



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

Banking Disclosure Statement
For the period ended
31 March 2026

(Unaudited)

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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)

		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	91,024	89,632	88,550	87,295	86,995
2 & 2a	Tier 1 ¹	91,024	89,632	93,571	92,316	92,016
3 & 3a	Total capital	103,400	101,971	106,514	105,228	109,466
	RWA (amount)					
4	Total RWA	365,231	362,185	366,371	367,954	360,278
4a	Total RWA (pre-floor)	365,231	362,185	366,371	367,954	360,278
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	24.92%	24.75%	24.17%	23.72%	24.15%
5b	CET1 ratio (%) (pre-floor ratio)	24.92%	24.75%	24.17%	23.72%	24.15%
6 & 6a	Tier 1 ratio (%)	24.92%	24.75%	25.54%	25.09%	25.54%
6b	Tier 1 ratio (%) (pre-floor ratio)	24.92%	24.75%	25.54%	25.09%	25.54%
7 & 7a	Total capital ratio (%)	28.31%	28.15%	29.07%	28.60%	30.38%
7b	Total capital ratio (%) (pre-floor ratio)	28.31%	28.15%	29.07%	28.60%	30.38%
	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 (%)	0.318%	0.320%	0.318%	0.325%	0.313%
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%	2.820%	2.818%	2.825%	2.813%
12	CET1 available after meeting the AI's minimum capital requirements (%)	18.92%	18.75%	19.54%	19.09%	19.54%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	950,701	948,592	931,458	920,460	892,886
13a	LR exposure measure based on mean values of gross assets of SFTs	949,101	954,185	927,871	918,244	900,541
14, 14a & 14b	LR (%)	9.57%	9.45%	10.05%	10.03%	10.31%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	9.59%	9.39%	10.08%	10.05%	10.22%
	Liquidity Coverage Ratio (LCR)					
15	Total high quality liquid assets (HQLA) ²	118,451	112,555	105,124	101,479	100,782
16	Total net cash outflows	70,803	61,968	62,045	57,708	53,710
17	LCR (%)	167.69%	182.75%	169.66%	176.45%	190.32%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	620,928	628,821	612,573	610,404	598,792
19	Total required stable funding	496,663	499,062	498,214	489,716	474,630
20	NSFR (%)	125.02%	126.00%	122.95%	124.64%	126.16%

¹ The decrease in the Tier 1 capital on 31 December 2025 when compared to 30 September 2025 was mainly due to the redemption of a US\$650 million Additional Tier 1 capital instrument in October 2025.

² 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 at 31 March 2026 and 31 December 2025 respectively:

(HK\$ million)		(a)	(b)	(c)
		RWA		Minimum capital requirements ¹
		31 Mar 2026	31 Dec 2025	31 Mar 2026
1	Credit risk for non-securitization exposures	314,412	309,761	25,153
2	Of which STC approach	34,470	34,791	2,758
2a	Of which BSC approach	0	0	0
3	Of which foundation IRB approach	219,667	216,454	17,573
4	Of which supervisory slotting criteria approach	12,118	12,795	969
5	Of which advanced IRB approach	0	0	0
5a	Of which retail IRB approach	26,676	26,835	2,134
5b	Of which specific risk-weight approach	21,481	18,886	1,719
5c	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	0	0	0
6	Counterparty credit risk and default fund contributions	3,777	3,595	302
7	Of which SA-CCR approach	3,686	3,092	295
7a	Of which CEM	0	0	0
8	Of which IMM(CCR) approach	0	0	0
8a	Of which method for group 2b cryptoasset derivative contracts	0	0	0
9	Of which others	91	503	7
10	CVA risk	1,442	1,189	115
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	1,651	1,788	132
13	CIS exposures – mandate-based approach	263	281	21
14	CIS exposures – fall-back approach	8	8	1
14a	CIS exposures – combination of approaches	0	0	0
15	Settlement risk	0	0	0
16	Securitization exposures in banking book	0	0	0
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	Market risk	7,272	8,520	582
21	Of which STM approach	7,272	8,520	582
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	26,028	26,808	2,082
24a	Sovereign concentration risk	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% RW)	12,976	12,833	1,038
26	Output floor level applied	55%	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

Template OV1: Overview of RWA (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements ¹
		31 Mar 2026	31 Dec 2025	31 Mar 2026
28a	Deduction to RWA	2,598	2,598	208
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
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	2,598	2,598	208
29	Total	365,231	362,185	29,218

1. 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 31 Mar 2026	At 31 Dec 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	906,454	915,898
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	(6,970)	(6,834)
6	Less: Asset amounts deducted in determining Tier 1 capital	(11,913)	(11,971)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	887,571	897,093
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)	3,589	2,663
9	Add-on amounts for PFE associated with all derivative contracts	6,960	5,911
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	10,549	8,574
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	10,530	5,415
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	173	2
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs	10,703	5,417
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	155,902	151,311
20	Less: Adjustments for conversion to credit equivalent amounts	(113,945)	(113,717)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(79)	(86)
22	Off-balance sheet items	41,878	37,508
Capital and total exposures			
23	Tier 1 capital	91,024	89,632
24	Total exposures	950,701	948,592
Leverage ratio			
25 & 25a	Leverage ratio	9.57%	9.45%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	N/A	N/A

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

		(HK\$ million)	
		At 31 Mar 2026	At 31 Dec 2025
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts associated cash payables and cash receivables	8,930	11,008
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	10,530	5,415
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)	949,101	954,185
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)	9.59%	9.39%

Template LIQ1: Liquidity Coverage Ratio (“LCR”)

(HK\$ million)		Quarter ending on 31 March 2026		Quarter ending on 31 December 2025	
Number of data points used in calculating the average value of the LCR and related components set out in this template		73		74	
Basis of disclosure: consolidated		Unweighted value (average)	Weighted value (average)	Unweighted value (average)	Weighted value (average)
A. High Quality Liquid Assets (HQLA)					
1	Total HQLA		133,100		126,537
B. Cash Outflows					
2	Retail deposits and small business funding, of which:	388,346	28,197	388,088	27,776
3	<i>Stable retail deposits and stable small business funding</i>	58,904	1,797	56,095	1,718
4	<i>Less stable retail deposits and less stable small business funding</i>	198,563	19,856	189,161	18,916
4a	<i>Retail term deposits and small business term funding</i>	130,879	6,544	142,832	7,142
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the institution, of which:	163,206	83,176	150,172	76,745
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>	158,194	78,164	145,581	72,154
8	<i>Debt securities and prescribed instruments issued by the institution and redeemable within the LCR period</i>	5,012	5,012	4,591	4,591
9	Secured funding transactions (including securities swap transactions)		0		247
10	Additional requirements, of which:	127,077	20,730	126,604	17,807
11	<i>Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements</i>	4,895	4,895	4,565	4,565
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>	122,182	15,835	122,039	13,242
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	12,908	12,908	11,851	11,851
15	Other contingent funding obligations (whether contractual or non-contractual)	214,765	2,641	205,171	2,708
16	Total Cash Outflows		147,652		137,134
C. Cash Inflows					
17	Secured lending transactions (including securities swap transactions)	3,582	3,272	6,422	6,422
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	118,914	64,639	114,843	61,923
19	Other cash inflows	9,396	8,938	7,210	6,821
20	Total Cash Inflows	131,892	76,849	128,475	75,166
D. Liquidity Coverage Ratio		Adjusted value		Adjusted value	
21	Total HQLA		118,451		112,555
22	Total Net Cash Outflows		70,803		61,968
23	LCR (%)		167.69%		182.75%

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 1st 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 1st 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 first quarter of 2026. Despite the average LCR decreased from 183% for the fourth quarter of 2025 to 168% for the first quarter of 2026, the overall liquidity position remains healthy and the decrease was mainly due to comparably higher average weighted net cash outflows under normal course of business, which offset the impact of higher average holding of high quality liquid assets.

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 31 December 2025 to 31 March 2026:

(HK\$ million)		(a)
		Amount
1	RWA as at end of previous reporting period	277,047
2	Asset size	3,528
3	Asset quality	(922)
4	Model updates	0
5	Methodology and policy	0
6	Acquisitions and disposals	0
7	Foreign exchange movements	2,211
8	Other	0
9	RWA as at end of reporting period	281,864

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

At 31 March 2026

		(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	279,942	34,470	314,412	568,173
2	Counterparty credit risk and default fund contributions	2,801	976	3,777	4,882
3	CVA risk		1,442	1,442	1,442
4	Securitization exposures in banking book	-	-	-	-
5	Market risk	-	7,272	7,272	7,272
6	Operational risk		26,028	26,028	26,028
7	Residual RWA	1,922	12,976	14,898	14,898
8	Total	284,665	83,164	367,829	622,695

The major differences between the RWA calculated under the model-based approach and the full standardized approach are mainly 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)		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
Of the resolution entity at LAC consolidation group level						
1	External loss-absorbing capacity available ¹	106,725	113,039	117,035	115,023	119,164
2	Risk-weighted amount under the LAC Rules	365,231	362,185	366,371	367,954	360,278
3	External LAC risk-weighted ratio	29.22%	31.21%	31.94%	31.26%	33.08%
4	Exposure measure under the LAC Rules	950,701	948,592	931,458	920,460	892,886
5	External LAC leverage ratio	11.23%	11.92%	12.56%	12.50%	13.35%
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? ²	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? ²	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 ¹	N/A	N/A	N/A	N/A	N/A

Footnote:

- 1 Compared to 31 December 2025, the decrease on 31 March 2026 was mainly due to redemption of USD 1,000 million non-capital LAC instruments in March 2026.
- 2 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