Regulatory Disclosures
30 September 2025

NCB 南洋商業銀行

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KM1: Key prudential ratios

		At 30 September 2025 HK$'000	At 30 June 2025 HK$'000	At 31 March 2025 HK$'000	At 31 December 2024 HK$'000	At 30 September 2024 HK$'000
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 ("CET1")	55,206,228	54,778,220	53,493,861	52,326,535	53,340,216
2 & 2a	Tier 1	62,628,254	62,200,246	60,915,887	59,748,561	60,762,242
3 & 3a	Total capital	74,379,331	73,956,700	72,862,011	71,541,112	78,612,784
	RWA (amount)					
4	Total RWA	357,267,148	351,307,335	355,712,305	359,746,767	379,723,113
4a	Total RWA (pre-floor)	357,267,148	351,307,335	355,712,305	N/A	N/A
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	15.45%	15.59%	15.04%	14.55%	14.05%
5b	CET1 ratio (%) (pre-floor ratio)	15.45%	15.59%	15.04%	N/A	N/A
6 & 6a	Tier 1 ratio (%)	17.53%	17.71%	17.13%	16.61%	16.00%
6b	Tier 1 ratio (%) (pre-floor ratio)	17.53%	17.71%	17.13%	N/A	N/A
7 & 7a	Total capital ratio (%)	20.82%	21.05%	20.48%	19.89%	20.70%
7b	Total capital ratio (%) (pre-floor ratio)	20.82%	21.05%	20.48%	N/A	N/A
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical capital buffer requirement (%)	0.30%	0.31%	0.30%	0.29%	0.57%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	-	-	-	-	-
11	Total AI-specific CET1 buffer requirements (%)	2.80%	2.81%	2.80%	2.79%	3.07%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.95%	11.09%	10.54%	10.05%	9.55%
	Basel III leverage ratio					
13	Total leverage ratio ("LR") exposure measure	585,126,715	583,104,589	590,972,515	580,601,607	605,854,903
13a	LR exposure measure based on mean values of gross assets of SFTs	585,192,605	583,230,224	590,720,247	N/A	N/A
14, 14a & 14b	LR (%)	10.70%	10.67%	10.31%	10.29%	10.03%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	10.70%	10.66%	10.31%	N/A	N/A
	Liquidity Coverage Ratio ("LCR") / Liquidity Maintenance Ratio ("LMR")					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets ("HQLA")	98,795,168	89,069,399	89,333,007	89,483,219	80,175,997
16	Total net cash outflows	51,684,996	49,681,461	34,795,301	42,803,404	34,548,729
17	LCR (%)	194.13%	181.32%	261.91%	212.98%	234.62%
	Applicable to category 2 institutions only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
	Net Stable Funding Ratio ("NSFR") / Core Funding Ratio ("CFR")					
	Applicable to category 1 institutions only:					
18	Total available stable funding	383,859,483	381,320,474	389,981,281	387,899,467	397,612,813
19	Total required stable funding	270,326,066	270,057,079	274,896,171	270,019,365	284,743,478
20	NSFR (%)	142.00%	141.20%	141.86%	143.66%	139.64%
	Applicable to category 2A institutions only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

OV1: Overview of RWA

		RWA		Minimum capital requirements
		At 30 September 2025	At 30 June 2025	At 30 September 2025
		HK$'000	HK$'000	HK$'000
1	Credit risk for non-securitization exposures	341,128,664	336,717,929	27,290,293
2	Of which STC approach	341,128,664	336,717,929	27,290,293
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	1,051,398	1,240,651	84,112
7	Of which SA-CCR approach	1,038,321	1,224,470	83,066
7a	Of which CEM	-	-	-
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	13,077	16,181	1,046
10	CVA risk	449,725	536,550	35,978
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look-through approach / third-party approach	-	-	-
13	CIS exposures – mandate-based approach	-	-	-
14	CIS exposures – fall-back approach	-	-	-
14a	CIS exposures – combination of approaches	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	4,842,175	3,196,213	387,374
21	Of which STM approach	4,842,175	3,196,213	387,374
22	Of which IMA	-	-	-
22a	Of which SSTM approach	-	-	-
23	Capital charge for moving exposures between trading book and banking book	-	-	-
24	Operational risk	9,196,613	9,004,575	735,729
24a	Sovereign concentration risk	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% RW)	3,618,593	3,632,246	289,488
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	3,020,020	3,020,829	241,602
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	3,020,020	3,020,829	241,602
29	**Total**	**357,267,148**	**351,307,335**	**28,581,372**

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

LR2: Leverage ratio

		At 30 September 2025 HK$'000	At 30 June 2025 HK$'000
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	553,173,471	553,444,730
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	(77,339)	(1,232,434)
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	(4,777,505)	(4,730,845)
6	Less: Asset amounts deducted in determining Tier 1 capital	(9,920,659)	(9,906,852)
7	**Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)**	**538,397,968**	**537,574,599**
Exposures arising from derivative contracts			
8	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	406,244	512,802
9	Add-on amounts for PFE associated with all derivative contracts	2,719,623	3,388,757
10	Less: Exempted CCP leg of client-cleared trade exposures	-	-
11	Adjusted effective notional amount of written credit-related derivative contracts	-	-
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	-	-
13	**Total exposures arising from derivative contracts (sum of rows 8 to 12)**	**3,125,867**	**3,901,559**
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	445,066	536,410
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
16	CCR exposure for SFT assets	45,621	55,350
17	Agent transaction exposures	-	-
18	**Total exposures arising from SFTs (sum of rows 14 to 17)**	**490,687**	**591,760**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	151,560,533	155,037,166
20	Less: Adjustments for conversion to credit equivalent amounts	(108,370,490)	(113,941,917)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(77,850)	(58,578)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**43,112,193**	**41,036,671**
Capital and total exposures			
23	**Tier 1 capital**	**62,628,254**	**62,200,246**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**585,126,715**	**583,104,589**
Leverage ratio			
25 & 25a	**Leverage ratio**	**10.70%**	**10.67%**
26	**Minimum leverage ratio requirement**	**3.00%**	**3.00%**
27	**Applicable leverage buffers**	**N/A**	**N/A**

LR2: Leverage ratio (continued)

		At 30 September 2025	At 30 June 2025
		HK$'000	HK$'000
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	510,956	662,045
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	445,066	536,410
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)	585,192,605	583,230,224
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)	10.70%	10.66%
N/A: Not applicable in the case of Hong Kong			

LIQ1: Liquidity Coverage Ratio – for category 1 institution

		For the quarter ended 30 September 2025	
Number of data points used in calculating the average value of the LCR and related components set out in this template: 75		**Unweighted value (Average)**	**Weighted value (Average)**
Basis of disclosure: consolidated		**HK$'000**	**HK$'000**
A.	**HQLA**		
1	Total HQLA		**98,795,168**
B.	**CASH OUTFLOWS**		
2	Retail deposits and small business funding, of which:	236,140,020	14,198,202
3	*Stable retail deposits and stable small business funding*	*42,984,614*	*1,289,538*
4	*Less stable retail deposits and less stable small business funding*	*55,702,432*	*5,570,243*
4a	*Retail term deposits and small business term funding*	*137,452,974*	*7,338,421*
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	93,230,098	51,646,922
6	*Operational deposits*	*12,628,469*	*2,884,973*
7	*Unsecured wholesale funding (other than small business funding) not covered in Row 6*	*77,863,984*	*46,024,304*
8	*Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period*	*2,737,645*	*2,737,645*
9	Secured funding transactions (including securities swap transactions)		459,624
10	Additional requirements, of which:	63,979,124	14,974,590
11	*Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements*	*4,117,546*	*4,117,546*
12	*Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions*	-	-
13	*Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)*	*59,861,578*	*10,857,044*
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	5,571,683	5,571,683
15	Other contingent funding obligations (whether contractual or non-contractual)	202,290,430	2,965,829
16	**TOTAL CASH OUTFLOWS**		**89,816,850**
C.	**CASH INFLOWS**		
17	Secured lending transactions (including securities swap transactions)	1,434,158	1,434,158
18	Secured and unsecured loans (other than secured lending transactions covered in Row 17) and operational deposits placed at other financial institutions	66,422,277	31,952,256
19	Other cash inflows	4,840,081	4,745,440
20	**TOTAL CASH INFLOWS**	**72,696,516**	**38,131,854**
D.	**LIQUIDITY COVERAGE RATIO**		**Adjusted value**
21	**TOTAL HQLA**		**98,795,168**
22	**TOTAL NET CASH OUTFLOWS**		**51,684,996**
23	**LCR (%)**		**194.13%**

LIQ1: Liquidity Coverage Ratio – for category 1 institution (continued)

Notes:

The weighted amount of HQLA is to be calculated as the amount after applying the haircuts as required under the Banking (Liquidity) Rules.
The unweighted amounts of cash inflows and cash outflows are to be calculated as the principal amounts in the calculation of the LCR as required under the Banking (Liquidity) Rules.
The weighted amounts of cash inflows and cash outflows are to be calculated as the amounts after applying the inflow and outflow rates as required under the Banking (Liquidity) Rules.
The adjusted value of total HQLA and the total net cash outflows have taken into account any applicable ceiling as required under the Banking (Liquidity) Rules.

In the third quarter of 2025, the Group has maintained a healthy liquidity position. The LCR remained stable and there was no material change compared with the last quarter. The average LCR of the third quarter of 2025 was 194.13%. The average HKD level 1 HQLA to HKD net cash outflow ratio of the third quarter of 2025 was 175.08%, well above the regulatory requirement of 20%. The ratios have maintained at stable and healthy levels.

The HQLA consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks and non-financial corporate debt securities. In the third quarter of 2025, the majority of the HQLA was composed of Level 1 HQLA.

The net cash outflow was mainly from retail and corporate customer deposit which are the Group’s primary source of funds, together with deposit and balance from bank and other financial institution. To ensure stable, sufficient and diversified source of funds, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market. Other cash outflow, such as commitment, cash outflow under derivative contract and potential collateral requirement, were minimal to the LCR.

Majority of the Group's customer deposits are denominated in HKD, USD and RMB. As the supply of HKD denominated HQLA in the market is relatively limited, the Group swaps surplus HKD funding into USD and other foreign currencies, part of funding are deployed to investment in HQLA.