



Regulatory Disclosures

31 December 2025

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Summary of Regulatory Disclosures

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Part I : Key prudential ratios, overview of risk management and RWA	OVA: Overview of risk management	1 - 3	✓
	KM1: Key prudential ratios	4	✓
	OV1: Overview of RWA	5	✓
Part II : Linkages between financial statements and regulatory exposures	PV1: Prudent valuation adjustments	6	✓
	LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	7	✓
	LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements	8	✓
	LI3: Explanations of differences between accounting and regulatory exposure amounts	9 - 10	✓
Part IIA : Composition of regulatory capital	CC1: Composition of regulatory capital	11 - 18	✓
	CC2: Reconciliation of regulatory capital to balance sheet	19	✓
	CCA: Main features of regulatory capital instruments	20	✓
Part IIB : Macroprudential supervisory measures	CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer	21	✓
Part IIC : Leverage ratio	LR1: Summary comparison of accounting assets against leverage ratio exposure measure	22	✓
	LR2: Leverage ratio	23	✓
Part IID : Liquidity	LIQA: Liquidity risk management	24 - 26	✓
Part III : Credit risk for non-securitization exposures	CRA: General information about credit risk	27 - 28	✓
	CR1: Credit quality of exposures	29	✓
	CR2: Changes in defaulted loans and debt securities	30	✓
	CRB: Additional disclosure related to credit quality of exposures	31 - 32	✓
	CRC: Qualitative disclosures related to credit risk mitigation	33	✓
	CR3: Overview of recognized credit risk mitigation	34	✓
	CR4: Credit risk exposures and effects of recognized credit risk	35	✓
	CR5: Credit risk exposures by exposure classes and by risk weights – BSC approach	36 - 37	✓
Part IV : Counterparty Credit risk	CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)	41	✓
	CCR1: Analysis of counterparty credit risk exposures (other than	42	✓
	CCR3: Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – BSC approach	43	✓
	CCR5: Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)	44	✓
	CCR6: Credit-related derivatives contracts	45	✓
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Part IVA : Credit valuation adjustment risk	CVAA : Qualitative disclosures related to CVA risk	47	✓
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Part V : Securitization exposures	SECA: Qualitative disclosures related to securitization exposures	49	✓
	SEC1: Securitization exposures in banking book	50	✓
	SEC2: Securitization exposures in trading book	51	✓
	SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator	52	✓
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Summary of Regulatory Disclosures

Disclosure requirement	Tables and templates	Page No.	Q4 of 2025
Part VI : Market risk	MR1: Market risk under STM approach	54	✓
Part VII : Interest rate risk in banking book	IRRBBA: Interest rate risk in banking book – risk management objectives and policies	55 - 56	✓
	IRRBB1: Quantitative information on interest rate risk in banking book	57	✓
Part VIII : Remuneration	REMA: Remuneration policy	58	✓
	REM1: Remuneration awarded during financial year	59	✓
	REM2: Special payments	60	✓
	REM3: Deferred remuneration	61	✓
Part IX : Operational risk	ORA : General information on operational risk framework	62 - 63	✓
	OR1: Historical losses	64	✓
	OR2 : Business indicator and business indicator components breakdown	65	✓
	OR3 : Minimum operational risk capital requirement	66	✓
Part XI: Asset encumbrance	ENC : Asset encumbrance	67	✓

Table OVA: Overview of risk management

The Company has established policies and procedures to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Company continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedure.

The Company is committed to high standards of corporate governance, and has fully complied throughout the year with the guideline in the Supervisory Policy Manual CG-1 "Corporate Governance of Locally Incorporated Authorised Institutions" issued by the HKMA.

Board committees

The board of directors has established a number of committees including the Credit Committee and Risk Management Committee.

Credit Committee

The Credit Committee is responsible for assisting the Board to formulate the Company's risk appetite and strategies for managing the credit risk. It is also responsible for the implementation and maintenance of the Company's credit risk management framework. It also participates in evaluating large credit applications and making credit decisions. The Committee comprised the Deputy Managing Director and the Senior Manager.

Risk Management Committee

The Risk Management Committee is responsible for reviewing all risks assumed in the course of business. Its review covers, but is not limited to, the market, liquidity, credit, country, legal, reputational, strategic and operational risks as well as the limits, policies and procedures designed to mitigate these risks. It also reviews the risks outstanding and controls over, new products proposed.

The Risk Management Committee is coordinated by the Deputy Managing Director who reports to the Managing Director and to the ultimate holding company. Members of the Risk Management Committees include Deputy Managing Director and Non-Executive Director. The responsibilities of the Risk Management Committee include:

- Understand fully the nature of risks considered significant to the Company and to ensure that the necessary steps are taken to identify, measure and control these risks;
- Ensure that appropriate policies and procedures, controls, and risk monitoring systems are in place and that accountability and lines of authority are set out clearly and well communicated;
- Establish and communicate guidelines and standards for managing the Company's risks;
- Implement strategies in a manner that limits risks associated with the Company's business and ensures compliance with laws and regulations;
- Oversee the asset and liability structure of the Company and ensure that the Company has sufficient liquidity to meet its short-term funding needs; and

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Table OVA: Overview of risk management (continued)

- Construct, implement, and oversee strategies to ensure they are consistent with the Asset/Liability Management objectives. The strategies should take into consideration the economic, competitive and regulatory conditions.

Financial risk management

Information about the Company's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

Credit risk: Loss resulting from customer or counterparty default which arises on credit exposure in all forms, including settlement risk.

Credit risk management

This category includes credit and counterparty risk from loans and advances, issuer risk from the securities business, counterparty risk from trading activities and country risk. The Company identifies and manages this risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures. Details of credit risk management can be found in Table CRA.

Market risk: Risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Comprises currency risk, interest rate risk and other price risk.

Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, and derivative instruments, as well as from financial or structural positions. The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Company's exposure to the volatility inherent in financial instruments.

The Risk Management Committee monitors market risk. The board articulates the interest rate view of the Company and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

Derivative instruments are also used to manage the Company's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Company are interest rate and foreign exchange contracts, which are primarily over-the-counter derivatives.

Liquidity and funding risk: Risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.

Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Company's ability to meet any 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.

Table OVA: Overview of risk management (continued)

Liquidity is managed on a daily basis by a senior manager under the direction of the management. The senior manager is responsible for ensuring that the Company has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring local and international markets for the adequacy of funding and liquidity.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and bank balances and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. The Company regularly stress tests its liquidity position.

Operational risk: Risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

Operational risk management

Operational risk is the risk arising from failures in internal processes and supporting systems or from external events.

The Company has policies for each major area of operations, which are drawn up by experienced executives after taking into account the important factors affecting such transactions. Based on the policies, limits for overall and individual market risks are approved by the management.

Strict control is exercised to ensure due adherence to policies and limits. For this purpose, an internal audit system is in place to ensure that the directives of all authorities are implemented.

The Company attaches great importance to conducting its business in a safe and sound manner such that strict control is exercised at every level. Senior executives have been entrusted with the responsibility for particular areas of operations. They are well supported by experienced middle management and frontline staff. This system operates through the Company. The Managing Director is deeply involved in the affairs of the Company and is the final authority for all the major lending and administrative decisions.

Stress Testing

Stress testing is an integral part of our risk management process, and includes both sensitivity analysis and scenario analysis. Stress testing is conducted at least once annually. This related to regulatory and internal stress test over the whole portfolio and risk types. Every stress test is documented and results are discussed at the relevant risk committees.

Template KM1: Key prudential ratios

		31-Dec-25	30-Sept-25	30-Jun-25	31-Mar-25	31-Dec-24
		USD	USD	USD	USD	USD
		(a)	(b)	(c)	(d)	(e)
		T	T-1	T-2	T-3	T-4
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	186,606,600	184,320,352	180,119,304	178,373,553	175,483,417
2 & 2a	Tier 1	186,606,600	184,320,352	180,119,304	178,373,553	175,483,417
3 & 3a	Total capital	191,920,888	189,450,358	185,434,560	183,024,453	179,191,679
RWA (amount)						
4	Total RWA	990,874,092	976,154,076	997,924,497	938,148,304	800,047,406
4a	Total RWA (pre-floor)	990,874,092	976,154,076	997,924,497	938,148,304	800,047,406
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	18.83%	18.88%	18.05%	19.01%	21.93%
5b	CET1 ratio (%) (pre-floor ratio)	18.83%	18.88%	18.05%	19.01%	21.93%
6 & 6a	Tier 1 ratio (%)	18.83%	18.88%	18.05%	19.01%	21.93%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.83%	18.88%	18.05%	19.01%	21.93%
7 & 7a	Total capital ratio (%)	19.37%	19.41%	18.58%	19.51%	22.40%
7b	Total capital ratio (%) (pre-floor ratio)	19.37%	19.41%	18.58%	19.51%	22.40%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical capital buffer requirement (%)	0.530%	0.523%	0.541%	0.888%	0.616%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.000%	0.000%	0.000%	0.000%	0.000%
11	Total AI-specific CET1 buffer requirements (%)	3.030%	3.023%	3.041%	3.388%	3.116%
12	CET1 available after meeting the AI's minimum capital requirements (%)	9.37%	9.41%	8.58%	9.51%	12.40%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	1,119,409,871	1,127,406,206	1,131,012,894	1,050,346,563	934,941,683
13a	LR exposure measure based on mean values of gross assets of SFTs	1,119,409,916	1,127,406,206	1,139,076,190	1,050,343,835	Not applicable
14, 14a & 14b	LR (%)	16.67%	16.35%	15.93%	16.98%	18.77%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	16.67%	16.35%	15.81%	16.98%	Not applicable
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
Applicable to category 1 institutions only:						
15	Total high quality liquid assets (HQLA)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16	Total net cash outflows	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
17	LCR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Applicable to category 2 institutions only:						
17a	LMR (%)	225.46%	139.47%	190.56%	255.43%	351.57%
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
Applicable to category 1 institutions only:						
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Applicable to category 2A institutions only:						
20a	CFR (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Template OV1: Overview of RWA

		(a)	(b)	(c)	
		RWA			Minimum capital requirements
		31-Dec-25	30-Sep-25	31-Dec-25	
		USD	USD	USD	
		T	T-1	T	
1	Credit risk for non-securitization exposures	972,438,764	958,500,737	77,795,101	
2	Of which STC approach	-	-	-	
2a	Of which BSC approach	972,438,764	958,500,737	77,795,101	
3	Of which foundation IRB approach	-	-	-	
4	Of which supervisory slotting criteria approach	-	-	-	
5	Of which advanced IRB approach	-	-	-	
5a	Of which retail IRB approach	-	-	-	
5b	Of which specific risk-weight approach	-	-	-	
6	Counterparty credit risk and default fund contributions	-	-	-	
7	Of which SA-CCR approach	Not applicable	Not applicable	Not applicable	
7a	Of which CEM	-	-	-	
8	Of which IMM(CCR) approach	-	-	-	
9	Of which others	-	-	-	
10	CVA risk	-	-	-	
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A	
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-	
13	CIS exposures – mandate-based approach	-	-	-	
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	-	-	-	
21	Of which STM approach	-	-	-	
22	Of which IMA	-	-	-	
22a	Of which SSTM approach	-	-	-	
23	Capital charge for moving exposures between trading book and banking book	-	-	-	
24	Operational risk	18,435,328	17,653,339	1,474,826	
24a	Sovereign concentration risk	-	-	-	
25	Amounts below the thresholds for deduction (subject to 250% RW)	-	-	-	
26	Output floor level applied	N/A	N/A	-	
27	Floor adjustment (before application of transitional cap)	N/A	N/A	-	
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A	
28a	Deduction to RWA	-	-	-	
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-	
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-	
29	Total	990,874,092	976,154,076	79,269,927	

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

Explanation of significant drivers behind differences in reporting periods T and T-1.

No significant differences.

When minimum capital requirements in column (c) do not correspond to 8% of RWA in column (a), the AI must explain the adjustment made.

Not applicable.

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Template PV1: Prudent valuation adjustments

As at 31 December 2025

USD	(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
Close-out uncertainty, of which:	-	-	-	-	-	-	-	-
<i>Mid-market value</i>	-	-	-	-	-	-	-	-
<i>Close-out costs</i>	-	-	-	-	-	-	-	-
<i>Concentration</i>	-	-	-	-	-	-	-	-
Early termination	-	-	-	-	-	-	-	-
Model risk	-	-	-	-	-	-	-	-
Operational risks	-	-	-	-	-	-	-	-
Investing and funding costs						-	-	-
Unearned credit spreads						-	-	-
Future administrative costs	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Total adjustments	-	-	-	-	-	-	-	-

The Company has basically considered close-out uncertainty, model risk and unearned credit spreads in valuation. Assessment of valuation adjustment attributed to early termination, operational risks, investing and funding costs and future administrative costs is not performed.

Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

		As at 31 December 2025						
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Carrying values of items:						
USD	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	subject to credit risk framework	subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework ^a	not subject to capital requirements or subject to deduction from capital	
Assets								
	Cash and balances with banks and other financial institutions	31,989,351	31,989,351	31,989,351	-	-	-	-
	Loans and advances to banks and others financial institutions	230,353,355	231,008,174	231,008,174	-	-	-	-
	Loans and advances to customers	535,493,504	538,385,770	538,385,770	-	-	-	-
	Debt investment securities	270,158,819	270,158,819	270,158,819	-	-	-	-
	Property and equipment and right of use assets	1,579,492	1,579,492	1,579,492	-	-	-	-
	Tax recoverable	-	-	-	-	-	-	-
	Deferred tax assets	434,841	434,841	-	-	-	-	434,841
	Other assets	9,526,176	9,526,176	9,526,176	-	-	-	-
	Total Assets	1,079,635,538	1,083,082,623	1,082,647,782	-	-	-	434,841
Liabilities								
	Deposits and balances from banks and other financial institutions	90,140,001	90,140,001	-	-	-	-	-
	Certificate of deposits issued	255,660,918	255,660,918	-	-	-	-	-
	Tax payable	806,275	806,275	-	-	-	-	-
	Borrowings from the ultimate holding company	153,793,460	153,793,460	-	-	-	-	-
	Borrowings from other financial institutions	379,701,806	379,701,806	-	-	-	-	-
	Subordinated liabilities	-	-	-	-	-	-	-
	Other liabilities	8,938,907	8,938,907	-	-	-	-	-
	Total Liabilities	889,041,367	889,041,367	-	-	-	-	-

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

Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

As at 31 December 2025

USD	(a) Total	(b) Items subject to:				(e) market risk framework*
		(b) credit risk framework	(c) securitization framework	(d) counterparty credit risk framework	(d)	
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	1,082,647,782	1,082,647,782	-	-	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	1,082,647,782	1,082,647,782	-	-	-
4	Off-balance sheet amounts	87,721,934	35,088,774	-	-	
5	Differences in valuations	(149,064,505)	(149,064,505)	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	
7	Differences due to consideration of provisions	-	-	-	-	
8	Differences due to prudential filters	-	-	-	-	
9	Exposure amounts considered for regulatory purposes	1,021,305,211	968,672,051	-	-	

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

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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

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorized institutions under the Capital Rules and the Banking Ordinance.

(b) The main drivers for the differences between accounting values and amounts considered for regulatory purposes shown in template LI2

The differences are mainly attributable to the following factors:

- The carrying values reported in the financial statement are after deduction of collective and individual impairment allowances while the exposure amounts for regulatory purposes are before deducting impairment allowances (except for exposures under Standardised Approach of credit risk from which individual impairment allowances made against the exposures are deducted);
- The exposure amounts for regulatory purposes are after the adjustment for the capital effect of recognized credit risk mitigation on the principal amounts;
- 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

In order to ensure that the valuation estimates are prudent and reliable, the Company has implemented the following valuation processes and methodologies:

Estimation of fair values

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. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 - Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

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Table LIA: Explanations of differences between accounting and regulatory exposure amounts (continued)

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The Company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate swaps and currency swap that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter (OTC) derivatives like interest rate swaps and currency swap. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realised in an immediate sale of the instruments.

Template CC1: Composition of regulatory capital

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	130,000,000	[7]
2	Retained earnings	60,588,621	[8] + [9] + [13]
3	Disclosed reserves	(211,106)	[11]
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	190,377,515	
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)	222,689	[5]
10	Deferred tax assets (net of associated deferred tax liabilities)	400,010	[4] - [12]
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	-	

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Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	3,148,216	[13]
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	3,148,216	[13]
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	-	

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Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
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	3,770,915	
29	CET1 capital	186,606,600	
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	-	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	

Regulatory Disclosures

Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
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)	186,606,600	
Tier 2 capital: Instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	[6]
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	5,314,288	[1] + [2] + [3] + [10] + [13]
51	Tier 2 capital before regulatory deductions	5,314,288	
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	-	

Regulatory Disclosures
Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 Institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments applied to Tier 2 capital	-	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	-	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	5,314,288	
59	Total regulatory capital (TC = T1 + T2)	191,920,888	
60	Total RWA	990,874,092	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	18.83%	
62	Tier 1 capital ratio	18.83%	

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Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
63	Total capital ratio	19.37%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	3.030%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.530%	
67	of which: higher loss absorbency requirement	-	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	9.3688%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
70	National Tier 1 minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
71	National Total capital minimum ratio	<i>Not applicable</i>	<i>Not applicable</i>
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)	<i>Not applicable</i>	<i>Not applicable</i>
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	<i>Not applicable</i>	<i>Not applicable</i>

Template CC1: Composition of regulatory capital (continued)

		(a)	(b)
		USD	Cross-referenced to Template CC2 Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
As at 31 December 2025			
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	-	
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	-	

Regulatory Disclosures
Template CC1: Composition of regulatory capital (continued)

Elements where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards are disclosed below:

Notes to the template

	Description	Hong Kong basis	Basel III basis
10	Deferred tax assets (net of associated deferred tax liabilities)	400,010	400,010
	<p>Explanation As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.</p>		
	<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

Template CC2: Reconciliation of regulatory capital to balance sheet

	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 31 December 2025	As at 31 December 2025	
Assets			
Cash and balances with banks and other financial institutions	31,989,351	31,989,351	
Loans and advances to banks and other financial institutions	230,353,355	230,353,355	
<i>Of which: collective impairment allowances</i>		250,778	[1]
Loans and advances to customers	535,493,504	535,493,504	
<i>Of which: collective impairment allowances</i>		1,680,082	[2]
Debt investment securities	270,158,819	270,158,819	
<i>Of which: collective impairment allowances</i>		4,421	[3]
Tax recoverable	-	-	
Deferred tax assets	434,841	434,841	[4]
Property and equipment and right of use assets	1,579,492	1,579,492	
Other assets	9,526,176	9,526,176	
<i>Of which: intangible assets</i>	188,853	222,689	[5]
TOTAL ASSETS	1,079,535,538	1,079,535,538	
Equity and liabilities			
Deposits and balances from ultimate holding company	-	-	
Deposits and balances from banks and other financial institutions	90,140,001	90,140,001	
Tax payable	806,275	806,275	
Other liabilities	8,938,907	8,938,907	
<i>Of which: collective impairment allowances</i>		-	
Borrowings from the ultimate holding company	153,793,460	153,793,460	
Borrowings from other financial institutions	379,701,806	379,701,806	
Subordinated liabilities	-	-	
<i>Of which: Subordinated liabilities</i>		-	[6]
Certificate of deposit issued	255,660,918	255,660,918	
Total liabilities	889,041,367	889,041,367	
Equity			
Share capital	130,000,000	130,000,000	[7]
Reserves	60,494,171	60,494,171	
<i>Of which: retained profits</i>		48,186,571	[8]
<i>profit for the period</i>		9,253,834	[9]
<i>other comprehensive income</i>		81,825	[10]
<i>AFS investment revaluation reserve</i>		(211,106)	[11]
<i>deferred tax assets</i>		34,831	[12]
<i>regulatory reserve</i>		3,148,216	[13]
Total equity	190,494,171	190,494,171	
TOTAL EQUITY AND LIABILITIES	1,079,535,538	1,079,535,538	

Regulatory Disclosures
Table CCA: Main features of regulatory capital instruments

As at 31 December 2025		(a)	
		Quantitative / qualitative Information	
		Ordinary Shares	Ordinary Shares
1	Issuer	KEXIM Asia Limited	
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N.A.	
3	Governing law(s) of the instrument	Hong Kong Laws	
<i>Regulatory treatment</i>			
4	Transitional Basel III rules	N.A.	N.A.
5	Basel III rules	Common Equity Tier 1	Common Equity Tier 1
6	Eligible at solo / group / solo and group	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Ordinary Shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	USD 30 million	UD 100 million
9	Par value of instrument	No par value (issued USD 30 million)	No par value (issued USD 100 million)
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	4 March 2004	27 August 2020
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N.A.	N.A.
16	Subsequent call dates, if applicable	N.A.	N.A.
<i>Coupons / dividends</i>			
17	Fixed or floating dividend / coupon	Floating dividend	Floating dividend
18	Coupon rate and any related index	No	No
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.
26	If convertible, conversion rate	N.A.	N.A.
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down feature	No	No
31	If write-down, write-down trigger(s)	N.A.	N.A.
32	If write-down, full or partial	N.A.	N.A.
33	If write-down, permanent or temporary	N.A.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Subordinated creditors	Subordinated creditors
36	Non-compliant transitioned features	N.A.	N.A.
37	If yes, specify non-compliant features	N.A.	N.A.

The full terms and conditions of the Company's capital instruments can be found in our website, <https://www.koreaxim.go.kr/ea/HPHYEA015M01>.

Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer (“CCyB”)

As at 31 December 2025		a	c	d	e
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio (%)	CCyB amount
		(%)	Amount (USD)		
1	Hong Kong SAR	0.5000%	40,384,347		
2	Belgium	1.0000%	4,348,233		
3	Ireland	1.5000%	3,948,204		
4	South Korea	1.0000%	277,090,129		
5	Australia	1.0000%	10,008,002		
6	France	1.0000%	21,197,516		
7	Luxembourg	0.5000%	15,021,049		
8	Sum 1		371,997,480		
9	Total 2		652,811,393	0.530%	3,459,900

Footnote:

- ¹ The sum of RWAs for the private sector credit exposures in jurisdictions with a non-zero applicable JCCyB ratio.
- ² Total: (for column (c)) total sum of the RWA for private sector credit exposures across all jurisdictions to which the AI is exposed, including jurisdictions with no applicable JCCyB ratio or with applicable JCCyB ratio set at zero.

Template LR1: Summary comparison of accounting assets against leverage ratio ("LR") exposure measure

As at 31 December 2025		(a)
	Item	Value under the LR framework USD
1	Total consolidated assets as per published financial statements	1,079,535,538
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	5,408,305
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves	Not applicable
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative contracts	-
9	Adjustment for SFTs (i.e. repos and similar secured lending)	-
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	35,088,774
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	-
12	Other adjustments	(622,699)
13	Leverage ratio exposure measure	1,119,409,918

Point to note:
(i) a row shaded yellow represents an item that is not applicable to Hong Kong.

Template LR2: Leverage ratio ("LR")

		(a)	(b)
		31-Dec-25	30-Sept-25
		USD	USD
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	1,084,943,843	1,105,212,556
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	(622,699)	(541,855)
7	Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)	1,084,321,144	1,104,670,701
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with all derivative contracts	-	-
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	Total exposures arising from derivative contracts (sum of rows 8 to 12)	-	-
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total exposures arising from SFTs (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	87,721,934	56,838,762
20	Less: Adjustments for conversion to credit equivalent amounts	(52,633,160)	(34,103,257)
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)	35,088,774	22,735,505
Capital and total exposures			
23	Tier 1 capital	186,606,600	184,320,352
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,119,409,918	1,127,406,206
Leverage ratio			
25 & 25a	Leverage ratio	16.67%	16.35%
26	Minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	1,119,409,918	1,127,406,206
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)	16.67%	16.35%
<i>Point to note:</i>			
<i>(i) a row shaded yellow represents an item that is not applicable to Hong Kong.</i>			

Regulatory Disclosures

Table LIQA: Liquidity risk management

The Company's approach to liquidity risk management is based on the building blocks of governance by framework, oversight by risk management committees, and internal control policies that define specific risk methodologies. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. Risk Management Committee is responsible for overseeing overall liquidity position and ensuring that there is sufficient liquidity available to meet the obligations. The Committee members meet at least on a monthly basis to review several limits set internal or statutory. Internal target liquidity ratio is established which provide early-warning signal in relation to liquidity position.

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 included the Company's ability to meet any deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to company with statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by a senior manager under the direction of the management and liquidity maintenance ratio. The senior manager is responsible for ensuring that the Company has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring local and international markets for the adequacy of funding and liquidity. Risk Management Committee will be promptly informed if the ratio calculated below internal target and determine appropriate course of action to restore the ratio back to or above internal target ratio.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and bank balances and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. The Company regularly stress tests its liquidity position.

The Company of funding strategy policies on diversification in the sources and tenors of funding; and the funding strategy is decentralised.

As a majority of the Company's liquidity risk arises from the maturity mismatch gap between the Company's asset and liability portfolios, the Company manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Company's management information system. These are carried out on a regular basis to identify funding needs arising from on and off balance sheet items in a specific time frame over a set of time horizons.

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Table LIQA: Liquidity risk management *(continued)*

The Company does regular stress testing on various types of risk, details of stress testing are stated in "Manual for Stress – Testing". In any test scenarios and assumptions, the Company should keep total Liquid Assets with at least 10% bigger than total cash outflow within SEVEN working days. Test scenarios and risk tolerance level should be based on a reasonable assumption which are proposed by risk management committee and approved by Managing Director. Test methodological; assumption and risk tolerance level should be reviewed on demand basic or at least annually.

The contingency funding policy is designed the following situations:

1. In a warning situation where any of the liquidity and maturity mismatch ratio does not meet the target ratios in this Guideline, say, if the Tier 2 ratio falls below 25 (twenty five) percent on a day-to-day basis, the risk manager should find out the reasons and take actions deemed necessary to meet the target ratios and report to the Risk Management Committee and the Parent Bank, if necessary.
2. For diversification of funding sources, inter-bank borrowing should be diversified globally. In the event of serious liquidity crisis, the Managing Director should request an emergent assistance to the Parent Bank.
3. Contingency Plan should be tested at least annually. The test should be included but not be limited to emergency funding availability from the Parent Bank; availability of liquid assets on hand for Repo trade & etc... Test result should be documented and reviewed by management.

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Table LIQA: Liquidity risk management (continued)

The Company's analysis of on- and off-balance sheet items by remaining maturity and the resultant liquidity gaps as at 31 December 2025 is shown as follows:
The following maturity profile is based on the remaining period at the end of the reporting period to the contractual maturity date.

USD	Repayable on demand	Within 1 months	Over 1 month but within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Undated
Assets							
Cash and balances with bank and other financial institutions	8,989,351	23,000,000	-	-	-	-	-
Loans and advances to banks and others financial institutions	-	-	-	33,428,827	142,025,847	54,898,881	-
Loans and advances to customers	-	-	15,839,697	71,577,289	261,005,370	187,071,148	-
Debt investment securities	-	24,966,460	15,912,510	56,722,453	172,557,396	-	-
Other assets	-	3,324,611	3,737,767	1,782,465	266,245	-	-
Total on-balance sheet assets	8,989,351	51,291,071	35,489,974	163,511,034	675,854,658	241,970,029	-
Total off-balance sheet claims	-	43,000,000	-	3,156,594	41,565,340	-	-
Liabilities							
Deposits and balances from banks and other financial institutions	-	-	40,140,001	50,000,000	-	-	-
Certificate of deposits	-	19,561,967	137,121,918	98,977,033	-	-	-
Borrowings from the ultimate holding company	-	-	103,793,460	50,000,000	-	-	-
Borrowings from other financial institutions	-	-	-	229,845,398	149,856,408	-	-
Other liabilities	-	557,556	4,884,209	1,166,255	4,247	22,446	-
Tax payable	-	-	-	806,275	-	-	-
Lease liabilities	-	84,031	131,798	550,135	718,483	-	-
Total on-balance sheet liabilities	-	20,203,554	286,071,386	431,345,096	150,579,138	22,446	-
Total off-balance sheet liabilities	-	-	-	-	-	-	-
Contractual maturity mismatch	8,989,351	74,087,517	(250,581,412)	(264,677,468)	466,840,860	241,947,583	-
Cumulative contractual maturity mismatch	8,989,351	83,076,868	(167,504,544)	(432,182,012)	34,658,848	276,606,431	-

Regulatory Disclosures

Table CRA: General information about credit risk

Overview

The Company has established policies and procedures to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Company continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedure.

This note presents information about the Company's exposure to each of the risks, the Company's objectives, policies and processes for measuring and managing risks and the Company's management of capital.

(a) Credit risk

This category includes credit and counterparty risk from loans and advances, issuer risk from the securities business, counterparty risk from trading activities and country risk. The Company identifies and manages this risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures.

Corporate credit risk

The corporate lending is generally concentrated among highly rated customers. In addition to underwriting standards, the principal means of managing credit risk is the credit approval process. The Company has policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. The Company also has a review process that ensures the proper level of review and approval depending on the size of the facility and risk grading of the credit.

The Company undertakes ongoing credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The Risk Management Committee monitors overall portfolio risk as well as potential problem loans on a regular basis.

Credit risk for treasury transactions

The credit risk of the Company's treasury transactions is managed in the same way as the Company manages its corporate lending risk. The Company applies a risk grading to its counterparties and sets individual counterparty limits.

Credit-related commitments

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans. The Company does not provide any other guarantees which would expose the Company to credit risk.

Regulatory Disclosures

Table CRA: General information about credit risk (continued)

Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Company's total exposures. The Company's portfolio of financial instruments is diversified along geographic, industry and product sectors.

Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

(b) Market risk

The Company has been exempted by the Hong Kong Monetary Authority under section 22(1) of Banking (Capital) Rules from the calculation of market risk under section 17 of Banking (Capital) Rules.

(c) Operational risk

The Company adopted basic indicator approach in order to calculate the capital charges designated by the Capital Rules and calculate the risk-weighted amount accordingly.

Template CR1: Credit quality of exposures

As at 31 December 2025								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	Gross carrying amounts of		Allowances / impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		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			
USD								
1	Loans	-	769,393,944	1,930,860	-	1,930,860	-	767,463,084
2	Debt securities	-	270,163,240	4,421	-	4,421	-	270,158,819
3	Off-balance sheet exposures	-	87,721,934	148,968	-	148,968	-	87,572,966
4	Total	-	1,127,279,118	2,084,249	-	2,084,249	-	1,125,194,869

Default exposures : Borrower is more than 90 days past due on any credit obligation.



Regulatory Disclosures

Template CR2: Changes in defaulted loans and debt securities

	31-Dec-25 USD
1 Defaulted loans and debt securities at end of December 2024(1+2-3-4±5)	-
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	-
	<hr/>
6 Defaulted loans and debt securities at end of December 2025 (1+2-3-4±5)	-
	<hr/> <hr/>

Regulatory Disclosures

Table CRB: Additional disclosure related to credit quality of exposures

The Company classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

The credit quality of loans and advances to customers can be analysed as follows:

It includes analysis on the exposures that are "neither past due nor impaired", "past due but not impaired" and "impaired".

	31-Dec-25 USD
Gross loans and advances to customers	
– neither past due nor impaired	769,393,944
– past due but not impaired	-
– impaired	-
Total	769,393,944

Of which,

	31-Dec-25 USD
Gross loans and advances to customers that are neither past due nor impaired	
– pass	769,393,944
– special mention	-
Total	769,393,944

Also, the ageing analysis of loans and advances to customers that are past due but not impaired.

	31-Dec-25 USD
Gross loans and advances to customers that are past due but not impaired	
– overdue 3 months or less	-
– overdue more than 3 months	-
Total	-

Loans and advances that are past due for more than 90 days but are not impaired amounted to USD:Nil as at 31st December, 2025.

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 recognised in the income statement.

The approach and treatment of impairment allowance of different types of assets (including loans and advances, investment securities and other assets) are elaborated in the Company's impairment allowance policy.

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Company has made concessions that it would not otherwise consider.

Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due. The original loan that is renegotiated is derecognised and a new financial asset is recognised at fair value if the original loan agreement is cancelled and a new agreement made on substantially different terms.

Regulatory Disclosures
Table CRB: Additional disclosure related to credit quality of exposures (continued)

Additional Quantitative Disclosures related to Credit Quality of Assets
Credit risk exposure by geographical areas, industry and residual maturity

Geographical area	31-Dec-25
USD	
– South Korea	167,792,799
– United State	91,004,150
– Singapore	76,793,781
– Cayman Islands	81,986,313
– Indonesia	69,714,840
– United Arab Emirates	67,105,570
– Mainland China	8,000,000
– Others	564,881,665
Total	1,127,279,118

Industry	31-Dec-25
USD	
– Banks	333,071,253
– Non-bank private sector	
o Manufacturing	92,920,185
o Building and construction, property development and investment	37,963,548
o Electricity and gas	115,725,115
o Recreational activities	2,980,440
o Information technology	4,500,000
o Wholesale and retail trade	76,000,000
o Transport and transport equipment	148,201,747
o Financial concerns	270,916,830
o Others	45,000,000
Total	1,127,279,118

Residual maturity	31-Dec-25
USD	
– Up to and including one year	265,266,191
– Over one year and up to including two years	172,522,433
– Over two years	689,490,494
Total	1,127,279,118

Regulatory Disclosures

Table CRC: Qualitative disclosures related to credit risk mitigation

Credit risk mitigation

Risk management policies are in place to mitigate credit risk. Maximum available limit is set on exposure on country and concentration risk.

The concentration exposure limit is the total credit limit to a specific borrower. The country limit is established to each country taking into consideration of sovereign risk and expected frequency of transactions with the Company.

Both limits shall be within the concentration limit of the parent company.

Credit Committee

The Credit Committee is responsible for assisting the Board to formulate the Company's risk appetite and strategies for managing the credit risk. It is also responsible for the implementation and maintenance of the Company's credit risk management framework. It also participates in evaluating large credit applications and making credit decisions. The Committee comprised the Deputy Managing Director and the Senior Manager.

Regulatory Disclosures

Template CR3: Overview of recognized credit risk mitigation

		As at 31 December 2025				
		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
USD						
1	Loans	475,874,038	291,589,046	-	291,589,046	-
2	Debt securities	219,544,146	50,614,673	-	50,614,673	-
3	Total	695,418,184	342,203,719	-	342,203,719	-
4	Of which defaulted	-	-	-	-	-

Regulatory Disclosures

Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – BSC approach

Exposure classes		As at 31 December 2025					
		(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
		USD	USD	USD	USD	%	
1	Sovereign exposures	-	-	-	-	-	-
2	Public sector entity exposures	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-
4	Unspecified multilateral body exposures	30,462,974	-	30,462,974	-	15,231,487	50%
5	Bank exposures	318,861,434	-	318,861,434	-	182,671,602	57%
6	Eligible covered bond exposures	-	-	-	-	-	-
7	Exposures arising from IPO financing	-	-	-	-	-	-
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	-	-	-	-	-	-
9	Equity exposures	-	-	-	-	-	-
10	Significant capital investments in commercial entities	-	-	-	-	-	-
11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	8,900,336	-	8,900,336	-	13,350,505	150%
12	Subordinated debts issued by banks and corporates	-	-	-	-	-	-
13	Cash and gold	-	-	-	-	-	-
14	Items in the process of clearing or settlement	-	-	-	-	-	-
15	Other exposures	726,096,398	87,721,934	726,096,398	35,088,774	761,185,170	100%
16	Total	1,084,321,142	87,721,934	1,084,321,142	35,088,774	972,438,764	87%

No significant change over the last reporting period.

Template CR5: Credit risk exposures by exposures classes and by risk weights – BSC approach

USD		As at 31 December 2025							Total credit exposure amount (post-CCF and post-CRM)
		0%	10%	20%	100%	Other			
1	Sovereign exposures	-	-	-	-	-	-	-	-
2	Public sector entity exposures	20%		100%		Other		-	-
3	Multilateral development bank exposures	0%			Other				-
4	Unspecified multilateral body exposures	50%			30,462,974		Other		30,462,974
5	Bank exposures	20%		100%		Other		170,237,291	148,624,143
6	Eligible covered bond exposures	10%		50%		Other		-	-
7	Exposures arising from IPO financing	0%			Other				-
8	Real estate exposures	40%	50%	70%	100%	120%	150%	Other	-
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	-	-	-	-	-	-	-	-
9	Equity exposures	250%		400%		Other		-	-
10	Significant capital investments in commercial entities	250%		400%		1250%		Other	-

Regulatory Disclosures

Template CR5: Credit risk exposures by exposures classes and by risk weights – BSC approach (continued)

USD		As at 31 December 2025				Total credit exposure amount (post-CCF and post-CRM)
		150%	250%	400%	Other	
11	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	8,900,336	-	-	-	8,900,336
12	Subordinated debts issued by banks and corporates	-	-	-	-	-
13	Cash and gold	-	-	-	-	-
14	Items in the process of clearing or settlement	-	-	-	-	-
15	Other exposures	761,185,172	-	-	-	761,185,172

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

USD		As at 31 December 2025			
	Risk Weight#	(a)	(b)	(c)	(d)
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	170,237,291	-	-	170,237,291
2	40-70%	30,462,974	-	-	30,462,974
3	100%-120%	874,720,541	87,721,934	40%	909,809,315
4	150%	8,900,336	-	-	8,900,336
5	250%	-	-	-	-
6	400%	-	-	-	-
7	1250%	-	-	-	-
8	Total exposures	1,084,321,142	87,721,934		1,119,409,916

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).

KEXIM ASIA LIMITED

Regulatory Disclosures

Advances to customers

(a) By industry sectors

The analysis of advances to customers by industry sector is based on the categories used in the "Quarterly Analysis of Loans and Advances and Provisions" Return to the HKMA and is stated gross of any provisions:

Loans and advances to customers analysed by the coverage of collateral and the impairment allowance is as follows:

	As at 31 December 2025			
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
Loans for use in Hong Kong				
<u>Industrial, commercial and financial:</u>				
- Finance companies & others	22,600,963	-	16,981	-
- Wholesale and retail trade	23,991,753	-	209,210	-
Loans for use in Hong Kong	46,592,716	-	226,191	-
Loans for use outside Hong Kong	490,580,870	-	1,453,891	-
Gross advances to customers	537,173,586	-	1,680,082	-

	As at 31 December 2024			
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
Loans for use in Hong Kong				
<u>Industrial, commercial and financial:</u>				
- Finance companies & others	9,000,000	-	2,125	-
- Wholesale and retail trade	14,000,000	-	86,594	-
Loans for use in Hong Kong	23,000,000	-	88,719	-
Loans for use outside Hong Kong	412,444,580	-	1,372,690	-
Gross advances to customers	435,444,580	-	1,461,409	-

(b) By geographical areas

	As at 31 December 2025		
	Gross loans and advances USD	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
-Korea	190,866,281	(783,758)	-
-Developing Asia Pacific	107,556,072	(209,786)	-
-Developed Countries	81,338,641	(185,209)	-
-Developing Africa and Middle East	45,924,128	(65,244)	-
-Offshore centres	111,488,464	(436,085)	-
	537,173,586	(1,680,082)	-

	As at 31 December 2024		
	Gross loans and advances USD	Collectively - assessed impairment allowances USD	Individually - assessed impairment allowances USD
-Korea	224,254,817	(784,756)	-
-Developing Asia Pacific	86,660,065	(142,306)	-
-Developed Countries	32,910,841	(140,385)	-
-Developing Africa and Middle East	-	-	-
-Offshore centres	91,618,857	(393,962)	-
	435,444,580	(1,461,409)	-

The above geographical analysis is classified by the location of counterparties after taking into account the transfer of risk.

Advances to banks and other financial institutions

(a) By industry sectors

The analysis of advances to banks and other financial institutions by industry sector is based on the categories used in the "Quarterly Analysis of Loans and Advances and Provisions" Return to the HKMA and is stated gross of any provisions:

Loans and advances to banks and other financial institutions analysed by the coverage of collateral and the impairment allowance is as follows:

As at 31 December 2025			
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD
Loans for use outside Hong Kong	230,604,133	-	250,778

As at 31 December 2024			
	Gross loans and advances USD	% of gross loans and advances covered by collateral	Collectively - assessed impairment allowances USD
Loans for use outside Hong Kong	103,705,809	-	138,492

(b) By geographical areas

As at 31 December 2025		
	Gross loans and advances USD	Collectively - assessed impairment allowances USD
-Developing Asia Pacific	35,905,104	(50,422)
-Developed Countries	25,000,000	(6,031)
-Developing Latin America and Caribbean	29,956,827	(7,093)
-Developing Africa and Middle East	73,468,969	(43,325)
-Offshore centres	66,273,233	(143,907)
	<u>230,604,133</u>	<u>(250,778)</u>

As at 31 December 2024		
	Gross loans and advances USD	Collectively - assessed impairment allowances USD
-Developing Asia Pacific	18,426,208	(25,920)
-Developed Countries	9,992,548	(2,350)
-Developing Latin America and Caribbean	-	-
-Developing Africa and Middle East	48,942,786	(44,581)
-Offshore centres	26,344,267	(65,641)
	<u>103,705,809</u>	<u>(138,492)</u>

The above geographical analysis is classified by the location of counterparties after taking into account the transfer of risk.

KEXIM ASIA LIMITED
Regulatory Disclosures

Overdue

a Advances to customers which have been overdue for :

	<u>At at 31/12/2025</u>	<u>At at 31/12/2025</u>	<u>At at 31/12/2024</u>	<u>At at 31/12/2024</u>
	By amount USD	By % of total advances	By amount USD	By % of total advances
6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current market value of collateral held against the covered portion of overdue loans and	<u>-</u>		<u>-</u>	
Covered portion of overdue loans and advances	-		-	
Uncovered portion of overdue loans and advances	<u>-</u>		<u>-</u>	

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.

b Advances to banks and other financial institutions which have been overdue for :

6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

c Other assets which have been overdue for :

6 months or less but over 3 months	-	-	-	-
1 year or less but over 6 months	-	-	-	-
Over 1 year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

d Rescheduled advances to customers

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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e Rescheduled advances to banks and other financial institution

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
--	----------	----------	----------	----------

f Total impaired loans

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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g Individual impairment allowances / Expected credit losses at stage 3 made on overdue loans and advances

	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
--	----------	----------	----------	----------

As at 31 December 2025 and 31 December 2024, there were no overdue advances to banks and other financial institutions.

Reposessed assets

	<u>At at 31/12/2025</u>	<u>At at 31/12/2024</u>
	USD	USD
Reposessed assets	<u>-</u>	<u>-</u>

Regulatory Disclosures

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

Counterparty credit risk management

The Company adopted the Current Exposure Method and potential exposure value for regulatory capital calculation of its counterparty credit risk ("CCR") arising from securities financing transactions and derivative contracts booked in the banking book and trading book.

The credit risk of the Company's treasury transactions is managed in the same way as the Company manages its corporate lending risk. The Company applies a risk grading to its counterparties and sets individual counterparty limits.

Debt securities, treasury and other eligible bills are generally unsecured. The Company's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Company to execute a Credit Support Annex (CSA) in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

Template CCR1: Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches

		As at 31 December 2025					
		(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
USD							
1	SA-CCR approach (for derivative contracts)	-	-		1.4	-	-
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						

Regulatory Disclosures

Template CCR3: Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – BSC approach

USD		As at 31 December 2025						
		(a)	(b)	(c)	(d)	(f)	(h)	(i)
Risk Weight		0%	10%	20%	50%	100%	Others	Total default risk exposure after CRM
Exposure class								
1	Sovereign exposures	-	-	-	-	-	-	-
2	Public sector entity exposures	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-
5	Bank exposures	-	-	-	-	-	-	-
6	Other exposures	-	-	-	-	-	-	-
7	Total	-	-	-	-	-	-	-

Template CCR5: Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)

As at 31 December 2025						
	(a)	(b)	(c)	(d)	(e)	(f)
	Derivative contracts				SFTs [3]	
	Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
USD	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency[4]	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
...	-	-	-	-	-	-
Total	-	-	-	-	-	-

Points to note:

- [3] For "SFTs" reported in columns (e) and (f), the collateral used is defined as referring to both legs of the transaction. For example, an AI transfers securities to a third party, which in turn posts collateral to the AI. The AI should report both legs of the transaction in the template; on one hand the collateral received is reported in column (e), on the other hand the collateral posted by the AI is reported in column (f).
- [4] "Domestic currency" refers to the AI's reporting currency (not the currency / currencies in which the derivative contract or SFT is denominated).

Template CCR6: Credit-related derivatives contracts

USD	As at 31 December 2025	
	(a)	(b)
	Protection bought	Protection sold
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)	-	-

Template CCR8: Exposures to CCPs

USD		As at 31 December 2025	
		(a)	(b)
		Exposure after CRM	RWA
1	Exposures of the AI as clearing member or clearing client^[5] to qualifying CCPs (total)		-
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	-	-
3	(i) OTC derivative transactions	-	-
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	-	-

^[5] "Clearing client" here may mean a direct client, or an indirect client within a multi-level client structure, as applicable. These terms have the meaning given by the BCR.

Regulatory Disclosures

Table CVAA: Qualitative disclosures related to CVA risk

The Company has no CVA risk at the end of the period. The Company has established systems and model on CVA calculation which fulfils regulatory requirements put forward in HKMA Supervisory Policy Manual CR-G-13. Products and counterparties generating counterparty credit risk are captured in CVA calculations, and CVA calculation readiness will be assessed on new financial instruments. CVA model is regularly reviewed and validated. As part of financial instruments valuation, CVA is subject to the governance of the Risk Management Committee. The Company will also conduct CVA stress testing and reporting to the senior management regularly to assess potential vulnerabilities to stressed business conditions.

The Company will adopt the Reduced Basic Approach to calculate the CVA capital charge, although it is qualified to set the CVA risk capital charge as 100% of the capital charge for counterparty credit risk.

Template CVA1: CVA risk under reduced basic CVA approach

		As at 31 December 2025	
		(a)	(b)
		Components	CVA risk capital charge under the reduced basic CVA approach
USD			
1	Aggregation of systematic components of CVA risk	-	
2	Aggregation of idiosyncratic components of CVA risk	-	
3	Total		-

Regulatory Disclosures**Table SECA: Qualitative disclosures related to securitization exposures**

The Company has no securitization exposures at the end of the period. The Company may held a small amounts of securitization exposures, they are classified and measured for accounting purpose in according to the accounting standard. The securitization exposures held by the Company should all rated by recognized ECAI designated by the Capital Rules and calculate the risk-weighted amount accordingly.

Template SEC1: Securitization exposures in banking book

USD		As at 31 December 2025								
		(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
1	Retail (total) – of which:	-	-	-	-	-	-	-	-	-
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	-	-	-
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Template SEC2: Securitization exposures in trading book

		As at 31 December 2025								
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
		Acting as originator (excluding sponsor)			Acting as sponsor			Acting as investor		
USD		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which:	-	-	-	-	-	-	-	-	-
2	residential mortgage	-	-	-	-	-	-	-	-	-
3	credit card	-	-	-	-	-	-	-	-	-
4	other retail exposures	-	-	-	-	-	-	-	-	-
5	re-securitization exposures	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which:	-	-	-	-	-	-	-	-	-
7	loans to corporates	-	-	-	-	-	-	-	-	-
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

Template SEC3: Securitization exposures in banking book and associated capital requirements – where AI acts as originator

		As at 31 December 2025																
		(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-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
USD																		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which simple, transparent and comparable	N/A										-	-	-	-	-	-	
6	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Template SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor

		As at 31 December 2025																
		(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-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	SEC-FBA
USD																		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Traditional securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which simple, transparent and comparable	N/A																
6	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Template MR1: Market risk under STM approach

USD		As at 31 December 2025
		(a)
		Market risk capital charges under STM approach
1	General interest rate risk	-
2	Equity risk	-
3	Commodity risk	-
4	Foreign exchange risk	-
5	Credit spread risk (non-securitization)	-
6	Credit spread risk (securitization: non-correlation trading portfolio ("CTP"))	-
7	Credit spread risk (securitization: CTP)	-
8	Standardized default risk charge ("SA-DRC") (non-securitization)	-
9	SA-DRC (securitization: non-CTP)	-
10	SA-DRC (securitization: CTP)	-
11	Residual risk add-on	-
12	Total	-

The Company had been exempted from market risk capital requirement since September 2005.

Regulatory Disclosures

Table IRRBBA: Interest rate risk in banking book – risk management objectives and policies

The Company defines interest rate risk in the banking book (“IRBB”) per requirement of Hong Kong Monetary Authority (“HKMA”) Supervisory Policy Manual IR-1. IRBB refers to the risk of the Company’s financial condition resulting from adverse movements in interest rates that affect the Company’s banking book interest rate sensitive positions and off-balance sheet items.

The Company’s interest rate positions arise from treasury and lending activities. Interest rate risk arise in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest-bearing liabilities including shareholders’ funds and current accounts.

The Company has three lines of defence for interest rate risk management. The first line of defence comprises risk owners at business units. They are primarily responsible for the day-to-day interest rate risk management. The second line of defence refers to the Risk Management Committee, and the third line of defence refers to Parent Bank’s internal audit Department.

The Company uses interest rate swaps and currency swap for hedging purpose to manage interest rate risk.

Risk Limits are established for on-going monitoring. The company regular conduct sensitivity analysis and stress tests with adoption of value-at-risk and earning-at-risk methodologies.

Through economic value of equity measures (“EVE”) , the Company computes a change in the net present value of assets, liabilities and off-balance sheet items, subject to specific interest rate shock and stress scenarios. Through earning-based measures on net interest income (“NII”), the Company reflect changes in value over the remaining life of assets, liabilities and off-balance sheet items.

Key Assumptions refer to HKMA IR-1

Non-maturity deposit (“NMD”)

NMD here refers to current and savings deposits, the deposits types without maturity of the Company. The average repricing maturity of NMDs are determined per historical re-pricing and run off behavior with consideration of relationship between market interest rate and the interest rate offered by the Company. Geographical factors (like Hong Kong and China) are also considered. The Company does not provide current and saving deposit services.

Cash Flow of retail fixed rate loans

Prepayment on retail fixed rate loans would cause the loans being paid back on an earlier date than the contractual maturity.

Retail time deposits subject to early redemption risk are time deposits that can be withdrawn early at the discretion of the customer. Except there is significant penalty that the customers might not early uplift or breaking the deposits contract due to interest rate change.

According to the characteristic of different products, various statistical methods with reference to macroeconomic factors and historical data are applied to forecast prepayment rates on retail fixed rate loans and early withdrawal rates on retail time deposits to adequately assess the impact on earnings and economic value.

Regulatory Disclosures

Table IRRBBA: Interest rate risk in banking book – risk management objectives and policies (continued)

Treatment of commercial margins and spread

In measurement of economic value of equity, the commercial margins and spread components have been included in the cash flows used in the computation and discount rate used.

Aggregation method

Significant currencies are defined that account for 5% or more of the Company's total on-balance sheet interest rate sensitive position in all currencies. The total position in non-reported currencies could not exceed 10% of the same. Adverse currency impact would be aggregated for significant currencies. For prudent sake, no netting is adopted among currencies.

Constant balance

Under earnings perspective approach, the Company assesses the impact on earnings over the next 12 months based on the two standard interest rate shock assuming constant balance sheet, where maturing or repricing cash flows are replaced by new cash flows with identical features with regard to the amount, repricing period and spread components. It measures the impact on the Company's NII when interest rates change in parallel up and down movement.

Regulatory Disclosures

Template IRRBB1: Quantitative information on interest rate risk in banking book

This table provides information on the change in net interest income ("NII") and also the change in economic value of equity ("EVE") over next 12 months under each of the prescribed interest rate shock scenario in respect of the Group's interest rate exposures arising from banking book positions for the current annual reporting date at 31 December 2025.

Quantitative Information on Interest Rate Risk in Banking Book

Sensitivity Analysis for 2025

(in HKD million)		(a)		(b)		(c)		(d)	
		Adverse impact on EVE "ΔEVE"		Adverse impact on NII "ΔNII"					
	Period	USD	EUR	USD	EUR	USD	EUR	USD	EUR
1	Parallel up	44	-	-27	-	-	-	-	-
2	Parallel down	-	-	27	-	-	-	-	-
3	Steeper	14	-	-	-	-	-	-	-
4	Flattener	-	-	-	-	-	-	-	-
5	Short rate up	15	-	-	-	-	-	-	-
6	Short rate down	-	-	-	-	-	-	-	-
7	Maximum	44	-	27	-	-	-	-	-
	Period	31, December 2025							
8	Tier 1 capital	1,452							

Sensitivity Analysis for 2024

(in HKD million)		(a)		(b)		(c)		(d)	
		Adverse impact on EVE "ΔEVE"		Adverse impact on NII "ΔNII"					
	Period	USD	EUR	USD	EUR	USD	EUR	USD	EUR
1	Parallel up	86	-	-1	-1	-	-	-	-
2	Parallel down	-	-	1	1	-	-	-	-
3	Steeper	-	-	-	-	-	-	-	-
4	Flattener	20	-	-	-	-	-	-	-
5	Short rate up	54	-	-	-	-	-	-	-
6	Short rate down	-	-	-	-	-	-	-	-
7	Maximum	86	-	1	1	-	-	-	-
	Period	31, December 2024							
8	Tier 1 capital	1,362							

Regulatory Disclosures

Table REMA: Remuneration policy

Senior management compensation and benefits

The below disclosures are in compliance with the guideline in Part 3 (Disclosure on remuneration) of the HKMA Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System".

Design and implementation of the remuneration system

The Company has a small establishment in Hong Kong with around 20 staff. Since all the management are expatriates sent by the Export-Import Bank of Korea (the "Parent Bank") as a government bank in Seoul, all staff's remuneration packages follow the South Korean government guidance. All their remuneration packages are overseen by the Payroll & Welfare Team under the Human Resources Department from the Parent Bank according to its remuneration policy. At year-end, the Payroll & Welfare Team reviews the aggregate performance and the material terms of the year-end incentive awards granted to the eligible employee.

This remuneration policy at Group level has included essential elements including structure of remuneration, measurement of performance for variable remuneration and alignment payouts to the time horizon of risks.

Senior management is defined as those persons who are responsible for oversight of the Company's strategy or activities and/or those of the Company's material business lines. Key Personnel are defined as individual employees whose duties or activities in the course of their employment involve the assumption of material risk or taking on of material exposures on behalf of the Company. For the year 2025, the Company does not have any staff considered as Key Personnel.

Regulatory Disclosures

Template REM1: Remuneration awarded during financial year

USD			As at 31 December 2025		As at 31 December 2024	
			(a)	(b)	(a)	(b)
Remuneration amount and quantitative information			Senior management	Key personnel	Senior management	Key personnel
1	Fixed remuneration	Number of employees	7	-	8	-
2		Total fixed remuneration	472,401	-	479,134	-
3		Of which: cash-based	472,401	-	479,134	-
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	-	-	-	-
10		Total variable remuneration	-	-	-	-
11		Of which: cash-based	-	-	-	-
12		Of which: deferred	-	-	-	-
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		472,401	-	479,134	-

Regulatory Disclosures

Template REM2: Special payments

USD		As at 31 December 2025					
		(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	7	-	7	-	7	-
2	Key personnel	-	-	-	-	-	-

USD		As at 31 December 2024					
		(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	8	-	8	-	8	-
2	Key personnel	-	-	-	-	-	-

Regulatory Disclosures

Template REM3: Deferred remuneration

USD		As at 31 December 2025				
		(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	-	-	-	-	-
2	Cash					
3	Shares					
4	Cash-linked instruments					
5	Other					
6	Key personnel	-	-	-	-	-
7	Cash					
8	Shares					
9	Cash-linked instruments					
10	Other					
11	Total	-	-	-	-	-

USD		As at 31 December 2024				
		(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	-	-	-	-	-
2	Cash					
3	Shares					
4	Cash-linked instruments					
5	Other					
6	Key personnel	-	-	-	-	-
7	Cash					
8	Shares					
9	Cash-linked instruments					
10	Other					
11	Total	-	-	-	-	-

Regulatory Disclosures

Table ORA: General information on operational risk framework

The policies, frameworks and guidelines for the management of Operational Risk

Operational Risk is defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

According to the Company's risk management policy, the Company has set out the risk management framework including guidelines, processes, tools, methodologies for operational risk management.

The policy enables the Company to identify, assess, monitor, mitigate and report operational risk and to comply with the various regulatory requirements.

The organizational structure of the Operational Risk Management and control functions

The Operational Risk Management mechanism of the Company is built around a risk oversight framework composed of the Board, Risk Management Committee ("RMC"), Audit Committee, Senior Management, and Head of Risk Management Function.

The Company policies have been approved by the Board for monitoring operational risk. The Board has delegated authorities to the RMC and the Head of RM function for overseeing the operational risk management of the Company.

The RMC is responsible for reviewing and monitoring the Company's risk profile and the policies for the identification, assessment, monitoring, mitigating and reporting of operational risk, as well as evaluating and reviewing exceptions from the existing policies. The Head of RM Function supports the aforesaid management committees in managing the Company's operational risk.

The Head of Risk Management Function provide guidance to Process Owner (e.g. Loans Function and Treasury and Securities Investment Function from the first line of defence) in setting risk limits and performing risk management activities in their remit in line with Company's risk appetite. He also coordinate the risk management information reported from various Process Owners and report to the senior management and the RMC as appropriate.

Under the Company's risk management policy, a Three Lines of Defence model is adopted for capturing and monitoring operational risk related management activities.

Process Owners are the staff member of Loans, Treasury and Securities Investment, Accounting as well as Settlement and Operations in performing the 1st Line of Defence functions. They are primarily responsible for the day-to-day operational risk management of their units.

Staff that perform the risk management and compliance functions play the role of 2nd Line of Defence. The risk management function is responsible for overseeing, assessing, and reporting risks independently from the business lines in the first line of defence. They provide challenge and oversight to ensure operations in line with risk appetite. The compliance function is responsible for monitoring compliance with laws, corporate governance rules, regulations and internal policies. They oversee and challenge the management of legal and regulatory risk within the appetite.

Internal Audit Division functions, acting as the 3rd Line of Defence, is responsible for providing assurance on the effectiveness of the Company's risk management framework including the risk governance arrangements.

Regulatory Disclosures

Table ORA: General information on operational risk framework (continue)

The Operational Risk measurement system

The Company utilizes several quantitative and qualitative measurement tools and methodologies for measuring operational risk.

Key quantitative measurement methodologies include Operational Risk Capital Charge, using the Standardized Approach, Operational Risk Appetite Statement, and Key Risk Indicators to track and monitor operational losses caused by regulatory fines, IT and cyber security, AML and regulatory breaches, customer complaint resolution, third party risk, employee turnover, employ misconduct etc.

Key qualitative methodologies include Business Impact Assessments, Risk and Control Self-Assessment ("RCSA"). RCSA provides a complete and forward-looking profile of the key risks the Company is exposed to. Risk identification and assessment are dynamic and continuous, based on various inputs including internal and external incidents, risk appetite metrics and risk indicators, control assessments, emerging risks and relevant regulations. Risk assessment should be supported with clear rationales. Control monitoring and assurance are used to evaluate, review and ongoing monitoring and testing of key controls. They involve the analysis of controls to ensure they are suitably designed for the identified risk and operating effectively.

The scope and main context of the reporting framework on Operational Risk to senior management and to the board of directors

Operational Risk Management issues including significant operational risk incidents, operational losses, regulatory non-compliance, RCSA and Risk Indicator annual refresh results, regular policy review etc. are reported by the Risk Owner to the RMC on a timely and regular basis.

The risk mitigation and risk transfer used in the management of Operational Risk

There are several risk mitigation or transfer mechanisms used by the Company in the management of operational risk. These include:

1. Mitigation by policies – the Company has established a comprehensive set of Operational Risk Management Policy and related policies, including those related to Operational Resilience, Third Party Risk Management, Business Continuity Plan etc.
2. Implemented preventative and detective controls – the Company has put in place a wide range of controls to mitigate Operational Risk.
3. Established Business Continuity Plans and Crisis Management - the Company has established business continuity plans to enable response to a disruptive event in a timely and effective manner. The plans are updated on an annual basis subject to an annual drill.
4. Risk transfer by insurance - the Company has entered into maintenance contracts and purchased general insurance to transfer operational risks that are unexpected and cannot be fully controlled through internal processes.

Template OR1: Historical losses

		As at 31 December 2025	As at 31 December 2024	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017	As at 31 December 2016	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Average
USD												
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)?	N/A										
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)?	N/A										
13	Loss event threshold: HKD200,000 or HKD 1 million for the operational risk capital charge calculation if applicable	N/A										

Template OR2: Business indicator and business indicator components breakdown

USD		As at	As at	As at
		31 December 2025	31 December 2024	31 December 2023
		(a)	(b)	(c)
	BI and its subcomponents	T	T-1	T-2
1	Interest, leases and dividend component	11,347,176		
1a	Interest and leases income	56,318,971	53,260,017	39,747,837
1b	Interest and leases expenses	41,722,664	42,083,869	31,478,766
1c	Interest earning assets	1,039,443,797	888,349,203	709,363,781
1d	Dividend income	-	-	-
2	Services component	156,424		
2a	Fee and commission income	-	316,419	152,853
2b	Fee and commission expenses	58,271	51,988	48,670
2c	Other operating income	-	-	-
2d	Other operating expenses	-	-	-
3	Financial component	786,619		
3a	Net P&L on trading book	-	-	-
3b	Net P&L on banking book	2,062,034	232,868	64,955
4	BI	12,290,219		
5	Business indicator component (BIC)	1,474,826		

No material changes in the current reporting period.

Disclosure on the BI:

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

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Template OR3: Minimum operational risk capital requirement

USD		As at 31 December 2025
		(a)
1	Business indicator component (BIC)	1,474,826
2	Internal loss multiplier (ILM)	1
3	Minimum operational risk capital requirement	1,474,826
4	Total RWA for operational risk	18,435,329

Template ENC: Asset encumbrance

	As at 31 December 2025		
	(a)	(c)	(d)
	Encumbered assets	Unencumbered assets	Total
USD			
Cash and balances with banks and other financial institutions	-	31,989,351	31,989,351
Loans and advances to banks and other financial institutions	-	230,353,355	230,353,355
Loans and advances to customers	-	535,493,504	535,493,504
Debt Investment securities	-	270,158,819	270,158,819
Deferred tax assets	-	434,841	434,841
Property and equipment and right of use assets	-	1,579,492	1,579,492
Other assets	-	9,526,176	9,526,176

Liquidity information

Liquidity maintenance ratio ("LMR")

	<u>At 31/12/2025</u>	<u>At 12/31/2024</u>
Average LMR for the period	<u>202.73%</u>	<u>348.74%</u>

The average LMR is computed as the arithmetic mean of the average value of the LMR for each calendar month as reported in the liquidity position submitted for the year.

Approach to liquidity risk management

The Company's approach to liquidity risk management is based on the building blocks of governance by framework, oversight by risk management committees, and internal control policies that define specific risk methodologies. Processes and systems are in place to measure, limit and control exposures based on the risk methodologies defined. Risk Management Committee is responsible for overseeing overall liquidity position and ensuring that there is sufficient liquidity available to meet the obligations. The Committee members meet at least on a monthly basis to review several limits set internal or statutory. Internal target liquidity ratio is established which provide early-warning signal in relation to liquidity position.

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 included the Company's ability to meet any deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to company with statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by a senior manager under the direction of the management and liquidity maintenance ratio. The senior manager is responsible for ensuring that the Company has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring local and international markets for the adequacy of funding and liquidity. Risk Management Committee will be promptly informed if the ratio calculated below internal target and determine appropriate course of action to restore the ratio back to or above internal target ratio.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and bank balances and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. The Company regularly stress tests its liquidity position.

Mainland Activities

Non-bank Mainland China exposure

(Expressed in United States dollars)

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the "Return of Mainland Activities" for non-bank.

Types of Counterparties	At at 31 December 2025		
	On-balance sheet exposure 000'	Off-balance sheet exposure 000'	Total exposure 000'
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	8,000	8,000
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,931	-	4,931
Total	4,931	8,000	12,931
Total assets after provision	1,082,894		
On-balance sheet exposures as percentage of total assets	0.46%		

Mainland Activities (continued)

Non-bank Mainland China exposure (continued)

(Expressed in United States dollars)

Types of Counterparties	At at 31 December 2024		
	On-balance sheet exposure 000'	Off-balance sheet exposure 000'	Total exposure 000'
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	21,092	-	21,092
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,737	-	4,737
Total	25,829	-	25,829
Total assets after provision	921,775		
On-balance sheet exposures as percentage of total assets	2.80%		

International Claims

International claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account any transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate international claims are shown as follows:

USD

As at 31 December 2025	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Developed countries	80,466,511	-	-	108,349,936	-	188,816,447
Offshore centres	97,469,111	-	-	133,550,019	-	231,019,130
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	30,462,974	-	-	-	-	30,462,974
Developing Africa and Middle East	106,376,477	-	-	73,422,053	-	179,798,530
Developing Asia-Pacific	44,462,345	-	-	410,482,688	-	454,945,033
of which : China	2,958,230	-	-	19,995,757	-	22,953,987
Korea	5,283,509	-	-	287,148,154	-	292,431,663
Total	359,237,418	-	-	725,804,696	-	1,085,042,114

USD

As at 31 December 2024	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Developed countries	101,035,056	-	-	61,419,282	-	162,454,338
Offshore centres	32,267,507	-	-	127,142,003	-	159,409,510
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	71,500,205	-	-	34,024,758	-	105,524,963
Developing Asia-Pacific	45,428,373	-	-	453,952,325	-	499,380,698
of which : China	2,844,350	-	-	4,736,783	-	7,581,133
Korea	23,908,959	-	-	363,080,102	-	386,989,061
Total	250,231,141	-	-	676,538,368	-	926,769,509

The above analysis is disclosed on a net basis after taking into account the effect of any recognised risk transfer.

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Foreign currency exposures

(Expressed in millions of Hong Kong dollars)

	At at 31 December 2025			
	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>Total</u>
Spot assets	8,229	154	-	8,383
Spot liabilities	(8,254)	(147)	-	(8,401)
Forward purchases	-	-	-	-
Forward sales	-	-	-	-
Net long / (short) position	<u>(25)</u>	<u>7</u>	<u>-</u>	<u>(18)</u>
Net structural position	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	At at 31 December 2024			
	<u>USD</u>	<u>EUR</u>	<u>CNY</u>	<u>Total</u>
Spot assets	6,822	338	-	7,160
Spot liabilities	(6,834)	(333)	-	(7,167)
Forward purchases	-	-	-	-
Forward sales	-	-	-	-
Net long / (short) position	<u>(12)</u>	<u>5</u>	<u>-</u>	<u>(7)</u>
Net structural position	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

Countercyclical Capital Buffer Ratio

	<u>At at 31/12/2025</u>	<u>At at 31/12/2024</u>
Countercyclical Capital Buffer Ratio	<u>0.530%</u>	<u>0.616%</u>

The relevant disclosures of countercyclical capital buffer ratio which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found on the Company's website accessible through the "Regulatory Disclosures_ December 2025" link on the home page of the Company's website at <https://www.koreaexim.go.kr/ea/HPHYEA015M01>

Capital Conservation Buffer Ratio

Under section 3M of the Capital Rules, the capital conservation buffer ratios for calculating the Bank's buffer level are 2.5% for 2025 and 2.5% for 2024.

	<u>At at 31/12/2025</u>	<u>At 31/12/2024</u>
Capital Conservation Buffer Ratio	<u>2.500%</u>	<u>2.500%</u>