

Supplementary Notes to Interim Financial Statements (unaudited)

For the period ended 30 June 2025

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Mox Bank Limited

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1. Supplementary Notes to Interim Financial Statements (unaudited)

These notes are supplementary to and should be read in conjunction with the 2025 Interim Financial Statements. The financial statements and this supplementary notes to financial statements (unaudited) taken together comply with the Banking (Disclosure) Rules (“Rules”) under section 60A of the Banking Ordinance. These banking disclosures are governed by the Bank’s disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the approach to determine the content, appropriateness and frequency of the disclosures, the approach to ensure the relevance and adequacy of the disclosures, and the internal control over the process for making the disclosures. The disclosures have been subject to independent review in accordance to the disclosure policy. Additional disclosures as required by the Banking (Disclosure) Rules will be available on our website: <https://mox.com/> on or before 30 September 2025.

According to the Rules, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates. Prior period disclosures can be found in the Regulatory Disclosure section of our website: <https://mox.com/>.

Basis of preparation

The capital adequacy ratio (“CAR”) was compiled in accordance with the Banking (Capital) Rules (“BCR”) issued by the HKMA. The Bank adopted the Standardised (Credit Risk) Approach for credit risk in calculating the risk weighted assets. For market risk, the Bank adopted Standardised (Market Risk) Approach prior to June 2024 . Since end of June 2024, the Bank has been exempted under section 22(1) of the BCR from the calculation of market risk under section 17 . For operational risk, the capital requirement is calculated using the standardised approach.

Basis of consolidation

As of 30 June 2025, the Bank does not have any subsidiaries for consolidation purpose.

The disclosure requirements under Basel III final reform came into effect from 1 January 2025.

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

a. Key prudential ratios (KM1)

The following table sets out an overview of the Bank's key prudential ratios.

		(a) 30 Jun 2025 HK\$'000	(b) 31 Mar 2025 HK\$'000	(c) 31 Dec 2024 HK\$'000	(d) 30 Sep 2024 HK\$'000	(e) 30 Jun 2024 HK\$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	1,102,390	1,033,246	1,110,463	822,803	951,945
2 & 2a	Tier 1	1,570,459	1,501,315	1,578,532	1,290,872	1,185,687
3 & 3a	Total capital	1,657,008	1,589,466	1,655,641	1,364,254	1,257,114
	RWA (amount)					
4	Total RWA	7,599,253	7,689,969	6,670,498	6,274,034	6,004,018
4a	Total RWA (pre-floor)	7,599,253	7,689,969			
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	14.51	13.44	16.65	13.11	15.86
5b	CET1 ratio (%) (pre-floor ratio)	14.51	13.44			
6 & 6a	Tier 1 ratio (%)	20.67	19.52	23.66	20.57	19.75
6b	Tier 1 ratio (%) (pre-floor ratio)	20.67	19.52			
7 & 7a	Total capital ratio (%)	21.80	20.67	24.82	21.74	20.94
7b	Total capital ratio (%) (pre-floor ratio)	21.80	20.67			
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical capital buffer requirement (%)	0.50	0.50	0.50	1.00	1.00
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 (%)	3.00	3.00	3.00	3.50	3.50
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.15	8.08	11.30	7.78	10.55
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	24,996,201	23,738,728	23,145,436	22,032,422	19,733,678
13a	LR exposure measure based on mean values of gross assets of SFTs	24,996,201	23,738,728			
14, 14a & 14b	LR (%)	6.28	6.32	6.82	5.86	6.01
14c & 14d	LR (%) based on mean values of gross assets of SFTs	6.28	6.32			
	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 (%)	86.40	82.25	83.85	72.59	76.17

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

a. Key prudential ratios (KM1) (continued)

		(a)	(b)	(c)	(d)	(e)
		31 March 2025 HK\$'000	31 Dec 2024 HK\$'000	30 Sep 2024 HK\$'000	30 Jun 2024 HK\$'000	31 Mar 2024 HK\$'000
	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 well above the minimum regulatory requirements.

CET1 ratio, Tier 1 and total capital ratio increased due to capital injection in Q1 2025.

Leverage ratio dropped as the Bank has been launching its products and services resulting in higher exposure and consumption of capital for business operation costs.

b. Overview of risk-weighted amount ("RWA") (OV1)

The following table sets out an overview of capital requirement in terms of a detailed breakdowns of RWAs for various risks.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2025 HK\$'000	31 Mar 2025 HK\$'000	30 Jun 2025 HK\$'000
1	Credit risk for non-securitization exposures	6,923,923	7,052,111	553,914
2	Of which STC approach	6,923,923	7,052,111	553,914
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)	-	-	-

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

b. Overview of risk-weighted amount ("RWA") (OV1) (continued)

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		30 Jun 2025 HK\$'000	31 Mar 2025 HK\$'000	30 Jun 2025 HK\$'000
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	N/A	N/A	N/A
21	Of which STM approach	N/A	N/A	N/A
22	Of which IMA	N/A	N/A	N/A
22a	Of which SSTM approach	N/A	N/A	N/A
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	849,525	818,738	67,962
24a	Sovereign concentration risk	-	-	-
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)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	174,195	180,880	13,936
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	174,195	180,880	13,936
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	7,599,253	7,689,969	607,940

Decrease in credit risk for non-securitization exposures is mainly due to decrease in retail exposures.

Since end of June 2024, the Bank has been exempted under section 22(1) of the BCR from the calculation of market risk under section 17.

3. Composition of regulatory capital

a. Composition of regulatory capital (CC1)

		(a)	(b)
As of 30 June 2025		Amount HK\$'000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	CET1 capital: instruments and reserves		
1	Directly issued qualifying CET1 capital instruments plus any related share premium	5,434,900	(2)
2	Retained earnings	(3,770,085)	(3)
3	Disclosed reserves	39,698	(4)
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 deductions	1,704,513	
	CET1 capital: regulatory deductions		
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	-
9	Other intangible assets (net of associated deferred tax liabilities)	602,123	(1)
10	Deferred tax assets (net of associated deferred tax liabilities)	-	
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	-	
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
26	National specific regulatory adjustments applied to CET1 capital	-	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-	

3. Composition of regulatory capital

a. Composition of regulatory capital (CC1)

		(a)	(b)
As of 30 June 2025		Amount HK\$'000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
26b	Regulatory reserve for general banking risks	-	
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	602,123	
29	CET1 capital	1,102,390	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	468,069	
31	of which: classified as equity under applicable accounting standards	468,069	(5)
33	<i>Capital instruments subject to phase-out arrangements from AT1 capital</i>	-	
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	468,069	
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	468,069	
45	Tier 1 capital (T1 = CET1 + AT1)	1,570,459	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
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	86,549	
51	Tier 2 capital before regulatory deductions	86,549	

3. Composition of regulatory capital

a. Composition of regulatory capital (CC1)

		(a)	(b)
As of 30 June 2025		Amount HK\$'000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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	-	
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	-	
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	-	
58	Tier 2 capital (T2)	86,549	
59	Total regulatory capital (TC = T1 + T2)	1,657,008	
60	Total RWA	7,599,253	
	Capital ratios (as a percentage of RWA)		
61	CET1 capital ratio	14.51%	
62	Tier 1 capital ratio	20.67%	
63	Total capital ratio	21.80%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.50%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical capital buffer requirement	0.50%	
67	of which: higher loss absorbency requirement	0.00%	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	9.15%	
	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

3. Composition of regulatory capital

a. Composition of regulatory capital (CC1)

		(a)	(b)
As of 30 June 2025		Amount HK\$'000	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	-	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
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)	-	
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	-	
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)

a. Composition of regulatory capital (CC1)

Notes to the template

As of 30 Jun 2025

	Description	Hong Kong basis HKD'000	Basel III basis HKD'000
9	Other intangible assets (net of associated deferred tax liabilities)	602,123	602,123
	<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)	-	-
	<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.		
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>		

3. Composition of regulatory capital (continued)

a. Composition of regulatory capital (CC1)

Notes to the template

As of 30 Jun 2025

	Description	Hong Kong basis HKD'000	Basel III basis HKD'000
	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)

b. Reconciliation of regulatory capital to balance sheet (CC2)

	(a)	(b)	(c)
	Balance sheet as in published financial statements (as at 30 Jun 2025) (HKD'000)	Under regulatory scope of consolidation (as at 30 Jun 2025) (HKD'000)	Cross reference to note 5(a) of (CC1)
Assets			
Balances with central bank	1,064,319	1,064,319	
Investment securities	11,591,722	11,591,722	
Advances to customers	6,623,006	6,623,006	
Amount due from immediate holding company	2,416,401	2,416,401	
Amount due from a fellow subsidiary	179	179	
Amount due from related companies	2,934	2,934	
Property and equipment	28,974	28,974	
Intangible assets	602,123	602,123	(1)
Prepayment and other assets	284,698	284,698	
Advances to banks	316,008	316,008	
Total assets	22,930,364	22,930,364	
Liabilities			
Repurchase agreement at amortised cost	400,000	400,000	
Deposits from customers	19,143,761	19,143,761	
Amounts due to immediate holding company	751,540	751,540	
Amount due to a fellow subsidiary	2,877	2,877	
Amount due to a related company	4,654	4,654	
Other payables	454,951	454,951	
Total liabilities	20,757,783	20,757,783	
Shareholders' equity			
Share capital	5,434,900	5,434,900	
Of which: amount eligible for CET1	-	5,434,900	(2)
Other equity instruments	468,069	468,069	
Of which: amount eligible for AT1	-	468,069	(5)
Reserves	(3,730,388)	(3,730,388)	
Of which: FVOCI reserves - debt	39,698	39,698	(4)
Of which: Retained earnings	(3,770,086)	(3,770,086)	(3)
Total shareholders' equity	2,172,581	2,172,581	

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA)

The following is a summary of the bank's common equity tier 1 ("CET1") capital, additional tier 1 ("AT1") capital and tier 2 capital instruments.

		HKD Ordinary Shares
1	Issuer	Mox Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Hong Kong
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	N/A
5	Basel III rules	CET1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$5,435 Million
9	Par value of instrument	N/A
10	Accounting classification	Equity
11	Original date of issuance	10 Aug 2018: 20,000 ordinary shares 25 Feb 2019: 29,980,000 ordinary shares 3 Apr 2019: 131,092,000 ordinary shares 19 Nov 2020: 46,920,000 ordinary shares 26 Feb 2021: 46,920,000 ordinary shares 10 Mar 2022: 65,688,000 ordinary shares 25 Nov 2022: 31,280,000 ordinary shares 1 Feb 2023: 54,740,000 ordinary shares 21 Jul 2023: 31,280,000 ordinary shares 30 Nov 2023: 35,190,000 ordinary shares 5 Jun 2024: 17,595,000 ordinary shares 13 Dec 2024: 37,145,000 ordinary shares 30 Apr 2025: 15,640,000 ordinary shares
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend / coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

		HKD AT1 Capital
1	Issuer	Mox Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Hong Kong
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$233.7 Million
9	Par value of instrument	HK\$234.6 Million
10	Accounting classification	Equity
11	Original date of issuance	20 Mar 2024
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 20 Mar 2029 Redemption amount at par.
16	Subsequent call dates, if applicable	Each Reset Date thereafter
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend / coupon	Fixed
18	Coupon rate and any related index	Year 1 to 5: 8.37 per cent. per annum payable semi-annually in arrear Year 5 onwards: Resets every 5 years
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Upon a Non-Viability Event. "Non-Viability Event" means the earlier of: (i) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; and (ii) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	The rights and claims of Securityholders against the Issuer to payment in respect of the Securities (including, without limitation, any payments in respect of damages awarded for breach of any obligations), in the event of the winding-up of the Issuer (other than pursuant to a Permitted Reorganisation), shall rank: (i) subordinate and junior in right of payment to, and of all claims of (x) all unsubordinated creditors of the Issuer (including its depositors), (y) all creditors in respect of Tier 2 Capital Instruments of the Issuer and (z) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Securities or rank senior to the Securities by operation of law or contract; (ii) pari passu in right of payment to, and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of holders of Junior Obligations. "Additional Tier 1 Capital Instruments" means any instrument issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Additional Tier 1 capital of the Issuer pursuant to the Banking Capital Regulations. "CET1 Capital Instruments" means any instrument issued or entered into by the Issuer that constitutes Common Equity Tier 1 capital of the Issuer pursuant to the Banking Capital Regulations. "Junior Obligations" means all classes of the Issuer's share capital (including without limitation any preference shares) and any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as CET1 Capital Instruments or that ranks or is expressed to rank junior to the Securities by operation of law or contract. "Parity Obligations" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as an Additional Tier 1 Capital Instrument or any instrument or other obligation issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank pari passu with the Securities by operation of law or contract, which excludes any Junior Obligations of the Issuer. "Subordinated Creditors" means all creditors the indebtedness of which is subordinated, in the event of winding-up of the Issuer, in right of payment to, and of all claims of, the depositors

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

		and other unsubordinated creditors of the Issuer other than those whose claims rank or are expressed to rank by operation of law or contract pari passu with, or junior to, the claims of the Securityholders. For this purpose "indebtedness" shall include all liabilities, whether actual or contingent. "Tier 2 Capital Instruments" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 2 capital of the Issuer pursuant to the Banking Capital Regulations.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

		HKD AT1 Capital
1	Issuer	Mox Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Hong Kong
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	N/A
5	Basel III rules	Additional Tier 1
6	Eligible at solo / group / solo and group	Solo
7	Instrument type (types to be specified by each jurisdiction)	Perpetual debt instrument
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$234.3 Million
9	Par value of instrument	HK\$234.6 Million
10	Accounting classification	Equity
11	Original date of issuance	17 Sep 2024
12	Perpetual or dated	Perpetual
13	Original maturity date	Undated
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	Optional Call Date: 17 Sep 2029 Redemption amount at par.
16	Subsequent call dates, if applicable	Each Reset Date thereafter
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend / coupon	Fixed
18	Coupon rate and any related index	Year 1 to 5: 8.06 per cent. per annum payable semi-annually in arrear Year 5 onwards: Resets every 5 years at a rate of distribution determined by the Issuer on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the Margin. "Margin" means 5.43 per cent. "Reference Bond" means for any Reset Period a government security or securities issued by the Hong Kong government selected by the Issuer as having an actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in Hong Kong dollars and of a comparable maturity to the relevant Reset Period. "Reset Rate" means in respect of a Reset Period, the relevant annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price.
19	Existence of a dividend stopper	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	Yes
31	If write-down, write-down trigger(s)	Upon a Non-Viability Event. "Non-Viability Event" means the earlier of: (i) the Monetary Authority notifying the Issuer in writing that the Monetary Authority is of the opinion that a Write-off or conversion is necessary, without which the Issuer would become non-viable; and (ii) the Monetary Authority notifying the Issuer in writing that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.
32	If write-down, full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	The rights and claims of Securityholders against the Issuer to payment in respect of the Securities (including, without limitation, any payments in respect of damages awarded for breach of any obligations), in the event of the winding-up of the Issuer (other than pursuant to a Permitted Reorganisation), shall rank: (i) subordinate and junior in right of payment to, and of all claims of (x) all unsubordinated creditors of the Issuer (including its depositors), (y) all creditors in respect of Tier 2 Capital Instruments of the Issuer and (z) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Securities or rank senior to the Securities by operation of law or contract; (ii) pari passu in right of payment to, and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of holders of Junior Obligations. "Additional Tier 1 Capital Instruments" means any instrument issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Additional Tier 1 capital of the Issuer pursuant to the Banking Capital Regulations.

3. Composition of regulatory capital (continued)

c. Main features of regulatory capital instruments (CCA) (continued)

		"CET1 Capital Instruments" means any instrument issued or entered into by the Issuer that constitutes Common Equity Tier 1 capital of the Issuer pursuant to the Banking Capital Regulations. "Junior Obligations" means all classes of the Issuer's share capital (including without limitation any preference shares) and any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as CET1 Capital Instruments or that ranks or is expressed to rank junior to the Securities by operation of law or contract. "Parity Obligations" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as an Additional Tier 1 Capital Instrument or any instrument or other obligation issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank pari passu with the Securities by operation of law or contract, which excludes any Junior Obligations of the Issuer. "Subordinated Creditors" means all creditors the indebtedness of which is subordinated, in the event of winding-up of the Issuer, in right of payment to, and of all claims of, the depositors and other unsubordinated creditors of the Issuer other than those whose claims rank or are expressed to rank by operation of law or contract pari passu with, or junior to, the claims of the Securityholders. For this purpose "indebtedness" shall include all liabilities, whether actual or contingent. "Tier 2 Capital Instruments" means any instrument or other obligation issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 2 capital of the Issuer pursuant to the Banking Capital Regulations.
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

4. Macroprudential supervisory measures

a. Geographical distribution of credit exposures used in countercyclical capital buffer (CCyB1)

The following table shows the geographical breakdown of risk-weighted amount ("RWA") in relation to private sector credit exposures as of 30 June 2025:

		(a)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio HKD'000	AI-specific CCyB ratio (%)	CCyB amount (HKD'000)
1	Hong Kong SAR	0.50	6,024,093		
2	Australia	1.00	214		
3	France	1.00	66		
4	United Kingdom	2.00	306		
5	Sum ¹		6,024,679		
6	Total ²		6,026,711	0.50	37,996

¹This represents the sum of RWAs for the private sector credit exposures in jurisdictions with a non-zero countercyclical buffer rate.

²The total RWAs used in the computation of the CCyB ratio in row (3) represents the total RWAs for the private 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.

5. Leverage ratio

a. Summary comparison of accounting assets against leverage ratio exposures measure (LR1)

The following table reconciles the total assets in the published financial statements to the LR exposure measure.

As of 30 Jun 2025		Value under the LR framework
	Item	HKD'000
1	Total consolidated assets as per published financial statements	22,930,364
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
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	-
9	Adjustment for SFTs (i.e. repos and similar secured lending)	-
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	2,758,002
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	
12	Other adjustments	(692,165)
13	Leverage ratio exposure measure	24,996,201

5. Leverage ratio (continued)

b. Leverage ratio (LR2)

The following table sets out a detailed breakdown of the components of the LR denominator, as well as information on LR, minimum applicable LR and mean-SFT adjusted LR.

		(a)	(b)
		HKD'000	
		30 Jun 2025	31 Mar 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	23,139,896	21,910,081
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	(299,574)	(306,630)
6	Less: Asset amounts deducted in determining Tier 1 capital	(602,123)	(587,294)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	22,238,199	21,016,157
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	-	-
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	27,381,469	27,036,416
20	Less: Adjustments for conversion to credit equivalent amounts	(24,623,467)	(24,313,845)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	2,758,002	2,722,571
Capital and total exposures			
23	Tier 1 capital	1,570,459	1,501,315
24	Total exposures (sum of rows 7, 13, 18 and 22)	24,996,201	23,738,728

5. Leverage ratio (continued)

b. Leverage ratio (LR2) (continued)

		(a)	(b)
		HKD'000	
		30 Jun 2025	31 Mar 2025
Leverage ratio			
25 & 25a	Leverage ratio	6.28%	6.32%
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 assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
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	-	-
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)	24,996,201	23,738,728
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)	6.28%	6.32%

Leverage ratio dropped as the Bank has been launching its products and services resulting in higher exposure and consumption of capital for business operation costs.

6. Credit risk for non-securitization exposures

a. Credit quality of exposures (CR1)

The following table sets out an overview of the credit quality of on- and off-balance sheet exposures.

As of 30 June 2025

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances / impairments	Of which ECL accounting provisions for credit losses on STC approach exposures ¹		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values (a+b-c)
		Defaulted Exposures	Non- defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1	Loans	40,696	10,652,838	299,574	38,836	260,738	-	10,393,960
2	Debt securities	-	11,591,344	-	-	-	-	11,591,344
3	Off-balance sheet exposures	12,335	27,369,134	-	-	-	-	27,381,469
4	Total	53,031	49,613,316	299,574	38,836	260,738	-	49,366,773

The categorization of Expected Credit Loss (“ECL”) accounting provisions into the regulatory categories of specific and collective provisions follows the treatment specified in the completion instruction of the HKMA Capital Adequacy Ratio – MA(BS)3 return. According to the completion instruction, the ECL accounting provisions classified into Stage 1 and Stage 2 are treated as collective provisions, while those classified under Stage 3 are treated as specific provisions.

Loans included balances with central banks and banks, loans and advances to customers, corporate exposures, qualifying non-bank financial institution exposures, and related accrued interest receivables.

Off-balance sheet exposures included direct credit substitutes and unconditionally cancellable commitments.

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

b. Changes in defaulted loans and debt securities (CR2)

The following table sets out information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs.

	HKD\$'000
1 Defaulted loans and debt securities at end of the previous reporting period (31 December 2024)	42,267
2 Loans and debt securities that have defaulted since the last reporting period	148,452
3 Returned to non-defaulted status	-
4 Amounts written off	(137,196)
5 Other changes	(12,827)
6 Defaulted loans and debt securities at end of the current reporting period (30 June 2025)	40,696

c. Overview of recognized credit risk mitigation (CR3)

The following table sets out the extent of credit risk exposures covered by different type of recognised CRM.

As of 30 June 2025		(a)	(b)	(c)	(d)	(e)
		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	10,693,534	-	-	-	-
2	Debt securities	11,591,344	-	-	-	-
3	Total	22,284,878	-	-	-	-
4	Of which defaulted	40,696	-	-	-	-

The movement in loans and debt securities is in line with the balance sheet movement during the period.

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

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

The following table sets out the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements. RWA density provides a synthetic metric on riskiness of each portfolio.

As of 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	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	%
1	Sovereign exposures	12,606,376	-	12,606,376	-	-	0%
2	Public sector entity exposures	-	-	-	-	-	0%
3	Multilateral development bank exposures	-	-	-	-	-	0%
3a	Unspecified multilateral body exposures	-	-	-	-	-	0%
4	Bank exposures	2,781,085	147	2,781,085	147	657,734	24%
4a	Qualifying non-bank financial institution exposures	29,810	-	29,810	-	14,905	50%
5	Eligible covered bond exposures	-	-	-	-	-	0%
6	General corporate exposures	35,071	-	35,071	-	32,614	93%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	-	-	-	-	-	0%
6b	Specialized lending	-	-	-	-	-	0%
7	Equity exposures	-	-	-	-	-	0%
7a	Significant capital investments in commercial entities	-	-	-	-	-	0%
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	-	-	-	-	0%
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-	-	0%
8	Retail exposures	6,791,839	27,347,073	6,791,839	2,734,707	5,948,682	62%
8a	Exposures arising from IPO financing	-	-	-	-	-	0%
9	Real estate exposures	-	-	-	-	-	0%

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

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

(continued)

As of 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	
	Exposure classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	%
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
9g	Of which: land acquisition, development and construction exposures	-	-	-	-	-	0%
10	Defaulted exposures	1,860	12,335	1,860	1,234	4,641	150%
11	Other exposures	243,433	21,914	243,433	21,914	265,347	100%
11a	Cash and gold	-	-	-	-	-	0%
11b	Items in the process of clearing or settlement	-	-	-	-	-	0%
12	Total	22,489,474	27,381,469	22,489,475	2,758,002	6,923,923	27%

Note:

Decrease in credit risk exposures (RWA) under STC approach during the period is mainly due to decrease in retail exposures.

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5)

The following table sets out a breakdown of credit risk exposures by asset classes and by risk weights (corresponding to the classification of exposures according to the approaches used).

At 30 Jun 2025

In HKD'000

		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	12,606,376	-	-	-	-	-	12,606,376
2	Public sector entity exposures	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-		-	-	-	-	-
3a	Unspecified multilateral body exposures	-	-	-	-	-	-	-
4	Bank exposures	1,770,148	1,010,769	-	-	-	315	2,781,232
4a	Qualifying non-bank financial institution exposures	-	-	-	29,810	-	-	29,810

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

At 30 Jun 2025

In HKD'000

		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	-	-	4,914		-	-	30,157	-	-	35,071
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	-	-	-		-	-	-	-	-	-

		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	-	-	-	-	-	-	-	-	-

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

		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	-	-	-	-	-

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

At 30 Jun 2025

In HKD'000

		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	3,988,749	5,536,744	-	1,054	9,526,547

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

		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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		-	-	-		-	-	-	-		-	-				-			-	-

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

At 30 Jun 2025

In HKD'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)
9b	Of which: no loan splitting applied		-	-	-		-	-	-	-		-	-				-			-	-
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)				-	-		-		-			-		-		-			-	-
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	-			-	-		-			-	-	-
9g	Of which: no loan splitting applied	-	-		-		-		-	-			-	-		-			-	-	-
9h	Of which: loan splitting applied (secured)																				
9i	Of which: loan splitting applied (unsecured)																				

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

At 30 Jun 2025

In HKD'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)
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											-			-			-		-	-
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				-	-		-			-	-	-
9l	Of which: no loan splitting applied	-	-		-		-		-				-	-		-			-	-	-
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)																		-	-	-
9p	Of which: land acquisition, development and construction exposures															-			-	-	-

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

At 30 Jun 2025

In HKD'000

		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		-	3,094	-	3,094

		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other exposures	265,347	-	-	265,347

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

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

Note:

Decrease in credit risk exposures (RWA) under STC approach during the period is mainly due to decrease in retail exposures.

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

e. Credit risk exposures by asset classes and by risk weights – for STC approach(CR5) (continued)

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

At 30 Jun 2025

In HKD'000

		(a)	(b)	(c)	(d)
	Risk Weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	15,387,146	147	100%	15,387,293
2	40-70%	2,615,597	14,078,753	10%	4,023,473
3	75%	4,209,912	13,268,320	10%	5,536,743
4	85%	-	-	-	-
5	90- 100%	273,590	21,914	100%	295,504
6	105-130%	1,054	-	-	1,054
7	150%	2,175	12,335	10%	3,409
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1,250%	-	-	-	-
11	Total exposures	22,489,474	27,381,469		25,247,476

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

Please refer to note 6(d) for the main drivers of the change in total exposures post-CCF and post-CRM.

7. Counterparty Credit risk

As at 30 June 2025, the Bank does not have any counterparty default risk exposures.

8. Securitization exposures

As at 30 June 2025, the Bank does not have any Securitization exposures.

9. Market risk

As of 30 June 2025, the Bank is exempted under section 22(1) of the Banking (Capital) Rules BCR from the calculation of market risk under section 17.

10. Asset encumbrance (ENC)

The following table sets out a breakdown of encumbered and unencumbered assets.

	(a)	(c)	(d)
As of 30 Jun 2025	Encumbered assets HKD'000	Unencumbered assets HKD'000	Total HKD'000
Balances with central bank	-	1,064,319	1,064,319
Investment securities	400,499	11,191,223	11,591,722
Advances to customers	-	6,623,006	6,623,006
Amount due from immediate holding company	-	2,416,401	2,416,401
Amount due from banks	-	316,008	316,008
Other assets	-	918,908	918,908
Total assets	400,499	22,529,865	22,930,364

Acronyms

AI	Authorized institutions	LCR	Liquidity coverage ratio
AIRB	Advanced internal ratings-based approach	LGD	Loss given default
ALCO	Asset and Liability Committee	LMR	Liquidity Maintenance Ratio
ASA	Alternative standardized approach	LR	Leverage Ratio
ASF	Available stable funding	LTA	Look through approach
AT1	Additional Tier 1	MBA	Mandate-based approach
Bank	Mox Bank Limited	MSRs	Mortgage servicing rights
BCBS	Basel Committee on Banking Supervision	N/A	Not applicable
BCR	Banking (Capital) Rules	NSFR	Net stable funding ratio
BDR	Banking (Disclosure) Rules	OF	Object finance
BIA	Basic indicator approach	OTC	Over-the-counter
BSC	Basic approach	PD	Probability of default
CCF	Credit conversion factor	PF	Project finance
CCP	Central counterparty	PFE	Potential future exposure
CCR	Counterparty credit risk	PRC	People's Republic of China
CCyB	Countercyclical capital buffer	PVA	Prudential Valuation Adjustments
CEM	Current exposure method	PSE	Public sector entity
CET1	Common equity tier 1	QRRE	Qualifying revolving retail exposures
CF	Commodities finance	RC	Replacement cost
CIS	Collective investment scheme	RSF	Required stable funding
CRC	Comprehensive risk charge	RW	Risk-weight
CRM	Credit risk mitigation	RWA	Risk-weighted asset/risk-weighted amount
CVA	Credit valuation adjustment	S&P	Standard & Poor's
D-SIB	Domestic systematically important authorized institution	SA-CCR	Standardized approach for counterparty credit risk
DTAs	Deferred tax assets	SEC-ERBA	Securitization external ratings-based approach
EAD	Exposure at default	SEC-FBA	Securitization fall back approach
EL	Expected loss	SEC-IRBA	Securitization internal ratings-based approach
EPE	Expected positive exposures	SEC-SA	Securitization standardized approach
FBA	Fall-back approach	SFT	Securities financing transaction
G-SIB	Global systematically important bank	SME	Small and Medium Enterprises
HKMA	Hong Kong Monetary Authority	SRW	Supervisory risk-weights
HVCRE	High-volatility commercial real estate	STC	Standardized (credit risk) approach
HQLA	High quality liquid assets	STM	Standardized (market risk) approach
IMM	Internal models approach	STO	Standardized (operational risk) approach
IMM (CCR)	Internal models approach (counterparty credit risk) approach	VaR	Value at risk
ICAAP	Internal Capital Adequacy Assessment Process		
IPRE	Income-producing real estate		
IRB	Internal ratings-based approach		
JCCyB	Jurisdictional countercyclical capital buffer		
JVs	Joint ventures		
LAC	Loss-absorbing capacity		