Fusion Bank

Fusion Bank Limited

REGULATORY DISCLOSURE
STATEMENT

For the quarter ended 31 March 2025

(UNAUDITED)



REGULATORY DISCLOSURE STATEMENTFor the quarter ended 31 March 2025

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REGULATORY DISCLOSURE STATEMENTFor the quarter ended 31 March 2025

Introduction

Purpose

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

This banking disclosure is governed by the Bank's disclosure policy, which has been approved by the Board of Directors. 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 (HKD), unless otherwise stated.

Basis of preparation

The capital adequacy ratio ("CAR") was compiled in accordance with the Banking (Capital) Rules ("BCR") of the Banking Ordinance. In calculating the risk-weighted assets ("RWA"), the Bank adopted the Standardized (Credit Risk) Approach ("STC approach") and the Simplified Standardized Approach ("SSTM approach") for credit risk and market risk respectively. For operational risk, the capital requirement is calculated under the Business Indicator Approach ("BI Approach") pursuant to Division 3 of Part 9 of the BCR.

Basis of consolidation

As at 31 March 2025, the Bank has a subsidiary that is included in the accounting scope of consolidation but not included in the regulatory scope of consolidation. Shenzhen Fusion Information Technology Services Co. Ltd., the subsidiary that provides IT service to the Bank, has total assets and total equity of HKD 10,043,000 and HKD 7,528,000 respectively.

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PILLAR 3 DISCLOSURE

The following templates for the Bank show the standard disclosure templates specified by the MA in relation to the Pillar 3 disclosure required under the BDR.

Other Pillar 3 templates or tables not disclosed below either are not applicable to the Bank or have no reportable amount for the period.

a. Template KM1: Key Prudential Ratios

		(a)	(b)	(c)	(d)	(e)
		As at 31	As at 31	As at 30	As at 30	As at 31
		March	December	September	June	March
		2025	2024	2024	2024	2024
г		HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
	Regulatory capital (amount)	T== = .=			0.75 1.10	
1 & 1a	Common Equity Tier 1 (CET1)	1,477,562	729,652	806,446	862,448	926,531
2 & 2a	Tier 1	1,477,562	729,652	806,446	862,448	926,531
3 & 3a	Total capital	1,487,693	737,369	816,081	872,862	938,076
	RWA (amount)	T	T			
4	Total RWA	2,754,280	2,781,364	2,776,093	2,507,445	2,414,224
4a	Total RWA (pre-floor)	2,754,280		Not app	olicable	
	Risk-based regulatory capital ratios (as a percentage of l	, ,	1			
5 & 5a	CET1 ratio (%)	53.6%	26.2%	29.0%	34.4%	38.4%
5b	CET1 ratio (%) (pre-floor ratio)	53.6%		Not app		
6 & 6a	Tier 1 ratio (%)	53.6%	26.2%	29.0%	34.4%	38.4%
6b	Tier 1 ratio (%) (pre-floor ratio)	53.6%		Not app		
7 & 7a	Total capital ratio (%)	54.0%	26.5%	29.4%	34.8%	38.9%
7b	Total capital ratio (%) (pre-floor ratio)	54.0%		Not app	olicable	
	Additional CET1 buffer requirements (as a percentage of	<u> </u>	T			
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.4%	0.4%	0.8%	0.8%	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%	3.3%	3.3%	3.3%
12	CET1 available after meeting the AI's minimum capital requirements (%) ¹	46.0%	18.5%	21.4%	26.8%	30.9%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	9,470,418	8,032,479	7,490,103	7,127,863	6,445,172
13a	LR exposure measure based on mean values of gross assets of SFTs	9,470,418	Not applicable			
14, 14a & 14b	LR (%)	15.6%	9.1%	10.8%	12.1%	14.4%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	15.6%	Not applicable			
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance	e Ratio (LMR)				
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	Not applicable				
16	Total net cash outflows	Not applicable				
17	LCR (%)	Not applicable				
	Applicable to category 2 institutions only:					
17a	LMR $(\%)^2$	206.9%	181.9%	203.2%	216.2%	235.6%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institutions only:					
18	Total available stable funding	Not applicable				
19	Total required stable funding	Not applicable				
20	NSFR (%)	Not applicable				
	Applicable to category 2A institutions only:					
20a	CFR (%)			Not applicable		

REGULATORY DISCLOSURE STATEMENTFor the quarter ended 31 March 2025

PILLAR 3 DISCLOSURE (CONTINUED)

a. Template KM1: Key Prudential Ratios (continued)

- Note 1: CET1 available after meeting the AI's minimum capital requirements is calculated as the CET1 ratio less the sum of the 4.5% minimum CET1 requirement under BCR s3B and other CET1 capital required to meet the 8% minimum total capital requirements.
- Note 2: The LMR disclosed above represent the arithmetic mean of the average LMR of the 3 calendar months within each quarter respectively. The Bank is not required, under the Banking (Liquidity) Rules, to calculate Liquidity Coverage Ratio, Net Stable Funding Ratio, and Core Funding Ratio for its liquidity risk.

Capital injection during the quarter led to the increase in regulatory capital (row 1 & 1a; row 2 & 2a; row 3 & 3a), risk-based regulatory capital ratios (row 4 and row 4a; row 5 & 5a and row 5b; row 6 & 6a and row 6b; row 7 & 7a and row 7b), CET1 available after meeting the AI's minimum capital requirements (%) (row 12) and Basel III leverage ratio (row 13; row 14, 14a & 14b).

Increase in average LMR (%) during Q1 2025 was mainly due to the increase in liquifiable assets driven by capital injection and increase in customer deposits during the quarter.

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PILLAR 3 DISCLOSURE (CONTINUED)

b. Template OV1: Overview of Risk-Weighted Assets

The CAR of the Bank were calculated in accordance with the BCR. The Bank uses the following approaches to calculate its capital charge for:

(a) credit risk: STC approach

(b) market risk: SSTM approach; and

(c) operational risk: BI Approach pursuant to Division 3 of Part 9 of the BCR.

The disclosure on minimum capital requirement is made by multiplying the Bank's RWA derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

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PILLAR 3 DISCLOSURE (CONTINUED)

b. Template OV1: Overview of Risk-Weighted Assets (Continued)

		(a)	(c)		
		RWA		Minimum capital	
		As at As at 31 December		requirements As at	
		31 March 2025 HKD'000	2024 HKD'000	31 March 2025 HKD'000	
1	Cradit rick for non convritization avnocuras	2,668,817	2,676,013		
2	Credit risk for non-securitization exposures			213,505	
2a	Of which STC approach Of which BSC approach	2,668,817	2,676,013	213,505	
2a 3	Of which foundation IRB approach	<u> </u>		- 1 -	
4	Of which supervisory slotting criteria approach	- -	<u> </u>	<u>-</u>	
5	Of which advanced IRB approach	<u> </u>	<u> </u>	<u> </u>	
5a	Of which retail IRB approach	- -	<u> </u>		
5b	Of which specific risk-weight approach	-	<u> </u>	-	
6	Counterparty credit risk and default fund contributions	<u> </u>		<u> </u>	
7	Of which SA-CCR approach	<u>-</u>	<u> </u>	-	
7a	Of which SA-CCK approach Of which CEM	<u> </u>	<u> </u>	<u>-</u>	
8	Of which IMM(CCR) approach	<u> </u>		<u> </u>	
9	Of which others	-	<u> </u>	<u> </u>	
10	CVA risk	-		-	
	Equity positions in banking book under the simple risk-weight	-			
11	method and internal models method	Not applicable			
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	Not applicable			
13	CIS exposures – mandate-based approach		Not applicable		
14	CIS exposures – fall-back approach	Not applicable			
14a	CIS exposures – combination of approaches		Not applicable		
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	550	563	44	
21	Of which STM approach	-	563	-	
22	Of which IMA	-	-	-	
22a	Of which SSTM approach	550	Not applicable	44	
23	Capital charge for moving exposures between trading book and banking book	Not applicable			
24	Operational risk	84,913	104,788	6,793	
24a	Sovereign concentration risk	-	-	-	
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-	
26	Output floor level applied	-	-		
27	Floor adjustment (before application of transitional cap)	-	-		
28	Floor adjustment (after application of transitional cap)		Not applicable	•	
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	2,754,280	2,781,364	220,342	
	2 0 mi	2,737,200	2,701,304	220,342	

Movements in operational risk RWA were mainly due to the calculation method changed after the implementation of Basel III reform in Q1 2025.

REGULATORY DISCLOSURE STATEMENTFor the quarter ended 31 March 2025

PILLAR 3 DISCLOSURE (CONTINUED)

c. Template LR2: Leverage Ratio

Con-balance sheet exposures				
On-balance sheet exposures				
On-balance sheet exposures On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral) Gross-up for derivative contracts collateral provided where deducted from balance sheet exposures (excluding derivative contracts sheet assets pursuant to the applicable accounting standard Less: Deductions of receivables assets for eash variation margin provided under derivative contracts (excluding derivative contracts) Less: Aginstment for securities received under SFTs that are recognised as an asset that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,06 that are deducted from Tier 1 capital (19,001) (23,001)			March	As at 31 December 2024
On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral) Possible of the collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard Less: Deductions of receivables assets for cash variation margin provided under derivative contracts Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital (19,001) (23,06 Less: Asset amounts deducted in determining Tier 1 capital (19,001) (23,06 Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6) (sum of rows 1 to 12) (sum of rows 1 to 1			HKD'000	HKD'000
On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral) Possible of the collateral provided where deducted from balance sheet sasets pursuant to the applicable accounting standard Commonstrative contracts Commonstrative	On-ba	ance sheet exposures		
Gross-up for derivative contracts collateral provided where deducted from balance sheet sasest pursuant to the applicable accounting standard Less: Deductions of receivables assets for cash variation margin provided under derivative contracts Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Ter I capital that are deducted from Ter I capital (19,001) (23,06 for Total on-balance sheet exposures (12,597) (11,33 for Total on-balance sheet exposures (sum of rows 1 to 6) (19,001) (23,06 for Total on-balance sheet exposures (sculding derivative contracts and SFTs) (sum of rows 1 to 6) (sum of rows 1 to 1 t		On-balance sheet exposures (excluding derivative contracts and SFTs, but including	9,475,525	8,042,454
Less: Deductions of receivables assets for cash variation margin provided under derivative contracts Less: Adjustment for securities received under SFTs that are recognised as an asset Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier I capital Eless: Asset amounts deducted in determining Tier I capital (19,001) (23,06) Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6) Exposures arising from derivative contracts Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting) Add-on amounts for PFE associated with all derivative contracts Less: Exempted CCP leg of client-cleared trade exposures Less: Exempted CCP leg of client-cleared trade exposures Less: Exempted CCP leg of client-cleared trade exposures Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts Total exposures arising from derivative contracts (sum of rows 8 to 12) Exposures arising from SFTs Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions CCR exposure for SFT assets (with no recognition of netting), after adjusting for sale accounting transactions CCR exposures arising from SFTs (sum of rows 14 to 17) Other off-balance sheet exposures CCR exposures arising from SFTs (sum of rows 14 to 17) Other off-balance sheet exposure at gross notional amount 266,528 244,2 Less: Adjustments for conversion to credit equivalent amounts (162) Less: Adjustments for conversion to credit equivalent amounts Less: Adjustment for sole contracts of the area deducted from Tier I capital Less: Agical contracts of the sum of rows 19 to 21) CF balance sheet exposure at gross notional amount 25 & 244,24 26 Off-balance sheet exposure at gross notional amount 27 Applicable leverage tratio requirement	2	Gross-up for derivative contracts collateral provided where deducted from balance	-	-
Less: Adjustment for securities received under SFTs that are recognised as an asset Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital Less: Asset amounts deducted in determining Tier 1 capital Less: Asset amounts deducted in determining Tier 1 capital Less: Asset amounts deducted in determining Tier 1 capital Less: Asset amounts deducted in determining Tier 1 capital Less: Asset amounts deducted in determining Tier 1 capital Replacement cost associated with all derivative contracts and SFTs) (sum of rows 1 to 6) Exposures arising from derivative contracts Replacement cost associated with all derivative contracts Replacement cost associated with all derivative contracts Less: Exempted CCP leg of client-cleared trade exposures Less: Exempted control on amount of written credit-related derivative contracts Less: Exempted control on amount for PEE of written credit-related derivative contracts Total exposures arising from derivative contracts (sum of rows 8 to 12) Less: Exempted CCP leg of client-cleared derivative contracts Total exposures arising from SFTs Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions Less: Netted amounts of cash payables and cash receivables of gross SFT assets Less: Netted amounts of cash payables and cash receivables of gross SFT assets Less: Specific and collective provisions associated with off-balance sheet exposures Off-balance sheet exposures Off-balance sheet exposures at gross notional amount 266,528 Less: Specific and collective provisions associated with off-balance sheet exposures with a receivables of gross assets of SFTs (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables Not applicable variation and netted	3	Less: Deductions of receivables assets for cash variation margin provided under	-	-
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Less: Asset amounts deducted in determining Tier 1 capital	5	Less: Specific and collective provisions associated with on-balance sheet exposures	(12,597)	(11,336)
Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	6		(19,001)	(23,060)
Sum of rows 1 to 6		Total on-balance sheet exposures (excluding derivative contracts and SFTs)	` ` ` `	8,008,058
Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting) Add-on amounts for PFE associated with all derivative contracts Less: Exempted CCP leg of client-cleared trade exposures Adjusted effective notional amount of written credit-related derivative contracts Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts Total exposures arising from derivative contracts (sum of rows 8 to 12) Exposures arising from SFTS 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) 19 Off-balance sheet exposures 19 Off-balance sheet exposures 20 Less: Adjustments for conversion to credit equivalent amounts 22 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) 23 Tier 1 capital 14 Total exposures 24 Total exposures 25 & Leverage ratio 26 Minimum leverage ratio requirement 27 Applicable leverage buffers Not applicable Disclosure of mean values Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables Postocounting transactions and netted of amounts of associated cash payables and cash receivables Postocounting transactions and netted amounts of associated cash payables and cash receivables Postocounting transactions and netted amounts of associated cash payables and cash receivables Postocounting transactions and netted amounts of associated cash payables and cash receivables Cross amount of SFT assets, after adjustment for sale accounting tra	Evmoor			
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Less: Exempted CCP leg of client-cleared trade exposures -		eligible cash variation margin and/or with bilateral netting)	-	-
Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts Total exposures arising from derivative contracts (sum of rows 8 to 12) Exposures arising from SFTS 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 exposures 19 Off-balance sheet exposure at gross notional amount 266,528 244.20 20 Less: Adjustments for conversion to credit equivalent amounts 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) 23 Tier 1 capital 1,477,562 729,66 24 Total exposures (sum of rows 7, 13, 18 and 22) 25 & Total exposures (sum of rows 7, 13, 18 and 22) 28 Minimum leverage ratio 29 Applicable leverage buffers Not applicable 29 Men value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables Oquarter-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 Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables 10 Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables 10 Quarter-end value of gross amount of SFT assets, after adju	-		-	
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Total exposures arising from derivative contracts (sum of rows 8 to 12)	12		-	-
Cross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions -	13		-	-
15 Less: Netted amounts of cash payables and cash receivables of gross SFT assets -	Exposi	res arising from SFTs		
Less: Netted amounts of cash payables and cash receivables of gross SFT assets -	14		-	-
17 Agent transaction exposures	15		1	_
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 266,528 244,20 20 Less: Adjustments for conversion to credit equivalent amounts (239,875) (219,78 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) 26,491 24,43 Capital and total exposures 23 Tier 1 capital 1,477,562 729,63 24 Total exposures (sum of rows 7, 13, 18 and 22) 9,470,418 8,032,44 Leverage ratio 25 & 25a Leverage ratio 25 & 25a 25a 26 Minimum leverage ratio requirement 33% 33 27 Applicable leverage buffers Not applicable 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 & 30 & 30 & 30 & 30 & 30 & 30 & 30		CCR exposure for SFT assets	-	-
Other off-balance sheet exposures 266,528 244,21			-	-
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Less: Adjustments for conversion to credit equivalent amounts (239,875) (219,78]		off-balance sheet exposures	255.520	244.200
Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital 20 Off-balance sheet items (sum of rows 19 to 21) 21 Tier 1 capital 22 Tier 1 capital 23 Tier 1 capital 24 Total exposures (sum of rows 7, 13, 18 and 22) 25 & 25a 26 Minimum leverage ratio 27 Applicable leverage buffers 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 30 & 30 & 30 & 30 & 30 & 30 & 30 & 30				244,209
that are deducted from Tier 1 capital 22 Off-balance sheet items (sum of rows 19 to 21) Capital and total exposures 23 Tier 1 capital 24 Total exposures (sum of rows 7, 13, 18 and 22) Leverage ratio 25 & 25a		Less: Specific and collective provisions associated with off-balance sheet exposures	, , ,	(219,788)
Capital and total exposures		that are deducted from Tier 1 capital	` ′	24 421
Tier 1 capital 1,477,562 729,63			26,491	24,421
Total exposures (sum of rows 7, 13, 18 and 22) 9,470,418 8,032,4*			1 477 562	729 652
Leverage ratio 25 & 25a Leverage ratio 15.6% 9.1° 26 Minimum leverage ratio requirement 3% 3° 27 Applicable leverage buffers 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 Ouarter-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 Not applicable 29 Applicable Ouarter-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 & 30 & 30 & 30 & 30 & 30 & 30 & 30				
Leverage ratio 15.6% 9.19			2,470,410	0,032,477
Minimum leverage ratio requirement 3% 3 3 27 Applicable leverage buffers Not applicable Disclosure of mean values 28	25 &		15.6%	9.1%
27 Applicable leverage buffers 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 & 30 & 30 & 30 & 30 & 30 & 30 & 30		Minimum leverage ratio requirement	3%	3%
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payables and cash receivables)	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	15.6%	Not applicable

Capital injection during the quarter led to the increase in on-balance sheet exposures (row 1 and row 7), total exposures (row 24) and Tier 1 capital (row 23). This also led to increase in leverage ratio (row 25 & 25a).

REGULATORY DISCLOSURE STATEMENTFor the quarter ended 31 March 2025

Glossary

<u>Abbreviations</u> <u>Descriptions</u>

AI Authorized Institution
BCR Banking (Capital) Rules
BDR Banking (Disclosure) Rules

BI Business Indicator

BSC Basic

CAR Capital Adequacy Ratio
CCP Central Counterparty
CEM Current Exposure Method
CET1 Common Equity Tier 1
CFR Core Funding Ratio

CIS Collective Investment Scheme
CVA Credit Valuation Adjustment

D-SIB Domestic Systemically Important Banks
G-SIB Global Systemically Important Banks

HKD Hong Kong Dollar

HQLA High Quality Liquid Assets
IAA Internal Assessment Approach
IMA Internal Models approach

IMM(CCR) Internal Models (Counterparty Credit Risk)

IRB Internal Ratings-Based
LCR Liquidity Coverage Ratio
LMR Liquidity Maintenance Ratio

LR Leverage Ratio

NSFR Net Stable Funding Ratio
PFE Potential Future Exposure

RW Risk Weight

RWA Risk Weighted Amount

SA-CCR Standardized 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
the Bank Fusion Bank Limited

the MA Hong Kong Monetary Authority