WeLab Bank

REGULATORY DISCLOSURE STATEMENT
For the quarter ended 31 March 2026

(Unaudited)

WELAB BANK LIMITED

REGULATORY DISCLOSURE STATEMENT

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WELAB BANK LIMITED

REGULATORY DISCLOSURE STATEMENT

1 Introduction

1.1 Purpose

The information contained in this document is for Welab Bank Limited (the "Bank") and its subsidiaries (together the "Group") to comply with the Banking (Disclosure) Rules ("BDR") made under section 60A of the Banking Ordinance. The banking disclosures are prepared in accordance with the BDR and disclosure templates issued by the Hong Kong Monetary Authority ("HKMA").

The banking disclosures are governed by the Bank's disclosure policy, which has been approved by the Board of Directors. The disclosure policy sets out the governance, control and assurance requirements for publication of the disclosure document. While the Regulatory Disclosure Statement is not required to be externally audited, the document has been subject to independent review in accordance with the Bank's policies on disclosure and its financial reporting and governance processes.

1.2 Basis of preparation

The capital adequacy ratio ("CAR") was compiled in accordance with the Banking (Capital) Rules ("BCR") issued by the HKMA. In calculating the risk-weighted assets ("RWA"), the Bank adopted the Standardized (Credit Risk) Approach for credit risk and the Simplified Standardized Approach for market risk. For counterparty credit risk, the Bank adopted the Standardized Approach (Counterparty Credit Risk) to calculate its default risk exposures. For operational risk, the capital requirement is calculated using the Revised Standardized Approach.

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

Relevant information can be found in the Regulatory Disclosures section of our website, www.welab.bank.

1.3 Basis of consolidation

Except where indicated otherwise, the financial information contained in this Regulatory Disclosure Statement has been prepared on a consolidated basis. The scope of accounting consolidation is the same as the scope of regulatory consolidation.

2 Key prudential ratios and overview of risk-weighted assets (“RWA”)

2.1 KM1: Key prudential ratios

The following table provides an overview of the Group’s key prudential ratios.

In HK$’000		At 31 March 2026 (a)	At 31 December 2025 (b)	At 30 September 2025 (c)	At 30 June 2025 (d)	At 31 March 2025 (e)
	Regulatory capital (amount)					
1 & 1a	Common Equity Tier 1 (CET1)	943,796	946,716	917,510	934,276	927,805
2 & 2a	Tier 1	943,796	946,716	917,510	934,276	927,805
3 & 3a	Total capital	1,005,276	1,006,626	975,402	990,567	983,763
	RWA (amount)					
4	Total RWA	5,108,991	4,970,128	4,809,523	4,674,522	4,612,834
4a	Total RWA (pre-floor)	5,108,991	4,970,128	4,809,523	4,674,522	4,612,834
	Risk-based regulatory capital ratios (as a percentage of RWA)					
5 & 5a	CET1 ratio (%)	18.5%	19.0%	19.1%	20.0%	20.1%
5b	CET1 ratio (%) (pre-floor ratio)	18.5%	19.0%	19.1%	20.0%	20.1%
6 & 6a	Tier 1 ratio (%)	18.5%	19.0%	19.1%	20.0%	20.1%
6b	Tier 1 ratio (%) (pre-floor ratio)	18.5%	19.0%	19.1%	20.0%	20.1%
7 & 7a	Total capital ratio (%)	19.7%	20.3%	20.3%	21.2%	21.3%
7b	Total capital ratio (%) (pre-floor ratio)	19.7%	20.3%	20.3%	21.2%	21.3%
	Additional CET1 buffer requirements (as a percentage of RWA)					
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.5%	0.5%	0.5%	0.5%	0.5%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Total AI-specific CET1 buffer requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the AI’s minimum capital requirements (%)	6.4%	7.0%	7.0%	7.9%	8.1%
	Basel III leverage ratio					
13	Total leverage ratio (LR) exposure measure	9,292,233	9,422,928	8,798,162	8,530,574	8,474,795
13a	LR exposure measure based on mean values of gross assets of SFTs	–	–	–	–	–
14, 14a & 14b	LR (%)	10.2%	10.0%	10.4%	11.0%	10.9%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	0.0%	0.0%	0.0%	0.0%	0.0%
	Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)					
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institutions only:					
17a	LMR (%)[1]	158.9%	176.8%	153.0%	117.2%	112.2%
	Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)					
	Applicable to category 1 institutions only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institutions only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

2 Key prudential ratios and overview of risk-weighted assets ("RWA") (continued)

2.1 KM1: Key prudential ratios (continued)

The capital ratios and LMR remained above the minimum regulatory requirements.

The decrease in the CET1 ratio, Tier 1 ratio, and total capital ratio were mainly due to the increase in credit risk RWA driven by higher loans and advances to customers. Please refer to Template OV1 for a detailed breakdown of RWA and the changes between these periods.

The decrease in the average LMR was mainly due to more fixed deposits maturing within the LMR horizon.

[1] *The LMR disclosed above represents the arithmetic mean of the average LMR of the 3 calendar months within each quarter respectively.*

2 Key prudential ratios and overview of risk-weighted assets ("RWA") (continued)

2.2 OV1: Overview of RWA

The following table sets out the Group's RWA and the corresponding minimum capital requirements by risk types.

		At 31 March 2026	At 31 December 2025	At 31 March 2026
		(a)	(b)	(c)
In HK$'000		RWA		Minimum capital requirements
1	Credit risk for non-securitization exposures	4,917,104	4,792,766	393,368
2	Of which STC approach	4,917,104	4,792,766	393,368
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	–	–	–
5c	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	–	–	–
6	Counterparty credit risk and default fund contributions	1,275	–	102
7	Of which SA-CCR approach	1,275	–	102
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
8a	Of which method for group 2b cryptoasset derivative contracts	–	–	–
9	Of which others	–	–	–
10	CVA risk	1,275	–	102
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	N/A	N/A	N/A
13	CIS exposures – mandate-based approach	N/A	N/A	N/A
14	CIS exposures – fall-back approach	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A
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	–	–	–

2 Key prudential ratios and overview of risk-weighted assets ("RWA") (continued)

2.2 OV1: Overview of RWA (continued)

		At 31 March 2026	At 31 December 2025	At 31 March 2026
		(a)	(b)	(c)
In HK$'000		RWA		Minimum capital requirements
20	Market risk	11,313	9,875	905
21	Of which STM approach	–	–	–
22	Of which IMA	–	–	–
22a	Of which SSTM approach	11,313	9,875	905
23	Capital charge for moving exposures between trading book and banking book	N/A	N/A	N/A
24	Operational risk	345,488	333,263	27,639
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	–	–	–
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	167,464	165,776	13,397
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	167,464	165,776	13,397
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	–	–	–
29	Total	5,108,991	4,970,128	408,719

The increase in credit risk RWA for non-securitization exposures was mainly due to the increase in loans and advances to customers.

3 Leverage ratio

3.1 LR2: Leverage ratio

		At 31 March 2026	At 31 December 2025
In HK$'000		(a)	(b)
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	9,650,509	9,792,191
2	Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	–	–
4	Less: Adjustment for assets other than money 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	(297,337)	(305,687)
6	Less: Asset amounts deducted in determining Tier 1 capital	(96,906)	(95,851)
7	**Total on-balance sheet exposures (excluding derivative contracts and SFTs) (sum of rows 1 to 6)**	**9,256,266**	**9,390,653**
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)	839	–
9	Add-on amounts for PFE associated with all derivative contracts	134	–
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)**	**973**	**–**
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	–	–
17	Agent transaction exposures	–	–
18	**Total exposures arising from SFTs (sum of rows 14 to 17)**	**–**	**–**

3 Leverage ratio (continued)

3.1 LR2: Leverage ratio (continued)

In HK$'000		At 31 March 2026 (a)	At 31 December 2025 (b)
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	356,348	328,470
20	Less: Adjustments for conversion to credit equivalent amounts	(320,713)	(295,623)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(641)	(572)
22	**Off-balance sheet items (sum of rows 19 to 21)**	**34,994**	**32,275**
Capital and total exposures			
23	**Tier 1 capital**	**943,796**	**946,716**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**9,292,233**	**9,422,928**
Leverage ratio			
25 & 25a	**Leverage ratio**	**10.2%**	**10.0%**
26	**Minimum leverage ratio requirement**	**3.0%**	**3.0%**
27	**Applicable leverage buffers**	**Not applicable**	**Not applicable**
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	–	–
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	–	–
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	0.0%	0.0%

4 Abbreviations

Abbreviations	Brief Description
AI	Authorized Institution
BSC	Basic Approach
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEM	Current Exposure Method
CVA	Credit Valuation Adjustment
D-SIBs	Domestic Systematically Important Authorized Institution
G-SIBs	Global Systematically Important Authorized Institution
IAA	Internal Assessment Approach
IMA	Internal Models Approach
IMM(CCR)	Internal Models Approach (Counterparty Credit Risk)
IRB	Internal Ratings-Based Approach
N/A	Not Applicable
PFE	Potential Future Exposure
RW	Risk-Weight
RWA	Risk-Weighted Asset/Risk-Weighted Amount
SA-CCR	Standardized Approach (Counterparty Credit Risk)
SEC-ERBA	Securitization External Ratings-Based Approach
SEC-FBA	Securitization Fall-Back Approach
SEC-IRBA	Securitization Internal Ratings-Based Approach
SEC-SA	Securitization Standardized Approach
SFT	Securities Financing Transaction
SSTM	Simplified Standardized Approach
STC	Standardized (Credit Risk) Approach
STM	Standardized (Market Risk) Approach