

ZA Bank Limited

Regulatory Disclosure Statement  
For the period ended  
31 March 2026

# ZA Bank Limited

## Regulatory Disclosure Statement

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## **Introduction**

### **Purpose**

The information contained in this document is for ZA Bank Limited (“the Bank”), and prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

This regulatory disclosure statement is governed by the Bank’s disclosure policy, which has been approved by the Board of Directors (“the Board”). The disclosure policy sets out the governance, control and assurance requirements for publication of the document. While the regulatory disclosure statement is not required to be externally audited, the document has been subject to independent review in accordance with the Bank’s disclosure policy.

The numbers in this document are expressed in thousands of Hong Kong Dollars, unless otherwise stated.

### **Basis of preparation**

The capital adequacy ratio (“CAR”) was compiled in accordance with the Banking (Capital) Rules (“BCR”) issued by the HKMA. In calculating the risk weighted amount (“RWA”), the Bank adopted the Standardized (Credit Risk) Approach (“STC” approach”) and the Simplified Standardized (Market Risk) Approach (“SSTM approach”) for credit risk and market risk respectively. For operational risk, the capital requirement is calculated using the basic indicator approach.

### **Basis of consolidation**

As at 31 March 2026, the Bank does not have any subsidiaries to consolidate the financial information in this regulatory disclosure statement.

**KM1 - Key prudential ratios**

(HK\$ '000)		(a)	(b)	(c)	(d)	(e)
		31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25
<b>Regulatory capital (amount)</b>						
1 & 1a	Common Equity Tier 1 (CET1)	2,175,810	2,116,539	2,103,749	2,123,304	2,031,344
2 & 2a	Tier 1	2,175,810	2,116,539	2,103,749	2,123,304	2,031,344
3 & 3a	Total capital	2,261,237	2,198,780	2,182,557	2,207,371	2,114,237
<b>RWA (amount)</b>						
4	Total RWA	8,736,162	9,035,517	9,064,996	8,991,522	8,693,971
4a	Total RWA (pre-floor)	8,736,162	9,035,517	9,064,996	8,991,522	8,693,971
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5 & 5a	CET1 ratio (%)	24.9%	23.4%	23.2%	23.6%	23.4%
5b	CET1 ratio (%) (pre-floor ratio)	24.9%	23.4%	23.2%	23.6%	23.4%
6 & 6a	Tier 1 ratio (%)	24.9%	23.4%	23.2%	23.6%	23.4%
6b	Tier 1 ratio (%) (pre-floor ratio)	24.9%	23.4%	23.2%	23.6%	23.4%
7 & 7a	Total capital ratio (%)	25.9%	24.3%	24.1%	24.5%	24.3%
7b	Total capital ratio (%) (pre-floor ratio)	25.9%	24.3%	24.1%	24.5%	24.3%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.4%	0.4%	0.4%	0.4%	0.4%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Total AI-specific CET1 buffer requirements (%)	2.9%	2.9%	2.9%	2.9%	2.9%
12	CET1 available after meeting the AI's minimum capital requirements (%)	17.9%	16.3%	16.1%	16.5%	16.3%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	26,593,097	24,900,585	25,605,833	24,675,902	24,840,132
13a	LR exposure measure based on mean values of gross assets of SFTs	26,688,107	25,996,586	25,742,694	25,729,437	26,511,799
14, 14a & 14b	LR (%)	8.2%	8.5%	8.2%	8.6%	8.2%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	8.2%	8.1%	8.2%	8.3%	7.7%
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
Applicable to category 1 institutions only:						
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2 institutions only:						
17a	LMR (%)	97.6%	109.8%	105.8%	114.4%	100.9%
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>						
Applicable to category 1 institutions only:						
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
Applicable to category 2A institutions only:						
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

The capital ratios and LMR remained above the minimum regulatory requirements.

# ZA Bank Limited

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### **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:

(HK\$ '000)		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Mar-26	31-Dec-25	31-Mar-26
1	Credit risk for non-securitization exposures	<b>7,601,561</b>	<b>7,978,329</b>	<b>608,125</b>
2	Of which STC approach	7,601,561	7,978,329	608,125
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	-	-	-
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	-	-	-
6	Counterparty credit risk and default fund contributions	-	-	-
7	Of which SA-CCR approach	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
8a	Of which method for group 2b cryptoasset derivative contracts	-	-	-
9	Of which others	-	-	-
10	CVA risk	-	-	-
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	N/A	N/A	N/A
13	CIS exposures – mandate-based approach	N/A	N/A	N/A
14	CIS exposures – fall-back approach	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A
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	<b>813</b>	<b>23,238</b>	<b>65</b>
21	Of which STM approach	-	-	-
22	Of which IMA	-	-	-
22a	Of which SSTM approach	813	23,238	65
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	<b>1,133,788</b>	<b>1,033,950</b>	<b>90,703</b>
24a	Sovereign concentration risk	N/A	N/A	N/A
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	-	-	-
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
<b>29</b>	<b>Total</b>	<b>8,736,162</b>	<b>9,035,517</b>	<b>698,893</b>

The change in RWA for market risk under SSTM approach as of the quarter ended 31 March 2026 was mainly due to the change in foreign exchange exposure.

**LR2: Leverage ratio**

		(HK\$ '000)	
		31-Mar-26	31-Dec-25
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	25,978,451	25,112,560
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
4	Less: Adjustment for assets other than money received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(242,290)	(254,672)
6	Less: Asset amounts deducted in determining Tier 1 capital	(15,766)	(17,708)
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	25,720,395	24,840,180
<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)	-	-
9	Add-on amounts for PFE associated with all derivative contracts	-	-
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 (sum of rows 8 to 12)</b>	-	-
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	800,000	-
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	616	-
17	Agent transaction exposures	-	-
18	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	800,616	-
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	740,468	619,915
20	Less: Adjustments for conversion to credit equivalent amounts	(666,421)	(557,923)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(1,961)	(1,587)
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	72,086	60,405
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>2,175,810</b>	<b>2,116,539</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>26,593,097</b>	<b>24,900,585</b>

Due to the expansion of the commitments granted to retail customers during the quarter, the off-balance sheet exposures, together with the provisions associated, have been increased.

		(HK\$ '000)	
		31-Mar-26	31-Dec-25
<b>Leverage ratio</b>			
25 & 25a	<b>Leverage ratio</b>	8.2%	8.5%
26	<b>Minimum leverage ratio requirement</b>	3%	3%
27	<b>Applicable leverage buffers</b>	Not applicable	Not applicable
<b>Disclosure of mean values</b>			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	895,626	1,096,001
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	800,000	-
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)	26,688,107	25,996,586
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	8.2%	8.1%

The decrease in mean value of gross assets of SFTs is due to the decrease in the average balance of repurchase agreements during the quarter. There is repurchase agreement transaction at the end of 2026 Q1, but there is no repurchase agreement transaction at the end of 2025 Q4, leading to an increase in quarter-end value of gross amount of SFT assets.

**Glossary**

<b>Abbreviations</b>	<b>Descriptions</b>
AI	Authorized Institution
BCR	Banking (Capital) Rules
BDR	Banking (Disclosure) Rules
BSC	Basic Approach
CAR	Capital Adequacy Ratio
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CFR	Core Funding Ratio
CIS	Collective Investment Scheme
CRM	Credit Risk Mitigation
CVA	Credit Valuation Adjustment
D-SIB	Domestic Systemically Important Banks
FBA	Fall-back Approach
G-SIB	Global Systemically Important Banks
HKMA	Hong Kong Monetary Authority
HQLA	High Quality Liquid Assets
IAA	Internal Assessment Approach
IMM	Internal Models Method
INED	Independent Non-executive Directors
IRB	Internal Ratings-Based
LCR	Liquidity Coverage Ratio
LMR	Liquidity Maintenance Ratio
LR	Leverage Ratio
LTA	Look-through Approach
MBA	Mandate-based Approach
NSFR	Net Stable Funding Ratio
PFE	Potential Future Exposure
RW	Risk Weight
RWA	Risk Weighted Amount
SA-CCR	Standardised Approach (Counterparty Credit Risk)
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-FBA	Securitization Fall-back Approach
SEC-IRBA	Securitization Internal Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SFT	Securities Financing Transaction
STC	Standardized (Credit Risk)
STM	Standardized (Market Risk)
SSTM	Simplified Standardized Approach