

KDB Asia Limited

**Regulatory Disclosures (Unaudited)
31 December 2025**

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KDB Asia Limited

Table OVA: Overview of risk management

OVA

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KDB Asia Limited ("KDBA" or the "Company") is a wholly owned subsidiary of Korean Development Bank ("KDB") and falls under the KDB risk management framework. Under this structure, the Company has established policies and procedures, in line with the requirements set out by both the HKMA and other regulators to identify and analyse key possible risks that the Company may be affected, to set appropriate risk limits and to implement controls, and to monitor such risks and limits continually by means of reliable and up-to-date management and information systems. This framework enables the Board and Senior Management to discharge their risk management-related responsibilities with appropriate delegation and checks and balances. The Company continuously modifies and enhances its risk management policies and systems to reflect the changes in its operations, financial markets, and regulatory requirements.

The Company maintains risk management systems to measure and monitor exposures, identify areas of high risk, and ensure that the magnitude of risk is within the tolerance level. In particular, the credit, market and operational risk management systems are also used for assessing the capital adequacy.

Credit risks measurement system

The Company has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Company's risk management policy. These policies stipulate delegated lending authorities, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practices in risk management processes.

Market risks measurement system

The Company has formulated market risk management to identify, measure, monitor, control, and report on the market risk, where appropriate, to allocate adequate capital to cover those risks. The Company's market risk is measured using the Sensitivity Risk Charge ("SRC") method. The SRC limits—incorporating FX, general interest rate, and credit spread risk charges—are established annually by the KDB Head Office, and monitored on a daily basis through the Head Office's system.

Other market risk control limits are approved by the Board and are monitored and regularly reviewed to align with market changes, statutory requirements, and best practices in risk management processes. For measuring and monitoring of market risk, market risk analysis is conducted on different dimensions, such as by risk factors, by regions, by currencies in the form of potential loss and impact to capital adequacy. Risk limits and management action triggers are set with reference to the nature, volume of transaction and risk appetite of the Company. Hedging and risk mitigation are performed corresponding to the market risk exposures. Various strategies, including the use of traditional market instruments, such as interest rate swaps, are adopted by the Company according to the complexity of the corresponding portfolio.

Relevant departments are established policies and procedures on market risk. Such policies and procedures taken into account of relevant regulations and guidelines from the HKMA, other regulators, and KDB, and provide detailed guidance for the day-to-day implementation and management of those risks. Also such policies and procedures already considered market risk limits for new purchases, existing securities portfolio, and derivatives, and, as appropriate, should address exposures for individual instruments, instrument types, and portfolios. These limits are integrated with limits established by the appropriate departments of the Company.

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Operational risks measurement system

Operational risks refer to possible losses which may occur due to misleading internal procedures, employees, systems and external incidents. Operational risk is closely monitored via MIS reports with analysis and quantification of each risk levels and managed accordingly by the Management.

Through a Control Self-Assessment ("CSA") program implemented at annual basis, concerned employees have to assess potential operational risks, associated with their job activities in order to ascertain that such risks are properly managed in accordance with established guidelines. Business continuity plans has developed by job function to guard against possible business disruptions due to disasters, strikes and other emergencies. Yearly mock-up drills are held to ensure that major operations of the Company can be resumed within a target timeframe in case of an emergency.

Interest rate risks measurement system

Interest rate risks refer to possible losses that might occur when interest rate movements negatively affect the Company's financial status. In addition to the general interest rate risk monitoring using the SRC method, continual monitoring of interest rate Value at Risk ("VaR") is ensured, which measures the reduction of net present value ("NPV") with regular simulations based on scenarios of interest rate fluctuations; and through interest rate Earnings at Risk ("EaR"), which measures the decrease of net interest income.

The Company effectively manages risks under the following principle to respond to the rapidly changing financial environments.

Risk Management Principles

- Identifying risk

To properly identify risks, the Company must recognize and understand existing risks or risks that may arise from new business initiatives. Risk identification should be a continuing process, and should occur at both the transaction and portfolio level.

- Measuring risk

Accurate and timely measuring risk is essential to effective risk management system. Therefore, the Company should establish and maintain a risk management system with the ability to control or monitor risk levels. Further the more complex the risk, the more sophisticated should be the tool that measures it. The Company should periodically test to make sure that the measurement tools it uses are accurate. Good risk measurement systems assess the risk of both individual transactions and portfolios.

- Monitoring risk

The Company should monitor risk levels to ensure timely review of risk positions and exceptions. Monitoring reports should be frequent, timely, accurate, and informative and should be distributed to appropriate parties to ensure action is properly taken, when needed.

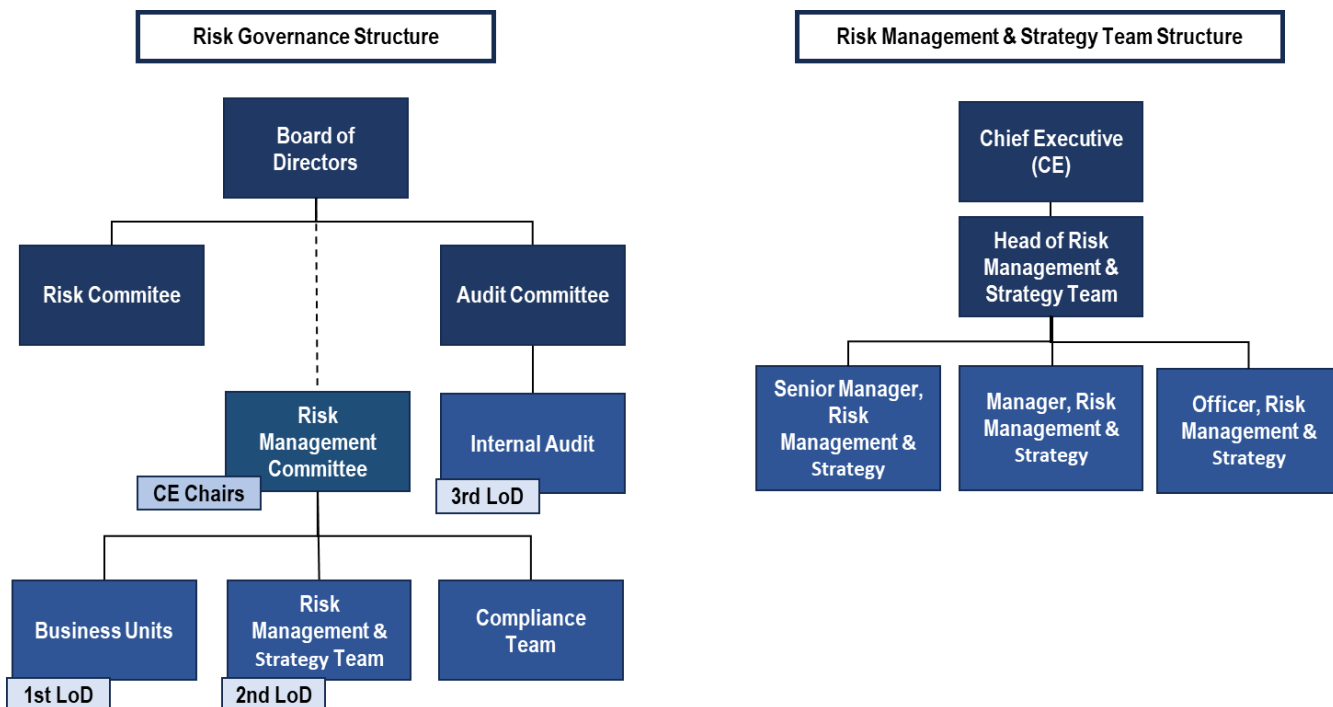
- Controlling risk

The Company should establish and communicate control limits through policies, standards, and procedures that define responsibility and authority. These control limits should be a valid management tool. The Management should be able to adjust them when conditions or risk tolerance levels changed. The Company should have a process to authorize exceptions or changes to risk limits when warranted.

- Risks must be managed within the pre-established limits or guidelines in order to prevent undue exposure.

The Risk Governance Structure

KDBA’s risk governance structure operates based on the 3 lines of defense (“LoD”) principles, in which each Business Unit serves as the 1st line of defense in risk management while carrying out their daily operations, the Risk Management & Strategy Team serves as the 2nd line of defense managing the day-to-day risk related matters across the Company, and the Internal Audit function serves as the 3rd line of defense. The structure is further demonstrated below:



- Board of Directors (“BOD”) and Risk Committee (“RC”)

General oversight and governance of the Company’s risk management, such as establishing or updating relevant policies and procedures, is reported to the Board of Directors. Risk-related matters, such as approving the Company’s risk appetite and tolerance levels, are reported to the Risk Committee, to which the Board of Directors has delegated responsibility and authority to oversee KDBA’s risk management.

- Risk Management Committee (“RMC”)

The RMC stands at the highest level of the Company’s risk governance structure below the BOD and provides direct oversight over all risk management related matters. As an operational-level committee, the RMC is responsible for reviewing and managing all risks assumed in the course of business of the Company, including but not limited to market, liquidity, credit, country, legal, reputation, strategic and operational risks and limits and the policies and procedures designed to mitigate these risks. The RMC also oversees the formulation of the Company’s institutional risk appetite, and sets the levels of risk that the Company is willing to undertake with regard to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements. It will also review all proposed new products before they are launched.

The RMC is held at least on a monthly basis and at any time as the Management deems necessary to warrant the attention of the Company. The Company reports to the KDB on a monthly basis and KDB closely monitors the Company’s risk management performance.

- Audit Committee (“AC”)

The Board of the Company delegated the responsibility and authority to oversee the integrity of the Company’s financial reporting and disclosures, effectiveness of its internal controls, and external and internal auditors, to the Audit Committee. The external and internal auditors report directly to the AC to ensure independence.

KDB Asia Limited
Disclosure on key prudential ratios
31-Dec-25

		(a)	(b)	(c)	(d)	(e)
		31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24
		US\$	US\$	US\$	US\$	US\$
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	660,174,086	656,705,444	638,117,317	627,686,469	614,290,186
2	Tier 1	660,174,086	656,705,444	638,117,317	627,686,469	614,290,186
3	Total capital	667,268,125	663,779,880	643,842,279	632,060,392	616,706,546
RWA (amount)						
4	Total RWA	3,516,829,904	3,387,157,354	3,480,816,377	3,337,405,648	3,151,279,087
4a	Total RWA (pre-floor)	3,516,829,904	3,387,157,354	3,480,816,377	3,337,405,648	3,151,279,087
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	18.77%	19.39%	18.33%	18.81%	19.49%
5b	CET1 ratio (%) (pre-floor ratio)	18.77%	19.39%	18.33%	18.81%	19.49%
6 & 6a	Tier 1 ratio (%)	18.77%	19.39%	18.33%	18.81%	19.49%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.77%	19.39%	18.33%	18.81%	19.49%
7 & 7a	Total capital ratio (%)	18.97%	19.60%	18.50%	18.94%	19.57%
7b	Total capital ratio (%) (pre-floor ratio)	18.97%	19.60%	18.50%	18.94%	19.57%
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 (%)	0.59%	0.60%	0.55%	0.55%	0.52%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	3.09%	3.10%	3.05%	3.05%	3.02%
12	CET1 available after meeting the AI's minimum capital requirements (%)	14.27%	14.89%	13.83%	14.31%	14.99%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	4,068,804,298	3,761,585,762	3,957,955,906	3,678,134,194	3,504,542,923
13a	LR exposure measure based on mean values of gross assets of SFTs	-	-	-	-	-
14, 14a & 14b	LR (%)	16.23%	17.46%	16.12%	17.07%	17.53%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	-	-	-	-	-
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institution only:		NA	NA	NA	NA	NA
15	Total high quality liquid assets (HQLA)					
16	Total net cash outflows					
17	LCR (%)					
Applicable to category 2 institution only:						
17a	LMR (%)	114.81%	123.19%	119.30%	121.60%	131.56%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
Applicable to category 1 institution only:		NA	NA	NA	NA	NA
18	Total available stable funding					
19	Total required stable funding					
20	NSFR (%)					
Applicable to category 2A institution only:		NA	NA	NA	NA	NA
20a	CFR (%)					

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Disclosure on overview of RWA
31-Dec-25

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Dec-25	30-Sep-25	31-Dec-25
		US\$	US\$	US\$
1	Credit risk for non-securitization exposures	2,666,991,297	2,578,580,530	213,359,303
2	Of which STC approach	-	-	-
2a	Of which BSC approach	2,666,991,297	2,578,580,530	213,359,303
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	1,817,814	2,632,020	145,425
7	Of which SA-CCR approach	1,743,601	2,553,181	139,488
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	-	-	-
10	CVA risk	1,743,590	2,553,205	139,487
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	-	-	-
13	CIS exposures – mandate-based approach	665,365,280	652,697,625	53,229,222
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures - combination of approaches	-	-	-
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	18,517,692	20,602,564	1,481,416
21	Of which STM approach	-	-	-
22	Of which IMA	-	-	-
22a	Of which SSTM approach	18,517,692	20,602,564	1,481,416
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	162,394,231	130,091,410	12,991,538
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)	N/A	N/A	N/A
	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	3,516,829,904	3,387,157,354	281,346,391

N/A: Not applicable in the case of Hong Kong

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Disclosure on differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

31-Dec-25

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				not subject to capital requirements or subject to deduction from capital
			Subject to credit risk framework	Subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework*	
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Assets							
Cash and balances with banks and other financial institutions	2,964,605	2,964,605	2,964,605	-	-	-	-
Placements with banks and other financial institutions	298,376,242	298,376,242	298,376,242	-	-	-	-
Financial assets at fair value through profit or loss	184,879,138	184,879,138	184,801,119	1,369,054	-	1,369,054	-
Loans and advances	2,060,157,817	2,062,734,254	2,062,734,254	-	-	-	-
Financial assets at fair value through other comprehensive income	530,521,160	525,759,233	525,759,233	-	-	-	4,761,927
Financial assets at amortised cost	599,232,233	599,232,233	569,518,260	-	29,713,973	-	-
Property and equipment	2,259,152	2,259,152	2,259,152	-	-	-	-
Right-of-use assets	8,041,349	8,041,349	8,041,349	-	-	-	-
Tax recoverable	641,163	641,163	641,163	-	-	-	-
Interest receivable and other assets	73,619,316	73,619,316	73,504,314	-	-	-	-
Total Assets	3,760,692,175	3,758,506,685	3,728,599,691	1,369,054	29,713,973	1,369,054	4,761,927
Liabilities							
Deposits and balances of banks and other financial institutions	2,090,464,776	2,090,464,776	-	-	-	-	2,090,464,776
Financial liabilities at fair value through profit or loss	1,676,090	1,676,090	-	-	-	-	1,676,090
Certificates of deposit issued	973,583,991	973,583,991	-	-	-	-	973,583,991
Lease liabilities	8,363,043	8,363,043	-	-	-	-	8,363,043
Interest payable and other liabilities	18,883,271	18,883,271	-	-	-	-	18,883,271
Deferred tax liabilities	2,563,100	2,563,100	-	-	-	-	2,563,100
Total liabilities	3,095,534,271	3,095,534,271	-	-	-	-	3,095,534,271

* For the purpose of this template, column (f) also includes items subject to CVA risk framework.

KDB Asia Limited**Disclosure on main sources of differences between regulatory exposure amounts and carrying values in financial statements****31-Dec-25**

		(a)	(b)	(c)	(d)	(e)
		Total	Items subject to:			
			credit risk framework	securitization framework	counterparty credit risk framework	market risk framework*
		US\$	US\$	US\$	US\$	US\$
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	3,753,744,758	3,728,599,691	29,713,973	1,369,054	1,369,054
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	3,753,744,758	3,728,599,691	29,713,973	1,369,054	1,369,054
4	Off-balance sheet amounts	671,913,875	281,275,724	-	-	-
5	Differences due to prepaid interest on CD Issued	-	4,241,650	-	-	-
6	Differences due to consideration of provisions	-	6,718,244	293,157	-	-
7	Differences due to collaterals against loans and advances	-	-	-	-	-
8	Differences due to default risk exposures for SFTs	-	-	-	-	-
9	Differences due to potential exposures for counterparty credit	-	-	-	11,059,604	-
10	Exposure amounts considered for regulatory purposes	4,064,640,151	4,020,835,309	30,007,130	12,428,658	1,369,054

* For the purpose of this template, column (e) also includes items subject to CVA risk framework.

KDB Asia Limited**Explanations of differences between accounting and regulatory exposure amounts**

31-Dec-25

The following table describes the sources of differences from financial statements amounts to regulatory exposure amounts, as displayed in templates LI1 and LI2:

a) Differences between the amounts in columns (a) and (b) in template LI1	<p>The differences are mainly attributable to the following factor:</p> <ul style="list-style-type: none"> - The carrying values reported in the financial statement are reported according to netting principal of relevant accounting stanard, while the exposure amounts for regulatory purposes are reported in gross values.
(b) The main drivers for the differences between accounting values and amounts considered for regulatory purposes shown in template LI2	<p>The differences are mainly attributable to the following factors:</p> <ul style="list-style-type: none"> -The carrying values reported in the financial statement are reported according to netting principal of relevant accounting stanard, while the exposure amounts for regulatory purposes are reported in gross values. - The carrying values reported in the financial statement are after deduction of general and specific provisions while the exposure amounts for regulatory purposes are before deducting specific provisions; - Counterparty credit risk exposures for regulatory purposes consist of both the current exposures and the potential exposures which are derived by applying the credit conversion factor (CCF) to the notional principal of the transactions or contracts.
(c) Systems and controls applied to assets valuation	<p>As part of the control process, fair value of financial instruments are determined with reference to external quoted market prices or observable model inputs and validated against secondary sources when appropriate.</p> <p>Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information.</p> <p>Fair values of equity and debt securities that are traded in active markets are based on quoted market prices or dealer price quotations.</p> <p>Fair values of unlisted open-ended investment funds is estimated using the net asset value as reported by the managers of such funds.</p> <p>The Company uses discounted future cash flow models for determining the fair value of interest rate swaps that use only observable market data and require little management judgement and estimation.</p> <p>All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:</p> <p>Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities</p> <p>Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly</p> <p>Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable</p>

KDB Asia Limited
Disclosure on prudent valuation adjustments
31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
1	Close-out uncertainty, of which:	-	-	-	-	-	-	-	-
2	<i>Mid-market value</i>	-	-	-	-	-	-	-	-
3	<i>Close-out costs</i>	-	-	-	-	-	-	-	-
4	<i>Concentration</i>	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risks	-	-	-	-	-	-	-	-
8	Investing and funding costs						-	-	-
9	Unearned credit spreads						-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other adjustments	-	-	-	-	-	-	-	-
12	Total adjustments	-	-	-	-	-	-	-	-

Explanatory Note	
All	Assets which measured at fair value are based on quoted prices in active markets. No related valuation adjustments are made.

KDB Asia Limited
Disclosure on composition of regulatory capital
31-Dec-25

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		At 31-Dec-2025 US\$	
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	240,000,000	3
2	Retained earnings	422,040,828	4+5+6
3	Disclosed reserves	3,117,076	7
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	665,157,904	
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)	-	
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)	-	2
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	4,983,818	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	-	
26b	Regulatory reserve for general banking risks	4,983,818	5
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	4,983,818	
29	CET1 capital	660,174,086	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
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	-	

KDB Asia Limited
Disclosure on composition of regulatory capital
31-Dec-25

	(a)	(b)
	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	At 31-Dec-2025 US\$	
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	-	
45 Tier 1 capital (T1 = CET1 + AT1)	660,174,086	
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	11,855,966	1+5
51 Tier 2 capital before regulatory deductions	11,855,966	
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)	4,761,927	8
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	4,761,927	
58 Tier 2 capital (T2)	7,094,039	
59 Total capital (TC = T1 + T2)	667,268,125	
60 Total RWA	3,516,829,904	
Capital ratios (as a percentage of RWA)		
61 CET1 capital ratio	18.77%	
62 Tier 1 capital ratio	18.77%	
63 Total capital ratio	18.97%	
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.09%	
65 of which: capital conservation buffer requirement	2.50%	
66 of which: bank specific countercyclical capital buffer requirement	0.59%	
67 of which: higher loss absorbency requirement	-	
68 CET1 (as a percentage of RWA) available after meeting minimum capital requirements	14.27%	
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
71 National Total capital minimum ratio	Not applicable	Not applicable

KDB Asia Limited
Disclosure on composition of regulatory capital
31-Dec-25

	(a)	(b)
	Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	At 31-Dec-2025 US\$	
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
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	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)	7,094,039
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	7,094,039
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	-

Notes:

Row No.	Description	Hong Kong basis (US\$)	Basel III basis (US\$)
54	<p>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)</p> <p><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.</p>	4,761,927	4,761,927
<p>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.</p>			

Abbreviations:

CET1: Common Equity Tier 1

AT1: Additional Tier 1

KDB Asia Limited
Disclosure on reconciliation of regulatory capital to balance sheet
31-Dec-25

	Balance sheet as in published financial statements At 31-Dec-25 US\$	Reference to the composition of regulatory capital
ASSETS		
Cash and balances with banks and other financial institutions	2,964,605	
Placements with banks and other financial institutions	298,376,242	
<i>of which: collective assessed provisions reflected in regulatory capital</i>	123,758	1
Financial assets at fair value through profit or loss	184,879,138	
<i>of which: 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)</i>	4,761,927	8
Loans and advances	2,060,157,817	
<i>of which: collective assessed provisions reflected in regulatory capital</i>	5,807,699	1
Financial assets at fair value through other comprehensive income	530,521,160	
Financial assets at amortised cost	599,232,233	
<i>of which: collective assessed provisions reflected in regulatory capital</i>	462,781	1
Property and equipment	2,259,152	
Right-of-use assets	8,041,349	
Tax recoverable	641,163	
Interest receivable and other assets	73,619,316	
<i>of which: collective assessed provisions reflected in regulatory capital</i>	41,053	1
TOTAL ASSETS	3,760,692,175	
EQUITY AND LIABILITIES		
LIABILITIES		
Deposits and balances of banks and other financial institutions	2,090,464,776	
Financial liabilities at fair value through profit or loss	1,676,090	
Certificates of deposit issued	973,583,991	
Lease liabilities	8,363,043	
Interest payable and other liabilities	18,883,271	
<i>of which: collective assessed provisions reflected in regulatory capital</i>	436,856	1
Deferred tax liabilities	2,563,100	
<i>of which: Deferred tax assets related to defined benefit pension fund reflected in regulatory capital</i>	-	2
TOTAL LIABILITIES	3,095,534,271	
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	240,000,000	3
Reserves	425,157,904	
<i>of which: Retained profits</i>	371,636,098	4
<i>: Regulatory reserve</i>	4,983,818	5
<i>: Current profit/(loss)</i>	45,420,912	6
<i>: accumulated other comprehensive income</i>	3,117,076	7
TOTAL EQUITY	665,157,904	
TOTAL EQUITY AND LIABILITIES	3,760,692,175	

KDB Asia Limited
Disclosure on main features of regulatory capital instrument
31-Dec-25

		(a)
		Quantitative / qualitative information
1	Issuer	KDB Asia Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Hong Kong Special Administrative Region of the People's Republic of China
	<i>Regulatory treatment</i>	
4	Transitional Basel III rules	NA
5	Basel III rules	Common Equity Tier 1
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 million, as of most recent reporting date)	US\$ 240 Million
9	Par value of instrument	US\$ 1 each
10	Accounting classification	Shareholders' equity
11	Original date of issuance	31 Jul 2019 (US\$ 100 Million) 23 Feb 2007 (US\$ 50 Million) 18 Mar 2005 (US\$ 20 Million) 24 Jul 2002 (US\$ 10 Million) 20 Sep 1999 (US\$ 25 Million) 29 Mar 1995 (US\$ 20 Million) 5 Mar 1990 (US\$ 5 Million) 20 Jan 1986 (US\$ 10 Million)
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step-up or other incentive to redeem	NA
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

Points to note:

⁽ⁱ⁾ An AI should report the main features of each outstanding regulatory capital instrument. For any item that is not applicable for a particular capital instrument, "NA" should be entered.

⁽ⁱⁱ⁾ In order to provide a "main features report" that summarises all of the regulatory capital instruments of the banking group, an AI should report each instrument, including ordinary shares, in a separate column of this template (by adding column (b), column (c) and so on).

⁽ⁱⁱⁱ⁾ An AI should select one of the standard options in the list as the input for a particular cell, where relevant. The following table provides a more detailed explanation of reporting requirements for each of the cells, and, where relevant, the list of standard options from which the AI should select as the input for a particular cell.

KDB Asia Limited**Disclosure on geographical distribution of credit exposures used in countercyclical capital buffer ("CCyB")****31-Dec-25**

CCyB ratio were compiled in accordance with the Banking (Capital) Rules issued by the HKMA. The Company's specific CCyB rate is calculated as the weighted average of the applicable jurisdictional CCyB rates, in respect of the jurisdictions (including Hong Kong) where the Company has private sector credit exposures. The weight to be attributed to a given jurisdiction's applicable CCyB rate is the ratio of the Company's aggregate risk-weighted amounts for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction (where the location of the exposures is determined as far as possible on an ultimate risk basis) to the sum of the Company's aggregate risk-weighted amounts across all jurisdictions in which the Company has private sector credit exposure. For a credit exposure guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures, are shown as follows:

Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio US\$	AI-specific CCyB ratio	CCyB amount US\$
Hong Kong SAR	0.500%	339,082,041		
Mainland China	-	339,454,785		
Australia	1.000%	77,401,586		
Denmark	2.500%	32,733,735		
France	1.000%	57,421,408		
Ireland	1.500%	105,577,770		
Luxembourg	0.500%	201,219,314		
Netherlands	2.000%	35,007,362		
South Korea	1.000%	540,922,402		
United Kingdom	2.000%	219,403,156		
Sum		1,948,223,559		
Total		2,876,807,406	0.589%	16,944,396

KDB Asia Limited**Disclosure on summary comparison of accounting assets against leverage ratio ("LR")
exposure measure**

31-Dec-25

	Item	Value under the LR framework US\$
1	Total consolidated assets as per published financial statements	3,760,692,175
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	14,232,927
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)	272,557,719
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	-
12	Other adjustments	21,321,477
13	Leverage ratio exposure measure	4,068,804,298
<i>Point to note:</i>		
<i>(i) a row shaded yellow represents an item that is not applicable to Hong Kong.</i>		

KDB Asia Limited
Disclosure on Leverage Ratio ("LR")
31-Dec-25

		(a)	(b)
		US\$	
		31-Dec-2025	30-Sep-2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	3,779,941,077	3,469,166,074
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	-	-
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	-	-
4	Less: Adjustment for securities received under SFTs that are recognised as an asset	-	-
5	Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	-	-
6	Less: Asset amounts deducted in determining Tier 1 capital	-	-
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	3,779,941,077	3,469,166,074
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)	2,072,575	3,068,001
9	Add-on amounts for PFE associated with all derivative contracts	14,232,927	17,785,557
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)	16,305,502	20,853,558
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	455,044,333	475,099,141
20	Less: Adjustments for conversion to credit equivalent amounts	(182,486,614)	(203,533,011)
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)	272,557,719	271,566,130
Capital and total exposures			
23	Tier 1 capital	660,174,086	656,705,444
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,068,804,298	3,761,585,762
Leverage ratio			
25 & 25a	Leverage ratio	16.23%	17.46%
26	Minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
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)	-	-
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)	-	-
<i>Point to note:</i>			
<i>(i) a row shaded yellow represents an item that is not applicable to Hong Kong.</i>			

1. Governance of risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Company's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

The management of liquidity risk within the Company is undertaken within a formal governance structure. The Board of Directors oversees the liquidity risk appetite and strategy of the Company, RMC reviews the key liquidity metrics in the context of the Company's overall risk profile on a monthly basis.

RMC chaired by the Chief Executive Officer and includes Head of Corporate Banking Team, Head of Risk Management & Strategy Team and Head of Trading & Treasury Team, sets metrics across a number of asset and liability targets. These targets are cascaded to the business and monitored by Risk Management & Strategy Team. Trading & Treasury Team has an overall responsibility for the daily monitoring and controlling of the Company's liquidity and funding positions. The Trading & Treasury Team is responsible for managing liquidity mismatches and interest rate exposure within RMC which approves limits.

RMC meets regularly on a monthly basis and additionally when necessary. The Company reports to the KDB on a monthly basis and KDB closely monitors the Company's risk management performance.

The Board of directors is ultimately responsible for liquidity risk management. The Company's liquidity management is overseen by the management which comprises the executive directors and senior managements. The liquidity risk is monitored in a manner by:

- Reviewing the current and prospective funding requirements for all operation through Liquidity Maintenance Ratio ("LMR"), statement of cash flows and mismatch profile;
- Holding sufficient high quality liquid assets of appropriate quality in order to ensure the short-term funding requirements are covered within the prudent limits;
- Extending maturity to cater the flexibility on the funding source;
- Diversifying funding sources besides inter bank borrowing, such as entering repo transactions etc.;
- Performing stress tests on cash flows and liquidity position;
- On-going monitoring the stability of funding sources and contingency measures for dealing with crisis situations;
- Setting risk tolerance limits and ratios and monitoring if these limits and ratios are breached.

2. Funding Strategy

The funding strategy is focused on building a strong funding profile that provides the Company with a stable and efficiently priced funding within the parameters of prudent liquidity management. This is achieved through diversification & flexibility.

Maintaining the funding diversity is a key element of the Company's funding strategy. Diversity is assessed from a number of perspectives including but not limited to the following:

- Currencies
- Type of Markets
- Maturity terms

Another key aspect of the strategy is to have the maximum flexibility to access the widest range of funding markets (such as money markets, capital markets). This approach enables the Company to adjust the sources of its funding based on market preferences and investor demands change.

3. Liquidity framework and liquidity risk mitigation techniques

The Company has an effective liquidity framework designed to deliver the appropriate term and structure of funding consistent with the Company's Liquidity Risk Appetite and in full compliance with regulatory requirements. The framework incorporates a range of ongoing business management tools to monitor, limit and perform stress-test the balance sheet and contingent liabilities:

- Setting limit which control the level of liquidity risk taken and drive the appropriate funds mixing. These reduce the likelihood that a liquidity stress event could lead to an inability to meet the Company's obligations as they fall due;
- Performing the stress test assess potential contractual and contingent outflows under a range of scenarios, which are then used to determine the size of the liquidity buffer that is immediately available to meet anticipated outflows if a stress occurred.

The Company strategy is to mitigate liquidity risk through the prudent implementation of various risk mitigation techniques such as:

- Holding liquid assets: The Company maintains a strong and high quality liquidity pool that consists exclusively of unencumbered assets, representing resources immediately available to meet outflows in a stress situation. The liquidity pool mainly comprises cash and balances and other highly liquefiable assets. The size of the liquidity pool is determined by the size of the stress outflows and in full compliance with regulatory guidelines, ensuring that the Company is able to meet its obligations as they fall due even in the event of a sudden and potentially protracted increase in net cash outflows.
- Diversifying of funding sources: The Company diversify funding sources across entities and on different maturities.
- Getting market access: the Company has lines of credit in place that it can access to meet liquidity needs.

4. Liquidity Stress test

The Company conducts stress tests based on severe but plausible scenarios which assumptions are commensurate with the Company's business size and nature. The Company adopts three scenarios including 1) Bank Specific Crisis, 2) General Market Crisis, and 3) Combined Crisis, which are in accordance with regulation by the Basel Committee on Banking Supervision, scenarios of Financial Sector Assessment Program and scenarios of KDB, respectively.

According to the three scenarios and relevant underlying assumptions, the Company conducts the test of its liquidity position at least on a quarterly basis or whenever necessary. The Company then reports the evaluated stress testing result to RMC and Risk Committee for review and approval. The scenarios and assumptions of the stress-testing are reviewed regularly by RMC, with any major changes endorsed by the Risk Committee.

5. Contingency funding plan

The management keeps aware of any warnings that may lead to a crisis on liquidity and takes appropriate actions to pre-empt of liquidity crisis. Emergency sources of funds would be mainly obtained by:

- Selling liquefiable assets;
- Reducing operation into a proper level;
- Obtaining funding from KDB.

KDB Asia Limited

LIQA

Liquidity risk management (continued)

31-Dec-2025

6. Quantitative disclosures

Unit: USD

	Repayable on demand	Within 1 Month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated	Total
Assets	2,964,605	298,874,736	182,130,946	452,256,872	1,984,339,500	583,196,276	245,987,576	3,749,750,511
Liabilities	-	(557,861,217)	(813,314,228)	(1,510,279,752)	(206,245,144)	(549,931)	(4,720,899)	(3,092,971,171)
Off Balance Sheet Liabilities	-	(105,013,601)	(90,472,867)	(143,594,347)	(82,606,147)	(28,357,371)	-	(455,044,333)
Liquidity Gap	2,964,605	(364,000,082)	(721,656,149)	(1,206,617,227)	1,695,488,209	554,288,974	241,266,677	201,735,007

A cash flows position with maturity bands analysis under normal business is reviewed by the management daily. All cash flows including on and off balance sheets items are slotted by time bands under behavioral and contractual assumptions. The management monitors the cumulative net mismatch position for the short-term time bands by limits. Individual currencies on this daily cash flows position will be produced when the Company has significant position.

Table CRA: General information about credit risk

31-Dec-2025

Credit risks refer to possible losses in the event of the failure of counterparties to carry out their obligations. Credit risks are measured for the entire bank and for individual sectors across all assets exposed to risks. Limits are differentiated by industry based on analysis of risk levels measured for each industry and loan concentration levels in the Company's portfolio, and set limits by country in consideration of the economic scale of each country and associated constraints.

The Company's policies and procedures shall address significant activities and risks and provide detailed guidance for the day-to-day implementation of the Company's broad business strategy. Limits and authorities should be clearly provided in each area as well as to shield the Company from excessive risks.

The Company has established policies, procedures, risk profile and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in KDB Risk Management Policy which is in line with the business strategy and risk appetite and above all, the regulatory guidelines and statutory requirements. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practices in risk management processes.

Identifying Credit Risk– Methods to be used include gathering and analyzing data from both internal and external sources. Departments of loans, investments and trading are responsible for reviewing the data relative to establishing and managing credit risk exposure as well as responding to changes in the quality of credits. All transactions containing credit risk components should include latest financial statements that must be analyzed and reported to the RMC by relevant departments. All credit review files, external reviews or examinations, questionnaires, recaps of credit reports, feedback will be maintained by relevant departments.

Monitoring Credit Risk– Analysis of the level of credit quality is accomplished as follows: Relevant department will assess the credit risk related to loans or investments, and report the assessment immediately to the Management. The Management will review, interpret, and project analytical data and listen to what the marketplace is saying. Credit risk should be actively monitored internally and externally through independent review. Internal reports including annual credit reviews, financial statements, watch list and other reports will have direct feedback.

Controlling Credit Risk– Credit risk constraints, risk tolerances, and limits should be identified at the appropriate product/instrument, portfolio, and institutional level. Information system should be established to enable the Management and the RMC to control credit risk factors such as quality, pricing, concentration and aggregation in existing portfolio. Information system enables the Management to take appropriate steps in line with various internal guidelines and react timely and appropriately to changes in economic, financial and business environment.

Counterparty credit risk limits

On a daily basis, the Company will monitor counterparty credit exposures to ensure adherence with the established limits. The credit ratings of all counterparty will be validated and provided to Risk Manager for monitoring on a monthly basis. On an annual basis, validation of the counterparty CAR and/or BIS capital ratios will be performed. The manager in charge of treasury will provide this information to Risk Manager. Money market line for Korean banks and their branches and subsidiaries follows the KDB's limits.

Large exposure to any counterparty or any Group of Related Counterparties shall not exceed the statutory limit of 25% of the Bank's capital base under Section 81 of the Banking Ordinance. However exposure limit to governments and banks and other particular types of counterparties may be determined differently according to the Banking Ordinance.

KDB Asia Limited**Disclosure on credit quality of exposures****31-Dec-25**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amounts of		Allowances/ impairment	Of which ECL accounting provisions for credit losses on STC approach exposures		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		
		US\$	US\$	US\$	US\$	US\$	US\$	US\$
1	Loans	-	2,079,572,071	19,414,254	-	-	-	2,060,157,817
2	Debt securities	-	1,130,216,174	1,099,122	-	-	-	1,129,117,052
3	Off-balance sheet exposures	-	304,144,356	436,856	-	-	-	303,707,500
4	Total	-	3,513,932,601	20,950,232	-	-	-	3,492,982,369

KDB Asia Limited**Disclosure on changes in defaulted loans and debt securities****31-Dec-25**

		(a)
		US\$
1	Defaulted loans and debt securities at end of the previous reporting period	-
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes	-
6	Defaulted loans and debt securities at end of the current reporting period	-

KDB Asia Limited**Additional disclosure related to credit quality of exposures**

31-Dec-25

(i) Credit quality of exposures analysed by geographical areas and remaining maturity:

		Gross carrying amounts of		Allowances/ impairment	Net values	Gross carrying amounts of non-defaulted exposures:				
		Defaulted exposures	Non-defaulted exposures			Within 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Over 5 years
		US\$	US\$			US\$	US\$	US\$	US\$	US\$
1	Hong Kong	-	700,882,601	2,217,358	698,665,243	43,076,923	37,435,897	62,985,111	473,680,453	83,704,217
2	Korea	-	788,323,885	1,248,651	787,075,234	10,005,700	17,451,025	80,888,741	609,978,419	70,000,000
3	Ireland	-	215,330,962	491,796	214,839,166	-	-	-	43,867,109	171,463,853
4	Mainland China	-	202,214,908	634,454	201,580,454	-	-	137,594,560	64,620,348	-
5	Singapore	-	128,760,210	13,958,761	114,801,449	-	3,300,000	9,331,745	92,298,586	23,829,879
6	Others	-	1,478,420,035	2,399,212	1,476,020,823	61,442,420	49,004,319	245,752,294	835,144,236	287,076,766
7	Total	-	3,513,932,601	20,950,232	3,492,982,369	114,525,043	107,191,241	536,552,451	2,119,589,151	636,074,715

(ii) Credit quality of exposures analysed by industry and remaining maturity:

		Gross carrying amounts of		Allowances/ impairment	Net values	Gross carrying amounts of non-defaulted exposures:				
		Defaulted exposures	Non-defaulted exposures			Within 1 month	Between 1 to 3 months	Between 3 to 12 months	Between 1 to 5 years	Over 5 years
		US\$	US\$			US\$	US\$	US\$	US\$	US\$
1	Financial Concerns	-	2,016,647,697	2,991,355	2,013,656,342	71,442,420	46,664,319	343,837,052	1,147,482,957	407,220,949
2	Manufacturing	-	434,130,147	14,760,464	419,369,683	10,005,700	3,300,000	69,206,480	281,617,967	70,000,000
3	Wholesale and retail trade	-	100,725,896	461,615	100,264,281	-	-	24,873,690	52,921,956	22,930,250
4	Transport and transport equipment	-	228,804,388	522,235	228,282,153	6,410,256	-	43,326,759	150,004,873	29,062,500
5	Property development and investment	-	123,592,937	328,738	123,264,199	26,666,667	37,435,897	3,191,830	56,298,543	-
6	Others	-	610,031,536	1,885,825	608,145,711	-	19,791,025	52,116,640	431,262,855	106,861,016
7	Total	-	3,513,932,601	20,950,232	3,492,982,369	114,525,043	107,191,241	536,552,451	2,119,589,151	636,074,715

KDB Asia Limited
Additional disclosure related to credit quality of exposures (continued)
31-Dec-25

(iii) **Impairment of financial assets**

The Company has laid down guidelines for determining the impairment loss allowances. At each of the reporting period end, the carrying amount of the Company's assets are reviewed to determine whether there is objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognized in the statement of profit or loss.

The approach and treatment of impairment allowance of different types of assets (including loans and advances, available-for-sale financial assets and other assets) are elaborated in the Company's asset classification and provisioning policy.

(iv) **Overdue loans and advances**

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end.

2025

Gross loans and advances to customers which have been overdue with respect to principal for period of

- 3 months or less but over 1 month

21,380,000

(v) **Rescheduled loans and advances**

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Company.

Rescheduled loans and advances are subject to ongoing monitoring to determine whether they remain impaired or past due. The original loan that is renegotiated is derecognized and a new financial asset is recognised at fair value.

2025

Rescheduled loans and advances to customers that are past due and impaired

21,380,000

(vi) **Other overdue assets**

As at 31 December 2025, there are no other overdue assets.

Table CRC: Qualitative disclosures related to credit risk mitigation

31-Dec-2025

In evaluating the credit risk associated with an individual customer or counterparty, KDBA always takes the counterparty's financial strength and repayment ability as the primary considerations. KDBA may obtain recognized collateral and/or guarantees from the customer or counterparty to mitigate its credit risk, while netting arrangements are not adopted by the Company.

As the most common method of mitigating credit risk is to lend against eligible collateral, the extent of collateral coverage over the Company's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees.

KDBA manages its collateral and guarantee in accordance with its Loan Policy and Guidelines and Collateral and Guarantees Guidelines. All aspects of the collateral and guarantee, including the initial valuation, safe custody and access controls, regular re-valuation, monitoring and disposals, are conducted in line with the policies and procedures.

In particular, the Company monitors the value of the collateral on a sufficiently frequent basis with respect to the nature of collateral and market practice, and at least annually, to ensure that the collateral's value is sufficient to cover the outstanding credit exposure. For example, marketable securities are marked-to-market on a daily basis, in accordance with the valuation principles for each type of collateral defined in the Collateral and Guarantees Guidelines.

KDB Asia Limited

Disclosure on overview of recognized credit risk mitigation

31-Dec-25

		(a)	(b1)	(b)	(d)	(f)
		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
		US\$	US\$	US\$	US\$	US\$
1	Loans	1,848,185,544	211,972,273	-	211,972,273	-
2	Debt securities	1,098,617,484	30,499,568	-	30,499,568	-
3	Total	2,946,803,028	242,471,841	-	242,471,841	-
4	Of which defaulted	-	-	-	-	-

KDB Asia Limited

Disclosure on credit risk exposures and effects of recognized credit risk mitigations - BSC approach

31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Exposure classes		US\$	US\$	US\$	US\$	US\$	Percentage
1	Sovereign exposures	61,092,951	-	61,092,951	-	12,218,590	20%
2	Public sector entity exposures	531,191,670	40,500,000	350,882,369	1,874,928	70,176,474	20%
3	Multilateral development bank exposures	-	-	-	-	-	0%
4	Unspecified multilateral body exposures	85,488,733	-	85,488,733	-	42,744,366	50%
5	Bank exposures	996,554,058	327,269,519	933,164,175	6,843,077	247,208,798	26%
6	Eligible covered bond exposures	-	-	-	-	-	0%
7	Exposures arising from IPO financing	-	-	-	-	-	0%
8	Real estate exposures	-	-	-	-	-	0%
8a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
8b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	-	-	-	-	-	0%
8c	Of which: other real estate exposures	-	-	-	-	-	0%
9	Equity exposures	-	-	-	-	-	0%
10	Significant capital investments in commercial entities	-	-	-	-	-	0%
11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	99,026,113	-	99,026,113	-	148,539,169	150%
12	Subordinated debts issued by banks and corporates	-	-	-	-	-	0%
13	Cash and gold	-	-	-	-	-	0%
14	Items in the process of clearing or settlement	9,579	-	9,579	-	1,916	20%
15	Other exposures	1,775,983,131	304,144,356	2,024,444,242	121,657,742	2,146,101,984	100%
16	Total	3,549,346,235	671,913,875	3,554,108,162	130,375,747	2,666,991,297	72%

KDB Asia Limited

Disclosure on credit risk exposures by exposure classes and by risk weights - BSC approach

31-Dec-25

		0%	10%	20%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	-	-	61,092,951	-	-	61,092,951
		20%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)		
2	Public sector entity exposures	352,757,297	-	-	352,757,297		
		0%	Other	Total credit exposure amount (post-CCF and post-CRM)			
3	Multilateral development bank exposures	-	-	-			
		50%	Other	Total credit exposure amount (post-CCF and post-CRM)			
4	Unspecified multilateral body exposures	85,488,733	-	85,488,733			
		20%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)		
5	Bank exposures	864,287,298	75,719,954	-	940,007,252		
		10%	50%	Other	Total credit exposure amount (post-CCF and post-CRM)		
6	Eligible covered bond exposures	-	-	-			
		0%	Other	Total credit exposure amount (post-CCF and post-CRM)			
7	Exposures arising from IPO financing	-	-	-			

KDB Asia Limited

Disclosure on credit risk exposures by exposure classes and by risk weights - BSC approach

31-Dec-25

		40%	50%	70%	100%	120%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
8	Real estate exposures	-	-	-	-	-	-	-	-
8a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-			-	-
8b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)			-		-		-	-
8c	Of which: other real estate exposures						-	-	-

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

		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Significant capital investments in commercial entities	-	-	-	-	-

		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	99,026,113	-	-	-	99,026,113

		150%	Other	Total credit exposure amount (post CCF and post-CRM)
12	Subordinated debts issued by banks and corporates	-	-	-

KDB Asia Limited**Disclosure on credit risk exposures by exposure classes and by risk weights - BSC approach**

31-Dec-25

		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
13	Cash and gold	-	-	-	-
		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
14	Items in the process of clearing or settlement	-	9,579	-	9,579
		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
15	Other exposures	2,146,101,984	-	-	2,146,101,984

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

	Risk Weight [#]	(a) On-balance sheet exposure	(b) Off-balance sheet exposure (pre-CCF)	(c) Weighted average CCF*	(d) Exposure (post-CCF and post-CRM)
1	Less than 40%	1,269,429,120	367,769,519	11%	1,278,147,125
2	40-70%	85,488,733	-	-	85,488,733
3	100%-120%	2,100,164,196	304,144,356	45%	2,221,821,938
4	150%	99,026,113	-	-	99,026,113
5	250%	-	-	-	-
6	400%	-	-	-	-
7	1250%	-	-	-	-
8	Total exposures	3,554,108,162	671,913,875	56%	3,684,483,909

Points to note:

An AI should add additional rows for the applicable risk weights that are not listed in the table, if any.

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

Table CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)
31-Dec-2025

Counterparty credit risk (“CCR”) is defined as the risk to each party of a contract that the counterparty will not fulfill its contractual obligations; it is otherwise known as default risk. Counterparty risk relates closely to performance risk, which arises whenever one entity depends on another to honor the terms of a contract.

(a) KDBA’s risk management objectives and policies related to CCR

The key objective of the CCR management of KDBA is to ensure the adequacy and effectiveness of the Company’s CCR control and management in line with the level and trend of its CCR exposures, including credit exposures to CCPs. In order to achieve this objective, the Company has established a set of policies and procedures, including but not limited to the Risk Management Policy and the Risk Appetite Statement.

(b) The method KDBA uses to set operating limits defined in terms of internal capital for CCR exposures & credit exposures to CCPs

CCR may stem from credit exposures to counterparties in both the banking book and the trading book of the Company, irrespective of the types of the counterparties. The types of transactions that normally incur CCR for KDBA include OTC derivatives, securities financing transactions, and long settlement transactions which the Company may enter into in the course of conducting trading or capital markets transactions.

To control and monitor the CCR, limits are set on the amounts and types of transactions authorized for each counterparty, with distinct limits for pre-settlement risk and settlement risk, and for individual counterparties and each group of linked counterparties. Sub-limits may also be established for specific products, market or industry sectors, or underlying market factors. The credit exposures of such transactions are measured as the sum of outstanding payments or deliveries as expected under the contract—incorporating the below components—and are monitored daily against the pre-determined limits:

Pre-settlement Risk – Pre-settlement risk is the risk that a counterparty will default prior to the derivative instrument contract or the final agreement settlement at expiration. The default of the counterparty will lead to a replacement risk exposure equal to counterparty’s net obligation on that contract, that is the cost of replacing (“Replacement Cost”) the original transaction at current market prices.

Replacement Cost – Replacement cost is a basic metric of credit exposure due to pre-settlement risk. It is the cost that the Company would incur if counterparty completely defaults on its obligations. Current replacement cost (“mark-to-market exposure”) is the replacement cost of a portfolio of contracts with a counterparty, calculated based on those contracts’ market values.

Settlement Risk – Settlement risk is the risk arises at final settlement if there is timing differences between when each party performs its obligation under the derivative instrument contract or agreement. Failure to perform at the settlement date can arise from a number of reasons including counterparty default, operational problems and market liquidity constraints.

For calculation of the regulatory capital charge for CCR, KDBA has adopted the current exposure method as stipulated in the Banking (Capital) Rules, under which the risk exposures are measured as the current exposure and the potential exposure value of the transactions.

(c) Policies relating to guarantees and other forms of CRM & assessments concerning CCR, including credit exposures to CCPs

Guarantees, collateral, and other forms of credit risk management are evaluated and considered at the time of credit application, which is documented in the credit proposal for the credit approver’s consideration. They are also monitored regularly during the tenor of the relevant transaction, and any changes from the original condition at credit approval are reported for follow-up measures in accordance with the Company’s Loan Policy and Guidelines, as well as the Collateral and Guarantee Guidelines.

Table CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)
31-Dec-2025

(d) KDBA's policies with respect to general wrong-way risk

Wrong-way risk occurs when counterparties' exposures are adversely correlated with their credit quality. It is further classified into general wrong-way risk (risk that arises when the probability of default of counterparties is positively correlated with general market risk factors) and specific wrong-way risk (risk that arises when the exposure to a particular counterparty is positively correlated with the probability of default of the counterparty due to the nature of the transactions with the counterparty).

The wrong-way risk is also identified and evaluated as part of the credit application and monitoring process. Analysis and mitigation measures are documented in the credit proposal for the credit approver's consideration. The wrong-way risk will be monitored during the tenor of the relevant transaction, and any cases with the wrong-way risk arising will be reported for remediation.

(e) Impact in terms of the amount of collateral that KDBA would require to provide given a credit rating downgrade

Credit rating downgrade of the counterparty that occurred during the tenor of the transaction, and the appropriate follow-up actions including additional collateral, will be evaluated and determined in accordance with the Loan Policy and Guidelines, as well as the Collateral and Guarantee Guidelines.

KDB Asia Limited**Disclosure on analysis of counterparty credit risk exposures (other than those to CCPs) by approaches**

31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
		US\$	US\$	US\$		US\$	US\$
1	SA-CCR approach (for derivative contracts)	1,369,053	4,858,093		1.4	8,718,005	1,743,601
1a	CEM (for derivative contracts)	-	-		1.4	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					-	-
4	Comprehensive approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	Total						1,743,601

KDB Asia Limited**Disclosure on counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights - BSC approach****31-Dec-25**

		(a)	(b)	(c)	(d)	(f)	(h)	(i)
	Risk Weight	0%	10%	20%	50%	100%	Others	Total default risk exposure after CRM
	Exposure class	US\$	US\$	US\$	US\$	US\$	US\$	US\$
1	Sovereign exposures	-	-	-	-	-	-	-
2	Public sector entity exposures	-	-	2,326,686	-	-	-	2,326,686
3	Multilateral development bank exposures	-	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-
5	Bank exposures	-	-	6,391,319	-	-	-	6,391,319
6	Other exposures	-	-	-	-	-	-	-
7	Total	-	-	8,718,005	-	-	-	8,718,005

KDB Asia Limited**Disclosure on composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)**

31-Dec-25

	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	US\$	US\$	US\$	US\$	US\$	US\$
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Bank bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

There are no collateral posted nor recognized collateral received in the context of derivative contracts nor SFTs during the period.

KDB Asia Limited**Disclosure on credit-related derivatives contracts**

31-Dec-25

	(a)	(b)
	Protection bought	Protection sold
	US\$	US\$
Notional amounts		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
Total notional amounts	-	-
Fair values		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

There are no credit-related derivatives contracts during the period.

KDB Asia Limited

Disclosure on exposures to CCPs

31-Dec-25

		(a)	(b)
		Exposure after CRM	RWA
		US\$	US\$
1	Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)		74,213
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	3,710,653	74,213
3	(i) OTC derivative transactions	3,710,653	74,213
4	(ii) Exchange-traded derivative contracts	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets subject to valid cross-product netting agreements	-	-
7	Segregated initial margin	-	
8	Unsegregated initial margin	-	-
9	Funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)		-
12	Default risk exposures to non-qualifying CCPs (excluding items disclosed in rows 17 to 20), of which:	-	-
13	(i) OTC derivative transactions	-	-
14	(ii) Exchange-traded derivative contracts	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets subject to valid cross-product netting agreements	-	-
17	Segregated initial margin	-	
18	Unsegregated initial margin	-	-
19	Funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Table CVAA: Qualitative disclosures related to CVA Risk

31-Dec-2025

Credit valuation adjustment (“CVA”) risk refers to the risk of losses arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors that drive prices of the covered transactions (non-centrally cleared OTC derivatives). KDBA is required to calculate the CVA risk capital charge for covered transactions in both its banking book and trading book.

Pursuant to the HKMA SPM MR-2, KDBA is qualified and has elected to set its CVA risk capital charge as 100% of its capital charge for counterparty credit risk, as the aggregate notional amount of the Company’s non-centrally cleared derivatives is less than HKD 1 trillion.

As KDBA’s CVA risk is considered immaterial given the size of its covered transactions portfolio (USD 368 million as of December 31, 2025), the Company’s CVA risk management focuses on continuous monitoring of its market risk level and the aggregate notional amount of its non-centrally cleared OTC derivatives. In order to ensure that the Company remains qualified to use the above-mentioned methodology for calculating the CVA risk capital charge, KDBA monitors the aggregate notional amount of non-centrally cleared derivatives at least on a monthly basis.

The monitoring is conducted in accordance with the Company’s Risk Management Policy and the thresholds established in the Risk Appetite Statement. If there is any breach of the thresholds, KDBA will immediately notify the HKMA in writing, and take necessary measures to apply a different approach for calculating CVA risk capital charge as required by the HKMA.

KDB Asia Limited

Table SECA: Qualitative disclosures related to securitization exposures

SECA

31-Dec-2025

KDBA only acts as an investor in the securitization exposures and does not undertake the roles of originator or sponsor. The Company holds securitization exposures only in its banking book and does not have any securitization or resecuritization exposures in its trading book.

As an investor, KDBA conducts analysis on the underlying assets of its securitization exposures, including the legal and structural risks associated with the underlying assets. While holding securitization exposures, the Company periodically monitors the credit risk and delinquency of the underlying assets to assess the repayment capability of the securitization exposures.

The securitization exposures that are held by KDBA are all of investment grade and consist of diversified underlying assets, minimizing the credit risk for the Company. Additionally, KDBA's securitization exposures is a relatively small portion of its total assets, and are classified and managed in accordance with the Company's Risk Management Policy and relevant accounting policies. The RWA of securitization exposures is calculated using the External Credit assessment institutions rating, based on the external ratings based approach (SEC-ERBA).

KDB Asia Limited
Securitization exposures in banking book
31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
1	Retail (total) – of which:	-	-	-	-	-	-	-	-	-
2	re-securitization exposures	-	-	-	-	-	-	-	-	-
3	Wholesale (total) – of which:	-	-	-	-	-	-	29,713,973	-	29,713,973
4	renewable energy	-	-	-	-	-	-	23,829,880	-	23,829,880
5	automotive and equipment	-	-	-	-	-	-	5,884,093	-	5,884,093
6	re-securitization exposures	-	-	-	-	-	-	-	-	-

KDB Asia Limited

Securitization exposures in banking book and associated capital requirements – where AI acts as investor

31-Dec-25

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charges after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERB A (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERB A (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERB A (incl. IAA)	SEC-SA	SEC-FBA
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
1	Total exposures	18,487,529	-	11,226,444	-	-	29,713,973	-	-	-	10,480,261	-	-	-	-	-	-
2	Traditional securitization	18,487,529	-	11,226,444	-	-	29,713,973	-	-	-	10,480,261	-	-	-	-	-	-
3	Of which securitization	18,487,529	-	11,226,444	-	-	29,713,973	-	-	-	10,480,261	-	-	-	-	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which simple, transparent and comparable	N/A															
6	Of which wholesale	18,487,529	-	11,226,444	-	-	29,713,973	-	-	-	10,480,261	-	-	-	-	-	-
7	Of which simple, transparent and comparable	N/A															
8	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table MRA: Qualitative disclosures related to market risk
31-Dec-2025

Market risk refers to possible losses to the assets of KDBA resulting from fluctuations of interest rates, stock prices, foreign exchange rates and other variables. In order to effectively manage the market risk, KDBA has established a comprehensive market risk management framework as demonstrated below:

(a) Strategic objectives in undertaking trading activities & processes implemented to manage market risk

KDBA manages its market risk in accordance with its Risk Management Policy and Treasury Policy, as well as the thresholds established in its Risk Appetite Statement. As it is nearly impossible to fully hedge against the market risk, the Company holds a low to moderate risk appetite for market risk, leaving some discretion over the market risk it assumes arising from its operational activities and aiming to limit its market risk exposures within the pre-determined acceptable range. The Company utilizes various tools and systems to identify, measure, monitor and control the market risk.

Identifying Market Risk – KDBA gathers and analyzes the data from both internal and external sources to accurately identify its market risk exposures. Based on the data, the Company establishes its tolerance thresholds and identifies permissible instruments or instrument types as well as the activities for which the Company intends to use them. Permissible credit quality, market risk sensitivity and liquidity characteristics are also identified and clearly documented in relevant policies and procedures.

Measuring & Monitoring Market Risk – Possible losses in trading positions (including positions of securities and derivatives being held for the purpose of acquiring short-term profit margins) due to adverse movements of market indices are measured and managed. In order to accurately measure the Company's market risk, it is crucial for the Company to obtain timely information on the current carrying and market values of its securities and derivatives. As such, KDBA has MIS systems in place that are capable of providing real-time information on its securities and derivatives, based on the size, nature, and complexity of the Company's holdings. Adherence to the predetermined market risk limits are monitored daily and any breach of limits are reported to the Senior Management for timely rectification measures.

The Company's market risk exposures of its investment and derivative holdings are also evaluated and reported to the Senior Management and the RMC on a monthly basis. Market risk reports also address potential exposures to yield curve changes and other factors pertinent to the Company's holdings. Where internal models are used to measure the market risk, adequate procedures are in place to validate the appropriateness of the models and to periodically review all elements of the modeling process including assumptions and risk-modeling techniques applied. Additionally, as complex and illiquid instruments involve more market risk than broadly traded more liquid securities, the Company has separate procedures to stress test such instruments' values and liquidity assumptions under a variety of adverse scenarios.

KDBA also conducts stress testing to measure the potential overall losses under the 3 stress scenarios of severe fluctuations in major market indices, i.e. risk status based on the Company's contingency plan, the 2008 financial crisis, and the worst case scenario in the recent 3 years. By classifying the severity of market movements into three stages—precautionary, semi-crisis and crisis stages—in accordance with the degree of fluctuation of standard indices, the Company is able to keep the market risk contingency plans up-to-date to respond to each of the three stages.

Controlling Market Risk – In order to control the market risk, relevant departments should carry out their daily operations within the Company's risk appetite and pre-determined limits to keep its market risk exposures under control. Relevant policies and procedures clearly define the roles and responsibilities, limits, and detailed processes for effective market risk management.

Risk reporting for trading book positions is compiled and monitored on a daily basis. Other market risk related reports, i.e. stress testing results, and the sensitivity analysis over the Company's portfolio in response to changes in market prices, rates and other risk factors, are also prepared regularly and reported to appropriate levels of governance.

Based on the monitoring and reporting results, the Company allocates adequate capital charge to cover its market risks. KDBA's market risk management policies, procedures, and control limits are reviewed and updated at least annually against latest regulatory requirements and market changes to maintain its market risk management framework up to date.

Table MRA: Qualitative disclosures related to market risk
31-Dec-2025

(b) Organizational structure of KDBA's market risk management function

BOD is responsible for overseeing the Company's overall market risk management strategy and establishing the relevant policies and procedures. The Risk Committee, as a sub-committee to the BOD, oversees risk-related matters and determines risk appetite.

The RMC, as an operational-level committee that consists of the Senior Management and Team Heads, is reported regularly on market risk monitoring results and determines necessary measures for market risk management.

The Trading & Treasury Team executes the market risk management strategy by conducting trading activities in line with the Company's limits and risk appetite. The Risk Management & Strategy Team monitors the relevant reports, reports any breaches/exceptions to the RMC and the Senior Management, and develops risk mitigation measures as necessary.

(c) Scope and nature of risk reporting/measurement systems

Please refer to Section (a) above for details.

KDB Asia Limited**Disclosure on market risk under SSTM approach**

31-Dec-25

		(a)	(b)	(c)	(d)
				Options	
		Outright products	Simplified approach	Delta-plus method	Other approach
		US\$	US\$	US\$	US\$
1	Interest rate exposures (general and specific risk)	1,363,205	-	-	-
2	Equity exposures (general and specific risk)	-	-	-	-
3	Commodity exposures	-	-	-	-
4	Foreign exchange (including gold) exposures	118,402	-	-	-
5	Securitization exposures	-	-	-	-
6	Total	-	-	-	-

The Interest Rate Risk in the Banking Book (“IRRBB”) is defined as the present or future risks to the capital and profits of the Company resulted from adverse changes in interest rate affecting the Company’s banking book positions. As IRRBB is driven from different aspects of the interest rate risk such as gap risk, basis risk, and options risk, the Company takes these aspects into account for the purpose of risk control and measurement.

(a) KDBA’s Overall IRRBB Measurement and Mitigation Strategies

KDBA’s primary objective of its IRRBB measurement and mitigation strategies is to incorporate interest rate risk management and hedging and return strategy to optimize the Company’s balance sheet structure. In order to achieve this objective, KDBA measures, monitors, and controls its IRRBB in accordance with the Company’s Risk Management Policy, as well as the limits established in the Risk Appetite Statement, as demonstrated below:

The RMC has the overall responsibility and authority for IRRBB monitoring and management. The RMC, which consists of the Senior Management and Team Heads, receives reports on the IRRBB monitoring results and determine necessary measures to mitigate the IRRBB—i.e. interest rate limits, repricing and maturity schedules—as needed.

The Trading & Treasury Team is responsible for day-to-day implementation of the IRRBB management strategy established by the RMC. The Risk management & strategy team, in cooperation with the Accounting Team, is responsible for monitoring the Company’s IRRBB within the pre-determined limits. If there is any limits breach or a potential limits breach, the Risk management & strategy team investigates the root cause and reports the results to the RMC.

KDBA may leverage various tools for interest rate risk assessment and management, including but not limited to:

- Repricing GAP monitoring;
- Interest rate monitoring;
- VaR monitoring on a monthly basis;
- Hedging as an appropriate tool to manage interest rate risk; and
- Interest sensitivity monitoring.

(b) The periodicity of calculation of KDBA’s IRRBB measures to gauge its sensitivity

The Company calculates its IRRBB on a quarterly basis by estimating the change in the economic value of equity (“EVE”) and the change in the net interest income (“NII”) for specified interest rate shock scenarios to gauge the Company’s sensitivity to IRRBB. The interest rate risk is also incorporated into the Company’s Pillar 2 capital management, as well as its annual ICAAP.

(c) KDBA’s interest rate shock and stress scenarios to estimate the changes in the economic value and in earnings

The Company applies 2 interest rate shock scenarios to estimate the changes in NII (parallel shock up, parallel shock down) and 6 interest rate shock scenarios to estimate the changes in EVE (parallel shock up, parallel shock down, steepner shock, flattener shock, short rates shock up, and short rates shock down).

(d) Significant Modeling Assumptions

The Company uses the re-pricing gap between all assets and liabilities sensitive to interest rate shocks as basis for computing the impact of changes in the interest rate. The Company considers 16 time buckets, covering the gap between assets and liabilities that are subject to re-pricing during the next one month, three months and twelve months in an adverse interest rate scenario. Thus, the interest rate shock (derived for daily volatility of the interest rate for the last 5 years at 99.9% confidence level) for each time bucket is considered to derive the capital charge.

(e) Hedging of IRRBB and the associated accounting treatment

KDBA’s Trading & Treasury Team uses hedging to manage the Company’s exposure to adverse movements of interest rates and to safeguard the Company’s strategic positions against such movements, by locking in a higher rate of return and/or limiting potential revaluation. The hedging is carried out via derivative transactions such as interest rate swaps, futures, and

cross-currency swaps. The hedging is generally done through cash flow hedges or fair value hedges, where one type of interest payment (fixed/float) is substituted in favor of another (float/fixed) to mitigate the Company's exposures to fluctuating rates. The accounting treatment of KDBA's hedged transactions is governed by the Company's Hedge Accounting Policy.

(f) Key modeling and parametric assumptions in calculating the change in EVE and NII

For the change in EVE, the Company includes commercial margin for all assets and liabilities in its calculations. For the discounting purpose, risk-free interest rates for specific currencies are used.

As of the reporting date, the Company's portfolio contains no behavioral / embedded / standalone options nor non-maturity deposits. Term deposit redemption rate and conditional prepayment rate are not derived.

As of the reporting date, the Company does not have non-maturity deposits. There is no such specific assumption that have a material impact on the disclosed change in EVE and NII in Table IRRBB1.

KDB Asia Limited

Disclosure on quantitative information on interest rate risk in banking book

31-Dec-25

		(a)	(b)	(c)	(d)
		Change in the economic value of equity		Change in projected net interest income	
	Period	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
		US\$	US\$	US\$	US\$
1	Parallel up	13,903,104	16,035,857	(4,847,238)	(4,157,707)
2	Parallel down	311,443	889,587	4,847,238	4,157,707
3	Steepener	5,697,287	2,536,122		
4	Flattener	-	2,610,888		
5	Short rate up	3,944,235	9,183,814		
6	Short rate down	409,800	1,132,961		
7	Maximum	13,903,104	16,035,857	4,847,238	4,157,707
	Period	31-Dec-25		31-Dec-24	
8	Tier 1 Capital	660,174,086		614,290,186	

KDB Asia Limited**Disclosure on remuneration policy****31-Dec-25**

The remuneration policy and systems of the Company are strictly governed by the Remuneration policy and guidelines of our parent company; KDB; for its employees engaged in the business and operations in Hong Kong.

With the Board of Directors undertaking the function of the remuneration committee and is the only authority delegated in accordance with the directives from parent company to actively involving in oversee, monitor and review the design and operation of remuneration system, ensure the system operates as intended, adjustment for all types of risk, the criteria used for performance measurements, the linkage between pay and performance, deferral policy and vesting criteria and the mix of cash and other forms of remuneration.

Besides the mandate from parent company, in order to deter excessive risk-taking, when determine the remuneration policy and systems, the Board will also consider the business objectives and strategies, human resources management, business performance, economic environment, leading market practices and the regulatory requirements.

Whilst disclosing the information relating to the remuneration systems, the aggregate quantitative information for senior management and key personnel including deferred remuneration, sign-on and severance payments awarded during the financial year 2025 is shown as follow in accordance with the disclosure requirement of CG-5 "Guideline on a Sound Remuneration System" issued by the HKMA.

	<u>2025</u>	<u>2024</u>
Number of beneficiaries:	9	6
Fixed Remuneration:	US\$687,840	US\$683,356
Variable Remuneration:	US\$213,633	US\$230,032
Deferred Remuneration Awarded:	US\$15,629	US\$22,936
Sign-on Payment:	NIL	NIL
Severance Payment:	NIL	NIL

KDB Asia Limited**Disclosure on remuneration awarded during financial year****31-Dec-25**

Remuneration amount and quantitative information			(a)	(b)
			Senior management	Key personnel
1	Fixed remuneration	Number of employees	9	-
2		Total fixed remuneration	687,840	-
3		Of which: cash-based	687,840	-
4		Of which: deferred	-	-
5		Of which: shares or other share-linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	-	-
8		Of which: deferred	-	-
9	Variable remuneration	Number of employees	6	-
10		Total variable remuneration	229,262	-
11		Of which: cash-based	229,262	-
12		Of which: deferred	15,629	-
13		Of which: shares or other share-linked instruments	-	-
14		Of which: deferred	-	-
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	Total remuneration		917,102	-

Senior managements are considered to be key personnel of the Company.

KDB Asia Limited
Disclosure on special payments
31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)
Special payments		Guaranteed bonuses		Sign-on awards		Severance payments	
		Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
1	Senior management	-	-	-	-	-	-
2	Key personnel	-	-	-	-	-	-

There are no special payments to senior management during the year.

KDB Asia Limited
Disclosure on deferred remuneration
31-Dec-25

		(a)	(b)	(c)	(d)	(e)
Deferred and retained remuneration		Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
1	Senior management	15,629	-	-	-	-
2	Cash	15,629	-	-	-	-
3	Shares	-	-	-	-	-
4	Cash-linked instruments	-	-	-	-	-
5	Other	-	-	-	-	-
6	Key personnel	-	-	-	-	-
7	Cash	-	-	-	-	-
8	Shares	-	-	-	-	-
9	Cash-linked instruments	-	-	-	-	-
10	Other	-	-	-	-	-
11	Total	15,629	-	-	-	-

Table ORA: General Information on Operational Risk Framework
31-Dec-2025

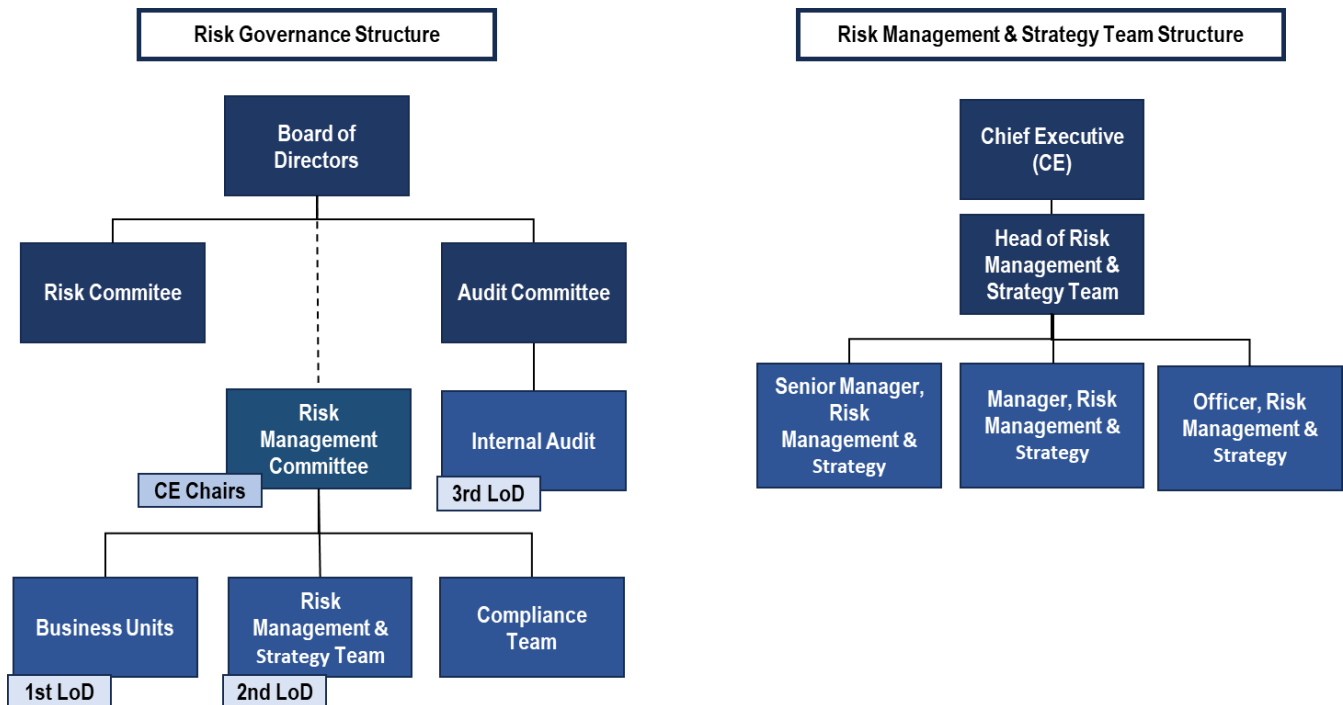
The Company has established a comprehensive Operational Risk Framework, incorporating policies and procedures, organizational structure, reporting system, internal controls and other risk mitigation measures. Each component of the Operational Risk Framework is designed to facilitate an effective identification, measurement, assessment and control over the Company’s operational risk, and together they provide a robust operational risk oversight and management system, as demonstrated below:

(a) The policies, frameworks and guidelines for the management of operational risk

KDBA’s policies and procedures to manage its operational risk include the Risk Management Policy, Operational Resilience Framework, Operational Risk Management Supplementary Guideline, Outsourcing Control Operating Guideline, Recovery Plan, Business Continuity Plan, and Risk Appetite Statement. They define the roles and responsibilities, measurement and assessment criteria, and detailed procedures for operational risk management. The policies and procedures are reviewed, updated and approved at least annually by the Board of Directors to be aligned with the latest regulatory requirements.

(b) The organizational structure of the Company’s operational risk management and control function

KDBA’s operational risk management and control function operates based on the 3 lines of defense (“LoD”) principles, in which each Business Unit serves as the 1st line of defense while carrying out their daily operations, the Risk Management & Strategy Team serves as the 2nd line of defense managing the day-to-day operational risk related matters across the Company, and the Internal Audit function serves as the 3rd line of defense. The structure is further demonstrated below:



(c) The operational risk measurement system**(i.e. the systems and data used to measure operational risk in order to estimate the operational risk capital charge)**

KDBA maintains the data related to risks, controls, KRIs and loss events/near misses in excel. For the risks, controls, KRIs and loss events that are monitored or imposed by KDB Head Office are also entered into and maintained in the KDB Head Office's operational system.

If there are operational loss incidents, the loss data from the operational loss events reported are used to calculate the operational risk capital charge. If there is no occurrence of operational loss event for a calendar year, the Company uses the industry average (i.e. data from the HKMA Operational Risk Management Data Submission Exercise) as the proxy for the operational risk capital charge calculation.

(d) The scope and main context of the reporting framework on operational risk to Senior Management and to the Board of Directors

Operational risk related matters arising from day-to-day operations—including but not limited to regular monitoring of KRIs, risk and control self-assessment (RCSA) results, and operational loss events—are reported to the Senior Management and the Risk Management Committee, which is a operational-level committee responsible for reviewing all risks assumed in the course of business.

General oversight and governance of the Company's operational risk management, such as establishing or updating relevant policies and procedures, is reported to the Board of Directors. Risk-related matters, such as setting the Company's risk appetite and tolerance levels, are reported to the Risk Committee, to which the Board of Directors has delegated responsibility and authority to oversee KDBA's risk management.

The Company's Operational Risk Framework is also subject to independent review by the Internal Audit function, which is currently outsourced. The Internal Audit results are reported directly to the Audit Committee, which is also a Committee under the Board of Directors, to ensure the independence and effectiveness of the audit process.

(e) The risk mitigation and risk transfer used in the management of operational risk

KDBA uses various risk mitigation and risk transfer methodologies, such as internal controls, outsourcing and 3rd-party engagements, insurance etc. The Company's policies and procedures—i.e. Risk Management Policy, Operational Resilience Framework, Operational Risk Management Supplementary Guideline, and Outsourcing Control Operating Guideline—define and elaborate the specific risk mitigation and risk transfer methodologies used for operational risk management.

KDB Asia Limited
Historical losses
31-Dec-25

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		31-Dec-25	31-Dec-24	31-Dec-23	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	Average
Using HKD200,000 threshold												
1	Total amount of operational losses net of recoveries (no exclusions)	-	-	-	-	-	-	-	-	-	-	-
2	Total number of operational risk losses	-	-	-	-	-	-	-	-	-	-	-
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
4	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational losses net of recoveries and net of excluded losses	-	-	-	-	-	-	-	-	-	-	-
Using HKD1 million threshold												
6	Total amount of operational losses net of recoveries (no exclusions)	-	-	-	-	-	-	-	-	-	-	-
7	Total number of operational risk losses	-	-	-	-	-	-	-	-	-	-	-
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	-
9	Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational losses net of recoveries and net of excluded losses	-	-	-	-	-	-	-	-	-	-	-
Details of operational risk capital charge calculation												
11	Are losses used to calculate the ILM (yes/no)?	No										
12	If "no" in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	Yes										
13	Loss event threshold: HKD200,000 or HKD 1 million for the operational risk capital charge calculation if applicable	N/A										

Points to note:

- Loss amounts and the associated recoveries (i.e. receipt of payments) should be reported in the annual reporting period in which they were recorded in financial statements.
- Als must use the date of accounting for building the loss data set. That is (i) the date (or dates) when a loss event results in a loss, reserve or provision against a loss being recognised in the AI's profit and loss (P&L) accounts or (ii) for losses related to legal events, the date when a legal reserve is established for the probable estimated loss in the P&L accounts.
- Losses caused by a common operational risk event or by related operational risk events over time, but posted to the accounts over several years, should be allocated to the corresponding annual reporting periods in line with their accounting treatment.
- An operational event having an overall positive financial impact over the disclosure period should not be included in this template.
- The HKD200,000 threshold also includes losses listed in the HKD1 million threshold.

KDB Asia Limited**Business indicator and business indicator components breakdown****31-Dec-25**

		(a)	(b)	(c)
		31-Dec-25	31-Dec-24	31-Dec-23
BI and its subcomponents		US\$	US\$	US\$
1	Interest, leases and dividend component	44,609,362		
1a	Interest and leases income	176,330,149	189,614,681	162,044,036
1b	Interest and leases expenses	126,271,880	144,440,836	125,755,528
1c	Interest earning assets	3,314,760,514	3,021,605,433	2,721,089,967
1d	Dividend income	391,471	865,572	1,050,421
2	Services component	12,219,573		
2a	Fee and commission income	12,483,556	12,826,262	11,200,397
2b	Fee and commission expenses	1,391,976	753,286	1,018,139
2c	Other operating income	725	236	80,683
2d	Other operating expenses	137,084	5,715	5,705
3	Financial component	51,434,147		
3a	Net P&L on trading book	(36,043,857)	31,523,214	1,133,782
3b	Net P&L on banking book	55,459,757	(11,510,149)	18,631,683
4	BI	108,263,082		
5	Business indicator component (BIC)	12,991,570		

Disclosure on the BI:

		(a)
6a	BI gross of excluded divested businesses and activities	-
6b	Reduction in BI due to excluded divested businesses and activities	-

KDB Asia Limited
Minimum operational risk capital requirement
31-Dec-25

		(a)
		US\$
1	Business indicator component (BIC)	12,991,570
2	Internal loss multiplier (ILM)	1
3	Minimum operational risk capital requirement	12,991,570
4	Total RWA for operational risk	162,394,625

KDB Asia Limited
Disclosure on asset encumbrance
31-Dec-25

	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
Cash and balances with banks and other financial institutions	-	2,964,605	2,964,605
Placements with banks and other financial institutions	-	298,376,242	298,376,242
Financial assets at fair value through profit or loss	-	184,879,138	184,879,138
Loans and advances	-	2,060,157,817	2,060,157,817
Financial assets at fair value through other comprehensive income	-	530,521,160	530,521,160
Financial assets at amortised cost	-	599,232,233	599,232,233
Property and equipment	-	2,259,152	2,259,152
Right-of-use assets	-	8,041,349	8,041,349
Tax recoverable	-	641,163	641,163
Interest receivable and other assets	4,129,428	69,489,888	73,619,316