



# **Fubon Bank (Hong Kong) Limited**

## **Regulatory Disclosures Statement**

**As at 31 December 2025**

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

## Table of Contents

<b>Introduction</b>	.....	<b>- 3 -</b>
<b>Template KM1: Key prudential ratios</b>	.....	<b>- 4 -</b>
<b>Table OVA: Overview of risk management</b>	.....	<b>- 6 -</b>
<b>Template OV1: Overview of RWA</b>	.....	<b>- 9 -</b>
<b>Template PV1: Prudent valuation adjustments</b>	.....	<b>- 11 -</b>
<b>Template CC1: Composition of regulatory capital</b>	.....	<b>- 12 -</b>
<b>Template CC2: Reconciliation of regulatory capital to balance sheet</b>	.....	<b>- 18 -</b>
<b>Table CCA: Main features of regulatory capital instruments</b>	.....	<b>- 20 -</b>
<b>Template CCyB1: Geographical distribution of credit exposures used in CCyB</b>	.....	<b>- 21 -</b>
<b>Template LR1: Summary comparison of accounting assets against LR exposure measure</b>	.....	<b>- 22 -</b>
<b>Template LR2: Leverage ratio</b>	.....	<b>- 23 -</b>
<b>Table LIQA: Liquidity risk management</b>	.....	<b>- 25 -</b>
<b>Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories</b>	.....	<b>- 30 -</b>
<b>Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements</b>	.....	<b>- 32 -</b>
<b>Table LIA: Explanations of differences between accounting and regulatory exposure amounts</b>	.....	<b>- 33 -</b>
<b>Table CRA: General information about credit risk</b>	.....	<b>- 34 -</b>
<b>Template CR1: Credit quality of exposures</b>	.....	<b>- 37 -</b>
<b>Template CR2: Changes in defaulted loans and debt securities</b>	.....	<b>- 37 -</b>
<b>Table CRB: Additional disclosure related to the credit quality of exposures</b>	.....	<b>- 38 -</b>
<b>Table CRC: Qualitative disclosures in relation to credit risk mitigation</b>	.....	<b>- 42 -</b>
<b>Template CR3: Overview of recognized credit risk mitigation</b>	.....	<b>- 43 -</b>
<b>Table CRD: Qualitative disclosures on the use of ECAI ratings under the STC approach</b>	.....	<b>- 43 -</b>
<b>Template CR4: Credit risk exposures and the effects of recognized credit risk mitigation</b>	.....	<b>- 45 -</b>
<b>Template CR5: Credit risk exposures by exposure classes and by risk weights</b>	.....	<b>- 47 -</b>
<b>Table CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)</b>	.....	<b>- 61 -</b>
<b>Template CCR1: Analysis of counterparty credit risk exposure (other than those to CCPs) by approach</b>	.....	<b>- 61 -</b>
<b>Template CCR3: Counterparty default risk exposures (other than those to CCPs) by exposure class and by risk weights</b>	.....	<b>- 62 -</b>
<b>Template CCR5: Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)</b>	.....	<b>- 63 -</b>
<b>Template CCR6: Credit-related derivatives contracts</b>	.....	<b>- 64 -</b>
<b>Template CCR8: Exposures to CCPs</b>	.....	<b>- 65 -</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

Table CVAA :	Qualitative disclosures related to CVA risk .....	- 66 -
Template CVA1 :	CVA risk under reduced basic CVA approach.....	- 66 -
Table SECA:	Qualitative disclosures related to securitization exposures.....	- 67 -
Template SEC1:	Securitization exposures in banking book .....	- 68 -
Template SEC4:	Securitization exposures in banking book and associated capital requirements – where AI acts as investor.....	- 69 -
Table MRA:	Qualitative disclosures related to market risk .....	- 70 -
Template MR3:	Market risk under SSTM approach.....	- 71 -
Table IRRBBA:	Interest rate exposures in banking book – risk management objectives and policies...	- 72 -
Template IRRBB1:	Quantitative information on interest rate risk in banking book .....	- 75 -
Table REMA:	Remuneration policy .....	- 76 -
Template REM1:	Remuneration awarded during financial year .....	- 79 -
Template REM2:	Special payments.....	- 79 -
Template REM3:	Deferred remuneration .....	- 80 -
Table ORA :	General information on operational risk framework .....	- 81 -
Template OR2 :	Business indicator and business indicator components breakdown.....	- 83 -
Template OR3 :	Minimum operational risk capital requirement .....	- 83 -
Template ENC :	Asset encumbrance .....	- 84 -
Abbreviations	.....	- 85 -

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Introduction**

This Regulatory Disclosures Statement is prepared in accordance with the Banking (Disclosures) Rules (“BDR”) for Fubon Bank (Hong Kong) Limited and its subsidiaries (the “Group”). The information contained in this statement, together with the Group’s consolidated financial statements for the year ended 31 December 2025 and disclosures made in the Bank’s website under the page “Regulatory Disclosures”, comply fully with the applicable disclosure provisions of the BDR issued by the Hong Kong Monetary Authority (“HKMA”) under section 60A of the Hong Kong Banking Ordinance (“HKBO”).

These disclosures are governed by the Group’s policy on financial disclosures, which has been approved by the Board. The policy set out the governance, control and assurance requirements for publication of these disclosures. While this statement is not required to be externally audited, it has been subject to independent review in accordance with the policy and its financial reporting and governance processes.

This statement is prepared based on the consolidated basis for regulatory purposes, which is different from the basis of consolidation for accounting purposes. For the details of the basis of consolidation, please refer to Note (A) to the Group’s consolidated financial statements.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

The terms “collective impairment allowances / collective provision” represents impairment allowances recognised for financial instruments categorized as Stage 1 and Stage 2 under the Group’s accounting policies, while the terms “individual impairment allowances / specific provision” represents impairment allowances recognised on financial instruments categorized as Stage 3 under the Group’s accounting policies. For details of the categorization of different stages of a financial instrument and the methodology in arriving the impairment allowances on each stage, please refer to Note 2(f), 2(o) and 36(a)(viii) to the Group’s consolidated financial statements.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template KM1: Key prudential ratios**

		(a)	(b)	(c)	(d)	(e)
		As at 31 December 2025	As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024 (Note 1)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Regulatory capital (amount)</b>						
1 & 1a	Common Equity Tier 1 (CET1)	15,829,986	15,367,900	15,221,392	15,006,351	14,654,842
2 & 2a	Tier 1	15,829,986	15,367,900	15,221,392	15,006,351	14,654,842
3 & 3a	Total capital	17,138,460	16,631,631	16,464,335	16,221,666	15,868,259
<b>RWA (amount)</b>						
4	Total RWA	89,708,048	85,840,758	83,304,344	77,934,921	83,990,471
4a	Total RWA (pre-floor)	89,708,048	85,840,758	83,304,344	77,934,921	83,990,471
<b>Risk-based regulatory capital ratios (as a percentage of RWA)</b>						
5 & 5a	CET1 ratio (%)	17.6461%	17.9028%	18.2720%	19.2550%	17.4482%
5b	CET1 ratio (%) (pre-floor ratio)	17.6461%	17.9028%	18.2720%	19.2550%	17.4482%
6 & 6a	Tier 1 ratio (%)	17.6461%	17.9028%	18.2720%	19.2550%	17.4482%
6b	Tier 1 ratio (%) (pre-floor ratio)	17.6461%	17.9028%	18.2720%	19.2550%	17.4482%
7 & 7a	Total capital ratio (%)	19.1047%	19.3750%	19.7641%	20.8144%	18.8929%
7b	Total capital ratio (%) (pre-floor ratio)	19.1047%	19.3750%	19.7641%	20.8144%	18.8929%
<b>Additional CET1 buffer requirements (as a percentage of RWA)</b>						
8	Capital conservation buffer requirement (%)	2.5000%	2.5000%	2.5000%	2.5000%	2.5000%
9	Countercyclical capital buffer requirement (%)	0.4540%	0.4667%	0.4595%	0.4694%	0.4682%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
11	Total AI-specific CET1 buffer requirements (%)	2.9540%	2.9667%	2.9595%	2.9694%	2.9682%
12	CET1 available after meeting the AI's minimum capital requirements (%)	11.1047%	11.3750%	11.7641%	12.8144%	10.8929%
<b>Basel III leverage ratio</b>						
13	Total leverage ratio (LR) exposure measure	192,471,901	181,818,951	176,079,104	171,922,380	160,845,160
13a	LR exposure measure based on mean values of gross assets of SFTs (Note 2)	192,808,333	181,795,944	176,082,961	172,027,889	Not applicable
14, 14a & 14b	LR (%)	8.2246%	8.4523%	8.6446%	8.7286%	9.1111%
14c & 14d	LR (%) based on mean values of gross assets of SFTs (Note 2)	8.2102%	8.4534%	8.6444%	8.7232%	Not applicable
<b>Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)</b>						
	Applicable to category 1 institution 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 institution only:					
17a	LMR (%)	116.9378%	102.9207%	106.4728%	106.7724%	115.8716%

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template KM1: Key prudential ratios (continued)**

	(a)	(b)	(c)	(d)	(e)
	As at 31 December 2025	As at 30 September 2025	As at 30 June 2025	As at 31 March 2025	As at 31 December 2024 (Note 1)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)</b>					
	Applicable to category 1 institution only:				
18	Total available stable funding	Not applicable	Not applicable	Not applicable	Not applicable
19	Total required stable funding	Not applicable	Not applicable	Not applicable	Not applicable
20	NSFR (%)	Not applicable	Not applicable	Not applicable	Not applicable
	Applicable to category 2A institution only:				
20a	CFR (%)	213.4228%	221.4932%	235.1179%	227.5029%
					222.3803%

Note 1: Values reported in Column (e) are calculated in accordance with applicable capital standards prior to the implementation of Basel III reform, which takes effective on 1 January 2025, and hence not comparable to values reported in Column (a) to (d).

Note 2: Not applicable to reporting periods prior 1 January 2025.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table OVA: Overview of risk management**

In meeting its overall responsibilities to the shareholders, depositors, creditors, employees and other stakeholders, the Board of Directors (the “Board”) has to ensure that there is a competent executive management capable of running the Bank in a sound, efficient and profitable manner. In relation to risk management, the responsibilities of the Board include establishing, approving and reviewing risk management strategies and policies of the Bank to ensure that the various types of risk inherent in the Bank’s operations and business (including credit, market, interest rate, liquidity, operational, reputation, legal and strategic) are regularly identified, measured, monitored and controlled.

The Board has established several Board committees to assist it in carrying out its risk management responsibilities including the Audit Committee, Risk Committee and Executive Credit Committee. In addition, a number of management level committees have been set up by the Board to oversee the effectiveness of the Bank’s daily risk management including the Asset and Liability Committee, Internal Control Committee, Compliance and Anti-Money Laundering Committee and Credit Committee.

(i) *Audit Committee*

The Audit Committee (“AC”) reviews the Bank’s financial reporting process, the systems of internal control, the internal audit function and the risk management process. In particular, the review undertaken by the AC on the internal audit function includes the Internal Audit Charter and its approval, the annual audit plan and its approval, internal audit reports and special investigation reports issued, and ensuring that appropriate management actions are taken following the major audit findings.

(ii) *Risk Committee*

The Risk Committee (“RC”) establishes the Bank’s overall risk appetite and risk management framework, and oversees senior management’s implementation of the Bank’s risk policies. The RC annually reviews and endorses the Bank’s risk appetite statement and risk management strategies. It oversees the establishment and maintenance by senior management of appropriate infrastructure, resources and systems for risk management, particularly in relation to compliance with relevant legal and regulatory requirements, adherence to the approved risk appetite and related policies, and the adoption of best practices wherever feasible. The RC is required to ensure that the staff responsible for implementing risk management systems and controls are sufficiently independent of the risk-taking units in the Bank.

(iii) *Executive Credit Committee*

The Executive Credit Committee (“ECC”) has the delegated authority to approve credit proposals, credit policies and other credit related matters which require the approval of the Board.

(iv) *Asset and Liability Committee*

The Asset and Liability Committee (“ALCO”) is responsible for providing oversight of the Bank’s operations relating to interest rate risk, market risk and liquidity risk (collectively known as “financial risks”) as well as capital management. The ALCO initiates, reviews and endorses for the approval of the RC and the Board the Bank’s policies on financial risks and capital management respectively. It approves guidelines relating to such policies, reviews and approves all major financial risk management reports. The ALCO also oversees the Bank’s investment activities by establishing investment strategies within policies laid down by the RC of the Board and reviews actual performance.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table OVA: Overview of risk management (continued)***(v) Internal Control Committee*

The Internal Control Committee ("ICC") provides oversight of the Bank's exposure to operational and legal risks, ensuring the Bank has in place an effective internal control framework, providing guidance to the Bank in establishing a sound system of internal control, and monitoring system to ensure overall compliance within the Bank.

To ensure an effective internal control framework is in place, the ICC reviews policies and approves guidelines relating to internal control and management of operational and legal risks, receives and discusses reports submitted by various risk management units and promotes internal control culture. To maintain an adequate system of internal control, the ICC reviews and discusses major operational risk events, and the progress of rectification of adverse audit findings and control self-assessments.

*(vi) Compliance & Anti-Money Laundering Committee*

The Compliance & Anti-Money Laundering Committee ("CAMLC") provides oversight of the Bank's exposure to compliance risks and compliance activities to ensure the Bank is in compliance with applicable regulatory requirements and Anti-Money Laundering and Counter-Terrorist Financing ("AML/CFT") requirements. The CAMLC provides guidance to the Bank and senior management in establishing a professional compliance control and monitoring system to cultivate a strong compliance culture and ensures the Bank has an effective compliance framework in place to meet regulatory requirements. In addition, the CAMLC also reviews and approves guidelines relating to compliance and AML/CFT.

*(vii) Credit Committee*

The Credit Committee ("CC") reviews and endorses credit policies and credit risk profile of the Bank for ECC approval, and reviews and approves credit related guidelines. The CC also reviews and approves requests for credit facilities that are within its authority as delegated by the Board, and reviews and endorses requests for credit facilities before their submission to the ECC for approval.

The CC will also conduct on-going reviews of the market environment and credit quality and make necessary policy recommendations to the ECC to ensure that the credit risk profile of the Bank is within the established risk appetite. In this regard, the CC will provide periodic and timely credit related management and stress testing reports to the ECC for review.

The Bank has established policies and procedures to identify and measure these risks, to set appropriate risk limits as derived from its risk appetite statement and risk appetite indicators and control measures, and to monitor the risks and limits continuously by means of reliable and up-to-date management and information systems. These policies and procedures, including limit excess follow-up procedures, are distributed to the relevant risk taking and risk management units for execution and monitoring. Regular training courses are conducted in order to ensure that all staff are familiar with the key principles of the Bank's code of conduct. The Bank continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products, regulatory requirements and the best practice risk management processes. Internal auditors also perform regular audits to ensure compliance with the Bank's policies and procedures.

The Bank has established an organizational structure such that risk management functions are independent of risk taking units. The risk management functions independently provide key risk information, including asset quality, liquidity profile, capital adequacy ratio and the risk exposures, and limit monitoring results to the RC and to senior management on a regular basis.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table OVA: Overview of risk management (continued)**

**Stress testing**

Stress testing is an essential risk management tool to assess the Bank's vulnerability in "stressed" business conditions and the Bank's capacity to withstand the impact of stressed situations in terms of profitability, liquidity and capital adequacy. The Bank performs stress-testing in accordance with the principles stated in the Supervisory Policy Manual ("SPM") module IC-5. The Bank's stress-testing programme includes various kinds of regular stress test on individual risk areas and portfolios, and also the Bank-wide Stress Test which uses an integrated approach to produce stress test on a consolidated basis, providing a spectrum of perspectives at product-, business- and entity-specific levels, where applicable.

Stress testing methods, including quantitative and qualitative techniques, range from sensitivity tests to scenario analyses and reverse stress tests. Stress testing will be conducted under different scenarios along a spectrum of events and severity levels for all relevant risk factors of the Bank, as well as the interactions between such risk factors. Relevant management committees review results of stress tests and any potential risks and vulnerabilities identified on a timely basis, discuss and decide any necessary management actions required.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template OV1: Overview of RWA**

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 December 2025 HK\$'000	As at 30 September 2025 HK\$'000	As at 31 December 2025 HK\$'000
1	Credit risk for non-securitization exposures	83,448,187	79,191,422	6,675,855
2	Of which STC approach	83,448,187	79,191,422	6,675,855
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
5a	Of which retail IRB approach	-	-	-
5b	Of which specific risk-weight approach	-	-	-
6	Counterparty credit risk and default fund contributions	608,405	696,478	48,672
7	Of which SA-CCR approach	452,505	389,058	36,200
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	155,900	307,420	12,472
10	CVA risk	201,838	94,425	16,147
11	Equity positions in banking book under the simple risk-weight method and internal models method	Not applicable	Not applicable	Not applicable
12	Collective investment scheme (“CIS”) exposures – LTA	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	296,975	309,450	23,758
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	277,408	197,302	22,193
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	277,408	197,302	22,193
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	215,425	236,263	17,234
21	Of which STM approach	-	-	-
22	Of which IMA	-	-	-
22a	Of which SSTM approach	215,425	236,263	17,234
23	Capital charge for switch between exposures in trading book and banking book	-	-	-
24	Operational risk	5,097,888	4,787,275	407,831
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	384,743	1,158,668	30,779

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template OV1: Overview of RWA (continued)**

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 December 2025 HK\$'000	As at 30 September 2025 HK\$'000	As at 31 December 2025 HK\$'000
26	Output floor level applied	Not applicable	Not applicable	Not applicable
27	Floor adjustment (before application of transitional cap)	Not applicable	Not applicable	Not applicable
28	Floor adjustment (after application of transitional cap)	Not applicable	Not applicable	Not applicable
28a	Deduction to RWA	822,821	830,525	65,825
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	822,821	830,525	65,825
29	Total	89,708,048	85,840,758	7,176,644

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template PV1: Prudent valuation adjustments**

		As at 31 December 2025							
		HK\$'000							
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		Equity	Interest rates	FX	Credit	Commodities	Total	Of which: In the trading book	Of which: In the banking book
1	Close-out uncertainty, of which:	-	-	-	-	-	-	-	-
2	<i>Mid-market value</i>	-	-	-	-	-	-	-	-
3	<i>Close-out costs</i>	-	-	-	-	-	-	-	-
4	<i>Concentration</i>	-	-	-	-	-	-	-	-
5	Early termination	-	-	-	-	-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-
7	Operational risks	-	-	-	-	-	-	-	-
8	Investing and funding costs						-	-	-
9	Unearned credit spreads						-	-	-
10	Future administrative costs	-	-	-	-	-	-	-	-
11	Other adjustments	-	-	-	-	-	-	-	-
12	<b>Total adjustments</b>	-	-	-	-	-	-	-	-

In the evaluation process of the valuation adjustment, if any, the Bank would assess the market data input (the correctness and update of the market data) and the model risk (the appropriateness of the model use). Other elements are not taken into consideration as the impact is considered to be insignificant.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 31 December 2025	
		HKS'000	
<b>CET1 capital: instruments and reserves</b>			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	4,830,448	(8)
2	Retained earnings	10,872,959	(9) + (10)
3	Disclosed reserves	2,003,745	(11) + (12) + (13) + (14)
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	<b>CET1 capital before regulatory deductions</b>	17,707,152	
<b>CET1 capital: regulatory deductions</b>			
7	Valuation adjustments	-	
8	Goodwill (net of associated deferred tax liabilities)	-	
9	Other intangible assets (net of associated deferred tax liabilities)	-	
10	Deferred tax assets (net of associated deferred tax liabilities)	-	
11	Cash flow hedge reserve	-	
12	Excess of total EL amount over total eligible provisions under the IRB approach	Not applicable	Not applicable
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	-	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in CET1 capital instruments	-	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 31 December 2025	
		HKS'000	
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	1,877,166	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	1,496,039	(11) + (12)
26b	Regulatory reserve for general banking risks	381,127	(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	-	
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	<b>Total regulatory deductions to CET1 capital</b>	1,877,166	
29	<b>CET1 capital</b>	15,829,986	
<b>AT1 capital: instruments</b>			
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	<b>AT1 capital before regulatory deductions</b>	-	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 31 December 2025	
		HK\$'000	
<b>AT1 capital: regulatory deductions</b>			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments	-	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments applied to AT1 capital	-	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	<b>Total regulatory deductions to AT1 capital</b>	-	
44	<b>AT1 capital</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	15,829,986	
<b>Tier 2 capital: instruments and provisions</b>			
46	Qualifying Tier 2 capital instruments plus any related share premium	-	
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	-	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	635,256	- (1) - (2) - (3) - (4) - (5) - (6) + (7) + (13)
51	<b>Tier 2 capital before regulatory deductions</b>	635,256	
<b>Tier 2 capital: regulatory deductions</b>			
52	Investments in own Tier 2 capital instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	-	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	-	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only)	-	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 31 December 2025	
		HKS'000	
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	(673,218)	
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	(673,218)	-[ (11) + (12) ] * 45%
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1)(g)	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	(673,218)	
58	<b>Tier 2 capital (T2)</b>	1,308,474	
59	<b>Total regulatory capital (TC = T1 + T2)</b>	17,138,460	
60	<b>Total RWA</b>	89,708,048	
<b>Capital ratios (as a percentage of RWA)</b>			
61	<b>CET1 capital ratio</b>	17.6461%	
62	<b>Tier 1 capital ratio</b>	17.6461%	
63	<b>Total capital ratio</b>	19.1047%	
64	<b>Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)</b>	2.954%	
65	of which: capital conservation buffer requirement	2.500%	
66	of which: bank specific countercyclical capital buffer requirement	0.454%	
67	of which: higher loss absorbency requirement	Not applicable	Not applicable
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	11.1047%	
<b>National minima (if different from Basel 3 minimum)</b>			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
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	64,054	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	89,781	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital (continued)**

		(a)	(b)
		Amount	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		As at 31 December 2025	
		HKS'000	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>			
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)	635,256	
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	1,062,442	
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)	Not applicable	Not applicable
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	Not applicable	Not applicable

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC1: Composition of regulatory capital (continued)**
Notes to Template CC1

	Description	Hong Kong basis	Basel III basis
9	Other intangible assets (net of associated deferred tax liabilities)	-	-
10	Deferred tax assets (net of associated deferred tax liabilities)	-	-
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)	-	-
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)	-	-
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)	-	-

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.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC2: Reconciliation of regulatory capital to balance sheet**

	(a)	(b)	(c)
	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Reference</b>
	As at 31 December 2025	As at 31 December 2025	
	HK\$'000	HK\$'000	
<b>Assets</b>			
Gross cash and short-term funds	5,002,988	5,002,988	
Less: Collective impairment allowances	(774)	(774)	(1)
Gross balances with banks and other financial institutions	14,449,601	14,449,601	
Less: Collective impairment allowances	(24,250)	(24,250)	(2)
Trading assets	2,460,418	2,460,418	
Derivative financial instruments	1,301,021	1,301,021	
Gross advances to customers	71,402,323	71,402,323	
Less: Individual impairment allowances	(155,813)	(155,813)	
Less: Collective impairment allowances	(161,666)	(161,666)	(3)
Gross advances to banks	15,156,843	15,156,843	
Less: Collective impairment allowances	(19,843)	(19,843)	(4)
Gross trade bills	665,314	665,314	
Less: Collective impairment allowances	(538)	(538)	(5)
Accrued interest and other assets	3,020,433	2,974,134	
Gross debt securities measured at amortised cost	38,876,006	38,876,006	
Less: Collective impairment allowances	(33,137)	(33,137)	(6)
Debt securities measured at fair value through other comprehensive income	35,669,375	35,669,375	
Investment funds measured at fair value through profit or loss	21,201	21,201	
Equity securities designated at fair value through other comprehensive income	72,495	72,495	
Investment in subsidiaries	-	8,563	
Amount due from subsidiaries	-	76,279	
Fixed assets	2,957,785	2,957,785	
Investment properties	61,500	61,500	
<b>Total assets</b>	<b>190,721,282</b>	<b>190,759,825</b>	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CC2: Reconciliation of regulatory capital to balance sheet (continued)**

	(a)	(b)	(c)
	<b>Balance sheet as in published financial statements</b>	<b>Under regulatory scope of consolidation</b>	<b>Reference</b>
	As at 31 December 2025	As at 31 December 2025	
	HK\$'000	HK\$'000	
<b>Liabilities</b>			
Deposits and balances of banks and other financial institutions	4,013,695	4,013,695	
Deposits from customers	162,892,400	162,892,400	
Trading liabilities	2,460,418	2,460,418	
Derivative financial instruments	304,600	304,600	
Other liabilities	2,783,639	2,776,493	
of which: collective impairment allowances on off-balance sheet items	13,921	13,921	(7)
Amounts due to subsidiaries	-	190,365	
Current tax liabilities	89,577	83,719	
Deferred tax liabilities	330,983	330,983	
<b>Total liabilities</b>	<b>172,875,312</b>	<b>173,052,673</b>	
<b>Equity</b>			
Share capital	4,830,448	4,830,448	(8)
Reserves	13,015,522	12,876,704	
of which: retained earnings		9,528,947	(9)
of which: comprehensive income for the period		1,344,012	(10)
of which: premises revaluation reserve (arising from independent professional valuations carried out in November 1989)		52,669	(11)
of which: premises revaluation reserve		1,443,370	(12)
of which: regulatory reserve		381,127	(13)
of which: investment revaluation reserve		126,579	(14)
<b>Total equity</b>	<b>17,845,970</b>	<b>17,707,152</b>	
<b>Total equity and liabilities</b>	<b>190,721,282</b>	<b>190,759,825</b>	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table CCA: Main features of regulatory capital instruments**

		<b>Ordinary shares</b>
1	Issuer	Fubon Bank (Hong Kong) Limited
2	Unique identifier - ISIN	N.A.
3	Governing law(s) of the instrument	Companies Ordinance
<i>Regulatory treatment</i>		
4	Transitional Basel III rules <sup>1</sup>	N.A.
5	Post-transitional Basel III rules <sup>2</sup>	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type	Ordinary shares
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	(HKD million) 4,830
9	Par value of instrument	N.A.
10	Accounting classification	Shareholders' equity
11	Original date of issuance	27 January 1970
12	Perpetual or dated	Perpetual
13	Original maturity date	N.A.
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N.A.
16	Subsequent call dates, if applicable	N.A.
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N.A.
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N.A.
25	If convertible, fully or partially	N.A.
26	If convertible, conversion rate	N.A.
27	If convertible, mandatory or optional conversion	N.A.
28	If convertible, specify instrument type convertible into	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N.A.
32	If write-down, full or partial	N.A.
33	If write-down, permanent or temporary	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.
35	Position in subordination hierarchy in liquidation	N.A.
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N.A.

The Group disclosed the full terms and conditions of its capital instruments issued as of the end of the reporting period in its website (<https://www.fubonbank.com.hk>) under the page "Regulatory Disclosures" in accordance with section 16FE of the BDR.

<sup>1</sup> Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H to the BCR.

<sup>2</sup> Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H to the BCR.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CCyB1: Geographical distribution of credit exposures used in CCyB**

As at 31 December 2025					
	(a)	(b)	(c)	(d)	(e)
	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect (%)	RWA used in computation of CCyB ratio (HK\$'000)	AI-specific CCyB ratio (%)	CCyB amount (HK\$'000)
1	Hong Kong SAR	0.50%	46,500,898		
2	Australia (includes Christmas Islands, Cocos Islands, Norfolk Islands, Heard and McDonald Islands, Territory of Ashmore and Cartier Islands and Territory of Coral Sea Islands)	1.00%	5,269,615		
3	Belgium	1.00%	47		
4	Czech Republic	1.25%	20,597		
5	France (includes French Guiana, Guadeloupe, Martinique, Mayotte, Monaco, Réunion, Saint Barthélemy, Saint Martin (French part) and Saint Pierre and Miquelon)	1.00%	304,592		
6	Germany (includes the European Central Bank)	0.75%	22,610		
7	Ireland	1.50%	328,708		
8	Netherlands	2.00%	188,396		
9	South Korea	1.00%	402,200		
10	Spain (includes Balearic Islands, Canary Islands and Ceuta and Melilla)	0.50%	2		
11	United Kingdom (includes British Indian Ocean Territory (comprises Chagos Archipelago), Pitcairn, Saint Helena, Ascension & Tristan da Cunha, South Georgia & South Sandwich Islands, excludes Guernsey, Isle of Man and Jersey)	2.00%	883,611		
12	Sum		53,921,276		
13	Total		70,285,925	0.4540%	407,275

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template LR1: Summary comparison of accounting assets against LR exposure measure**

		(a)
		As at 31 December 2025
	Item	Value under the LR framework (HK\$'000)
1	Total consolidated assets as per published financial statements	190,721,282
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	46,390
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	(683,421)
9	Adjustment for SFTs (i.e. repos and similar secured lending)	35,602
10	Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	4,384,407
11	Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(13,921)
12	Other adjustments	(2,018,438)
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>192,471,901</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template LR2: Leverage ratio**

		(a)	(b)
		As at 31 December 2025	As at 30 September 2025
		HK\$'000	
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	189,570,832	178,132,640
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	(141,272)	(74,611)
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	(396,021)	(480,758)
6	Less: Asset amounts deducted in determining Tier 1 capital	(1,877,166)	(1,838,942)
7	<b>Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)</b>	<b>187,156,373</b>	<b>175,738,329</b>
<b>Exposures arising from derivative contracts</b>			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	274,445	158,174
9	Add-on amounts for PFE associated with all derivative contracts	498,337	491,400
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	<b>Total exposures arising from derivative contracts (sum of rows 8 to 12)</b>	<b>772,782</b>	<b>649,574</b>
<b>Exposures arising from SFTs</b>			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	136,658	477,061
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	35,602	34,163
17	Agent transaction exposures	-	-
18	<b>Total exposures arising from SFTs (sum of rows 14 to 17)</b>	<b>172,260</b>	<b>511,224</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	25,337,015	28,893,076
20	Less: Adjustments for conversion to credit equivalent amounts	(20,952,608)	(23,955,402)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(13,921)	(17,850)
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>4,370,486</b>	<b>4,919,824</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>15,829,986</b>	<b>15,367,900</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>192,471,901</b>	<b>181,818,951</b>
<b>Leverage ratio</b>			
25 &25a	<b>Leverage ratio</b>	<b>8.2246%</b>	<b>8.4523%</b>
26	<b>Minimum leverage ratio requirement</b>	<b>3.0000%</b>	<b>3.0000%</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template LR2: Leverage ratio (continued)**

		(a)	(b)
		As at 31 December 2025	As at 30 September 2025
		HK\$'000	
27	<b>Applicable leverage buffers</b>	Not applicable	Not applicable
<b>Disclosure of mean values</b>			
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	473,090	454,054
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	136,658	477,061
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)	192,808,333	181,795,944
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	8.2102%	8.4534%

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table LIQA: Liquidity risk management**

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

The Group has a Liquidity Risk Management Policy which covers the Group's liquidity risk management strategy, a mechanism to identify, measure, monitor and control liquidity risks, and also the Group's contingency funding plan. The Group also has a Liquidity Risk Management Guideline which covers risk measurement, risk reporting and operational requirements in implementing the Group's liquidity management strategy. The policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

The RC reviews and approves the Group's risk appetite statement at least annually. The Group's liquidity risk management strategy is to maintain a healthy liquidity position with adequate stock of liquid assets, well-diversified funding structure relying on a broad customer deposit portfolio with prudent loan-to-deposits ratio and money market funding ratio to support the Group's liquidity needs under both normal and stressed conditions.

It is the responsibility of the management to ensure compliance with local regulatory requirements and limits set by the RC. Liquidity is managed on a daily basis by the Funding Desk Department. The Funding Desk Department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to minimise price and reinvestment rate risk in the case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

Compliance with liquidity and funding requirements is monitored by the ALCO and is reported to the RC on a regular basis. This process includes:

- maintaining balances within relevant regulatory requirements;
- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- maintaining adequate intraday liquidity position and assessing how the intraday liquidity profile will change in conditions of stress;
- monitoring balance sheet liquidity and loan-to-deposits ratios against internal requirements;
- maintaining a diverse range of funding sources with adequate back-up facilities;
- managing the concentration and profile of debt maturities;
- managing lending commitments to customers within pre-determined management alert triggers;
- managing debt financing plans;
- monitoring depositor concentration in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix;
- maintaining funding contingency plans, which identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systematic or other crises, while minimizing adverse long-term implications for the business; and
- managing liquidity on a legal entity and on a group basis. Intragroup funding transactions are carried out at arm's length and treated in the same way as transactions with non-related third parties and controlled within pre-determined management alert triggers.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table LIQA: Liquidity risk management (continued)****Primary sources of funding**

Customer deposits form a significant part of the Group's overall funding. The Group places considerable importance on the stability of these deposits, which is achieved through the Group's retail and corporate banking activities and by maintaining depositor confidence in the Group's capital strength. The Group also issues certificates of deposit with different maturities from time to time. Interbank markets are also accessed for the purposes of providing additional funding, maintaining a regular presence in local money markets and optimising asset and liability maturities.

**The management of funding and liquidity risk**

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingency planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudential levels. Debt securities held are marked to the market on daily basis to ensure their market liquidity. The Group also adopts a funding strategy that is to achieve diversification of funding by controlling the concentration of top depositors, wholesale funding and reliance on foreign exchange swap markets. Moreover, adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

In addition to observing the statutory liquidity ratios, the Group has established different liquidity risk metrics, including but not limited to the liquidity maintenance ratio, loan-to-deposits ratio, cumulative cash flow gap and concentration of funding sources to measure and analyze its liquidity risks. Capital, Asset and Liability Management Division is responsible for measurement and monitoring of these liquidity metrics and reporting to the ALCO regularly.

The Group assesses and monitors the structure of balance sheet and also the concentration of funding sources from time to time with use of different risk metrics. During the year ended 31 December 2025 and 2024:

- Loan-to-deposits ratio was kept below 85% for the aggregate position of all currencies and also not exceeding respective management alert trigger levels for each significant lending currency;
- Core funding ratio was maintained above 125%;
- Irrevocable undrawn lending commitments (for the purpose of Liquidity Maintenance Ratio) were maintained not exceeding HK\$11 billion;
- Single depositor concentration was maintained below 5% of total customer deposits;
- Concentration of the top 10 depositors was maintained below 20% of total customer deposits;
- Concentration of financial institution deposits was maintained below 15% of total customer deposits, while concentration of individual deposits was maintained above 50% of total customer deposits;
- Swapped fund ratio (measuring reliance on foreign exchange and/or currency swap markets) was maintained below 15%;
- Wholesale funding (repurchase agreements and interbank taking) was kept below 20% of total funding;
- Certificates of deposit and other debt securities issued did not exceed 10% of total customer deposits (including certificates of deposit and other debt securities issued); and
- Intragroup funding was maintained at minimal level not exceeding USD53 million.

*Core deposits*

The Group monitors the stability of customer deposits by means of the core deposit ratio, which is the ratio of core deposits to customer deposits. The Group categorizes customer deposits into core deposits after taking into consideration of deposits protection and stability of customer's total balance. An alert trigger level is set on the core deposits ratio which is monitored by the ALCO.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table LIQA: Liquidity risk management (continued)****The management of funding and liquidity risk (continued)***Loan-to-deposits ratio*

The Group emphasizes the importance of customer deposits as a source of funds to finance lending to customers, and mitigate against reliance on short-term interbank funding. A limit on the loan-to-deposits ratio is established and approved by the RC and monitored by the ALCO. Management alert triggers are also set on loan-to-deposits ratio for significant lending currencies and monitored by the ALCO.

*Cash flow projection and stress testing*

The Group conducts cash flow analysis and cash flow projection arising from on- and off-balance sheet items over a set of time horizons on a regular basis to identify funding needs in specific time buckets. The Group also regularly performs stress tests on its liquidity position to ensure adequate liquidity is maintained at all time. In the stress test, both on- and off-balance sheet items with a cash flow impact are considered, with applicable hypothetical and historical assumptions. Three stressed scenarios, namely an institution-specific crisis scenario, a general market crisis scenario, and a combined scenario are adopted with minimum survival period defined pursuant to the HKMA's SPM "Sound Systems and Controls for Liquidity Risk Management". Stress testing assumptions are reviewed and approved by the ALCO regularly to ensure their continued appropriateness.

*Liquidity cushion*

The Group maintains a stock of high-quality readily liquefiable assets as a liquidity cushion against a range of stressed scenarios. The eligible assets are unencumbered, low credit risk and low market risk. The liquidity cushion is segregated from debt securities held for trading purposes. A certain portion of the liquidity cushion is made up of the most liquid and readily marketable assets (such as debt securities issued by government or multilateral development banks) that can be easily liquidated to meet funding needs in the initial phase of liquidity stress.

The size of the liquidity cushion shall be adequate to meet the Group's day-to-day liquidity needs and also emergency funding needs under both normal and stress market conditions. The minimum required size of the liquidity cushion is determined with reference to the funding gap generated from the Group's regular liquidity stress testing results. Management alert triggers are established by the ALCO to ensure sufficient size of liquidity cushion is maintained and appropriate diversification among the liquidity cushion is achieved. The size and mix of the liquidity cushion is reviewed by the ALCO regularly.

Size and mix of liquidity cushion were maintained at adequate level throughout the year ended 31 December 2025 and 2024:

- net long position of Exchange Fund Bills/Notes held was maintained at not less than HK\$5 billion (2024: HK\$4 billion);
- assets eligible for Lenders of Last Resort purpose was maintained at not less than 30% (2024: 30%) of total customer deposits;
- level 1 high-quality readily liquefiable assets were maintained at not less than 13% (2024: 13%) of total customer deposits;
- non-financial institution high-quality readily liquefiable assets were maintained at not less than 30% (2024: 30%) of total customer deposits; and
- total high-quality readily liquefiable assets were maintained at not less than 36% (2024: 36%) of total customer deposits.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table LIQA: Liquidity risk management (continued)****The management of funding and liquidity risk (continued)***Contingent liquidity risk*

The Group provides customers with committed and standby facilities. These facilities increase the funding requirements of the Group when customers drawdown. The liquidity risk associated with the potential drawdown on committed facilities is factored into our stressed scenarios and a management alert trigger is set for these facilities.

*Contingency funding plan*

The Group has formulated a Contingency Funding Plan (“CFP”) that describes the Group’s strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations. The CFP is designed to be pro-active and pre-emptive. The Group utilizes early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group’s liquidity position, the management would be informed for their consideration. Once the CFP is triggered, a Crisis Management Team, which is led by senior management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated. The CFP also includes the analysis of cash flow projections to estimate potential liquidity needs under stress scenarios.

The CFP is subject to regular testing to ensure its effectiveness and operational feasibility, particularly in respect of the availability of the contingency sources of funding listed in it. The CFP is also subject to review and update on a regular basis to ensure it remains robust over time. Any change to the CFP would be approved by the RC.

Moreover, in accordance with the HKMA’s SPM “Recovery Planning”, the Group has established a Recovery Plan, which has been approved by the Board. The Recovery Plan helps ensure that the Group is able to recover quickly from period of severe stress and preserve or restore its liquidity level. The Recovery Plan is subject to regular, at least annually, review and update.

**Liquidity exposures**

The Group’s liquidity exposures are measured on a consolidated basis which comprises the Bank and Fubon Credit (Hong Kong) Limited as designated by the HKMA for regulatory purposes.

The Group maintains average liquidity maintenance and core funding ratios well above the statutory minimum ratios of 25% and 75% respectively throughout the years ended 31 December 2025 and 2024.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table LIQA: Liquidity risk management (continued)**

The Group reports its analysis of on-balance sheet and off-balance sheet exposure based on the remaining contractual maturity at the end of the reporting period as below:

	As at 31 December 2025							
	Total HK\$'000	Next day HK\$'000	Within 1 month HK\$'000	Over 1 month but within 3 months HK\$'000	Over 3 months but within 1 year HK\$'000	Over 1 year but within 5 years HK\$'000	Over 5 years HK\$'000	Undated or overdue HK\$'000
<b>On-balance sheet assets</b>								
Balances due from banks	33,860,699	3,212,553	921,947	3,206,988	13,991,865	11,005,536	1,521,810	-
Debt securities, prescribed instruments and structured financial instruments held	73,589,731	72,109,715	7,794	-	95,857	-	1,376,365	-
Acceptances and bills of exchange held	826,256	-	132,662	332,911	360,683	-	-	-
Loans and advances to non-bank customers	71,326,686	42,776	12,575,086	2,796,651	10,147,556	22,789,116	21,291,516	1,683,985
Other assets	39,652,965	1,261,969	12,773,230	11,488,498	7,622,612	3,200,577	119,778	3,186,301
	<b>219,256,337</b>	<b>76,627,013</b>	<b>26,410,719</b>	<b>17,825,048</b>	<b>32,218,573</b>	<b>36,995,229</b>	<b>24,309,469</b>	<b>4,870,286</b>
<b>Off-balance sheet claims</b>	<b>8,166,578</b>	<b>656,720</b>	<b>274,028</b>	<b>366,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,869,741</b>
<b>On-balance sheet liabilities</b>								
Deposits from customers	163,867,556	20,677,889	33,433,078	68,141,534	41,614,473	582	-	-
Balances due to banks	2,758,883	273,719	1,614,155	871,009	-	-	-	-
Debt securities, prescribed instruments and structured financial instruments issued and outstanding	157,323	-	66,446	90,877	-	-	-	-
Other liabilities	34,264,152	746,597	12,942,437	10,375,841	7,226,743	2,583,152	39,092	350,290
Capital and reserves	17,707,151	-	-	-	-	-	-	17,707,151
	<b>218,755,065</b>	<b>21,698,205</b>	<b>48,056,116</b>	<b>79,479,261</b>	<b>48,841,216</b>	<b>2,583,734</b>	<b>39,092</b>	<b>18,057,441</b>
<b>Off-balance sheet obligations</b>	<b>8,175,569</b>	<b>644,488</b>	<b>1,697,257</b>	<b>1,200,128</b>	<b>2,022,734</b>	<b>2,375,918</b>	<b>235,044</b>	<b>-</b>
<b>Contractual maturity mismatch</b>		<b>54,941,040</b>	<b>(23,068,626)</b>	<b>(62,488,252)</b>	<b>(18,645,377)</b>	<b>32,035,577</b>	<b>24,035,333</b>	<b>(6,317,414)</b>
<b>Cumulative contractual maturity mismatch</b>		<b>54,941,040</b>	<b>31,872,414</b>	<b>(30,615,838)</b>	<b>(49,261,215)</b>	<b>(17,225,638)</b>	<b>6,809,695</b>	<b>492,281</b>

The definition of contractual maturity of this analysis follows the Completion Instruction in respect of Part 4 of Return on Liquidity Monitoring Tools issued by the HKMA.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**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 HK\$'000						
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				not subject to capital requirements or subject to deduction from capital
			subject to credit risk framework	subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework	
<b>Assets</b>							
Cash and short-term funds	5,002,214	5,002,214	5,002,988	-	-	-	(774)
Balances with banks and other financial institutions	14,425,351	14,425,351	14,449,601	-	-	-	(24,250)
Trading assets	2,460,418	2,460,418	-	-	-	2,460,418	-
Derivative financial instruments	1,301,021	1,301,021	990	1,300,031	-	172,360	-
Advances to customers	71,084,844	71,084,844	71,109,852	136,658	-	-	(161,666)
Advances to banks	15,137,000	15,137,000	15,156,843	-	-	-	(19,843)
Trade bills	664,776	664,776	665,314	-	-	-	(538)
Accrued interest and other assets	3,020,433	2,974,134	2,805,467	156,310	12,495	-	-
Debt securities measured at amortised cost	38,842,869	38,842,869	37,501,463	-	1,374,543	-	(33,137)
Debt securities measured at fair value through other comprehensive income	35,669,375	35,669,375	35,669,375	-	-	-	-
Investment funds measured at fair value through profit or loss	21,201	21,201	21,201	-	-	-	-
Equity securities designated at fair value through other comprehensive income	72,495	72,495	72,495	-	-	-	-
Investment in subsidiaries	-	8,563	8,563	-	-	-	-
Amounts due from subsidiaries	-	76,279	76,279	-	-	-	-
Fixed assets	2,957,785	2,957,785	2,957,785	-	-	-	-
Investment properties	61,500	61,500	61,500	-	-	-	-
<b>Total assets</b>	<b>190,721,282</b>	<b>190,759,825</b>	<b>185,559,716</b>	<b>1,592,999</b>	<b>1,387,038</b>	<b>2,632,778</b>	<b>(240,208)</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

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

As at 31 December 2025							
HK\$'000							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:					
		subject to credit risk framework	subject to counterparty credit risk framework	subject to the securitization framework	subject to market risk framework	not subject to capital requirements or subject to deduction from capital	
<b>Liabilities</b>							
Deposits and balances of banks and other financial institutions	4,013,695	4,013,695	-	1,263,084	-	-	2,750,611
Deposits from customers	162,892,400	162,892,400	-	-	-	-	162,892,400
Trading liabilities	2,460,418	2,460,418	-	-	-	2,460,418	-
Derivative financial instruments	304,600	304,600	-	303,548	-	150,892	1,052
Other liabilities	2,783,639	2,776,493	-	59,426	-	-	2,717,067
Amounts due to subsidiaries	-	190,365	-	-	-	-	190,365
Current tax liabilities	89,577	83,719	-	-	-	-	83,719
Deferred tax liabilities	330,983	330,983	-	-	-	-	330,983
<b>Total liabilities</b>	<b>172,875,312</b>	<b>173,052,673</b>	<b>-</b>	<b>1,626,058</b>	<b>-</b>	<b>2,611,310</b>	<b>168,966,197</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

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

		As at 31 December 2025				
		HK\$'000				
		(a)	(b)	(c)	(d)	(e)
		Total	Items subject to:			
			credit risk framework	securitization framework	counterparty credit risk framework	market risk framework
<b>1</b>	<b>Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)</b>	<b>191,000,033</b>	<b>185,559,716</b>	<b>1,387,038</b>	<b>1,592,999</b>	<b>2,632,778</b>
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)	4,086,476	-	-	1,626,058	2,611,310
3	Total net amount under regulatory scope of consolidation	186,913,557	185,559,716	1,387,038	(33,059)	21,468
4	Off-balance sheet amounts	25,337,015	4,384,407	-	-	-
5	Reclassification of other liabilities	7,848	7,848	-	-	-
<b>N</b>	<b>Exposure amounts considered for regulatory purposes</b>	<b>212,258,420</b>	<b>189,951,971</b>	<b>1,387,038</b>	<b>(33,059)</b>	<b>21,468</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table LIA: Explanations of differences between accounting and regulatory exposure amounts**

- (a) The differences between column (a) and column (b) of Template LI1 are due to difference in consolidation basis by the Bank with its subsidiaries.
- (b) The main driver for the differences between accounting values and amounts considered for regulatory purposes is the application of CCFs on off-balance sheet amounts.
- (c) The Group has established Guideline: Fair Value to govern the valuation process. Generally, the valuation can be categorized into Mark-to-Market and Mark-to-Model.

Mark-to-market is a methodology for valuation of the position based on market close out prices sourced independently. Quoted prices in active markets must be used when available as they are considered the best basis on which to determine fair value. When obtaining fair market price for mark-to-market, whenever it is applicable, the market data transparency, liquidity, and the prudent side of the close out price should be considered. When mark-to-market quotations are not be available, mark-to-model methodology should be used.

Mark-to-model is a valuation model deriving from market data input. This valuation model could be an external model or an in-house developed model. When calculating fair market price using the mark-to-model method, the suitability, coverage, limitations of the model, and the consistence and completeness of the market input used need to be considered.

The Group's Market Risk Management Department ("MRM") has implemented an independent price verification ("IPV") process through which market prices and model inputs used for mark-to-market and mark-to-model purposes are verified for their appropriateness and accuracy on a monthly basis and the result will be reported to the ALCO. In consideration of the complexity and liquidity of various products, MRM has set up internal alert thresholds for validating the valuations of different products. These internal alert thresholds and any subsequent amendments reflecting variance of the price difference must be endorsed by the Head of MRM.

Furthermore, MRM is responsible for producing a "Market Risk Valuation Adjustment Report" that describes the IPV results and report any valuation adjustment case to the ALCO on quarterly basis. In assessing whether a valuation adjustment is necessary, both the market data inputs (the correctness and update of the market data) and the model risk (the appropriateness of the model use) are evaluated. The report must be reviewed and approved by the ALCO.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table CRA: General information about credit risk**

Credit risk is the risk of suffering financial loss in the event that the Group's customers or counterparties fail to fulfil their obligations to the Group or their repayment ability deteriorates. It arises mainly from loans and advances to customers and banks, letters of credit and acceptances, financial guarantees, debt securities held and counterparty credit risk arising from derivative contracts entered into with customers or counterparties. It can also arise from trading and treasury activities.

The Group manages credit risk through a framework of controls to ensure credit risk taking activities are based on sound principles and in line with the overall business objectives of the Group. It has established a set of credit policies and procedures which define credit risk taking criteria, credit approval authorities delegated from the Board, credit monitoring processes, credit rating and scoring systems and loan impairment criteria.

The Board has delegated credit approval authorities to the following committees in descending order of authority: the Executive Credit Committee ("ECC"), the Credit Committee ("CC") and the Wholesale Credit Committee ("WCC").

The ECC serves as the credit committee of the Board to review and approve credits that require the approval of the Board. In addition, it approves the Group's credit policies and credit risk profile, taking into consideration relevant law and regulations.

The CC is a management level committee that provides management oversight of the Group's credit risk management. It ensures that the Group has in place an effective credit risk management framework and that its credit risks are within the credit policies and credit risk profile as specified by the Board or its delegated committees. The CC reviews and endorses credit policies and credit risk profile for the ECC's approval, and reviews and approves credit related guidelines. It also conducts on-going review of the market environment and makes necessary policy recommendations to the ECC to ensure that the credit risk profile of the Group is within its risk appetite. The CC also reviews and approves credits that are within its authority as delegated by the Board.

The WCC reviews and approves corporate credits that are within its authority as delegated by the Board.

The credit risk units, Enterprise Credit Risk Management Division, SME Credit Risk Management Division, and Control and Risk Management Division provide centralized management of credit risk for corporate and retail customers. They are responsible for:

- independent evaluation of corporate credit and debt investment applications;
- monitoring loan portfolio and conducting regular analysis;
- managing problem corporate credits to achieve the highest recovery;
- recommending loan classification, impairment and charge-off; and
- reporting to the CC and ECC regularly on aspects of the loan portfolio.

Credit risk limits are set at different levels, including portfolio and individual customer levels, taking into consideration various factors including the Group's risk appetite, market situation, capital requirement and the returns.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table CRA: General information about credit risk (continued)**

Credit risk management procedures are designed to promote early detection of customer, industry or product exposures that require special monitoring. Overall portfolio risk is monitored on an on-going basis. Regular risk management reports covering information on large exposures, country exposures, industry exposures, loan quality and loan impairment level are submitted to the CC, ECC and RC.

Specific policies and measures to address different kinds of credit related activities are set out below:

*(i) Institutional Banking and Commercial Banking*

Credit risk from Institutional Banking and Commercial Banking is managed by conducting thorough credit evaluation, credit mitigation through collateral and guarantee, and post-approval monitoring system. Subject to the size of the credit, value of collateral and the internal credit rating of the customer, different levels of credit approval authority are required. Credit decisions of the Group consider facility structure, tenor, repayment ability of the obligor and credit mitigation through collateral and guarantees.

The Group has established limits for credit exposure to individual countries, industries and customer groups, regardless of whether the credit exposure is funded or non-funded. The Group also undertakes ongoing credit review and monitoring at several levels. The relevant policies and procedures of the Group have included the statutory requirement of the HKBO, regulatory requirements of the HKMA and the best market practices.

*(ii) Retail Banking*

Credit risk from Retail Banking is product driven, arising from retail loan products such as credit cards, unsecured personal loans, mortgage loans and loans secured by wealth management products. Because of the homogeneous nature of these products, credit risk management is primarily based on statistical analyses of risks with respect to different types of product, collateral and customer. The Group determines product terms and desired customer profiles on a regular basis by developing, validating and fine-tuning internal acceptance criteria, scorecards and stress testing models.

*(iii) Counterparty credit risk*

Counterparty credit risk means counterparty default or deterioration risk, credit valuation adjustment risk and settlement risk. Counterparty credit risk exposure means an exposure to counterparty credit risk, which involves situation in which the Group enters into a derivatives or non-same day spot foreign currency exchange settlement transaction with a counterparty which may subsequently fail to meet its obligations on or before the final settlement of the transactions. These credit exposures are managed as part of the overall credit limits to the counterparties and central clearing counterparty. In evaluating the credit risk associated with counterparty, financial strength is always the primary considerations. The credit risk exposure on derivatives is disclosed in Note 15(b) to the Group's consolidated financial statements. The Group uses the SA-CCR for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong way risk.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table CRA: General information about credit risk (continued)**

*(iv) Credit related commitments*

The risks involved in credit related commitments and contingencies are essentially the same as the credit risk involved in extending loans and advances to customers and banks. These transactions are, therefore, subject to the same credit application, portfolio management and collateral requirements as for loan transactions.

*(v) Concentration of credit risk*

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of customers or counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's financial risk exposure is diversified by country, customer group, industry and product, but is concentrated in Hong Kong.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CR1: Credit quality of exposures**

		As at 31 December 2025						
		HK\$'000						
		(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		
1	Loans (Note 1)	1,354,785	85,204,381	337,322	155,813	181,509	Not applicable	86,221,844
2	Debt securities	-	74,545,381	33,137	-	33,137	Not applicable	74,512,244
3	Off-balance sheet exposures	-	6,345,389	13,921	-	13,921	Not applicable	6,331,468
4	<b>Total</b>	<b>1,354,785</b>	<b>166,095,151</b>	<b>384,380</b>	<b>155,813</b>	<b>228,567</b>	Not applicable	<b>167,065,556</b>

Note 1: The decrease in defaulted loans is mainly attributable to the decrease in corporate loans past due for more than 90 days.

**Template CR2: Changes in defaulted loans and debt securities**

		As at 31 December 2025
		(a)
		HK\$'000
1	<b>Defaulted loans and debt securities at end of the previous reporting period</b>	<b>1,645,580</b>
2	Loans and debt securities that have defaulted since the last reporting period (Note 1)	609,354
3	Returned to non-defaulted status	(23,858)
4	Amounts written off (Note 2)	(740,457)
5	Other changes (Note 3)	(135,834)
6	<b>Defaulted loans and debt securities at end of the current reporting period</b>	<b>1,354,785</b>

Note 1: The increase in defaulted loans and debt securities is mainly attributable to the increase in corporate loans past due for more than 90 days.

Note 2: Amounts written off represents loans to customers charged off during the current reporting period.

Note 3: Other changes mainly represent repayment received during the current reporting period.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table CRB: Additional disclosure related to the credit quality of exposures**

Past due exposures, which represent exposures that have become overdue as of the reporting date, are disclosed in Note 36(a) to the Group's consolidated financial statements and the below tables. The Group classified its exposures in accordance with the loan classification system and considered the exposures as impaired exposures if they are classified as "substandard", "doubtful" or "loss". There are no differences on the definition of past due exposures and impaired exposures between accounting purposes and regulatory disclosures purposes.

Loans and advances that are past due for more than 90 days but are not impaired amounted to HK\$698,711,000 as of 31 December 2025. The Group considered such exposures not to be impaired as all outstanding principal and accrued interest is fully secured by collateral.

The carrying amount of the Group's assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any objective evidence that assets are impaired includes observable data that has an impact on the future cash flows of assets comes to the attention of the Group, the carrying amount is generally reduced to the estimated recoverable amount by means of a charge to profit or loss.

The approach and treatment of impairment allowances of different types of assets are elaborated in the Group's accounting policies on impairment allowances (Note 2(o) to the Group's consolidated financial statements).

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

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table CRB: Additional disclosure related to the credit quality of exposures (continued)**

Breakdown of exposures by geographical areas and industry is disclosed for segments which constitute more than 10% of the Group's total RWA for credit risk only. Other segments which constitute less than 10% of the Group's total RWA for credit risk are disclosed on an aggregate basis under the category "others".

**Breakdown of exposures by geographical areas**

As at 31 December 2025						
HK\$'000						
	Hong Kong	South Korea	Australia	China	Others	Total
Loans	50,502,310	1,655,628	5,350,802	4,864,419	24,186,007	86,559,166
Debt securities	31,440,526	8,962,593	4,571,013	3,480,705	26,090,544	74,545,381
Off-balance sheet exposures	4,547,959	-	686,093	157,726	953,611	6,345,389
<b>Total</b>	<b>86,490,795</b>	<b>10,618,221</b>	<b>10,607,908</b>	<b>8,502,850</b>	<b>51,230,162</b>	<b>167,449,936</b>

**Breakdown of exposures by industries**

As at 31 December 2025									
HK\$'000									
	Banking sector	Official sector	Property development	Property investment	Purchase of residential properties	Financial concerns	Wholesale and retail trade	Others	Total
Loans	15,156,843	3,292,463	6,325,588	10,345,105	11,423,524	5,419,636	6,395,084	28,200,923	86,559,166
Debt securities	23,098,175	15,341,300	4,501,224	1,342,152	-	4,457,639	1,510,247	24,294,644	74,545,381
Off-balance sheet exposures	-	-	1,296,274	310,000	-	520,472	596,356	3,622,287	6,345,389
<b>Total</b>	<b>38,255,018</b>	<b>18,633,763</b>	<b>12,123,086</b>	<b>11,997,257</b>	<b>11,423,524</b>	<b>10,397,747</b>	<b>8,501,687</b>	<b>56,117,854</b>	<b>167,449,936</b>

**Breakdown of exposures by residual maturity**

As at 31 December 2025							
HK\$'000							
	1 month or less (include overdue exposures)	Over 1 month but within 3 months	Over 3 months but within 6 Months	Over 6 months but within 1 year	Over 1 year but within 5 Years	Over 5 years	Total
Loans	14,319,244	3,524,086	3,852,815	8,126,576	33,872,629	22,863,816	86,559,166
Debt securities	6,581,572	10,047,393	3,182,132	9,628,348	37,490,138	7,615,798	74,545,381
Off-balance sheet exposures	40,580	745,999	302,141	1,376,428	3,398,325	481,916	6,345,389
<b>Total</b>	<b>20,941,396</b>	<b>14,317,478</b>	<b>7,337,088</b>	<b>19,131,352</b>	<b>74,761,092</b>	<b>30,961,530</b>	<b>167,449,936</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table CRB: Additional disclosure related to the credit quality of exposures (continued)**
**Breakdown of impaired exposures by geographical areas**

	As at 31 December 2025		
	HK\$'000		
	Hong Kong	China	Total
Loans	632,412	11,751	644,163
Debt securities	-	-	-
Off-balance sheet exposures	-	-	-
<b>Total</b>	<b>632,412</b>	<b>11,751</b>	<b>644,163</b>

**Breakdown of impaired exposures by industries**

	As at 31 December 2025									
	HK\$'000									
	Wholesale and retail trade	Purchase of residential properties	Property investment	Manufacturing	Loan to individuals for private purposes	Credit card advances	Civil engineering works	Financial concerns	Others	Total
Loans	369,604	140,421	44,488	33,504	23,366	8,874	8,597	7,245	8,064	644,163
Debt securities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>369,604</b>	<b>140,421</b>	<b>44,488</b>	<b>33,504</b>	<b>23,366</b>	<b>8,874</b>	<b>8,597</b>	<b>7,245</b>	<b>8,064</b>	<b>644,163</b>

**Breakdown of allowances for impaired exposures by geographical areas**

	As at 31 December 2025		
	HK\$'000		
	Hong Kong	China	Total
Loans	155,813	-	155,813
Debt securities	-	-	-
Off-balance sheet exposures	-	-	-
<b>Total</b>	<b>155,813</b>	<b>-</b>	<b>155,813</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table CRB: Additional disclosure related to the credit quality of exposures (continued)**
**Breakdown of allowances for impaired exposures by industries**

	As at 31 December 2025									
	HK\$'000									
	Wholesale and retail trade	Purchase of residential properties	Loan to individuals for private purposes	Credit card advances	Civil engineering works	Property investment	Financial concerns	Manufacturing	Others	Total
Loans	94,732	28,802	15,492	7,987	2,489	1,798	1,472	1,242	1,799	155,813
Debt securities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>94,732</b>	<b>28,802</b>	<b>15,492</b>	<b>7,987</b>	<b>2,489</b>	<b>1,798</b>	<b>1,472</b>	<b>1,242</b>	<b>1,799</b>	<b>155,813</b>

**Aging analysis of accounting past due exposures**

	As at 31 December 2025			
	HK\$'000			
	Overdue 3 months or less	Overdue 6 months or less but over 3 months	Overdue 1 year or less but over 6 months	Total
Loans	1,533,705	280,272	418,439	2,232,416
Debt securities	-	-	-	-
Off-balance sheet exposures	-	-	-	-
<b>Total</b>	<b>1,533,705</b>	<b>280,272</b>	<b>418,439</b>	<b>2,232,416</b>

**Breakdown of restructured exposures, between impaired and not impaired exposures**

	As at 31 December 2025		
	HK\$'000		
	Impaired exposures	Non-impaired exposures	Total restructured exposures
Loans	15,042	12,131	27,173
Debt securities	-	-	-
Off-balance sheet exposures	-	-	-
<b>Total</b>	<b>15,042</b>	<b>12,131</b>	<b>27,173</b>

The exposure amounts present in the above tables represent their gross carrying amounts.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table CRC: Qualitative disclosures in relation to credit risk mitigation**

The Group's credit evaluation focuses primarily on the obligor's repayment ability from its cash flow and financial condition. In addition, the Group employs various types of credit risk mitigation technique such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. The most commonly used credit risk mitigation measures are provided below:

***Collateral***

The Group holds collateral against its credit exposures to customers mainly in the form of cash deposits, marketable securities, mortgage interests over properties and guarantees. The Group also has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of the collateral. Collateral taken to secure credit exposures is revalued periodically ranging from daily to annually depending on the type of collateral. For treasury operations, collateral management is based on daily marked-to-market positions.

***Master netting agreements***

Collateral generally is not held over credit exposures to banks, except for securities held as part of reverse repurchase and securities borrowing activities, and initial margin and variation margin held against derivatives exposures. However, where applicable, the Group manages its credit exposures to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivative activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter derivative products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by such agreement if either party defaults or upon the occurrence of other pre-agreed termination events.

The Group has implemented the regulatory initial margin and variation margin requirements with counterparties in conjunction with the ISDA Master Agreement to mitigate the counterparty credit risk inherent in derivative transactions.

***Central clearing***

The Group makes use of central clearing, whenever possible, to mitigate counterparty credit risk. The Group has developed its own credit assessment framework to evaluate the parties involved in the central clearing.

***Other credit risk mitigation measures***

The Group may also employ other types of credit mitigation, such as guarantees and letters of credit, mainly for corporate exposures. As the value of these types of collateral is conditional upon other credit related factors, their financial effect has not been quantified.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CR3: Overview of recognized credit risk mitigation**

		As at 31 December 2025				
		HK\$'000				
		(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
1	Loans	73,632,151	12,589,693	1,098,100	7,857,401	-
2	Debt securities	73,000,846	1,511,398	-	1,511,398	-
<b>3</b>	<b>Total</b>	<b>146,632,997</b>	<b>14,101,091</b>	<b>1,098,100</b>	<b>9,368,799</b>	<b>-</b>
4	Of which defaulted	1,011,998	186,974	-	147,809	-

**Table CRD: Qualitative disclosures on the use of ECAI ratings under the STC approach**

The Group uses credit ratings from Moody's Investors Service and Standard and Poor's Rating Services to determine the risk-weight of the following exposure classes for credit risk under STC approach according to Part 4 of the Banking (Capital) Rules:

- (i) Sovereign;
- (ii) Public sector entity;
- (iii) Unspecified multilateral body;
- (iv) Bank;
- (v) Qualifying non-bank financial institution;
- (vi) Eligible covered bond;
- (vii) Corporate; and
- (viii) Collective investment scheme.

An exposure under exposure classes (i) to (viii) that consist of a debt obligation issued or undertaken by any person or an interest in a collective investment scheme, where the exposure has one or more than one ECAI issue specific rating, the Group:

- (a) if the exposure has only one ECAI issue specific rating, uses that rating;
- (b) if the exposure has two or more ECAI issue specific ratings the use of which would result in the allocation of different risk-weights to the exposure, uses any one of those ratings except the one which would result in the allocation of the lowest of those different risk-weights.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table CRD: Qualitative disclosures on the use of ECAI ratings under the STC approach**  
**(continued)**

Where an exposure under exposure classes (i) to (vii) does not have an ECAI issue specific rating, and the person to whom the Group has the exposure has an ECAI issuer rating but does not have a long-term ECAI issue specific rating assigned to a debt obligation issued or undertaken by the person, the Group:

- (a) uses the ECAI issuer rating if the use of the ECAI issuer rating would result in the allocation of a risk-weight to the exposure that would be equal to, or higher than, the risk-weight allocated to the exposure on the basis that the person has neither an ECAI issuer rating nor an ECAI issue specific rating assigned to a debt obligation issued or undertaken by the person. The ECAI issuer rating is only applicable to unsecured exposures to the person as an issuer that are not subordinated to other exposures to that person; and the exposure to the person ranks equally with, or is subordinated to, the unsecured exposures referred to above;
- (b) uses the ECAI issuer rating if the use of the ECAI issuer rating would result in the allocation of a risk-weight to the exposure that would be lower than the risk-weight allocated to the exposure on the basis that the person has neither an ECAI issuer rating nor an ECAI issue specific rating assigned to a debt obligation issued or undertaken by the person. The ECAI issuer rating is only applicable to unsecured exposures to the person as an issuer that are not subordinated to other exposures to that person; and the exposure to the person is not subordinated to other exposures to the person as an issuer.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CR4: Credit risk exposures and the effects of recognized credit risk mitigation**

		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	
Exposure classes		On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
1	Sovereign exposures	19,509,889	-	21,898,630	65,373	725,593	3.30%
2	Public sector entity exposures	20,368,648	500,000	21,145,535	210,173	2,008,949	9.41%
3	Multilateral development bank exposures	6,451,733	-	6,451,733	-	-	-
3a	Unspecified multilateral body exposures	7,946	-	7,946	-	1,589	20.00%
4	Bank exposures	41,995,601	-	43,013,614	-	11,797,638	27.43%
4a	Qualifying non-bank financial institution exposures	1,170,334	400,000	1,549,879	40,000	494,965	31.13%
5	Eligible covered bond exposures	277,797	-	277,797	-	27,780	10.00%
6	General corporate exposures	56,691,131	11,725,086	51,881,470	2,681,880	41,300,984	75.69%
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	4,522,539	1,358,248	4,521,072	180,191	2,541,226	54.05%
6b	Specialized lending	236,419	-	236,419	-	236,419	100.00%
7	Equity exposures	10,441	-	10,441	-	26,103	250.00%
7a	Significant capital investments in commercial entities	-	-	-	-	-	-
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	-	-	-	-	-
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-	-	-
8	Retail exposures	3,180,612	12,345,147	2,935,931	1,197,476	2,985,838	72.24%
8a	Exposures arising from IPO financing	-	-	-	-	-	-
9	Real estate exposures	30,893,554	360,388	30,286,610	167,031	19,091,310	62.69%

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CR4: Credit risk exposures and the effects of recognized credit risk mitigation (continued)**

		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	
Exposure classes		On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	On-balance sheet amount HK\$'000	Off-balance sheet amount HK\$'000	RWA HK\$'000	RWA density %
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	13,403,366	-	12,887,395	-	3,439,150	26.69%
9b	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	172,248	-	172,248	-	56,292	32.68%
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	2,920,087	-	2,920,087	-	1,841,045	63.05%
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	444,493	-	444,493	-	326,217	73.39%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	10,881,923	135,336	10,791,815	77,015	9,873,734	90.84%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	667,979	-	667,979	-	1,001,969	150.00%
9g	Of which: land acquisition, development and construction exposures	2,173,298	225,052	2,173,298	90,016	2,472,352	109.24%
10	Defaulted exposures	1,234,114	-	1,234,114	-	1,529,598	123.94%
11	Other exposures	3,187,499	-	3,187,499	-	3,187,499	100.00%
11a	Cash and gold	132,326	-	1,230,426	19,915	33,922	2.71%
11b	Items in the process of clearing or settlement	44,422	-	44,422	-	-	-
12	<b>Total</b>	185,392,466	25,330,621	185,392,466	4,381,848	83,448,187	43.97%

Note 1: All CIS exposures on bank's equity investment in funds are excluded from this template.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights**

		As at 31 December 2025						
		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures	18,371,996	3,568,038	23,969	-	-	-	21,964,003

		As at 31 December 2025						
		0%	20%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
2	Public sector entity exposures	12,244,993	8,488,027	622,688	-	-	-	21,355,708

		As at 31 December 2025							
		0%	20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
3	Multilateral development bank exposures	6,451,733		-	-	-	-	-	6,451,733

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025							
		20%	30%	50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
3a	Unspecified multilateral body exposures	7,946	-	-	-	-	-	7,946	

		As at 31 December 2025								
		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4	Bank exposures	14,523,251	26,760,986	-	1,729,377	-	-	-	-	43,013,614

		As at 31 December 2025								
		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
4a	Qualifying non-bank financial institution exposures	-	1,549,879	-	-	40,000	-	-	-	1,589,879

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025								
		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
5	Eligible covered bond exposures	277,797	-	-	-	-	-	-	-	277,797

		As at 31 December 2025									
		20%	30%	50%	65%	75%	85%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6	General corporate exposures	2,472,349	-	14,164,743		16,097,434	2,313,368	19,176,968	338,488	-	54,563,350
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	560,795	-	2,981,124		961,334	3,368	154,642	40,000	-	4,701,263

		As at 31 December 2025								
		20%	50%	75%	80%	100%	130%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
6b	Specialized lending	-	-	-	-	236,419	-	-	-	236,419

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025				
		100%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7	Equity exposures		10,441	-	-	10,441

		As at 31 December 2025				
		250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
7a	Significant capital investments in commercial entities	-	-	-	-	-

		As at 31 December 2025				
		150%	250%	400%	Other	Total credit exposure amount (post-CCF and post-CRM)
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	-	-	-	-	-

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025			
		150%	Other		Total credit exposure amount (post-CCF and post-CRM)
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	-	-	-	-

		As at 31 December 2025				
		45%	75%	100%	Other	Total credit exposure amount (post CCF and post-CRM)
8	Retail exposures	1,067,160	2,271,938	759,498	34,811	4,133,407

		As at 31 December 2025			
		0%	Other		Total credit exposure amount (post-CCF and post-CRM)
8a	Exposures arising from IPO financing	-	-	-	-

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																				
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
9	Real estate exposures	-	6,075,807	2,716,077	2,858,310	18,616	632,953	80,914	478,949	2,647,415		771,162	122,005	6,573,401	57,463	6,294,696	-	8,947	1,086,054	30,872	30,453,641	
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		6,075,807	2,716,077	2,590,530		632,953	-	478,949	-		393,079	-				-				-	12,887,395
9b	Of which: no loan splitting applied		6,075,807	2,716,077	2,590,530		632,953	-	478,949	-		393,079	-				-				-	12,887,395
9c	Of which: loan splitting applied (secured)																					

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																				
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
9d	Of which: loan splitting applied (unsecured)																					
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)				129,051	18,616		24,581		-				-							-	172,248

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-	2,644,054			85,661	-		190,372			-	-	2,920,087
9g	Of which: no loan splitting applied	-	-		-		-		-	2,644,054			85,661	-		190,372			-	-	2,920,087
9h	Of which: loan splitting applied (secured)																				

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																				
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
9i	Of which: loan splitting applied (unsecured)																					
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)											378,083			57,463				8,947		-	444,493

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																				
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	-	-		-		-		-				36,344	6,573,401		4,259,085				-	-	10,868,830
9l	Of which: no loan splitting applied	-	-		-		-		-				36,344	6,573,401		4,259,085				-	-	10,868,830
9m	Of which: loan splitting applied (secured)								-													

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																				
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)	
9n	Of which: loan splitting applied (unsecured)																					
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)																			667,979	-	667,979

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025																			
		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9p	Of which: land acquisition, development and construction exposures															1,845,239			418,075	-	2,263,314

		As at 31 December 2025				
		50%	100%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures		202,768	883,537	147,809	1,234,114

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

		As at 31 December 2025			
		100%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
11	Other exposures	3,187,499	-	-	3,187,499

		As at 31 December 2025			
		0%	100%	Other	Total credit exposure amount (post-CCF and post-CRM)
11a	Cash and gold	1,080,729	-	169,612	1,250,341

		As at 31 December 2025			
		0%	20%	Other	Total credit exposure amount (post-CCF and post-CRM)
11b	Items in the process of clearing or settlement	44,422	-	-	44,422

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CR5: Credit risk exposures by exposure classes and by risk weights (continued)**

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

		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%	107,623,482	-	-	107,918,943
2	40-70%	20,831,613	8,146,964	16.30%	22,159,636
3	75%	17,758,710	4,647,151	16.63%	18,531,377
4	85%	8,688,500	1,575,260	12.59%	8,886,769
5	90- 100%	28,266,130	10,180,975	16.20%	29,915,311
6	105-130%	35,754	-	-	35,754
7	150%	2,177,836	262,925	52.58%	2,316,083
8	250%	10,441	-	-	10,441
9	400%	-	-	-	-
10	1,250%	-	-	-	-
11	<b>Total exposures</b>	185,392,466	24,813,275	17.66%	189,774,314

*Note 1: All CIS exposures on bank's equity investment in funds are excluded from this template.*

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table CCRA: Qualitative disclosures related to counterparty credit risk (including those arising from clearing through CCPs)**

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value of loans or other financial instruments, credit risk for counterparties of derivatives is the positive replacement cost together with an estimate for the potential future exposure from changes in market value. These credit exposures are managed as part of the overall credit limits to the counterparties. The credit risk exposure on derivatives is disclosed in Note 15(b) to the Group's consolidated financial statements. The Group uses the SA-CCR approach for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is adversely correlated with the credit quality of that counterparty. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Group has set up policies and procedures to control both general and specific wrong-way risk.

The counterparty credit risk mitigation refers to Table CRC.

Under the terms of our current collateral obligations under derivative contracts, we estimate based on the positions as at 31 December 2025 that the Group would not be required to post additional collateral in the event of one notch downgrade in the Group's credit ratings.

**Template CCR1: Analysis of counterparty credit risk exposure (other than those to CCPs) by approach**

		As at 31 December 2025					
		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost (RC)	PFE	Effective EPE	Alpha ( $\alpha$ ) used for computing default risk exposure	Default risk exposure after CRM	RWA
		HK\$'000	HK\$'000			HK\$'000	HK\$'000
1	SA-CCR approach (for derivative contracts)	240,128	283,073		1.4	732,481	452,505
1a	CEM (for derivative contracts)	-	-		-	-	-
2	IMM (CCR) approach			-	-	-	-
3	Simple approach (for SFTs)					162,660	135,553
4	Comprehensive approach (for SFTs)					-	-
5	VaR (for SFTs)					-	-
6	<b>Total</b>						<b>588,058</b>

The increase in RWA are mainly due to increase bank exposures and retail exposures in exchange rate contracts and interest rate contracts.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Template CCR3: Counterparty default risk exposures (other than those to CCPs) by exposure class and by risk weights**

		As at 31 December 2025											
		HK\$'000											
Exposure class	Risk Weight	(a)	(b)	(c)	(ca)	(cb)	(d)	(e)	(ea)	(f)	(g)	(h)	(i)
		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	Total default risk exposure after CRM
1	Sovereign exposures	815	-	-	-	-	-	-	-	-	-	-	815
2	Public sector entity exposures	-	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development bank exposures	-	-	-	-	-	-	-	-	-	-	-	-
4	Unspecified multilateral body exposures	-	-	-	-	-	-	-	-	-	-	-	-
5	Bank exposures	-	-	159,118	238,188	-	-	-	-	-	-	-	397,306
6	Qualifying non-bank financial institution exposures	-	-	-	7,740	-	-	-	-	-	-	-	7,740
7	General corporate exposures	-	-	-	-	-	-	-	-	126,527	-	-	126,527
8	Retail exposures	-	-	-	-	-	-	27,300	-	335,453	-	-	362,753
9	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-
10	Other exposures	-	-	-	-	-	-	-	-	-	-	-	-
11	<b>Total</b>	815	-	159,118	245,928	-	-	27,300	-	461,980	-	-	895,141

The increase in bank exposures (20%) and retail exposures (100%) are mainly due to increase in bank exposures and retail exposures from derivative transactions respectively.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CCR5: Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs)**

As at 31 December 2025						
HK\$'000						
(a)	(b)	(c)	(d)	(e)	(f)	
Derivative contracts				SFTs		
Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral	
Segregated	Unsegregated	Segregated	Unsegregated			
Cash - domestic currency	1,340,606	328,761	-	147,909	1,263,084	136,658
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	95,857	-	1,297,337
Equity securities	15,063	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>1,355,669</b>	<b>328,761</b>	<b>-</b>	<b>243,766</b>	<b>1,263,084</b>	<b>1,433,995</b>

The increase in derivative fair value of collateral recognized - segregated - cash - domestic currency is mainly due to the increase in derivatives transactions with retail customers outstanding as of the reporting date, while the decrease in derivative fair value of collateral recognized - unsegregated - cash - domestic currency is mainly due to the decrease in derivatives transactions with central counterparty clearing house outstanding as of the reporting date.

The increase in SFT fair value of collateral recognized - cash - domestic currency and increase in SFT fair value of posted collateral - corporate bonds are mainly due to the increase in securities repurchase transactions outstanding as of the reporting date.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CCR6: Credit-related derivatives contracts**

	As at 31 December 2025	
	HK\$'000	
	(a)	(b)
	Protection bought	Protection sold
<b>Notional amounts</b>		
Single-name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit-related options	-	-
Other credit-related derivative contracts	-	-
<b>Total notional amounts</b>	-	-
<b>Fair values</b>		
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template CCR8: Exposures to CCPs**

		As at 31 December 2025 HK\$'000	
		(a)	(b)
		Exposure after CRM	RWA
<b>1</b>	<b>Exposures of the AI as clearing member or clearing client to qualifying CCPs (total)</b>		20,347
2	Default risk exposures to qualifying CCPs (excluding items disclosed in rows 7 to 10), of which:	1,017,374	20,347
3	(i) OTC derivative transactions	1,017,374	20,347
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	-	-
<b>11</b>	<b>Exposures of the AI as clearing member or clearing client to non-qualifying CCPs (total)</b>		-
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	-	-

The decrease in exposures and RWA to CCP is mainly due to the decrease in replacement cost of derivatives outstanding as of the reporting date.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table CVAA : Qualitative disclosures related to CVA risk**

The Group has implemented comprehensive systems and models for CVA calculations that comply with the regulatory requirements specified in HKMA SPM CR-G-13 “Counterparty Credit Risk Management”. All products and counterparties that generate counterparty credit risk are systematically incorporated into the CVA calculation framework. The Group evaluates CVA calculation readiness for new financial instruments prior to their inclusion in the risk management process.

The CVA model is subject to regular reviews and validation to ensure its accuracy, reliability, and alignment with current market and regulatory expectations. CVA risk is managed as an integral part of the Group’s counterparty credit risk management framework, and its valuation is reported to and reviewed by the ALCO on a quarterly basis.

The Group adopts the Reduced Basic CVA Approach for the calculation of CVA capital charge and does not set its RWA for CVA risk at 100% of its RWA for counterparty credit risk exposures, even though it is qualified for as prescribed under the BCR.

**Template CVA1 : CVA risk under reduced basic CVA approach**

		As at 31 December 2025	
		HK\$'000	
		(a)	(b)
Components			CVA risk capital charge under the reduced basic CVA approach
1	Aggregation of systematic components of CVA risk	15,304	
2	Aggregation of idiosyncratic components of CVA risk	3,828	
3	<b>Total</b>		5,421

CVA hedges are not taken into account under the reduced basic CVA approach.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

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

At the end of the reporting period, the Group only acted as an investor in the securitization exposures. There were no securitization exposures in trading book and re-securitization exposures in both banking book and trading book as at 31 December 2025.

The securitization exposures held by the Group are rated with investment grades, and the underlying assets are secured by loans for infrastructure projects. The Group participates in senior tranche with the first priority in the payment waterfall and shorter weighted average life.

The Group held relatively small amounts of securitization exposures. They are classified and measured for accounting purpose in accordance with the Group's accounting policies on financial instruments.

Rating from Moody's Investors Service is adopted in assessing securitization exposures. These securitization exposures held by the Group is rated by recognized ECAI designated by the Capital Rules and is adopted the "Securitization External Ratings-Based Approach" for the calculation of RWA.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template SEC1: Securitization exposures in banking book**

		As at 31 December 2025								
		HK\$'000								
		(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:	-	-	-	-	-	-	1,387,038	-	1,387,038
7	loans to corporates	-	-	-	-	-	-	1,387,038	-	1,387,038
8	commercial mortgage	-	-	-	-	-	-	-	-	-
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	-	-	-	-	-	-
11	re-securitization exposures	-	-	-	-	-	-	-	-	-

The increase in securitization exposures was mainly due to new subscriptions during the period.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template SEC4: Securitization exposures in banking book and associated capital requirements – where AI acts as investor**

		As at 31 December 2025																
		HK\$'000																
		(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
<b>1</b>	<b>Total exposures</b>	1,387,038	-	-	-	-	-	1,387,038	-	-	-	277,408	-	-	-	22,193	-	-
2	Traditional securitization	1,387,038	-	-	-	-	-	1,387,038	-	-	-	277,408	-	-	-	22,193	-	-
3	Of which securitization	1,387,038	-	-	-	-	-	1,387,038	-	-	-	277,408	-	-	-	22,193	-	-
4	Of which retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which simple, transparent and comparable	Not applicable																
6	Of which wholesale	1,387,038	-	-	-	-	-	1,387,038	-	-	-	277,408	-	-	-	22,193	-	-
7	Of which simple, transparent and comparable	Not applicable																
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The increase in securitization exposures was mainly due to new subscriptions during the period.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table MRA: Qualitative disclosures related to market risk**

Market risk arises from potential losses in earnings or economic value due to adverse changes in financial markets rates or prices of financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from the statement of financial position or structural positions. The Group transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and offsetting transactions taken in order to hedge the Group's open position. The Group does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The RC reviews and approves policy for market risk management including limits and approved financial instruments. The Board has delegated the responsibility for ongoing general market risk management to the ALCO. This committee articulates the interest rate view of the Group 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.

The Group has also established clear market risk policy, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the RC. Market risk is managed within various limits approved by the RC. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, Value-at-risk ("VaR") limit, Basis Point Value ("BPV") limits, stop loss limits and risk position limits. These limits are reviewed and endorsed by the ALCO and approved by the RC at least annually. The regular limit monitoring is performed daily and the result is reported to the ALCO members. The risk exposures are also reported to the RC and ALCO regularly. The Group adopted the simplified standardized approach for market risk capital calculation.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest rate and foreign exchange contracts, which are primarily over-the-counter derivatives. The Group also engages exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customers' demands and to hedge these and other positions.

One of the tools used by the Group to measure, monitor and control market risk exposures is VaR. VaR is a risk measure that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the historical simulation method as the means to estimate the statistical confidence level.

The VaR is only effective for potential loss events which are not correlated. The Group therefore augments its VaR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis and stress testing, both on individual portfolios and Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template MR3: Market risk under SSTM approach**

		As at 31 December 2025			
		HK\$'000			
		(a)	(b)	(c)	(d)
		Options			
		Outright products	Simplified approach	Delta-plus method	Other approach
1	Interest rate exposures (general and specific risk)	9,478	-	-	-
2	Equity exposures (general and specific risk)	-	-	-	-
3	Commodity exposures	-	-	-	-
4	Foreign exchange (including gold) exposures	7,756	-	-	-
5	Securitization exposures	-			
6	Total	17,234	-	-	-

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table IRRBBA: Interest rate exposures in banking book – risk management objectives and policies**

The Group defines interest rate risk in the banking book (“IRRBB”) per requirement of HKMA SPM IR-1 “Interest Rate Risk in the Banking Book” updated by the HKMA in Dec 2018<sup>3</sup>. IRRBB is defined as the risk to the Group’s financial condition resulting from adverse movements in interest rates that affect the Group’s banking book positions. Primary forms of IRRBB includes gap risk, basis risk and option risk.

**IRRBB Management**

Policy and guideline on IRRBB are established by the Group with principles and standards consistent with SPM IR-1. The policy on IRRBB covers the Group’s governance management framework, IRRBB management strategy to identify, monitor and control its IRRBB, and also the Group’s IRRBB monitoring tools. The guideline on IRRBB covers the risk monitoring and reporting procedures in implementing the Group’s IRRBB management strategy. These policy and guideline are both reviewed by the ALCO. The policy and guideline are approved by the RC and the ALCO respectively.

The RC reviews and approves the Group’s risk appetite statement at least annually. The RC establishes the Group’s overall risk appetite for IRRBB, which is articulated in terms of the risk to both economic value and earnings, risk management strategy, and oversee the implementation of the strategy. The ALCO oversees the Group’s interest rate risk to ensure that the Group has an effective framework in place to manage its assets and liabilities and off-balance sheet exposures. Funding Desk Department manages IRRBB on a daily basis. Capital, Asset and Liability Management Division (“CALMD”) is responsible for the day-to-day monitoring of IRRBB which includes risk measurement and assessment, limits monitoring and risk control, and reporting. CALMD and MRM jointly monitor IRRBB exposures on a regular basis. Independent audit will be conducted periodically to ensure the policy and guideline on IRRBB are appropriate to support the Group’s activities in this area and complies with the applicable legal and regulatory requirements, and to ensure IRRBB management is implemented properly.

Level of IRRBB exposures is managed and controlled through on-balance sheet and off-balance sheet adjustments, and use of hedging derivative instruments including future, options and swaps. Hedge accounting treatment under Hong Kong Financial Reporting Standards is actively applied to avoid fluctuation of profit and loss arising from mark-to-market of the hedging derivatives.

The Group monitors and controls its IRRBB with a set of monitoring tools consistent with its risk appetite. These include risk limits on economic value of equity (“EVE”) decline under stressed scenarios and basic-point-value of banking book. There are also management alert triggers (“MAT”) governing the size of interest rate re-pricing gap, hedging derivatives for banking book funding activities, and vulnerability of EVE and earnings to the Group’s capital under stressed scenarios. All these risk limits are reviewed and approved by the RC and the ALCO respectively. All these limits and MATs are reviewed at least annually to ensure its integrity, accuracy and reasonableness in response to changing market condition.

Risk control reports are prepared by CALMD and MRM for the ALCO on a daily basis. Besides, risk reports are also prepared and submitted to the RC on a monthly basis.

---

<sup>3</sup> The SPM module IR-1 was further revised and issued on 23 December 2025 with effect from 1 January 2026.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table IRRBBA: Interest rate exposures in banking book – risk management objectives and policies (continued)****IRRB Management (continued)**

The Group also conducts stress testing on a monthly basis to measure the vulnerability of EVE and earnings in a variety of stressed conditions including the six HKMA standardized interest rate shock scenarios, scenarios with changes in the relationships between key market rates, and scenarios with significant residential loan prepayment. Results of stress tests are reviewed by the ALCO and monitored against established risk limits and MATs. The stress test programme is reviewed regularly, at least annually, and approved by the ALCO. The review covers the underlying assumptions used, IRRBB models and rationale behind to assess its continued appropriateness.

The IRRBB models, which include option pricing models and behavioural models, are applied on measurement of IRRBB exposures. IRRBB models are subject to initial and regular validation conducted by a party independent from model development. The models and subsequent modifications, results of model validation and any recommendation on the model usage are reviewed regularly, at least annually, and approved by the ALCO.

The Group maintains adequate capital for IRRBB and incorporate the Group's level of IRRBB into the process of internal assessment of capital adequacy. The Group also performs the assessment of IRRBB in developing new product.

**IRRB Measurement**

The Group measures impact on EVE and earnings according to the HKMA's standardized framework with consideration of modelling assumptions required by the SPM IR-1.

Behavioural option risks in the products of non-maturity deposits, retail term deposits with early redemption risk and retail fixed rate loans with prepayment options are measured under the behavioural models. The parameters generated are applied on the repricing cash flow to reflect how customer's behavioural pattern may change the level and timing of these products and to obtain the behavioural cash flow, which are then used to calculate the impact of interest rate shocks on the change in EVE and earnings.

The interest rate sensitive banking book positions with behavioural options related to wholesale customers and with embedded options are identified for option decomposition. The stripped-out embedded interest rate options in banking book products and other explicit interest rate options are valued using interest rate option pricing models. The Group's products with embedded interest rate option risks include wholesale fixed rate loans with prepayment options and fixed rate callable bonds.

Key modelling and parametric assumptions adopted in calculating change in EVE and earnings in Template IRRBB1 are summarised as below:

**1. Non-Maturity Deposits**

Non-Maturity Deposits ("NMDs") consist of savings and current deposits of the Group, which are deposits without a set maturity date that can be withdrawn at any time without advance notice. NMDs are segmented into several sub-portfolios according to customer segment, currency and product type. The Group identifies core NMDs as the stable deposits which are unlikely to reprice even under significant changes in the interest rate environment. To determine the core NMDs, the Group firstly estimates stable deposit ratio for each segment using the historical monthly deposit balance data at portfolio level. Then, to measure the core deposit ratio, the Group estimates the proportion of stable deposits that reprice due to the market rate change based on the estimated sensitivity of NMD interest rate with respect to market interest rate changes.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table IRRBBA: Interest rate exposures in banking book – risk management objectives and policies (continued)****IRRB Measurement (continued)**

## 1. Non-Maturity Deposits (continued)

The average repricing maturity of NMDs are determined with reference to historical repricing and run off behaviour with consideration of relationship between general market interest rate and the interest rate offered by the Group. The Group adopts run-off analysis using the historical monthly deposit balance data at portfolio level to determine the average behavioural maturity for each segment.

As of 31 December 2025, the Group's notional-weighted average repricing maturity of NMDs was 1.2 years (2024: 1.2 years) and the longest repricing maturity of NMDs was 3.6 years (2024: 3.7 years).

## 2. Prepayment of loans and early withdrawal of term deposits

Prepayment of loans would cause the loans being paid back on an earlier date than the contractual maturity. Conditional prepayment rates ("CPR") for retail loans by homogeneous groups subject to prepayment risk is estimated by different retail loan models. CPR for retail fixed rate loans is estimated by logistic regression analysis with consideration of both loan-specific factors and macroeconomic factors. CPR for retail floating rate loans is estimated by statistical behavioural models using historical loan data on portfolio level. Prepayment options embedded in wholesale fixed rate loans are decomposed as automatic interest rate options and are valued using option pricing models for EVE measurement.

Retail term deposits subject to early redemption risk are term deposits that can be withdrawn early at the discretion of customers, except there is significant penalty that the customers might not early uplift or breaking the deposits contract due to interest rate change. The Group imposes penalty on early withdrawal of term deposits that compensates for loss of interest between date of withdrawal and the contractual maturity date and the economic cost of breaking the contract. Thus, retail term deposits are not subject to early redemption risk and treated as standard fixed rate deposits according to SPM IR-1.

## 3. Treatment of commercial margins and spread

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

## 4. Aggregation method

Significant currencies are defined that account for 5% or more of the Group'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. As of 31 December 2025, significant currencies are Hong Kong Dollars, US Dollars and Australian Dollars. The Group calculates the changes in EVE and Net Interest Income ("NII") for each currency separately and aggregate the adverse impact, without netting, of all currencies in Template IRRBB1. There is no assumption about interest rate correlation between different currencies applied on aggregation.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Table IRRBBA: Interest rate exposures in banking book – risk management objectives and policies (continued)**
**IRRB Measurement (continued)**
**5. Constant balance sheet under earnings perspective**

Under earnings perspective approach, the Group 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 Group's NII when interest rates change in parallel up and down movement.

There is no difference in the assumptions applied in internal monitoring and regulatory reporting. Assumptions, other than those regulatory assumptions, are validated and reported on an annual basis or as required during the year.

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

This table provides information on the changes in EVE and NII under each of the prescribed interest rate shock scenarios in respect of its interest rate exposures arising from the Group's banking book positions.

		(a)	(b)	(c)	(d)
		Adverse impact on EVE		Adverse impact on NII	
	Period	31 December 2025 HK\$'000	31 December 2024 HK\$'000	31 December 2025 HK\$'000	31 December 2024 HK\$'000
1	Parallel up	(195,059)	(245,936)	30,600	21,069
2	Parallel down	240,988	283,371	578,099	523,442
3	Steeper	186,799	160,831		
4	Flattener	(196,481)	(187,496)		
5	Short rate up	(245,701)	(256,107)		
6	Short rate down	293,239	291,688		
7	<b>Maximum</b>	293,239	291,688	578,099	523,442
	<b>Period</b>	<b>31 December 2025</b>		<b>31 December 2024</b>	
8	<b>Tier 1 capital</b>	15,829,986		14,654,842	

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table REMA: Remuneration policy****Overview of the Bank's remuneration system**

The Bank's remuneration system is applicable to all staff of the Bank and its subsidiaries and documented in the Bank's Remuneration Policy and related guidelines. The Nomination and Remuneration Committee ("NRC"), whose composition and mandate is set out in Note (H)(ii) to the Group's consolidated financial statements, is responsible for overseeing the remuneration system of the Bank. During the financial year, two meetings were held by the NRC and it reviewed and approved the Bank's Remuneration Policy. The major updates involved categories of staff, performance measurement and deferment of sales staff due to the alignment of market practice as well as levels of individual staff's responsibility and etc. Same as the previous year, the Bank has engaged an external provider to conduct a review on the Bank's remuneration system. The policies and processes established by the Bank are in compliance with the requirements set forth in HKMA SPM CG-5 "Guideline on a Sound Remuneration System".

The Bank's remuneration system is based on the following principles:

- alignment of compensation to its profitability, risk and capital;
- maximization of employees' and the Bank's performance;
- attraction and retention of talented and skilled staff;
- calibration to the differing needs of each division and staff's levels of responsibility; and
- benchmarking against industry norms should be done at least on bi-annual basis to check the reasonableness of the compensation by peers.

The remuneration packages of the Bank's staff may comprise fixed and variable components which are structured to reflect the prevailing context in which the Bank operates and the Bank's intended performance. Fixed pay includes base salary, fixed allowance and year-end double pay, while variable pay may cover sales incentives and year-end discretionary bonuses.

Salary increments and bonuses of staff not covered by sales incentive schemes are determined according to a performance evaluation guideline covering both achievement of Key Performance Indicators and Workplace Behaviour measures. These include both risk and compliance related measures where appropriate.

Basically, the performance assessment and remuneration of risk and compliance employees are recommended by the heads of the risk and compliance functions and approved by Chief Executive Officer, while those of the heads are recommended by Chief Executive Officer and approved by the NRC. The relevant arrangements are documented in the remuneration policy and relevant guidelines.

According to the Bank's existing mechanism, Senior Management refers to those senior executives who are responsible for the oversight of the Bank's strategy and activities. They include the following positions:

- Chief Executive Officer & Managing Director
- Executive Director(s)
- Alternate Chief Executive(s)
- Executive Vice President(s)
- Management Committee Members
- Group / Division Heads
- Staff who is appointed as managers (as defined in section 2 of Banking Ordinance)

Key Personnel refers to those executives, other than Senior Management, whose duties or activities in the course of their employment involve the assumption of material risk or the taking on of material exposures on behalf of the Bank; currently the Department Heads in Markets Group and critical positions appointed by Chief Executive Officer & Managing Director.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table REMA: Remuneration policy (continued)****Risk, performance assessment and variable remuneration**

It is stipulated in the Bank's Remuneration Policy that factors including (i) cost of capital required to support any risks involved in implementing the bonuses, (ii) capital adequacy requirements not being affected and (iii) timing and likelihood of potential future revenue incorporated into current earnings to cover the bonuses contemplated are considered when determining the size and allocation of variable remuneration. Factors including Return on Equity, Capital Adequacy Ratio and financial performance forecast for the next three years are also presented to the NRC. For the Sales staff who are eligible for sales incentives, it is the Bank's policy to avoid incentive setting at such a level that it induces excessive risk taking. Consideration of the cost and quantity of capital required to support the risks taken, the cost and quantity of the liquidity risk assumed in the conduct of business and the timing and likelihood of potential future revenues incorporated into current earnings are documented in the Bank's relevant guideline.

**Performance assessment and variable remuneration**

Basically, business units are assessed according to achievement of their Key Performance Indicators and compliance of internal and regulatory requirements. For individual staff, their performances are assessed according to achievement of Key Performance Indicators and Workplace Behaviours which include various qualitative measurements such as compliance of the Bank's core values: integrity, sincerity, professionalism and innovation. In addition, climate considerations have been integrated into the performance evaluation system which is consistent with the Bank's climate strategy.

Individual staff member's remuneration is basically determined by various factors including but not limited to the individual staff's performance, the performance of the staff's business unit and the overall performance of the Bank as well as market sentiment.

As stipulated in the Bank's Remuneration Policy, the calculation of bonus pool is affected by the overall financial performance of the Bank. In the event that the Bank's financial performance deteriorates, the total amount of bonus pool approved by the NRC could be reduced.

According to the Bank's Remuneration Policy, if a staff member's variable pay in cash exceeds pre-determined thresholds, a portion of it will be deferred for up to 6 months for general staff and 36 months for Senior Management, reflecting their relative responsibilities and roles.

According to the Bank's Remuneration Policy, if a staff member is found not meeting the relevant vesting criteria by actions such as fraud or violation of regulatory requirements or of the Bank's policies, a claw-back mechanism may be applied to deferred variable pay.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Table REMA: Remuneration policy (continued)**

**Risk, performance assessment and variable remuneration (continued)**

The Bank uses cash in variable pay to incentivize staff to meet the long and short term business goals of the Bank, for staff retention and to limit inappropriate risk taking. In particular, the Bank's sales incentive schemes are capped so as to limit mis-selling. Share options are currently not offered as incentives as the Bank is a wholly owned subsidiary of Fubon Financial Holding Co., Ltd. ("FFHC") and the NRC considers that the performance of FFHC's shares is too remote from the performance of the Bank.

As mentioned above, the Bank considers basically the use of cash in variable remuneration is appropriate having regard to the size of the Bank and the portion of variable remuneration in the total remuneration of staff.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template REM1: Remuneration awarded during financial year**

The following table summarised quantitative information on remuneration for the financial year ended 31 December 2025:

Remuneration amount and quantitative information			(a)	(b)
			Senior Management	Key Personnel
1	Fixed remuneration	Number of employees	39	10
2		Total fixed remuneration	HK\$86.4 million	HK\$14.3 million
3		Of which: cash-based	HK\$86.4 million	HK\$14.3 million
4		Of which: deferred	NIL	NIL
5		Of which: shares or other share-linked instruments	NIL	NIL
6		Of which: deferred	NIL	NIL
7		Of which: other forms	NIL	NIL
8		Of which: deferred	NIL	NIL
9	Variable remuneration	Number of employees	39	10
10		Total variable remuneration	HK\$35.0 million	HK\$4.2 million
11		Of which: cash-based	HK\$35.0 million	HK\$4.2 million
12		Of which: deferred	HK\$6.9 million	NIL
13		Of which: shares or other share-linked instruments	NIL	NIL
14		Of which: deferred	NIL	NIL
15		Of which: other forms	NIL	NIL
16		Of which: deferred	NIL	NIL
17	<b>Total remuneration</b>		<b>HK\$121.4 million</b>	<b>HK\$18.5 million</b>

The aggregate quantitative information on remuneration for the Bank's Senior Management and Key Personnel for the financial year is set out above.

**Template REM2: Special payments**

The following tables summarised quantitative information on special payments for the financial year ended 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	1	HK\$0.6 million	NIL	NIL	NIL	NIL
2	Key Personnel	NIL	NIL	NIL	NIL	NIL	NIL

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template REM3: Deferred remuneration**

The following table summarised quantitative information on deferred remuneration for the financial year ended 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	HK\$15.2 million	HK\$15.2 million	NIL	NIL	HK\$2.7 million
2	Cash	HK\$15.2 million	HK\$15.2 million	NIL	NIL	HK\$2.7 million
3	Shares	NIL	NIL	NIL	NIL	NIL
4	Cash-linked instruments	NIL	NIL	NIL	NIL	NIL
5	Other	NIL	NIL	NIL	NIL	NIL
<b>6</b>	<b>Total</b>	<b>HK\$15.2 million</b>	<b>HK\$15.2 million</b>	<b>NIL</b>	<b>NIL</b>	<b>HK\$2.7 million</b>

The increase is mainly due to the deferment of 2025 bonus of certain Senior Management.

		(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	Key Personnel	NIL	NIL	NIL	NIL	NIL
2	Cash	NIL	NIL	NIL	NIL	NIL
3	Shares	NIL	NIL	NIL	NIL	NIL
4	Cash-linked instruments	NIL	NIL	NIL	NIL	NIL
5	Other	NIL	NIL	NIL	NIL	NIL
<b>6</b>	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table ORA : General information on operational risk framework****Definition and Scope**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. It is inherent across all products, activities, processes, and systems of the Group. The Group manages operational risk through an enterprise-wide Operational Risk Management Framework supported by clearly defined policies, standards, procedures, and tools.

**Objectives and Risk Appetite**

The Group's operational risk management objectives are to:

- Minimize unexpected losses from operational risk events;
- Strengthen operational resilience and continuity of critical services;
- Comply with applicable laws and regulations and uphold prudent market conduct; and
- Protect customers, employees, and the Group's reputation.

Operational risk appetite is approved by the Board annually and embedded in strategic planning and day to day decision making. The appetite includes quantitative thresholds and qualitative expectations. Breaches are escalated according to defined governance protocols.

**Governance and Organization**

Operational risk governance follows the Three Lines of Defense model:

- First line (business and support units): Own and manage operational risk in their activities, perform risk-and-control assessments, and remediate control gaps.
- Second line (Operational Risk Management Department and Compliance Department): Provide independent oversight and challenge; set policies, standards, methodologies, and reporting; support aggregation and analysis of risks across the Group.
- Third line (Internal Audit Division): Provide independent and objective assurance over the adequacy and effectiveness of the operational risk framework, controls, and governance.

The RC, on behalf of the Board, provides oversight of the Group's operational risk framework, reviews the Group's operational risk appetite and risk profile, and approves operational risk policies and material changes. The Internal Control Committee ("ICC") oversees operational risk issues, monitors remediation plans for significant risk events, and reviews the effectiveness of operational risk management tools (including Control Self Assessment and KRI frameworks). The Chief Risk Officer ("CRO") is accountable for second line oversight and ensures regular reporting to the RC and ICC.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025****Table ORA: General information on operational risk framework (continued)****Policies, Standards and Methodologies**

The Group maintains the following key documents to operationalize the framework:

- Operational Risk Management Policy: Sets objectives, governance, roles and responsibilities, and minimum control standards.
- Operational Risk Event Handling Guideline: Defines identification, classification, escalation, approval, and closure processes for operational risk events.
- Control Self Assessment (“CSA”) Guideline: Establishes CSA methodology for identifying and assessing risks and controls, rating control effectiveness, and tracking remediation.
- Key Risk Indicator (“KRI”) Guideline: Specifies the design, thresholding, monitoring, and escalation of KRIs aligned to risk appetite and critical processes.
- Outsourcing and Third Party Risk Standard: Addresses risk assessment, due diligence, contracting requirements, performance monitoring, and exit strategies for material service providers.
- Operational Resilience Framework: Defines impact tolerances for important business services, scenario testing, and continuity arrangements.

**Identification, Assessment and Measurement**

The Group identifies and assesses operational risk through regular risk and control self-assessments, monitoring of key risk indicators, and analysis of operational risk events captured in the Operational Risk Management System (“ORMS”). Scenario analysis is also used to evaluate severe but plausible events. These processes ensure timely detection of emerging risks and support accurate measurement of exposure.

The ORMS supports timely reporting of operational risk events and maintains high quality loss data (e.g., gross and net loss, accounting date, loss type, business line, recovery effects). Events are routed for review, escalation, and approval based on materiality, ensuring data completeness and integrity for analysis and capital purposes.

**Monitoring and Reporting**

Operational risk information is consolidated and reported through dashboards and analytic packs that include KRI trends, event and loss data, control effectiveness results, scenario insights, remediation status, and resilience metrics.

- Monthly reporting is provided to ICC and senior management (including the CRO and relevant executives).
- Quarterly reporting is provided to the RC, including deep dives into significant events, thematic root causes, and remediation tracking.
- Ad hoc escalation occurs for threshold breaches, high severity incidents, or emerging risks.

**Mitigation, Control, and Risk Transfer**

Operational risk is managed through a combination of strong internal controls, remediation of identified weaknesses, and business continuity planning. Where appropriate, risk is transferred through insurance arrangements. The Group also maintains outsourcing risk controls and resilience measures to reduce the impact of disruptions. Training and communication reinforce a strong risk awareness culture across all levels.

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template OR2 : Business indicator and business indicator components breakdown**

		As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
BI and its subcomponents		(a)	(b)	(c)
1	Interest, leases and dividend component	2,586,076		
1a	Interest and leases income	7,553,913	7,739,813	6,452,688
1b	Interest and leases expenses	4,659,786	5,157,965	4,336,937
1c	Interest earning assets	173,043,481	149,584,521	130,158,480
1d	Dividend income	29,878	87,697	48,929
2	Services component	491,298		
2a	Fee and commission income	517,693	452,721	388,204
2b	Fee and commission expenses	104,223	99,494	95,088
2c	Other operating income	51,047	36,316	27,912
2d	Other operating expenses	882	10,039	1,842
3	Financial component	321,214		
3a	Net P&L on trading book	256,379	38,077	97,064
3b	Net P&L on banking book	(362,582)	(89,286)	(120,252)
4	BI	3,398,588		
5	Business indicator component	407,831		

Disclosure on the BI:		As at 31 December 2025 HK\$'000
		(a)
6a	BI gross of excluded divested businesses and activities	-
6b	Reduction in BI due to excluded divested businesses and activities	-

**Template OR3 : Minimum operational risk capital requirement**

		As at 31 December 2025 HK\$'000
		(a)
1	Business indicator component	407,831
2	Internal loss multiplier	1
3	Minimum operational risk capital requirement	407,831
4	Total RWA for operational risk	5,097,888

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Template ENC : Asset encumbrance**

	As at 31 December 2025		
	HK\$'000		
	(a)	(c)	(d)
	<b>Encumbered assets</b>	<b>Unencumbered assets</b>	<b>Total</b>
Cash and short-term funds	-	5,002,214	5,002,214
Balances with banks and other financial institutions	-	14,425,351	14,425,351
Trading assets	1,991,167	469,251	2,460,418
Derivative financial instruments	-	1,301,021	1,301,021
Advances to customers	-	71,084,844	71,084,844
Advances to banks	-	15,137,000	15,137,000
Trade bills	-	664,776	664,776
Accrued interest and other assets	147,909	2,826,225	2,974,134
Debt securities measured at amortized cost	1,381,031	37,461,838	38,842,869
Debt securities measured at fair value through other comprehensive income	469,251	35,200,124	35,669,375
Investment funds measured at fair value through profit or loss	-	21,201	21,201
Equity securities designated at fair value through other comprehensive income	-	72,495	72,495
Investment in subsidiaries	-	8,563	8,563
Amount due from subsidiaries	-	76,279	76,279
Fixed assets	-	2,957,785	2,957,785
Investment properties	-	61,500	61,500
<b>Total assets</b>	<b>3,989,358</b>	<b>186,770,467</b>	<b>190,759,825</b>

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**

**Abbreviations**

AT1	Additional tier 1
Bank/Group	Fubon Bank (Hong Kong) Limited
BCR	Banking (Capital) Rules
Board	Board of Directors
BSC	Basic approach
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CEM	Current exposure method
CET1	Common equity tier 1
CFR	Core funding ratio
CIS	Collective investment scheme
CRM	Credit risk mitigation
CVA	Credit valuation adjustment
D-SIB	Domestic systematically important authorised institution
ECAI	External credit assessment institutions
ECL	Expected credit loss
EL	Expected loss
G-SIB	Global systematically important authorised institution
HKMA	Hong Kong Monetary Authority
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
HQLA	High-quality liquid assets
IAA	Internal assessment approach
IMA	Internal models approach
IMM(CCR)	Internal models (counterparty credit risk) approach
IPO	Initial public offering
IRB	Internal ratings-based approach
IRB(s)	Internal ratings-based (securitisation) approach
JCCyB	Jurisdictional countercyclical capital buffer
LAC	Loss-absorbing capacity

**FUBON BANK (HONG KONG) LIMITED**  
**REGULATORY DISCLOSURES STATEMENT**  
**As at 31 December 2025**
**Abbreviations (continued)**

LCR	Liquidity coverage ratio
LMR	Liquidity maintenance ratio
LR	Leverage ratio
LTA	Look-through approach
NSFR	Net stable funding ratio
N.A.	Not applicable
OTC	Over-the-counter
PSE	Public sector entity
RW	Risk-weight
RWA	Risk-weighted asset/risk-weighted amount
SA-CCR	Standardized (counterparty credit risk) approach
SEC-IRBA	Securitization internal ratings-based approach
SEC-ERBA	Securitization external ratings-based approach
SEC-SA	Securitization standardised approach
SEC-FBA	Securitization fall-back approach
SFT	Securities financing transaction
STC	Standardized (credit risk) approach
STC(S)	Standardized (securitisation) approach
SSTM	Simplified standardized approach
STM	Standardized (market risk) approach
T1	Tier 1 capital
T2	Tier 2 capital
VaR	Value at risk
AI	Authorized institution
ISIN	International securities identification number
PFE	Potential future exposure
EPE	Expected positive exposure
BI	Business indicator
P&L	Profit or loss