



**The Bank of East Asia, Limited**  
**東亞銀行有限公司**

Banking Disclosure Statement  
For the period ended  
30 September 2025

(Unaudited)

## Table of contents

<b>Introduction</b> .....	1
Template KM1 - Key prudential ratios.....	2
Template OV1: Overview of RWA .....	3
Template LR2: Leverage ratio (“LR”) .....	5
Template LIQ1: Liquidity Coverage Ratio (“LCR”).....	7
Template CR8: RWA flow statements of credit risk exposures under IRB approach.....	9
Template CMS1: Comparison of modelled and standardized RWAs at risk level.....	10
Template KM2: Key metrics – LAC requirements for resolution entities (at LAC consolidation group level).....	11
Glossary .....	12



The Bank of East Asia, Limited  
東亞銀行有限公司

## **Introduction**

### **Purpose**

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

These banking disclosures are governed by the Group’s disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the banking disclosure statement is not required to be externally audited, the document has been subject to independent review in accordance with the Group’s policies on disclosure and its financial reporting and governance processes.

### **Basis of preparation**

Except where indicated otherwise, the financial information contained in this Banking Disclosure Statement has been prepared on the basis of the regulatory scope of consolidation specified by the HKMA to the Bank. The basis of consolidation for regulatory purposes is different from that for accounting purposes.

### **The banking disclosure statement**

The HKMA has implemented the Pillar 3 disclosure framework developed by the Basel Committee on Banking Supervision (“BCBS”) and incorporated the BCBS Pillar 3 disclosure requirements in the latest BDR. These disclosures are supplemented by specific additional requirements of the HKMA set out in the BDR and the LAC Rules. The banking disclosure statement includes the information required under the BDR and the LAC Rules.

According to the BDR and the LAC Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

### Template KM1 - Key prudential ratios

(HK\$ million)		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
	<b>Regulatory capital (amount)</b>					
1 & 1a	Common Equity Tier 1 (CET1)	88,550	87,295	86,995	85,828	86,681
2 & 2a	Tier 1	93,571	92,316	92,016	90,849	91,701
3 & 3a	Total capital	106,514	105,228	109,466	108,372	109,245
	<b>RWA (amount)</b>					
4	Total RWA	366,371	367,954	360,278	486,099	488,569
4a	Total RWA (pre-floor)	366,371	367,954	360,278	N/A	N/A
	<b>Risk-based regulatory capital ratios (as a percentage of RWA)<sup>1</sup></b>					
5 & 5a	CET1 ratio (%)	24.17%	23.72%	24.15%	17.66%	17.74%
5b	CET1 ratio (%) (pre-floor ratio)	24.17%	23.72%	24.15%	N/A	N/A
6 & 6a	Tier 1 ratio (%)	25.54%	25.09%	25.54%	18.69%	18.77%
6b	Tier 1 ratio (%) (pre-floor ratio)	25.54%	25.09%	25.54%	N/A	N/A
7 & 7a	Total capital ratio (%)	29.07%	28.60%	30.38%	22.29%	22.36%
7b	Total capital ratio (%) (pre-floor ratio)	29.07%	28.60%	30.38%	N/A	N/A
	<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.318%	0.325%	0.313%	0.305%	0.498%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.818%	2.825%	2.813%	2.805%	2.998%
12	CET1 available after meeting the AI's minimum capital requirements (%)	19.54%	19.09%	19.54%	12.69%	13.24%
	<b>Basel III leverage ratio</b>					
13	Total leverage ratio (LR) exposure measure	931,458	920,460	892,886	928,662	923,080
13a	LR exposure measure based on mean values of gross assets of SFTs	927,871	918,244	900,541	N/A	N/A
14, 14a & 14b	LR (%)	10.05%	10.03%	10.31%	9.78%	9.93%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	10.08%	10.05%	10.22%	N/A	N/A
	<b>Liquidity Coverage Ratio (LCR)</b>					
15	Total high quality liquid assets (HQLA) <sup>2</sup>	105,124	101,479	100,782	102,108	91,560
16	Total net cash outflows	62,045	57,708	53,710	50,696	37,915
17	LCR (%)	169.66%	176.45%	190.32%	204.62%	247.00%
	<b>Net Stable Funding Ratio (NSFR)</b>					
18	Total available stable funding	612,573	610,404	598,792	594,979	598,191
19	Total required stable funding	498,214	489,716	474,630	471,563	476,368
20	NSFR (%)	122.95%	124.64%	126.16%	126.17%	125.57%

<sup>1</sup> Compared to 2024, the increase in capital ratios in 2025 was mainly due to the decrease in RWA resulting from the implementation of the Basel III final reform effective on 1 January 2025. The pre-floor ratio is a new requirement under the Basel III final reform.

<sup>2</sup> The movement of total high quality liquid assets (HQLA) between the periods was mainly contributed by the fluctuation in the average holding of central bank reserve and exchange funds bills and notes in level 1 HQLA.

### Template OV1: Overview of RWA

The following table provides an overview of capital requirements in terms of a detailed breakdown of RWAs for various risks as of 30 September 2025 and 30 June 2025 respectively:

(HK\$ million)		(a)	(b)	(c)
		RWA		Minimum capital requirements <sup>1</sup>
		30 Sep 2025	30 Jun 2025	30 Sep 2025
1	<b>Credit risk for non-securitization exposures</b>	<b>314,773</b>	<b>315,845</b>	<b>25,182</b>
2	Of which STC approach	39,679	41,347	3,174
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	214,587	211,553	17,167
4	Of which supervisory slotting criteria approach	16,526	17,544	1,322
5	Of which advanced IRB approach	0	0	0
5a	Of which retail IRB approach	26,568	26,755	2,126
5b	Of which specific risk-weight approach	17,413	18,646	1,393
6	<b>Counterparty credit risk and default fund contributions</b>	<b>3,256</b>	<b>4,237</b>	<b>260</b>
7	Of which SA-CCR approach	3,104	4,017	248
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
9	Of which others	152	220	12
10	CVA risk	1,255	1,536	100
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	1,682	1,666	135
13	CIS exposures – mandate-based approach	344	296	28
14	CIS exposures – fall-back approach	78	79	6
14a	CIS exposures – combination of approaches	0	0	0
15	Settlement risk	0	0	0
16	<b>Securitization exposures in banking book</b>	<b>0</b>	<b>0</b>	<b>0</b>
17	Of which SEC-IRBA	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA	0	0	0
19a	Of which SEC-FBA	0	0	0
20	<b>Market risk</b>	<b>9,428</b>	<b>8,436</b>	<b>754</b>
21	Of which STM approach	9,428	8,436	754
22	Of which IMA	0	0	0
22a	Of which SSTM approach	0	0	0
23	Capital charge for moving exposures between trading book and banking book	0	0	0
24	Operational risk	25,999	26,209	2,080
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	12,514	12,611	1,001
26	Output floor level applied	50%	50%	
27	Floor adjustment (before application of transitional cap)	0	0	
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	<b>Deduction to RWA</b>	<b>2,958</b>	<b>2,961</b>	<b>236</b>
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	0	0	0

**Template OV1: Overview of RWA** (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements <sup>1</sup>
(HK\$ million)		30 Sep 2025	30 Jun 2025	30 Sep 2025
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	2,958	2,961	236
<b>29</b>	<b>Total</b>	<b>366,371</b>	<b>367,954</b>	<b>29,310</b>

<sup>1</sup> Minimum capital requirement represents the amount of capital required to be held for that risk based on its RWAs multiplied by 8%.

**Template LR2: Leverage ratio (“LR”)**

		(HK\$ million)	
		At 30 Sep 2025	At 30 Jun 2025
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	890,444	877,412
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 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	(6,362)	(6,277)
6	Less: Asset amounts deducted in determining Tier 1 capital	(12,665)	(12,670)
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs)</b>	<b>871,417</b>	<b>858,465</b>
<b>Exposures arising from derivative contracts</b>			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	2,292	2,048
9	Add-on amounts for PFE associated with all derivative contracts	6,704	7,743
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	<b>Total exposures arising from derivative contracts</b>	<b>8,996</b>	<b>9,791</b>
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	12,635	12,474
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	445	253
17	Agent transaction exposures	-	-
18	<b>Total exposures arising from SFTs</b>	<b>13,080</b>	<b>12,727</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	152,849	157,181
20	Less: Adjustments for conversion to credit equivalent amounts	(114,780)	(117,603)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(104)	(101)
22	<b>Off-balance sheet items</b>	<b>37,965</b>	<b>39,477</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>93,571</b>	<b>92,316</b>
24	<b>Total exposures</b>	<b>931,458</b>	<b>920,460</b>
<b>Leverage ratio</b>			
25 & 25a	<b>Leverage ratio</b>	<b>10.05%</b>	<b>10.03%</b>
26	<b>Minimum leverage ratio requirement</b>	<b>3.00%</b>	<b>3.00%</b>
27	<b>Applicable leverage buffers</b>	<b>N/A</b>	<b>N/A</b>

**Template LR2: Leverage ratio ("LR")** (continued)

		(HK\$ million)	
		At 30 Sep 2025	At 30 Jun 2025
<b>Disclosure of mean values</b>			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts associated cash payables and cash receivables	9,048	10,258
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	12,635	12,474
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)	927,871	918,244
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)	10.08%	10.05%

### Template LIQ1: Liquidity Coverage Ratio (“LCR”)

(HK\$ million)		Quarter ending on 30 September 2025		Quarter ending on 30 June 2025	
Number of data points used in calculating the average value of the LCR and related components set out in this template		75		71	
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
<b>A. High Quality Liquid Assets (HQLA)</b>					
1	Total HQLA		121,146		118,309
<b>B. Cash Outflows</b>					
2	Retail deposits and small business funding, of which:	386,344	27,693	378,411	27,148
3	<i>Stable retail deposits and stable small business funding</i>	62,438	1,908	59,517	1,817
4	<i>Less stable retail deposits and less stable small business funding</i>	191,785	19,179	187,728	18,773
4a	<i>Retail term deposits and small business term funding</i>	132,121	6,606	131,166	6,558
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the institution, of which:	134,168	71,891	130,242	68,062
6	<i>Operational deposits</i>	0	0	0	0
7	<i>Unsecured wholesale funding (other than small business funding) not covered in row 6</i>	128,276	65,999	126,401	64,221
8	<i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i>	5,892	5,892	3,841	3,841
9	Secured funding transactions (including securities swap transactions)		82		400
10	Additional requirements, of which:	128,255	18,031	119,822	17,648
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	4,717	4,717	4,887	4,887
12	<i>Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions</i>	0	0	0	0
13	<i>Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)</i>	123,538	13,314	114,935	12,761
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	10,425	10,425	10,606	10,606
15	Other contingent funding obligations (whether contractual or non-contractual)	198,355	2,623	188,652	2,298
16	<b>Total Cash Outflows</b>		130,745		126,162
<b>C. Cash Inflows</b>					
17	Secured lending transactions (including securities swap transactions)	7,460	7,459	5,492	5,433
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	110,860	55,026	108,312	56,875
19	Other cash inflows	6,611	6,215	6,490	6,146
20	<b>Total Cash Inflows</b>	124,931	68,700	120,294	68,454
<b>D. Liquidity Coverage Ratio</b>		<b>Adjusted value</b>		<b>Adjusted value</b>	
21	<b>Total HQLA</b>		105,124		101,479
22	<b>Total Net Cash Outflows</b>		62,045		57,708
23	<b>LCR (%)</b>		169.66%		176.45%

This is the standard disclosure template that a category 1 institution must use for the purposes of making its liquidity information disclosures under section 16FK or 103A (where applicable) of the Banking (Disclosure) Rules.

**Template LIQ1: Liquidity Coverage Ratio (“LCR”) (continued)**

**Main drivers of LCR results**

The Liquidity Coverage Ratio (“LCR”), which came into effect on 1<sup>st</sup> January, 2015, promotes the short-term resilience of the Group’s liquidity risk by requiring that the Group holds sufficient high quality liquid assets (“HQLAs”) to survive under a pre-defined stress scenario over a period of 30 days. It is expressed as a percentage, of the amount of a category 1 institution’s HQLAs to the amount of the institution’s “total net cash outflows” over 30 calendar days. The Banking (Liquidity) Rules require that Group meets the minimum LCR of not less than 100% starting from 1<sup>st</sup> January, 2019.

The total net cash outflows is the total cash outflows offset by the total cash inflows. Total cash outflows mainly consist of customer deposits which are the Group’s main source of stable funding. Total cash inflows mainly come from maturing assets such as money market placements, loans and securities within 30 calendar days.

The Group’s LCR is well above the regulatory limit of 100% throughout the third quarter of 2025. The average LCR decreased from 176% for the second quarter of 2025 to 170% for the third quarter of 2025 mainly resulted from comparably higher average net cash outflows during normal course of business and the overall liquidity position remains healthy.

**Composition of HQLA**

The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. The classification of HQLAs among levels 1, 2A or 2B is based on the credit rating of securities and a number of market factors in determining the degree of readiness of monetizing the assets in a short period of time. The Group’s liquid assets are predominately classified as level 1 assets.

**Concentration of Funding Sources**

The Group has strengthened the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimizing asset and liability maturities.

**Currency mismatch in the LCR**

Majority of the Group’s customer deposits are denominated in HKD, USD and RMB. The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. The Group manages the composition of its HQLA by currency through funding swaps. There is no significant currency mismatch in the Bank’s LCR at respective levels of consolidation.

**Degree of centralization of liquidity management**

The Asset and Liability Management Committee is delegated by the Board to oversee the Group’s liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Market & Liquidity Risk Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

**Template CR8: RWA flow statements of credit risk exposures under IRB approach**

The following table presents a flow statement explaining variations in the RWA for credit risk determined under the IRB approach for the period from 30 June 2025 to 30 September 2025:

(HK\$ million)		(a)
		Amount
<b>1</b>	<b>RWA as at end of previous reporting period</b>	<b>276,539</b>
2	Asset size	4,220
3	Asset quality	(2,017)
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	(1,544)
8	Other	0
<b>9</b>	<b>RWA as at end of reporting period</b>	<b>277,198</b>

### Template CMS1: Comparison of modelled and standardized RWAs at risk level

At 30 September 2025

		(a)	(b)	(c)	(d)
		RWA			
		RWA calculated under model-based approaches that the AI has the MA's approval to use	RWA for portfolios where standardized approaches are used	Total actual RWA (a + b) (i.e. RWA which the AI reports as current requirements)	RWA calculated using full standardized approach (i.e. used in the computation of the output floor)
(HK\$ million)					
1	Credit risk for non-securitization exposures	275,094	39,679	314,773	569,786
2	Counterparty credit risk and default fund contributions	2,069	1,187	3,256	3,762
3	CVA risk		1,255	1,255	1,255
4	Securitization exposures in banking book	0	0	0	0
5	Market risk	0	9,428	9,428	9,428
6	Operational risk		25,999	25,999	25,999
7	Residual RWA	2,104	12,514	14,618	14,618
8	<b>Total</b>	<b>279,267</b>	<b>90,062</b>	<b>369,329</b>	<b>624,848</b>

The major differences between the RWA calculated under the model-based approach and the full standardized approach mainly arise from the corporate exposures and retail - residential mortgage exposures under credit risk for non-securitization exposures. The RWA for credit risk calculated under the model-based approach is based on the IRB approach, while the RWA calculated under the full standardized approach is based on supervisory risk weights.

**Template KM2: Key metrics – LAC requirements for resolution entities (at LAC consolidation group level)**

(HK\$ million)		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
<b>Of the resolution entity at LAC consolidation group level</b>						
1	External loss-absorbing capacity available	117,035	115,023	119,164	118,046	118,914
2	Risk-weighted amount under the LAC Rules	366,371	367,954	360,278	486,099	488,569
3	External LAC risk-weighted ratio	31.94%	31.26%	33.08%	24.28%	24.34%
4	Exposure measure under the LAC Rules	931,458	920,460	892,886	928,662	923,080
5	External LAC leverage ratio	12.56%	12.50%	13.35%	12.71%	12.88%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external loss-absorbing capacity, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external loss-absorbing capacity if no cap was applied <sup>1</sup>	N/A	N/A	N/A	N/A	N/A

Footnote:

1 The subordination exemptions under Section 11 of the FSB TLAC Term Sheet do not apply in Hong Kong under the LAC Rules.

## **Glossary**

<u>Abbreviations</u>	<u>Descriptions</u>
AI	Authorised Institution
BSC Approach	Basic Approach
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CIS	Collective Investment Scheme
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Authorised Institution
FSB	Financial Stability Board
G-SIB	Global Systemically Important Authorised Institution
IAA	Internal Assessment Approach
IMM(CCR) Approach	Internal Models (Counterparty Credit Risk) Approach
IRB Approach	Internal Ratings-Based Approach
LAC	Loss-absorbing Capacity
PFE	Potential Future Exposure
RW	Risk Weight
RWA	Risk-Weighted Amount
SA-CCR Approach	Standardised Approach for measuring Counterparty Credit Risk Exposures
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
STC Approach	Standardized (Credit Risk) Approach
STM Approach	Standardized (Market Risk) Approach
TLAC	Total Loss-absorbing Capacity