

ZA Bank Limited

Regulatory Disclosure Statement
For the quarter ended
30 September 2025

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 30 September 2025, 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)
		30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	2,103,749	2,123,304	2,031,344	2,014,609	2,089,847
2 & 2a	Tier 1	2,103,749	2,123,304	2,031,344	2,014,609	2,089,847
3 & 3a	Total capital	2,182,557	2,207,371	2,114,237	2,085,380	2,157,801
RWA (amount)						
4	Total RWA	9,064,996	8,991,522	8,693,971	9,022,777	9,159,161
4a	Total RWA (pre-floor)	9,064,996	8,991,522	8,693,971	9,022,777	9,159,161
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	23.2%	23.6%	23.4%	22.3%	22.8%
5b	CET1 ratio (%) (pre-floor ratio)	23.2%	23.6%	23.4%	22.3%	22.8%
6 & 6a	Tier 1 ratio (%)	23.2%	23.6%	23.4%	22.3%	22.8%
6b	Tier 1 ratio (%) (pre-floor ratio)	23.2%	23.6%	23.4%	22.3%	22.8%
7 & 7a	Total capital ratio (%)	24.1%	24.5%	24.3%	23.1%	23.6%
7b	Total capital ratio (%) (pre-floor ratio)	24.1%	24.5%	24.3%	23.1%	23.6%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.4%	0.4%	0.4%	0.4%	0.8%
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%	3.3%
12	CET1 available after meeting the AI's minimum capital requirements (%)	16.1%	16.5%	16.3%	15.1%	15.6%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	25,605,833	24,675,902	24,840,132	22,363,830	22,158,980
13a	LR exposure measure based on mean values of gross assets of SFTs	25,742,694	25,729,437	26,511,799	23,533,395	22,563,110
14, 14a & 14b	LR (%)	8.2%	8.6%	8.2%	9.0%	9.4%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	8.2%	8.3%	7.7%	8.6%	9.3%
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institution 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 institution only:						
17a	LMR (%) ¹	105.8%	114.4%	100.9%	112.2%	113.2%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
Applicable to category 1 institution 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 institution only:						
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

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

¹ The LMR disclosed above represent the arithmetic mean of the average value of its LMR for each calendar month within the quarter.

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 30 September 2025:

(HK\$ '000)		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30-Sep-25	30-Jun-25	30-Sep-25
1	Credit risk for non-securitization exposures	8,079,771	8,039,084	646,382
2	Of which STC approach	8,079,771	8,039,084	646,382
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	-	-	-
7	Of which SA-CCR approach	-	-	-
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
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	1,175	49,863	94
21	Of which STM approach	-	-	-
22	Of which IMM approach	-	-	-
22a	Of which SSTM approach	1,175	49,863	94
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	984,050	902,575	78,724
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	-	-	-
29	Total	9,064,996	8,991,522	725,200

Decrease in RWA for market risk under SSTM approach as of the quarter ended 30 September 2025 was mainly due to the decrease in foreign exchange exposure.

LR2: Leverage ratio

		(HK\$ '000)	
		30-Sep-25	30-Jun-25
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	25,061,137	24,067,132
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 capital	(288,972)	(281,018)
6	Less: Asset amounts deducted in determining Tier 1 capital	(19,668)	(21,654)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	24,752,497	23,764,460
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	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	Total exposures arising from derivative contracts (sum of rows 8 to 12)	-	-
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	800,000	860,000
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	832	1,447
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	800,832	861,447
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	540,360	516,067
20	Less: Adjustments for conversion to credit equivalent amounts	(486,324)	(464,460)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(1,532)	(1,612)
22	Off-balance sheet items (sum of rows 19 to 21)	52,504	49,995
Capital and total exposures			
23	Tier 1 capital	2,103,749	2,123,304
24	Total exposures (sum of rows 7, 13, 18 and 22)	25,605,833	24,675,902

		(HK\$ '000)	
		30-Sep-25	30-Jun-25
Leverage ratio			
25 & 25a	Leverage ratio	8.2%	8.6%
26	Minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	936,861	1,909,024
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	860,000
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)	25,742,694	25,729,437
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%	8.3%

Compared to last quarter, the decrease in the mean value of gross assets of SFTs was due to the decreased transaction amount of repurchase agreement during 2025 Q3.

Glossary

Abbreviations	Descriptions
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