australia	1.000%	295,137		
3	Ireland	1.500%	203,018		
4	Netherlands	2.000%	165,546		
5	South Korea	1.000%	176,198		
6	United Kingdom	2.000%	22,371		
	Sum		43,516,295		
	Total		74,707,656	0.301%	320,524

The sum of RWAs represents the private sector credit exposures in jurisdictions with a non-zero countercyclical buffer rate.

The total RWAs used in the computation of the CCyB ratio represents the total RWAs for the private sector credit exposures in all jurisdictions to which the Group is exposed, including jurisdictions with no countercyclical buffer rate or with a countercyclical buffer rate set at zero. The CCyB amount represents the Group's total RWAs multiplied by the Group's specific CCyB ratio.

5. Leverage ratio

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

	Item	At 30 June 2025
		Value under the LR framework
		HK\$'000
1	Total consolidated assets as per published financial statements	188,149,490
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(32,589)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves	Not applicable
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative contracts	348,616
9	Adjustment for SFTs (i.e. repos and similar secured lending)	179,017
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	2,172,674
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(19,929)
12	Other adjustments	(1,418,072)
13	Leverage ratio exposure measure	189,379,207

5. Leverage ratio (continued)

LR2: Leverage ratio

		At 30 June 2025	At 31 March 2025
		HK\$'000	HK\$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	184,077,228	171,667,329
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	-	(2,956)
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(1,101,180)	(1,063,003)
6	Less: Asset amounts deducted in determining Tier 1 capital	(1,418,072)	(1,442,824)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	181,557,976	169,158,546
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)	9,984	96,940
9	Add-on amounts for PFE associated with all derivative contracts	384,904	434,784
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)	394,888	531,724
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	5,094,581	4,460,782
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	179,017	248,253
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	5,273,598	4,709,035
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	12,582,927	13,618,340
20	Less: Adjustments for conversion to credit equivalent amounts	(10,410,253)	(11,059,646)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(19,929)	(25,088)
22	Off-balance sheet items (sum of rows 19 to 21)	2,152,745	2,533,606
Capital and total exposures			
23	Tier 1 capital	17,241,754	16,988,439
24	Total exposures (sum of rows 7, 13, 18 and 22)	189,379,207	176,932,911
Leverage ratio			
25 & 25a	Leverage ratio	9.10%	9.60%



5. Leverage ratio(continued)

LR2: Leverage ratio (continued)

		At 30 June 2025	At 31 March 2025
		HK\$'000	HK\$'000
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,254,512	4,004,067
29	Quarter-end value of gross SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	5,094,581	4,460,782
30 & 30a	Total exposures based on mean values from row 28 of gross SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	187,539,138	176,476,196
31 & 31a	Leverage ratio based on mean values from row 28 of gross SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	9.19%	9.63%



6. Liquidity

LIQ1: Liquidity Coverage Ratio

Number of data points used in calculating the average value of the LCR and related components set out in this template		For the quarter ended 30 June 2025: 71 data points		For the quarter ended 31 March 2025: 73 data points	
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
A. HQLA					
1	Total HQLA		21,978,465		22,011,964
B. Cash outflows					
2	Retail deposits and small business funding, of which:	95,445,309	5,789,856	94,306,667	5,808,272
3	<i>Stable retail deposits and stable small business funding</i>	14,323,935	429,718	15,501,158	465,035
4	<i>Less stable retail deposits and less stable small business funding</i>	29,008,058	2,757,911	27,838,363	2,783,836
4a	<i>Retail term deposits and small business term funding</i>	52,113,316	2,602,227	50,967,146	2,559,401
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	23,873,494	15,243,913	23,673,503	14,947,271
6	<i>Operational deposits</i>	2,582,919	600,259	2,784,718	642,339
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	21,290,575	14,643,654	20,888,785	14,304,932
8	<i>Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period</i>	-	-	-	-
9	Secured funding transactions (including securities swap transactions)		272,077		-
10	Additional requirements, of which:	11,496,759	2,001,837	12,246,667	2,210,028
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	290,755	290,755	291,298	291,298
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	-	-	-	-
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	11,206,004	1,711,082	11,955,369	1,918,730
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	2,296,456	2,296,456	2,061,239	2,061,239
15	Other contingent funding obligations (whether contractual or non-contractual)	739,985	24,545	1,490,200	67,257
16	Total Cash Outflows		25,628,684		25,094,067
C. Cash Inflows					
17	Secured lending transactions (including securities swap transactions)	262,239	262,239	291,145	291,145
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	17,329,777	13,977,355	14,701,189	12,358,222
19	Other cash inflows	1,571,714	1,571,714	2,455,654	2,455,645
20	Total Cash Inflows	19,163,730	15,811,308	17,447,988	15,105,012
D. Liquidity Coverage Ratio					
21	Total HQLA		21,978,465		22,011,964
22	Total Net Cash Outflows		9,858,584		9,993,438
23	LCR (%)		232.03%		231.61%

6. Liquidity (continued)

LIQ1: Liquidity Coverage Ratio (continued)

Notes:

- The weighted amount of HQLA is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
- The unweighted amounts of cash inflows and cash outflows are to be calculated as the principal amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
- The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
- The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

In the first half of 2025, the Group has maintained a healthy liquidity position. The LCR was sensitive to the asset deployment and the funding structure of the Group. The average LCR of the first and second quarter were 231.61% and 232.03% respectively. The ratio has maintained at stable and healthy levels.

The HQLA consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks and non-financial corporate debt securities. In the first half of 2025, the majority of the HQLA was composed of Level 1 HQLA.

The net cash outflow was mainly from retail and corporate customer deposit which are the Group's primary source of funds, together with deposit and balance from bank and other financial institution. To ensure stable, sufficient and diversified source of funds, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, were minimal to the LCR.

Majority of the Group's customer deposits are denominated in HKD, USD and RMB. As the supply of HKD denominated HQLA in the market is relatively limited, the Group swaps surplus HKD funding into USD and other foreign currencies, part of funding are deployed to investment in HQLA.



6. Liquidity (continued)

LIQ2: Net Stable Funding Ratio

Basis of disclosure: consolidated		At 30 June 2025				
		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	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A. Available stable funding ("ASF") item						
1	Capital:	19,097,956	21,064	-	1,563,199	20,661,155
2	Regulatory capital	19,043,047	21,064	-	1,563,199	20,606,246
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	54,909	-	-	-	54,909
4	Retail deposits and small business funding:	-	93,567,237	1,188,556	70,045	86,330,075
5	Stable deposits	-	19,448,148	148,177	3,777	18,620,285
6	Less stable deposits	-	74,119,089	1,040,379	66,268	67,709,790
7	Wholesale funding:	-	53,017,111	10,808,360	1,897,759	21,359,139
8	Operational deposits	-	3,452,193	-	-	1,726,097
9	Other wholesale funding	-	49,564,918	10,808,360	1,897,759	19,633,042
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	1,189,900	1,825,213	607,692	-	303,846
12	Net derivative liabilities	-	-	-	-	-
13	All other funding and liabilities not included in the above categories	1,189,900	1,825,213	607,692	-	303,846
14	Total ASF					128,654,215
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				30,124,670	2,490,004
16	Deposits held at other financial institutions for operational purposes	-	353,719	-	-	176,860
17	Performing loans and securities:	10,163,174	47,680,559	34,080,883	56,324,362	87,070,927
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	27,051,762	6,967,129	5,118,252	12,659,581
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:	9,536,378	11,549,726	13,236,217	21,462,985	38,678,391
21	With a risk-weight of less than or equal to 35% under the STC approach	-	1,559,495	882,345	320,199	1,429,050
22	Performing residential mortgages, of which:	-	174,848	170,332	7,798,911	5,241,882
23	With a risk-weight of less than or equal to 35% under the STC approach	-	174,848	170,332	7,798,911	5,241,882
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	626,796	8,904,223	13,707,205	21,944,214	30,491,073
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	7,811,149	1,996,428	51,143	93,821	8,296,070
27	Physical traded commodities, including gold	105,999	-	-	-	105,999
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	Net derivative assets	-	-	-	-	-
30	Total derivative liabilities before adjustments for deduction of variation margin posted	245,226	-	-	-	12,261
31	All other assets not included in the above categories	7,459,924	1,996,428	51,143	93,821	8,177,810
32	Off-balance sheet items	-	-	-	12,490,423	616,828
33	Total RSF					98,650,689
34	Net Stable Funding Ratio (%)					130.41%



6. Liquidity (continued)

LIQ2: Net Stable Funding Ratio (continued)

Basis of disclosure: consolidated		At 31 March 2025				
		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	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	
A. Available stable funding ("ASF") item						
1	Capital:	18,946,876	43,240	-	1,549,118	20,495,994
2	Regulatory capital	18,881,400	43,240	-	1,549,118	20,430,518
2a	Minority interests not covered by row 2	-	-	-	-	-
3	Other capital instruments	65,476	-	-	-	65,476
4	Retail deposits and small business funding:	-	93,011,503	1,107,938	53,258	85,841,224
5	Stable deposits	-	21,324,098	285,285	2,752	20,531,666
6	Less stable deposits	-	71,687,405	822,653	50,506	65,309,558
7	Wholesale funding:	-	47,048,150	7,616,622	2,613,052	20,382,478
8	Operational deposits	-	4,569,303	-	-	2,284,652
9	Other wholesale funding	-	42,478,847	7,616,622	2,613,052	18,097,826
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	1,148,506	2,068,486	887,647	-	443,824
12	Net derivative liabilities	-	-	-	-	-
13	All other funding and liabilities not included in the above categories	1,148,506	2,068,486	887,647	-	443,824
14	Total ASF					127,163,520
B. Required stable funding ("RSF") item						
15	Total HQLA for NSFR purposes				30,706,984	3,172,688
16	Deposits held at other financial institutions for operational purposes	-	267,275	-	-	133,638
17	Performing loans and securities:	11,041,439	46,164,540	24,076,922	54,534,755	80,910,625
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	25,313,226	3,048,481	4,048,935	9,370,159
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:	10,432,345	12,037,542	9,243,691	23,391,369	39,388,871
21	With a risk-weight of less than or equal to 35% under the STC approach	-	459,876	300	9,514	236,272
22	Performing residential mortgages, of which:	-	167,645	163,236	8,478,400	5,676,401
23	With a risk-weight of less than or equal to 35% under the STC approach	-	167,645	163,236	8,478,400	5,676,401
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	609,094	8,646,127	11,621,514	18,616,051	26,475,194
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	8,288,227	985,244	43,324	10,691	8,497,292
27	Physical traded commodities, including gold	104,036	-	-	-	104,036
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	5,000	-	-	-	4,250
29	Net derivative assets	73,598	-	-	-	73,598
30	Total derivative liabilities before adjustments for deduction of variation margin posted	23,678	-	-	-	1,184
31	All other assets not included in the above categories	8,081,915	985,244	43,324	10,691	8,314,224
32	Off-balance sheet items	-	-	-	13,618,340	660,694
33	Total RSF					93,374,937
34	Net Stable Funding Ratio (%)					136.19%



6. Liquidity (continued)

LIQ2: Net Stable Funding Ratio (continued)

Notes:

The above disclosures are made pursuant to the section 16FL and 103AB of Banking (Disclosure) Rules. The items disclosed are measured according to the methodology and instructions set out in the Stable Funding Position Return (MA(BS)26) and the requirements set out in Banking (Liquidity) Rules.

Net Stable Funding Ratio ("NSFR") is defined as the amount of available stable funding ("ASF") relative to the amount of required stable funding ("RSF"). The ratio is calculated after applying the respective ASF or RSF factors required under the Stable Funding Position Return (MA(BS)26). It requires banks to maintain a stable funding profile in relation to the composition of banks' assets and off-balance sheet activities.

The NSFR of the group remained robust and well above the regulatory requirement of 100%. The NSFR of the first quarter and the second quarter of 2025 were 136.19% and 130.41% respectively. The weighted amount of ASF items mainly consists of retail deposits. The weighted amount of RSF items mainly consists of loans to customers and investments in debt securities.

7. Credit risk for non-securitization exposures

CR1: Credit quality of exposures

		At 30 June 2025						
		Gross carrying amounts of		Allowances / Impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values
					Defaulted exposures	Non-defaulted exposures		
		HK\$'000	HK\$'000					
1	Loans	2,949,836	111,681,027	956,172	597,695	358,477	-	113,674,691
2	Debt securities	225,367	61,688,393	1,465	-	1,465	-	61,912,295
3	Off-balance sheet exposures	-	12,582,927	19,929	-	19,929	-	12,562,998
4	Total	3,175,203	185,952,347	977,566	597,695	379,871	-	188,149,984

"Defaulted exposures" are defined as the exposures are past due for more than 90 days or the borrower is unlikely to pay in full for the credit obligations.

CR2: Changes in defaulted loans and debt securities

	HK\$'000
1 Defaulted loans and debt securities as at 31 December 2024	2,546,250
2 Loans and debt securities that have defaulted since the last reporting period	1,021,966
3 Returned to non-defaulted status	-
4 Amounts written off	(192,193)
5 Other changes	(200,820)
6 Defaulted loans and debt securities as at 30 June 2025	3,175,203

CR3: Overview of recognized credit risk mitigation

		At 30 June 2025				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Loans	107,033,468	6,641,223	4,547,996	1,024,608	-
2	Debt securities	60,395,952	1,516,343	-	1,516,343	-
3	Total	167,429,420	8,157,566	4,547,996	2,540,951	-
4	Of which defaulted	2,577,508	-	-	-	-

7. Credit risk for non-securitization exposures (continued)

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

	Exposure classes	At 30 June 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
1	Sovereign exposures	19,933,197	-	19,933,197	-	116,137	0.58
2	Public sector entity exposures	1,610,405	-	1,630,437	-	505,698	31.02
3	Multilateral development bank exposures	1,457,105	-	1,457,105	-	-	0.00
3a	Unspecified multilateral body exposures	929,181	-	929,181	-	278,754	30.00
4	Bank exposures	62,965,956	-	62,965,956	-	18,871,705	29.97
4a	Qualifying non-bank financial institution exposures	1,291,945	420,000	1,291,945	42,000	729,598	54.69
5	Eligible covered bond exposures	-	-	-	-	-	0.00
6	General corporate exposure	58,916,077	8,560,000	54,601,262	1,426,910	51,117,678	91.24
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	12,917,497	1,301,768	12,499,018	181,020	10,850,075	85.57
6b	Specialized lending	232,763	38,358	232,763	3,836	295,725	124.99
7	Equity exposures	659,962	-	659,962	-	1,649,905	250.00
7a	Significant capital investments in commercial entities	-	-	-	-	-	0.00
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	42,804	-	42,804	-	64,206	150.00
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-	-	0.00
8	Retail exposures	10,976,060	2,578,910	10,933,585	281,983	9,063,356	80.81
8a	Exposures arising from IPO financing	-	-	-	-	-	0.00

7. Credit risk for non-securitization exposures (continued)

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

	Exposure classes	At 30 June 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	%
9	Real estate exposures	14,206,741	985,659	13,985,849	389,332	7,744,885	53.88
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	9,030,868	-	9,030,868	-	2,194,498	24.30
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	27,833	-	27,833	-	12,279	44.12
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	69,336	16,439	69,336	1,644	42,588	60.00
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	833,404	-	833,404	-	583,383	70.00
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	1,613,177	-	1,599,891	-	1,491,852	93.25
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	29,725	-	29,725	-	44,588	150.00
9g	Of which: land acquisition, development and construction exposures	2,602,398	969,220	2,394,792	387,688	3,375,697	121.32
10	Defaulted exposures	2,577,508	-	2,577,508	3,194	3,871,053	150.00
11	Other exposures	4,359,664	-	4,359,664	-	4,359,664	100.00
11a	Cash and gold	328,366	-	328,366	-	-	0.00
11b	Items in the process of clearing or settlement	878,246	-	878,246	-	-	0.00
12	Total	181,365,980	12,582,927	176,807,830	2,147,255	98,668,364	55.14

7. Credit risk for non-securitization exposures (continued)

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

At 30 June 2025 (HK\$'000)

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	19,352,510	580,687	-	-	-	-	19,933,197

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
2	Public sector entity exposures	-	1,031,734	598,703	-	-	-	1,630,437

		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3	Multilateral development bank exposures	1,457,105		-	-	-	-	-	1,457,105

		20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3a	Unspecified multilateral body exposures	-	929,181	-	-	-	-	929,181

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4	Bank exposures	31,129,216	22,645,156	-	6,832,626	719,182	1,126,099	513,677	-	62,965,956

7. Credit risk for non-securitization exposures (continued)

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

At 30 June 2025 (HK\$'000)

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4a	Qualifying non-bank financial institution exposures	-	601,912	-	-	732,033	-	-	-	1,333,945

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

		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	501,875	-	4,159,930		6,045,683	6,117,419	39,203,265	-	-	56,028,172
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	501,875	-	1,111,717		3,490,419	-	7,576,027	-	-	12,680,038

		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	-	-	-	-	39,511	197,088	-	-	236,599

7. Credit risk for non-securitization exposures (continued)

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

At 30 June 2025 (HK\$'000)

		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures		659,962	-	-	659,962

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	-	-	-	-	-

		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	42,804	-	-	-	42,804

		150%		Other	Total credit exposure amount (post-CCF and post-CRM)
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-

		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
8	Retail exposures	181,690	8,209,132	2,824,746	-	11,215,568

		0%		Other	Total credit exposure amount (post-CCF and post-CRM)
8a	Exposures arising from IPO financing	-	-	-	-

7. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025																			
		HK\$'000																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	-	5,550,488	1,220,171	1,414,389	-	681,979	26,194	165,480	70,980		833,404	424,874	12,137	-	2,758,927	-	-	1,216,158	-	14,375,181
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		5,550,488	1,220,171	1,412,750		681,979	-	165,480	-		-	-			-			-	-	9,030,868
9b	Of which: no loan splitting applied		5,550,488	1,220,171	1,412,750		681,979	-	165,480	-		-	-			-			-	-	9,030,868
9c	Of which: loan splitting applied (secured)																				
9d	Of which: loan splitting applied (unsecured)																				
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)				1,639	-		26,194		-		-		-		-			-	-	27,833
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-			70,980		-		-		-			-	-	70,980
9g	Of which: no loan splitting applied	-	-		-		-			70,980		-		-		-			-	-	70,980
9h	Of which: loan splitting applied (secured)																				

7. Credit risk for non-securitization exposures (continued)

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

		At 30 June 2025																			
		HK\$'000																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9i	Of which: loan splitting applied (unsecured)																				
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)										833,404			-			-		-		833,404
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-			424,874	12,137		1,162,880				-	-	1,599,891
9l	Of which: no loan splitting applied	-	-		-		-		-			424,874	12,137		1,162,880				-	-	1,599,891
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)																		29,725	-	29,725
9p	Of which: land acquisition, development and construction exposures															1,596,047			1,186,433	-	2,782,480

7. Credit risk for non-securitization exposures (continued)

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

At 30 June 2025 (HK\$'000)

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		-	2,580,702	-	2,580,702

		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other exposures	4,359,664	-	-	4,359,664

		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
11a	Cash and gold	328,366	-	-	328,366

		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
11b	Items in the process of clearing or settlement	878,246	-	-	878,246

7. Credit risk for non-securitization exposures (continued)

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

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

	Risk Weight *	At 30 June 2025			
		(a)	(b)	(c)	(d)
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Less than 40%	87,621,036	138,447	0.00	87,621,036
2	40-70%	12,800,544	3,250,952	23.08	13,550,986
3	75%	16,019,452	931,794	11.96	16,130,904
4	85%	6,083,236	250,482	18.49	6,129,556
5	90-100%	49,367,860	7,253,746	13.02	50,312,212
6	105-130%	193,252	38,358	10.00	197,088
7	150%	4,062,488	719,148	40.44	4,353,341
8	250%	659,962	-	0.00	659,962
9	400%	-	-	0.00	-
10	1,250%	-	-	0.00	-
11	Total exposures	176,807,830	12,582,927	17.06	178,955,085

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

The sequence in which provisioning, credit risk mitigation measures, CCFs are applied in relation to both on-balance sheet and off-balance sheet exposures.

8. Counterparty credit risk

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

		At 30 June 2025					
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$'000	HK\$'000	HK\$'000		HK\$'000	HK\$'000
1	SA-CCR approach (for derivative contracts)	7,131	263,426		1.4	378,780	133,069
1a	CEM (for derivative contracts)	-	-		1.4	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					-	-
4	Comprehensive approach (for SFTs)					202,648	303,963
5	VaR (for SFTs)					-	-
6	Total						437,032

8. Counterparty credit risk (continued)

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

	Exposure class	Risk Weight	At 30 June 2025											
			(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
			0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Sovereign exposures	-	-	-	-	-	-	-	-	-	-	-	-	
2	Public sector entity exposures	-	-	-	-	-	-	-	-	-	-	-	-	
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-	-	
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-	-	-	-	-	-	
5	Bank exposures	-	-	49,895	206,897	-	121,945	-	-	-	202,642	-	581,379	
6	Qualifying non-bank financial institution exposures	-	-	-	-	-	-	-	-	-	-	-	-	
7	General corporate exposures	-	-	-	-	-	-	-	-	-	-	-	-	
8	Retail exposures	-	-	-	-	-	-	50	-	-	-	-	50	
9	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	
10	Other exposures	-	-	-	-	-	-	-	-	-	-	-	-	
11	Total	-	-	49,895	206,897	-	121,945	50	-	-	202,642	-	581,429	

8. Counterparty credit risk (continued)

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

	At 30 June 2025					
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash	-	-	-	-	4,657,138	437,583
Domestic sovereign debt	-	-	-	-	-	4,000,000
Other sovereign debt	-	-	-	-	448,780	246,423
Other bonds	-	-	-	-	-	613,481
Total	-	-	-	-	5,105,918	5,297,487

CCR6: Credit-related derivatives contracts

The Group had no exposures of Credit-related derivatives contracts as at 30 June 2025.

CCR7: RWA flow statements of default risk exposures under IMM (CCR) approach

The Group did not use IMM(CCR) approach to measure default risk exposures as at 30 June 2025.

CCR8: Exposures to CCPs

The Group had no exposures to CCP as at 30 June 2025.



9. Credit valuation adjustment risk

CVA1: CVA risk under reduced basic CVA approach

		At 30 June 2025	
		(a)	(b)
		Components	CVA risk capital charge under the reduced basic CVA approach
		HK\$'000	HK\$'000
1	Aggregation of systematic components of CVA risk	227,104,193	
2	Aggregation of idiosyncratic components of CVA risk	164,184,086	
3	Total		12,858

CVA2: CVA risk under full basic CVA approach

The Group do not use the full basic CVA approach to calculate part or all of the CVA risk capital charges as at 30 June 2025.

CVA3: CVA risk under standardized CVA approach

The Group do not use the standardized CVA approach to calculate part or all of the CVA risk capital charges as at 30 June 2025.

CVA4: RWA flow statements of CVA risk exposures under standardized CVA

The Group do not use the standardized CVA approach to calculate part or all of the CVA risk capital charges as at 30 June 2025.



10. Securitization exposures

SEC1: Securitization exposures in banking book

There were no securitization exposures in the banking book as at 30 June 2025.

SEC2: Securitization exposures in trading book

There were no securitization exposures in the trading book as at 30 June 2025.

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

There were no securitization exposures in the banking book and the associated capital requirements where the Group acts as an originator as at 30 June 2025.

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

There were no securitization exposures in the banking book and the associated capital requirements where the Group acts as an investor as at 30 June 2025.

11. Market risk

MR1: Market risk under STM approach

		At 30 June 2025
		(a)
		Market risk capital charges under STM approach
		HK\$'000
1	General interest rate risk	24,010
2	Equity risk	-
3	Commodity risk	344
4	Foreign exchange risk	96,741
5	Credit spread risk (non-securitization)	7,875
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)	62,063
9	SA-DRC (securitization: non-CTP)	-
10	SA-DRC (securitization: CTP)	-
11	Residual risk add-on	-
12	Total	191,033

MR2: Market risk under IMA

There were no market risk exposures under the IMA approach as at 30 June 2025.

MR3: Market risk under SSTM approach

There were no market risk exposures under the SSTM approach as at 30 June 2025.

12. Asset encumbrance

ENC: Asset encumbrance

	At 30 June 2025		
	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
	HK\$'000	HK\$'000	HK\$'000
Cash and balances with banks and other financial	-	23,487,104	23,487,104
Placements with banks and other financial institutions maturing between one and twelve months	-	12,622,993	12,622,993
Derivative financial instruments	-	46,272	46,272
Advances to customers and trade bills	-	78,227,319	78,227,319
Investment in securities	4,746,090	62,443,747	67,189,837
Investment in subsidiaries	-	230,830	230,830
Amount due from subsidiaries	-	195,177	195,177
Investment properties	-	2,050,477	2,050,477
Properties, plant and equipment	-	1,798,406	1,798,406
Current tax assets	-	1,923	1,923
Deferred tax assets	-	29,625	29,625
Other assets	-	2,236,938	2,236,938
Total assets	4,746,090	183,370,811	188,116,901