

Powering *Shifts*



Powering

Growth

as we drive four strategic shifts
Asia Shift, Tech Shift, Net-Zero Shift
and Franchise Shift – for
accelerated growth.

Our next chapter is beginning
to unfold.



Contents

	Page
Corporate Information	2
Report of the Directors	3
Corporate Governance Report	6
Independent Auditor's Report	16
Consolidated Statement of Profit or Loss	19
Consolidated Statement of Comprehensive Income	20
Consolidated Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Consolidated Cash Flow Statement	24
Notes to the Consolidated Financial Statements	25
Unaudited Supplementary Financial Information	145
List of Branches	151

Corporate Information

BOARD OF DIRECTORS

Chairman, Independent Non-executive Director

Dr KHOO Cheng Hoe Andrew

Executive Director

Mr WANG Ke (*Chief Executive Officer*)

Non-executive Directors

Ms WONG Pik Kuen Helen

Mr TAN Teck Long

Independent Non-executive Directors

Mr CHIM Wai Kin

Ms CHONG Chuan Neo

Mr HUI Leung Wah

COMPANY SECRETARY

Mr LIN Jian

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

REGISTERED OFFICE

OCBC Centre, 161 Queen's Road Central, Hong Kong

A SUBSIDIARY OF OVERSEA-CHINESE BANKING CORPORATION LIMITED

AUDIT COMMITTEE

Mr HUI Leung Wah (*Chairman*)

Mr CHIM Wai Kin

Dr KHOO Cheng Hoe Andrew

RISK MANAGEMENT COMMITTEE

Mr CHIM Wai Kin (*Chairman*)

Ms CHONG Chuan Neo

Mr HUI Leung Wah

NOMINATION COMMITTEE

Dr KHOO Cheng Hoe Andrew (*Chairman*)

Ms CHONG Chuan Neo

Ms WONG Pik Kuen Helen

REMUNERATION COMMITTEE

Dr KHOO Cheng Hoe Andrew (*Chairman*)

Ms CHONG Chuan Neo

Ms WONG Pik Kuen Helen

Report of the Directors

The Directors of OCBC Bank (Hong Kong) Limited (the “Bank”) present this report together with the audited consolidated financial statements of the Bank and its subsidiaries (collectively the “Group”) for the year ended 31st December, 2025.

PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at OCBC Centre, 161 Queen’s Road Central, Hong Kong.

PRINCIPAL ACTIVITIES

The Group is engaged in the provision of banking and related financial services.

The analysis of the principal activities and geographical locations of operations of the Group during the year are set out in notes 17 and 32 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31st December, 2025 are set out in the consolidated financial statements on pages 19 to 144.

During the financial year ended 31st December, 2025, the Board declared an interim dividend of HK\$819 million (2024: HK\$536 million) to the sole shareholder of the Bank. The Board recommended the payment of a final dividend of HK\$922 million (2024: HK\$415 million) which shall be subject to the sole shareholder’s approval at the 2026 Annual General Meeting.

BUSINESS REVIEW

No business review for 2025 is prepared as the Bank is exempted under section 388(3)(b) of the Hong Kong Companies Ordinance since it is a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited for the financial year ended 31st December, 2025.

RESERVES

Profit attributable to shareholder of HK\$2,678 million (2024: HK\$1,462 million) has been transferred to reserves. Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity.

FIXED ASSETS

Details of the movements in fixed assets of the Group during the year are set out in note 20 to the consolidated financial statements.

SHARE CAPITAL

During the year, the Bank did not issue any ordinary shares (2024: nil). Details of the share capital are set out in note 28 to the consolidated financial statements.

CHARITABLE DONATIONS

During the year, the Group made donations for charitable and community purposes amounting to approximately HK\$7 million (2024: nil).

Report of the Directors

DIRECTORS

The Directors of the Bank during the year and up to the date of this report are as follows:

Chairman, Independent Non-executive Director

Dr KHOO Cheng Hoe Andrew

Executive Director

Mr WANG Ke (*Chief Executive Officer*)

Non-executive Directors

Ms WONG Pik Kuen Helen

Mr TAN Teck Long (*appointed on 20th February, 2026*)

Independent Non-executive Directors

Mr CHIM Wai Kin

Ms CHONG Chuan Neo

Mr HUI Leung Wah

The list of Directors of the Bank's subsidiaries is published on the website of the Bank (www.ocbc.com.hk).

In accordance with the Bank's Articles of Association, Mr TAN Teck Long, Ms CHONG Chuan Neo and Mr HUI Leung Wah will retire from office at the forthcoming Annual General Meeting and, being eligible, have offered themselves for election/re-election. The remaining Directors of the Bank will continue in office.

Certain directors of the Bank received remuneration from the holding company of the Bank, Oversea-Chinese Banking Corporation Limited ("OCBC"), and related corporations as directors or employees of those companies and were entitled to benefits under the OCBC Deferred Share Plan and/or OCBC Employee Share Purchase Plan (the "Share-Based Payment Schemes") administered by OCBC. During the year, Mr WANG Ke and Ms WONG Pik Kuen Helen were granted share awards under the Share-Based Payment Schemes for the prior performance year. Details of the Share-Based Payment Schemes are set out in note 36 of the consolidated financial statements. Apart from the above, at no time during the year was the Bank or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

INDEMNITY OF DIRECTORS

The Bank's Articles of Association provide that the directors and officers are entitled to be indemnified out of the funds of the Bank against certain liabilities incurred by them, to the extent permitted by the Companies Ordinance.

Directors & Officers Liability Insurance has been arranged to indemnify the directors and officers of the Bank and its subsidiaries.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No contract of significance to which the Bank, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

PURCHASE, SALE OR REDEMPTION OF THE BANK'S SECURITIES

There was no purchase, sale or redemption by the Bank or any of its subsidiaries of the Bank's securities during the year.

RETIREMENT SCHEMES

Particulars of the retirement schemes of the Group are set out in note 36 to the consolidated financial statements.

CORPORATE GOVERNANCE

The Bank's corporate governance practices are set out in the Corporate Governance Report.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The consolidated financial statements for the year ended 31st December, 2025 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

AUDITOR

The consolidated financial statements for the year ended 31st December, 2025 have been audited by PricewaterhouseCoopers. A resolution will be submitted at the forthcoming Annual General Meeting of the Bank to re-appoint PricewaterhouseCoopers as independent auditor of the Bank for the year 2026.

On behalf of the Board

KHOO Cheng Hoe Andrew

Chairman

15th April, 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Bank has complied with Supervisory Policy Manual CG-1 Corporate Governance of Locally Incorporated Authorised Institutions issued by the Hong Kong Monetary Authority (“HKMA”) throughout the year ended 31st December, 2025.

BOARD OF DIRECTORS

Board Composition

As at the date of this report, the Board comprises seven Directors, of whom one is an Executive Director. Amongst the six Non-executive Directors, four are Independent Non-executive Directors (“INEDs”) (including the Chairman), representing more than one-half of the Board. The strong independent element on the Board ensures the independence and objectivity of the Board’s decision-making process, as well as the impartiality of the Board’s oversight of the Bank’s senior management. Each Director possesses skills and experiences appropriate to the business of the Group. The members of the Board are as follows:

Chairman, Independent Non-executive Director

Dr KHOO Cheng Hoe Andrew

Executive Director

Mr WANG Ke (*Chief Executive Officer*)

Non-executive Directors

Ms WONG Pik Kuen Helen

Mr TAN Teck Long (*appointed on 20th February, 2026*)

Independent Non-executive Directors

Mr CHIM Wai Kin

Ms CHONG Chuan Neo

Mr HUI Leung Wah

All Directors have no relationship (including financial, business, family or other material/relevant relationship(s)) with each other as at the date of this report.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board, led by the Chairman, plays a leadership role under prudent and effective controls framework. Committed to high standards of integrity and ethics, the Board has collective responsibilities for promoting long-term business sustainability, creating sustainable value to stakeholders and a culture of openness based on the Bank's purpose and values.

The Board has the ultimate responsibility for the operations and the financial soundness of the Bank. The Board delegates authority to the Board Committees, Chairman, Chief Executive Officer and any other bodies as it deems fit for effective management of the Bank. Any authority delegated emanates from the Board and is not intended to replace the powers of the Board.

Broadly, the duties and responsibilities of the Board include but are not limited to the following:

- setting and overseeing the objectives of the Bank and the strategies for achieving those objectives;
- establishing and overseeing risk governance;
- appointment and oversight of senior management;
- setting corporate values and standards;
- overseeing the remuneration policy;
- ensuring a suitable and transparent corporate structure;
- ensuring effective audit functions; and
- ensuring an appropriate degree of transparency in respect of the structure, operation and risk management of the Bank.

The Directors are encouraged to engage with the Bank's management at all levels regularly. The Directors have full and timely access to all relevant information about the Bank so that they can discharge their duties and responsibilities as Directors effectively. Through regular Board meetings and regular financial and business updates, all Directors are kept abreast of the Bank's conduct, business activities and development and regulatory updates applicable to the Bank.

BOARD DIVERSITY

The Board recognises the importance of diversity and the contributions it brings to Board effectiveness. Diversity provides the Board with a wider knowledge base and brings in new insights and perspectives, which improve decision-making and create long-term success of the Bank.

The Bank has implemented a Board Diversity Policy that outlines its approach to appointing Directors. Recognizing the benefits of a diverse Board, the policy emphasizes the importance of varied skills, experiences, backgrounds, and genders among Directors. All appointments are merit-based, focused on the collective attributes of the Board that are needed for effective governance.

Corporate Governance Report

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

Attendance records of the Directors at meetings of the Board, Audit Committee ("AC"), Risk Management Committee ("RMC"), Remuneration Committee ("RC") and Nomination Committee ("NC") held in 2025 are as follows:

Name of Director	Number of meetings attended/held in 2025				
	Board	AC	RMC	RC	NC
Dr KHOO Cheng Hoe Andrew	4/4	4/4	N/A	1/1	2/2
Mr WANG Ke	4/4	N/A	N/A	N/A	N/A
Ms WONG Pik Kuen Helen	4/4	N/A	N/A	1/1	2/2
Mr TAN Teck Long (Note 1)	N/A	N/A	N/A	N/A	N/A
Mr CHIM Wai Kin	4/4	4/4	4/4	N/A	N/A
Ms CHONG Chuan Neo	4/4	N/A	4/4	1/1	2/2
Mr HUI Leung Wah	4/4	4/4	4/4	N/A	N/A

Note 1: Mr Tan Teck Long was appointed as Non-executive Director of the Bank with effect from 20 February 2026.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

The Bank has in place training and development arrangements for developing and updating the Directors' knowledge as necessary to enable them to perform their roles effectively.

During the year, all Directors of the Bank received briefings on economic updates, the Group's business, operations, risk management, climate & sustainability, corporate governance matters as well as rules and regulations applicable to the Group. The Directors also attended seminars on various relevant topics.

BOARD PERFORMANCE

In order to improve the performance of the Board, the Board conducts formal performance evaluation of the Board as a whole, of each Committee and of each Director on an annual basis. Each Director completed an evaluation questionnaire for 2025. Evaluation results will be presented to the Board. Based on the results of the evaluation and comments received from individual directors, the Board will take appropriate follow-up actions to further improve the performance of the Board.

BOARD COMMITTEES

Remuneration Committee

The RC comprises Dr KHOO Cheng Hoe Andrew (Chairman), Ms CHONG Chuan Neo and Ms WONG Pik Kuen Helen.

The RC has written terms of reference that describe the responsibilities of its members. The terms of reference require that the RC shall comprise not less than three members and a majority of them, including the Chairman, shall be INEDs.

The RC recommends to the Board a framework for determining the remuneration of executive officers, and reviews the remuneration practices to ensure that they are aligned with the approved framework. It is empowered to review the human resource management policies and the policies governing the compensation of executive officers of the Bank and its subsidiaries, as well as the remuneration of Senior Management, Key Personnel and Directors. In its assessment of the performance and compensation of Senior Management and Key Personnel, the RC may take into consideration factors such as job function, business risk and overall performance of the organisation, as well as sustainability performance criteria.

Remuneration of Directors, Senior Management and Key Personnel

Pursuant to Supervisory Policy Manual CG-5 Guideline on a Sound Remuneration System issued by the HKMA, details of the remuneration for Senior Management and Key Personnel of the Group during the year are as follows. The Board carefully considered this matter and decided not to disclose individual remuneration at this time, as it is not standard practice in the industry, particularly given the highly competitive talent landscape.

HK\$'000		Senior Management		Key Personnel	
		2025	2024	2025	2024
Fixed remuneration	Number of employees	30	27	1	2
	Total fixed remuneration	92,359	83,278	2,922	5,692
	– Cash (Non-deferred)	92,359	83,278	2,922	5,692
	– Share-based payment (Deferred)	–	–	–	–
Variable remuneration	Number of employees	30	27	1	2
	Total variable remuneration	65,376	57,055	1,551	3,400
	– Cash				
	Non-deferred	39,651	34,233	1,241	2,720
	Deferred	–	–	–	–
	– Share-based payment				
Non-deferred	–	–	–	–	
Deferred	25,725	22,822	310	680	
Total remuneration		157,735	140,333	4,473	9,092

Corporate Governance Report

Aggregate amount of deferred variable remuneration is set out below:

	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 and implicit adjustments	Total amount of deferred remuneration paid out and lapsed in the financial year	Total amount of deferred remuneration awarded in the financial year
Senior Management					
Cash	–	–	–	–	–
Share-based payment	74,142	–	–	17,365	27,747
Key Personnel					
Cash	–	–	–	–	–
Share-based payment	2,523	–	–	645	310
Total	76,665	–	–	18,010	28,057

The share-based payment representing the fair value of deferred shares will be granted to Senior Management and Key Personnel in 2026 as deferred variable incentive bonus for 2025. The deferred shares will be issued by OCBC, the Bank's holding company.

Details of Directors' emoluments are set out in note 9 to the consolidated financial statements.

Special Payments for the Financial Year

HK\$'000	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior Management						
2025	–	–	–	–	–	–
2024	1	3,750	–	–	–	–
Key Personnel						
2025	–	–	–	–	–	–
2024	–	–	–	–	–	–

The Bank's remuneration for staff consists of both fixed and variable remuneration. Fixed remuneration includes basic salary, allowances and pension contributions. Variable remuneration comprises cash payment and deferral in the form of deferred shares to align with the time horizon of risk. In general, the proportion of variable remuneration to total remuneration will increase in line with the seniority, responsibilities and performance of staff.

The Bank adopts a performance-driven approach to remuneration. Remuneration is linked to the overall performance of the Bank, performance of the relevant business units and performance of individual employees. Performance is based on pre-determined and assessable criteria, which include both financial and non-financial factors. For business units, key financial measurements – adjusted as appropriate for the various types of risk – include earnings growth, loan growth, return on average shareholder's funds and impaired loans ratio. Risk and control indicators as well as audit findings and compliance issues are taken into account when assessing performance. Award of variable remuneration depends on fulfilment of such criteria.

The performance of personnel in risk control functions is measured independently of the business they oversee. Employees in these functions are assessed based on achievements related to their respective performance measures. Risk control personnel are also compensated independently of the performance of the business areas which they oversee.

For Senior Management, Key Personnel, Material Risk Takers (i.e., those whose duties or activities during the course of their employment could have a material impact on the Bank's risk profile and financial soundness) and employees with variable remuneration exceeding thresholds, a substantial proportion of their variable remuneration shall be deferred in the form of deferred shares in accordance with the OCBC Group's policy. All awards of deferred shares are subject to cancellation and clawback if it is determined that they were granted on the basis of materially inaccurate financial statements and/or that the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes to the Bank's risk profile/rating. For Material Risk Takers, clawback applies to both cash bonuses and deferred shares.

Senior Management refers to Chief Executive Officer (and Alternate Chief Executives), Heads of Risk Control Functions and other senior executives who may also be defined as Material Risk Takers under the OCBC Group's definition.

Key Personnel are selected managers as defined and reported to HKMA under section 72B of the Banking Ordinance whose action may have a material impact on the risk exposure of the Bank.

Nomination Committee

The NC comprises Dr KHOO Cheng Hoe Andrew (Chairman), Ms CHONG Chuan Neo and Ms WONG Pik Kuen Helen.

The NC has written terms of reference that describe the responsibilities of its members. The terms of reference require that the NC shall comprise not less than three members and a majority of them, including the Chairman, shall be INEDs.

The NC makes recommendations to the Board on the appointment of Directors, the Chairman of the Board, members of Board Committees, the Chief Executive, Alternate Chief Executives and Management Executive Committee members. The NC also approves the appointment of other senior management members of the Bank and oversees succession planning for all senior management positions.

The NC adopts a rigorous selection process for the appointment of Directors. The objective is to identify candidates who can complement the skills, knowledge and experience of current Directors, as well as add to the Board's diversity, so as to enhance its effectiveness. In addition to reviewing the candidates' backgrounds, knowledge and experience, the NC considers potential conflicts of interest and whether the candidate is able to commit requisite time to the Bank.

Corporate Governance Report

The NC reviews the independence of INEDs annually in accordance with the guidance issued by HKMA and the annual confirmation received from each INED regarding his/her independence. The NC also annually assesses the profiles of Board members individually and collectively, with regard to the skills, knowledge, experience, and diversity required. Additionally, the NC assesses each Director's time commitment (including their attendance records and other appointments outside the OCBC Group) as well as their fitness and propriety on an annual basis.

Audit Committee

The AC comprises Mr HUI Leung Wah (Chairman), Mr CHIM Wai Kin and Dr KHOO Cheng Hoe Andrew. All members, including the Chairman, are INEDs and have recent and relevant accounting or related financial management expertise or experience. The AC members are not partners of PricewaterhouseCoopers, the external auditor of the Bank, and hold no financial interest in the firm.

The AC has written terms of reference that describe the responsibilities of its members. The Board approves the terms of reference of the AC. The AC may meet any time and no fewer than four times a year. It has full access to and co-operation from management, and has the discretion to invite any Director and executive officer to attend its meetings. It has explicit authority to investigate any matter within its terms of reference.

In addition to the review of the financial statements, which includes reviewing the assurances provided by the Chief Executive Officer and Chief Financial Officer on the financial records and statements, the AC reviews and evaluates, with the external and internal auditors, the adequacy and effectiveness of the system of internal controls including financial, operational, compliance and information technology controls, and risk management policies and systems. The AC also reviews significant financial reporting issues and judgements to ensure the integrity of the financial statements.

The AC is also responsible for the review of the Bank's whistleblowing policy as well as any concerns, including anonymous complaints, which staff may in confidence raise about possible improprieties in matters of financial reporting or other matters. The whistleblowing policy and procedures for raising such concerns are disclosed and clearly communicated to employees. The AC will ensure such concerns are independently investigated and followed up on. If the case escalated is found to be substantiated, appropriate action will be taken and the AC will be updated regularly on its status. The whistleblower's identity is kept confidential and his/her interests will be safeguarded at all times, including a right to appeal to the AC if reprisals are taken against him/her.

The AC meets at least once a year with the external auditor and internal auditor in separate sessions and without the presence of management, to consider any matters which may be raised privately. In addition, the Chairman of the AC meets the Head of Internal Audit on a regular basis to discuss the work undertaken, key findings and any other significant matters arising from the Group's operations. Formal reports are sent to the AC on a regular basis.

Risk Management Committee

The RMC, which supports the Board in performing its risk oversight responsibilities, comprises Mr CHIM Wai Kin (Chairman), Ms CHONG Chuan Neo and Mr HUI Leung Wah. All members have the relevant technical financial expertise in risk disciplines or businesses to discharge their responsibilities. Mr CHIM Wai Kin and Mr HUI Leung Wah also serve on the AC. The common membership helps to facilitate communication and foster the sharing of information and knowledge between the two committees.

The RMC has written terms of reference that describe the responsibilities of its members.

The RMC reviews the overall risk management philosophy in line with the overall corporate strategy as set and approved by the Board. It oversees the establishment and operation of an independent risk management system for identifying, measuring, monitoring, controlling and reporting risk on an enterprise-wide basis. This includes ensuring the adequacy and effectiveness of the overall risk management framework and practices for material risks such as credit, liquidity, market, operational, information security and digital, conduct, money laundering and terrorism financing, legal, fiduciary, regulatory, reputational, strategic, environmental (including climate), social and governance (“ESG”) risks, as well as any other category of risk that may be delegated by the Board or deemed necessary by the RMC.

The RMC reviews the scope, effectiveness and objectivity of the Risk Management Division. It ensures that the risk management function has appropriate independent reporting lines and is adequately resourced with experienced and qualified employees to monitor risk by the various risk categories. It approves the risk management frameworks, internal control systems and major policies, as well as reviews the risk appetite statement, risk disclosure policy and risk management principles for the approval of the Board. It also reviews the risk profile, risk tolerance level and risk strategy of the Group for effective risk management, as well as the risk reports to monitor and control risk exposures. The Chief Risk Officer has direct reporting lines to the RMC and Chief Executive Officer.

DELEGATION BY THE BOARD

In addition to the RC, NC, AC and RMC described above, the Bank has also established other committees, such as the Management Executive Committee, Management Committee, Credit Risk Management Committee, Non-Financial Risk Management Committee, Asset Liability Management Committee, AML/CTF & Reputational Risk Committee and Technology Management Committee to oversee the day-to-day operations of the Bank. These committees, composed of senior management from relevant business, risk management and support units, have specific terms of reference to ensure that they discharge their functions properly and to report back to the Board, where appropriate, their decisions and recommendations. Information on these committees is set out below.

The Bank has formalised the functions reserved for the Board and those delegated to senior management. The Bank reviews these arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Bank.

Management Executive Committee

The Management Executive Committee (“MEC”), chaired by Chief Executive Officer, meets regularly to manage the affairs of the Group encompassing all aspects including strategic direction, business and operational strategies, internal controls, risk management, bank culture, sustainability, audit, operations, information technology, legal and compliance matters. The MEC reviews and endorses capital frameworks and policies to ensure proper capital resource management and allocation for the Group.

Management Committee

The Management Committee, chaired by Chief Executive Officer, is a senior management coordination, discussion and communication forum for the Group. It focuses on strategy implementation and communications across business and support functions.

Corporate Governance Report

Credit Risk Management Committee

The Credit Risk Management Committee (“CRMC”), chaired by Chief Credit Officer (Wholesale Credit Risk Management), is a sub-committee of the RMC, responsible for managing the Group’s overall credit risk management including ESG risk under responsible financing. The CRMC oversees the execution of the Group’s credit risk management, to ensure that credit risk taking is aligned with the Group’s risk appetite and business strategy.

Non-Financial Risk Management Committee

The Non-Financial Risk Management Committee (“NFRC”), chaired by Chief Risk Officer, is a sub-committee of the RMC, responsible for managing the Group’s overall non-financial risk on a firm-wide basis. The NFRC oversees the Group’s non-financial risk, to ensure it is managed at accepted tolerance levels and within the risk appetite endorsed by the RMC, and approved by the Board, in alignment with the Group’s business strategy. The NFRC also serves as the forum for deliberation and risk acceptance for non-financial risk matters.

Asset Liability Management Committee

The Asset Liability Management Committee, chaired by Chief Executive Officer, is a sub-committee of the RMC, responsible for providing stewardship in managing the Group’s balance sheet. It focuses on liquidity management, interest rate management, market risk management, structural foreign exchange management and internal funds transfer pricing mechanism of the Group.

AML/CTF & Reputational Risk Committee

The AML/CTF & Reputational Risk Committee (“ARRC”), chaired by Head of Legal & Compliance, is a sub-committee of the MEC, focuses on overseeing the Group-wide management of Financial Crime Compliance (“FCC”) risks, including money laundering, terrorist financing, sanctions, fraud and reputational risk related matters. The ARRC meets regularly; it establishes risk appetites, endorses FCC policies, and provides guidance on transactions that may pose significant FCC or reputational risks.

Technology Management Committee

The Technology Management Committee (“TMC”), chaired by Chief Executive Officer, is a sub-committee of the MEC, responsible for ensuring that the investments in IT projects are aligned with the overall strategic plan and achieve optimal returns and sustainable benefits. The TMC provides an overview on all ongoing IT projects in promoting cross pollination of IT innovations, standardisation where appropriate and optimise opportunity to leverage on global capabilities.

INTERNAL CONTROLS

The Board oversees the adequacy and effectiveness of the Group’s internal controls in safeguarding stakeholders’ interests and the Group’s assets. Through regular reporting to the RMC, the Board is kept informed by the Senior Management on the adequacy and effectiveness of the Group’s risk management and internal control systems. Business and functional units are responsible for the assessment of risks arising under their areas of responsibility and the management of such risks in accordance with the Group’s risk management policies and procedures.

Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud. Procedures have also been designed to ensure compliance with applicable laws, rules and regulations.

Systems and procedures are in place to identify, control and report on major risks the Group faces. Risk management policies and major risk control limits are approved by the Board.

More detailed discussions on the policies and procedures for management of major risks the Group faces, including credit, liquidity, market, operational, information security and digital, ESG and climate as well as capital management, are included in note 34 to the consolidated financial statements.

A review of the effectiveness of the Group's internal control system covering key controls, including financial, operational, compliance and risk management controls, is conducted annually. The review results are reported to the AC, RMC and the Board.

Internal Audit plays an important role in the Group's internal control framework. It provides independent assurance on the effectiveness of the Group's internal control and compliance with policies and standards across all business and support units. Senior Management is required to provide Internal Audit with evidence to verify that it has acted fully on all the recommendations made by auditors and regulatory authorities. Internal Audit also provides advisory service to Senior Management on operational efficiency and risk management issues. The work of the Internal Audit function focuses on areas of higher risk to the Group as determined by a risk-based audit methodology. The Head of Internal Audit has a direct reporting line to the AC and reports to Chief Executive Officer on administrative matters. The AC shall report to the Board regularly on any significant matters that require the Board's attention.

AUDITOR'S REMUNERATION

Details of auditor's remuneration are set out in note 5 to the consolidated financial statements.

15th April, 2026

Independent Auditor's Report

To the Shareholder of OCBC Bank (Hong Kong) Limited

(incorporated in Hong Kong with limited liability)

OPINION

What we have audited

The consolidated financial statements of OCBC Bank (Hong Kong) Limited (the "Bank") and its subsidiaries (the "Group"), which are set out on pages 19 to 144, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

OTHER INFORMATION

The directors of the Bank are responsible for the other information. The other information comprises the information included in the corporate information, report of the directors, corporate governance report, unaudited supplementary financial information and list of branches, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Michael Henry Charles Footman (practising certificate number: P06560).

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 15th April, 2026

Consolidated Statement of Profit or Loss

For the year ended 31st December, 2025

(Expressed in millions of Hong Kong dollars unless otherwise stated)

	Notes	2025	2024
Interest income calculated using the effective interest method	5(a)	12,826	14,237
Other interest income	5(a)	2,802	2,680
Interest expense	5(b)	(9,412)	(10,703)
Net interest income		6,216	6,214
Fee and commission income		1,917	1,597
Fee and commission expense		(126)	(135)
Net fee and commission income	5(c)	1,791	1,462
Dividends	5(d)	29	32
Rental income	5(e)	9	4
Other income	5(f)	1,034	1,349
Other operating income		2,863	2,847
Operating income		9,079	9,061
Operating expenses	5(g)	(4,893)	(4,914)
Operating profit before expected credit losses		4,186	4,147
Change in expected credit losses	14	(1,134)	(2,403)
Operating profit after expected credit losses		3,052	1,744
Share of net profit/(loss) of associated companies	19	68	(7)
Profit before taxation		3,120	1,737
Taxation	6(a)	(442)	(275)
Profit for the year attributable to equity shareholder of the Group		2,678	1,462

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2025
(Expressed in millions of Hong Kong dollars unless otherwise stated)

	Notes	2025	2024
Profit for the year		2,678	1,462
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that will not be reclassified to profit or loss			
– Deficit on revaluation of bank premises	20	(296)	(281)
– Income tax related to the above	6(d)	39	92
– Transfer of revaluation surplus on bank premises to equity upon disposal		(108)	–
– Share of deficit on revaluation of bank premises of associated companies	19	–	(19)
		(365)	(208)
– Equity securities measured at fair value through other comprehensive income			
– Fair value changes	37(a)(i)	28	(256)
– Deferred taxes	6(d)	(3)	16
		25	(240)
		(340)	(448)
Items that are or may be reclassified subsequently to profit or loss			
– Exchange adjustments on translation of financial statements of subsidiaries		521	(368)
– Debt securities measured at fair value through other comprehensive income			
– Fair value changes		218	537
– Transfer to consolidated statement of profit or loss			
– gains on disposal	5(f)	(91)	(83)
– expected credit losses recognised		12	3
– Income tax related to the above	6(d)	8	(79)
		147	378

	Notes	2025	2024
– Cash flow hedging reserve			
– Fair value changes taken to equity		(1)	(72)
– Deferred taxes	6(d)	–	12
		(1)	(60)
– Unappropriated profits			
– Bank premises			
– Deferred taxes	6(d)	31	2
– Transfer of revaluation surplus upon disposal		108	–
		139	2
		806	(48)
Other comprehensive income for the year, net of tax		466	(496)
Total comprehensive income for the year attributable to equity shareholder of the Group		3,144	966

Consolidated Statement of Financial Position

At 31st December, 2025

(Expressed in millions of Hong Kong dollars unless otherwise stated)

	Notes	2025	2024
ASSETS			
Cash and balances with banks and central banks	10	15,794	10,488
Placements with banks, central banks and other financial institutions	11	4,020	6,625
Amounts due from ultimate holding company and fellow subsidiaries	33	24,526	39,725
Trading assets	12	9,987	21,972
Advances to customers and other accounts	13(a)	216,557	203,295
Financial assets measured at fair value through other comprehensive income	15	115,642	91,558
Debt securities measured at amortised cost	16	12,791	9,776
Assets held for sale	18	8	315
Investments in associated companies	19	264	243
Fixed assets	20		
– Investment properties		374	319
– Bank premises and equipment		4,460	4,753
Goodwill	21	1,306	1,306
Current tax recoverable	6(c)	57	64
Deferred tax assets	6(d)	377	233
Total assets		406,163	390,672
EQUITY AND LIABILITIES			
Deposits and balances of banks		9,208	7,743
Amounts due to ultimate holding company and fellow subsidiaries	33	5,964	9,763
Deposits from customers	23	323,733	296,691
Certificates of deposit and fixed rate notes issued	24	5,020	3,606
Trading liabilities	25	8,473	20,475
Lease liabilities	22	323	190
Current tax payable	6(c)	33	182
Deferred tax liabilities	6(d)	141	141
Other accounts and provisions	26	6,390	6,729
Total liabilities		359,285	345,520
Share capital	28(a)	7,308	7,308
Reserves		36,570	34,844
Perpetual capital securities issued	28(b)	3,000	3,000
Total equity		46,878	45,152
Total equity and liabilities		406,163	390,672

KHOO Cheng Hoe Andrew
WANG Ke

Chairman
Executive Director and Chief Executive Officer

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2025

(Expressed in millions of Hong Kong dollars unless otherwise stated)

	At 1st January	Transfer to/(from) reserve	Coupon of perpetual capital securities	2025 Dividends declared or approved during the year	Profit for the year	Other comprehensive income for the year	At 31st December
Share capital	7,308	-	-	-	-	-	7,308
Capital reserve	644	59	-	-	-	-	703
Statutory reserve	430	79	-	-	-	-	509
General reserve	979	(2)	-	-	-	521	1,498
Bank premises revaluation reserve	2,655	(42)	-	-	-	(365)	2,248
Investment revaluation reserve (recycling)	(2)	-	-	-	-	147	145
Investment revaluation reserve (non-recycling)	1,475	-	-	-	-	25	1,500
Cash flow hedging reserve	33	-	-	-	-	(1)	32
Unappropriated profits	28,630	(94)	(184)	(1,234)	2,678	139	29,935
Perpetual capital securities	3,000	-	-	-	-	-	3,000
Total equity	45,152	-	(184)	(1,234)	2,678	466	46,878

	At 1st January	Transfer to/(from) reserve	Coupon of perpetual capital securities	2024 Dividends declared or approved during the year	Profit for the year	Other comprehensive income for the year	At 31st December
Share capital	7,308	-	-	-	-	-	7,308
Capital reserve	584	60	-	-	-	-	644
Statutory reserve	430	-	-	-	-	-	430
General reserve	1,347	-	-	-	-	(368)	979
Bank premises revaluation reserve	2,911	(48)	-	-	-	(208)	2,655
Investment revaluation reserve (recycling)	(380)	-	-	-	-	378	(2)
Investment revaluation reserve (non-recycling)	1,715	-	-	-	-	(240)	1,475
Cash flow hedging reserve	93	-	-	-	-	(60)	33
Unappropriated profits	29,342	(12)	(164)	(2,000)	1,462	2	28,630
Perpetual capital securities	3,000	-	-	-	-	-	3,000
Total equity	46,350	-	(164)	(2,000)	1,462	(496)	45,152

Consolidated Cash Flow Statement

For the year ended 31st December, 2025

(Expressed in millions of Hong Kong dollars unless otherwise stated)

	Notes	2025	2024
Net cash (outflow)/inflow from operating activities	31(a)	(4,942)	19,825
Investing activities			
Purchase of financial assets measured at fair value through other comprehensive income		(108,292)	(157,595)
Sale and redemption of financial assets measured at fair value through other comprehensive income		105,459	154,724
Dividends received from associated companies		48	50
Purchase of equipment	20	(283)	(296)
Sale of bank premises and equipment		47	10
Sale of investment in associated companies		589	–
Net cash outflow from investing activities		(2,432)	(3,107)
Financing activities			
Dividends paid		(1,234)	(2,000)
Coupon of perpetual capital securities		(184)	(164)
Net proceeds from issue of fixed rate notes		1,069	1,595
Redemption of fixed rate notes		(1,314)	(1,988)
Interest paid on fixed rate notes		(96)	(123)
Payment of lease liabilities		(66)	(48)
Net cash outflow from financing activities		(1,825)	(2,728)
(Decrease)/increase in cash and cash equivalents		(9,199)	13,990
Cash and cash equivalents at 1st January		47,008	33,520
Effects of foreign exchange rate changes		679	(502)
Cash and cash equivalents at 31st December	31(b)	38,488	47,008
Analysis of the balances of cash and cash equivalents			
Cash and balances with banks and central banks		15,509	10,132
Placements with banks, central banks and other financial institutions with an original maturity within three months		868	6,626
Amounts due from ultimate holding company and fellow subsidiaries with an original maturity within three months		21,784	29,421
Treasury bills with an original maturity within three months		327	829
		38,488	47,008
Cash flows from operating activities included:			
Interest received		15,548	17,078
Interest paid		9,450	10,785
Dividend received		29	32

Notes to the Consolidated Financial Statements

For the year ended 31st December, 2025
(Expressed in millions of Hong Kong dollars unless otherwise stated)

1. PRINCIPAL ACTIVITIES

The Bank and its subsidiaries (together referred to as “the Group”) are engaged in commercial banking and related financial services.

2. MATERIAL ACCOUNTING POLICIES

(a) **Statement of compliance**

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which the collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the applicable requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Bank. The adoption of these new and revised HKFRS Accounting Standards do not result in significant changes to the Group’s and the Bank’s accounting policies applied in these consolidated financial statements for the year presented. Note 4 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) **Basis of preparation of the consolidated financial statements**

The consolidated financial statements for the year ended 31st December, 2025 comprise the Bank and its subsidiaries and the Group’s interest in associated companies. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments measured at fair value through profit or loss (“FVTPL”) and measured at fair value through other comprehensive income (“FVOCI”) (note 2(f));
- investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest (note 2(o)(vi));
- other freehold land and buildings, including interests in leasehold land and buildings where the Group is the registered owner of the property interest (note 2(o)(v)); and
- other leasehold land and buildings, for which the fair values cannot be measured separately at the inception of the lease and the entire lease is classified as finance lease (notes 2(o) and 2(p)).

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the consolidated financial statements *(Continued)*

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-Group balances, transactions and cash flows and any unrealised profits arising from intra-Group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-Group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of financial assets (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associated company (see note 2(d)).

In the Bank's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, if any.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Associated companies

An associated company is an entity in which the Group or Bank has significant influence, but not control, or joint control, over its management, including participation in the financial and operating policy decisions.

Under the equity method, the investment is initially recorded at cost and adjusted for any excess of the Group's share of the acquisition-date fair values of the associated company's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associated company's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition post-tax results of the associated companies and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax results of the associated companies' other comprehensive income is recognised in the consolidated statement of comprehensive income.

Unrealised profits and losses resulting from transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated company, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the consolidated statement of profit or loss.

When the Group ceases to have significant influence over an associated company, it is accounted for as a disposal of the entire interest in that associated company, with a resulting gain or loss being recognised in the consolidated statement of profit or loss. Any interest retained in that former associated company at the date when significant influence is lost is recognised at fair value, and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)).

In the Bank's statement of financial position, its investments in associated companies are stated at cost less impairment losses, if any.

(e) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), this excess is recognised immediately in the consolidated statement of profit or loss as a gain on a bargain purchase.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Goodwill (Continued)

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or Group of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Financial assets

(i) Classification and subsequent measurement of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("FVOCI") or through profit or loss ("FVTPL")), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

(a) Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) **Financial assets** *(Continued)*

(i) **Classification and subsequent measurement of financial assets** *(Continued)*

(a) *Business model assessment (Continued)*

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy of how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading and whose performance is evaluated or managed on a fair value basis are measured at FVTPL because they are neither within the business model to hold to collect contractual cash flows, nor within the business model to hold both to collect contractual cash flows and to sell financial assets.

(b) *Assessment of whether contractual cash flows are solely payments of principal and interest*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

(ii) **Financial instruments measured at amortised cost**

Financial instrument is subsequently measured at amortised cost if it is held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest. Income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Financial assets (Continued)

(iii) Debt instruments measured at FVOCI

A debt financial instrument is subsequently measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

Debt instruments classified at FVOCI are subject to the expected credit loss requirements in accordance with HKFRS 9. Interest earned whilst holding the financial assets is included in interest income.

At the reporting date, the Group recognises unrealised fair value gains and losses on revaluing these assets in OCI and presents the cumulative gains and losses in fair value reserve within equity, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. At maturity or upon disposal, the cumulative gain or loss previously recognised in OCI is reclassified from fair value reserve to the consolidated statement of profit or loss.

(iv) Debt instruments measured at FVTPL

Debt instruments that do not meet the requirements to be measured at amortised cost or at FVOCI are measured at FVTPL. At the reporting date, the Group recognises realised and unrealised gains and losses as trading income in the consolidated statement of profit or loss. Interest earned while holding the assets are included in interest income.

(v) Equity instruments

The Group subsequently measures all equity instruments at fair value. Equity instruments held for trading are classified at FVTPL. Equity instruments that are not held for trading may be classified as FVOCI based on an irrevocable election on initial recognition on an investment-by-investment basis.

At the reporting date, realised and unrealised fair value gains or losses on revaluing the equity instruments classified at FVTPL are recognised in the consolidated statement of profit or loss. Realised and unrealised fair value gains or losses on revaluing the equity instruments classified at FVOCI are recognised in other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

Dividend earned whilst holding the equity instruments classified at FVTPL is reported as dividend income in the consolidated statement of profit or loss. Dividend from equity instruments classified at FVOCI is recognised as dividend income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Financial assets *(Continued)*

(vi) Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period when the Group changes its business model for managing its financial assets.

(vii) Derecognition – modification of financial assets

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

(viii) Derecognition – other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- (i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) is prohibited from selling or pledging the assets; and
- (iii) has an obligation to remit any cash it collects from the assets without material delay.

(g) Financial liabilities

(i) Classification and subsequent measurement of financial liabilities

Classification and subsequent measurement in both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition;
- financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- financial guarantee contracts and loan commitments

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Financial liabilities *(Continued)*

(ii) Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

(h) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Certain derivatives are embedded in hybrid contracts. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

- (i) their economic characteristics and risks are not closely related to those of the host contract;
- (ii) a separate instrument with the same terms would meet the definition of a derivative; and
- (iii) the hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognised in the consolidated statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Derivatives and hedging activities (Continued)

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities, or commitments (fair value hedge); or, (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents the assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency purchases. It may occur due to:

- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

(ii) Derivatives that do not qualify for hedge accounting

Non-qualifying hedges are derivatives entered into as economic hedges of assets and liabilities for which hedge accounting was not applied.

(iii) Fair value hedging

Changes in the fair value of derivatives that are designated and that qualify as fair value hedging instruments are recorded in the consolidated statement of profit or loss, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. If the hedge relationship is terminated, the fair value adjustment to the hedged item continues to be reported as part of the carrying value of the asset or liability and is amortised to the consolidated statement of profit or loss as a yield adjustment over the remaining maturity of the asset or liability.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Derivatives and hedging activities (Continued)

(iv) Cash flow hedging

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedging instruments are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

Amounts accumulated in equity are recycled to the consolidated statement of profit or loss in the periods in which the hedged item affects profit or loss.

Reclassification adjustments also do not arise in relation to cash flow hedge accounting, where amounts are removed from the cash flow hedge reserve, or a separate component of equity, and are included directly in the initial cost or other carrying amount of an asset or liability. These amounts are directly transferred to assets or liabilities.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately reclassified to the consolidated statement of profit or loss.

(j) Repurchase and reverse repurchase transactions

Assets sold subject to a simultaneous agreement to repurchase these assets at a certain later date at a fixed price ("repurchase agreements") are retained in the consolidated financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities to the counterparties and are carried at amortised cost.

Assets purchased under agreements to resell ("reverse repurchase agreements") are reported not as purchases of the assets, but as receivables from the counterparties and are carried in the consolidated statement of financial position at amortised cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements are recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest method.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets

Under HKFRS 9, the Group recognises a loss allowance for expected credit losses (“ECL”) with a forward-looking ECL model.

(i) Scope

Under HKFRS 9, the expected credit loss model is applied to financial assets classified at amortised cost or FVOCI (except for equity investments), and off-balance sheet loan commitments and financial guarantees.

(ii) Expected credit loss impairment model

Under HKFRS 9, credit loss allowances are measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 – On initial recognition, expected credit losses will be that resulting from default events that are possible over the next 12 months (“12-month ECL”).
- Stage 2 – Following a significant increase in credit risk of the financial assets since its initial recognition, the credit loss allowance will be that resulting from default events that are possible over the expected life of the asset (“Lifetime ECL”).
- Stage 3 – When a financial asset exhibits objective evidence of impairment and is considered to be credit-impaired, the credit loss allowance will be the full lifetime expected credit losses.

(iii) Measurement

ECL are probability-weighted estimates of credit losses. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(iii) Measurement *(Continued)*

For financial instruments in-scope for ECL:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The key inputs used in the measurement of ECL are:

- Probability of default (“PD”) – This is an estimate of the likelihood of default over a given time horizon;
- Exposure at default (“EAD”) – This is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest as well as expected drawdowns on committed facilities;
- Loss given default (“LGD”) – This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from any collateral.

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. ECL for exposures in Stage 2 and 3 are calculated by multiplying lifetime PD by LGD and EAD.

Loans and bills receivables that are collectively assessed are grouped on the basis of shared credit risk characteristics such as account loan type, industry, geographical location of the borrower, collateral type and other relevant factors.

All key inputs (PD, LGD and EAD) used to estimate Stage 1 and Stage 2 expected credit losses are modelled based on four macroeconomic scenarios (or changes in macroeconomic variables) that are most closely correlated with expected credit losses in the relevant portfolio.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(iii) Measurement *(Continued)*

The four macroeconomic scenarios represent a most likely “Baseline” outcome, and three other less likely “Upside”, “Downside 1” and “Downside 2” scenarios. These scenarios are probability-weighted and underlying key macroeconomic assumptions are based on independent external and in-house views. The assumptions are subject to regular management reviews to reflect current economic situations.

Each macroeconomic scenario used in the expected credit loss calculation includes a projection of all relevant macroeconomic variables used in the models for the lifetime period, reverting to long-run averages generally after 3 to 5 years periods. Depending on their usage in the models, macroeconomic variables are projected at a country or more granular level which differ by portfolio. The primary macroeconomic variables adopted are Gross Domestic Product, Unemployment rate, Property Price Index and Interest rate.

The definition of default used in the measurement of expected credit losses is consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout Group’s expected credit loss calculations.

The Group considers a financial asset to be in default by assessing both quantitative and qualitative criteria such as days past due and the terms of financial covenants. A default occurs when the borrower or bond issuer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or when the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL are the maximum contractual period over which the Group is exposed to credit risk.

Financial assets are written off against their related impairment allowances when all feasible recovery actions have been exhausted or when the recovery prospects are considered remote.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets (Continued)

(iv) Movement between stages

Movements between Stage 1 and Stage 2 are based on whether an instrument's credit risk as at the reporting date has increased significantly since its initial recognition.

In accordance with HKFRS 9, financial assets are classified in Stage 2 where there is a significant increase in credit risk since initial recognition, where the expected credit losses will be measured using lifetime ECL.

The Group considers both qualitative and quantitative parameters in the assessment of whether this is a significant increase in credit risk. These include the following:

- The Group has established thresholds for significant increases in credit risk based on a relative change in lifetime PD relative to initial recognition.
- The Group conducts qualitative assessment to ascertain if there has been significant increase in credit risk.
- The Group uses days past due as a further indication of significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of whether a financial asset is credit-impaired under HKFRS 9 will be based on objective evidence of impairment.

The assessments for a significant increase in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1. A modification of the terms of a financial asset that does not result in derecognition will result in the financial asset being transferred out of Stage 3 if the indicators of it being identified as credit-impaired is no longer met and that the evidence for its transfer out of Stage 3 solely relates to events such as up-to-date and timely payment occurring in the subsequent periods.

If a modified financial asset results in derecognition, the new financial asset will be recognised under Stage 1, unless it is assessed to be credit-impaired at time of the modification.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the consolidated statement of profit or loss as follows:

(i) Interest income

Effective interest rate

Interest income is recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of financial liabilities.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income

The effective interest rate of a financial asset is calculated on initial recognition of a financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(I) **Revenue recognition** *(Continued)*

(i) **Interest income** *(Continued)*

Calculation of interest income (Continued)

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see note 2(k).

(ii) **Fee and commission income**

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Other fee and commission income – including account servicing fees, investment management fees, sales commission, placement fees and syndication fees – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's consolidated financial statements may be partially in the scope of HKFRS 9 and partially in the scope of HKFRS 15. If this is the case, then the Group first applies HKFRS 9 to separate and measure the part of the contract that is in the scope of HKFRS 9 and then applies HKFRS 15 to the residual.

Other fee and commission expenses relating mainly to transaction and service fees which are expensed as the services are received.

(iii) **Finance income from finance lease and hire purchase contract**

Finance income implicit in finance lease and hire purchase payments is recognised as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognised as income in the accounting period in which they are earned. Commission paid to dealers for acquisition of finance lease loans or hire purchase contracts is included in the carrying value of the assets and amortised to the consolidated statement of profit or loss over the expected life of the lease as an adjustment to interest income.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) **Revenue recognition** *(Continued)*

(iv) Rental income from operating lease

Rental income receivable under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the consolidated statement of profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

(v) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

(m) **Income tax**

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the consolidated statement of profit or loss except to the extent that they relate to items recognised in OCI or directly in equity, in which case the relevant amounts of tax are recognised in OCI or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(m) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Also, the Group applies the HKAS 12 paragraph 4A exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(o), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met.

- in the case of current tax assets and liabilities, the Bank and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(n) Translation of foreign currencies

Functional currency of the Bank and presentation currency of the Group are Hong Kong dollars. Foreign currency transactions during the year are translated into Hong Kong dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the consolidated statement of profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of an overseas operation are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the reserve.

On disposal of an overseas operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the consolidated statement of profit or loss when the profit or loss on disposal is recognised.

(o) Fixed assets and depreciation

(i) Bank premises that are held for the Group's administrative use are stated in the consolidated statement of financial position at their revalued amount, being their fair values at the date of revaluation less any subsequent accumulated depreciation. Revaluations are performed with sufficient regularity by professional qualified valuers to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period. Changes arising on the revaluation are generally dealt with in OCI and are accumulated separately in equity in the bank premises revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to the consolidated statement of profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to the consolidated statement of profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(o) Fixed assets and depreciation *(Continued)*

- (ii) Bank premises that are not held for the Group's administrative use are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. In preparing these consolidated financial statements, advantage has been taken of the transitional provisions set out in paragraph 80AA of HKAS 16, Property, plant and equipment, issued by the HKICPA, with the effect that bank premises that are not held for administrative use have not been revalued to fair value at the reporting date.
- (iii) Gains or losses arising from the retirement or disposal of bank premises are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in the consolidated statement of profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to the consolidated statement of profit or loss.
- (iv) Equipment, comprising furniture, plant and others, is stated at cost less depreciation calculated on a straight-line basis to write off the assets over their estimated useful lives, which are generally between three to ten years.
- (v) No amortisation is provided on freehold land. Leasehold land (note 2(p)) is amortised in equal annual instalments over the remaining term of the lease. Buildings are depreciated by equal instalments over the estimated useful lives which in no case exceed fifty years.
- (vi) Investment properties are land and/or buildings which are owned and/or held under a leasehold interest (note 2(p)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use, which are stated in the consolidated statement of financial position at their fair values which are assessed annually by professional qualified valuers. Any gain or loss arising from a change in fair value or from the retirement or disposal of investment properties is recognised in the consolidated statement of profit or loss.

(p) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily IT infrastructure and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether recognise it on a lease-by-lease basis. The lease payments associated with leases in respect of a low value asset are recognised as an expense on a systematic basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(p) Leased assets *(Continued)*

(i) As a lessee *(Continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Where the Group decides to recognise a lease, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost. The interest expense is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(o) and 2(k)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 2(o)(vi); and
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value in accordance with note 2(o)(v).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(p) Leased assets *(Continued)*

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(i) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the consolidated statement of financial position as "Advances to customers". Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 2(l)(iii). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k).

(ii) Operating leases

Where the Group leases out assets under operating leases, the assets are included in the consolidated statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 2(o) except where the asset is classified as an investment property. Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in note 2(l)(iv).

(q) Repossessed assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in note 2(k), expected credit losses for impaired loans and advances are maintained after taking into account the net realisable value of the repossessed assets. Repossessed assets continue to be treated as securities for loans and advances. The Group does not hold the repossessed assets for its own use.

Repossessed assets are recorded at the lower of their carrying amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (“the holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

The financial guarantees are subsequently measured at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee is initially recognised as deferred income within other liabilities. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

The amount of the guarantee initially recognised as deferred income is amortised in the consolidated statement of profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(r)(ii) if and when (1) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee; and (2) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation, complaint or legal claim, arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control of the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.

- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) the entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (2) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member);
 - (3) both entities are joint ventures of the same third party;
 - (4) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (5) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (6) the entity is controlled or jointly controlled by a person identified in note 2(s)(i);
 - (7) a person identified in note 2(s)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (8) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks, central banks and other financial institutions, and short-term, highly liquid inter-bank placements and investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Balances of banks, central banks and other financial institutions that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purposes of the consolidated cash flow statement.

(v) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Funds Scheme Ordinance are recognised as an expense in the consolidated statement of profit or loss when incurred.
- (iii) The Bank's ultimate holding company, Oversea-Chinese Banking Corporation Limited, granted equity instruments under the OCBC Deferred Share Plan ("DSP"), OCBC Employee Share Purchase Plan ("ESP") and OCBC Share Option Scheme 2001 ("2001 Scheme") to eligible employees of the Group as deferred compensation plans.

The compensation plans are recognised as expense in the consolidated statement of profit or loss based on the fair value of the equity instruments at the date of the grant. The expense is recognised in the consolidated statement of profit or loss over the vesting period of the grant.

At each reporting date, the Group revises its estimates of the number of equity instruments expected to be vested, and the impact of the change to the original estimates, if any, is recognised in the consolidated statement of profit or loss over the remaining vesting period.

On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest. Details of the plans are set out in note 36.

Notes to the Consolidated Financial Statements

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(w) Assets held for sale

A disposal group is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the disposal group is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of all individual assets and liabilities in a disposal group is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the consolidated financial statements of the Group and the Bank are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(x) Vertical Amalgamation of OCBC Credit (Hong Kong) Limited

Effective on 1 October 2025, the Bank has amalgamated with one of its subsidiaries, OCBC Credit (Hong Kong) Limited ("OCBC Credit") pursuant to section 680 of the Hong Kong Companies Ordinance. Upon amalgamation of the Bank and OCBC Credit, the amalgamated company continues to operate under the name, OCBC Bank (Hong Kong) Limited. Following the amalgamation, OCBC Credit ceased to exist as a separate legal entity and all of its assets, liabilities, rights and obligations were vested in the Bank.

In accordance with merger accounting requirements for common control combinations, the financial statements for the year ended 31st December, 2024 have been restated as if the Bank and OCBC Credit had always been a single reporting entity (notes 7, 28(c) and 38). The amalgamation has no effect on the consolidated statement of profit or loss for the year ended 31st December, 2024 and the consolidated statement of financial position as at that date.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 20, 21 and 37 contain information about the assumptions and their risk factors relating to valuation of investment property and bank premises held for administrative use, goodwill impairment and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Key sources of estimation uncertainty

(i) Fair value estimation

Fair value is derived from quoted market prices or valuation techniques which maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The fair values of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined by using valuation techniques. Where unobservable data inputs have a significant impact on the value obtained from the valuation model, such a financial instrument is initially recognised at the transaction price, which is the best indicator of fair value. The difference between the transaction price and the model value, commonly referred to as “day one profit and loss” is not recognised immediately in the consolidated statement of profit or loss.

The timing of recognition of the deferred day one profit and loss is determined individually. It is amortised over the life of the transaction, released when the instrument’s fair value can be determined using market observable inputs, or when the transaction is derecognised.

(ii) Expected credit losses

The Group has the following types of financial instruments that are subject to the expected credit loss model:

- financial assets measured at amortised cost,
- financial assets measured at FVOCI,
- lease receivable, and
- loan commitment and financial guarantee contract.

Critical accounting judgements in ECL are explained in note 3(b)(i).

(iii) Determining the lease term

As explained in policy note 2(p), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group’s operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group’s control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

Notes to the Consolidated Financial Statements

3. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Expected credit losses

In determining whether the credit risk of the Group's financial exposures has increased significantly since initial recognition, the Group considers quantitative and qualitative information such as the Group's historical credit assessment experience and available forward-looking information. Expected credit losses ("ECL") estimates are based on probability-weighted forward-looking economic scenarios. The parameters used in ECL measurement (probability of default, loss given default and exposure at default) incorporates forward-looking information. The determination of the forward-looking economic scenarios and incorporation of forward-looking information into ECL measurement requires management to exercise judgement based on its assessment of current macroeconomic conditions.

(1) Expected credit losses for non-credit-impaired financial instruments

- As of 31st December, 2025, the forward-looking scenarios used in the ECL model have been updated from those as of 31st December, 2024 which reflects the latest available macroeconomic view.
- Stages 1 and 2 ECL are modelled based on a central baseline forecast with its upper and lower bound to represent forecasting ranges. However, the central forecast with its upper/lower range may not factor in significant emerging risks and macroeconomic events that are expected but uncertain in terms of impact and timing. Such events have the potential to trigger a recession but are not adequately captured in existing forecasts. Therefore, the Group added an additional scenario in the computation of ECL.

(2) Expected credit losses for credit-impaired financial instruments

In respect of credit-impaired exposures, management judgement and estimation are applied in, amongst others, identifying impaired exposures, estimating the related recoverable cash flows and where applicable, determining collateral values and timing of realisation. Judgements and assumptions in respect of these matters have been updated to reflect the relevant information as of 31st December, 2025.

The Group's expected credit losses is disclosed in Note 14.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Critical accounting judgements in applying the Group's accounting policies *(Continued)*

(ii) Fair Value Measurement

Certain of the Group's financial assets and liabilities include significant unobservable inputs (i.e. level 3). See Note 37 for information about the carrying value, valuation techniques and significant inputs of these instruments.

(iii) Impairment of goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to region of operation and reportable segments. The recoverable amount of the CGU is determined based on value in use calculation, using cash flow projections and various assumptions. See Note 21 for information about the carrying value, value in use calculations and assumptions.

4. CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA which are effective for the financial year beginning on 1st January, 2025 to these consolidated financial statements for the current accounting period:

- Lack of Exchangeability – Amendments to HKAS 21

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements

5. OPERATING PROFIT

(a) Interest income

	2025	2024
Interest income calculated using the effective interest method:		
– Financial assets not measured at fair value through profit or loss	12,826	14,237
Other interest income:		
– Trading assets	2,802	2,680
	15,628	16,917
of which:		
– Interest income from placements with and advances to banks	1,218	1,265
– Interest income from advances to customers and trade bills	7,285	9,122
– Interest income from other interest-earning assets	4,323	3,850

(b) Interest expense

	2025	2024
Interest expense arising from:		
– Financial liabilities not measured at fair value through profit or loss	6,711	8,262
– Trading liabilities	2,701	2,441
	9,412	10,703
of which:		
– Interest expense for certificates of deposit issued	13	73
– Interest expense for fixed rate notes issued (note 31(a))	98	124
– Interest expense for deposits from customers	6,266	7,621
– Interest expense for deposits and balances of banks	326	441
– Interest expense for lease liabilities (note 31(a))	8	3

5. OPERATING PROFIT *(Continued)*

(c) Net fee and commission income

	2025	2024 (restated)
Credit commission and fees	133	122
Credit card related fees	122	117
Trade related fees	76	63
Insurance commission	385	226
Stockbroking fees	108	77
Wealth management fees	122	94
Remittance service fees (note (i))	252	226
Fee income from ultimate holding company (note 33(a)(i))	472	406
Other fees and commission income (note (i))	247	266
	<hr/>	<hr/>
Fee and commission income	1,917	1,597
Less: Fee and commission expense	(126)	(135)
	<hr/>	<hr/>
	1,791	1,462

of which:

Net fee and commission, other than amounts included in determining the effective interest rate, arising from financial instruments that are not held for trading nor designated at fair value through profit or loss

– Fee and commission income	218	195
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Note (i): The remittance service fees amounted to HK\$226 million for the year ended 31st December, 2024 has been reclassified from other fees and commission income.

(d) Dividends

	2025	2024
Dividend income from financial assets measured at fair value through other comprehensive income		
– Unlisted financial assets	29	32

Notes to the Consolidated Financial Statements

5. OPERATING PROFIT *(Continued)*

(e) *Rental income*

	2025	2024
Rental income from investment properties less direct expenses of HK\$1.2 million (2024: HK\$0.8 million)	9	4

(f) *Other income*

	2025	2024
Foreign exchange	506	536
Hedging activities		
– Fair value hedges (note 30(c))		
– Hedged items	198	12
– Hedging instruments	(200)	(20)
Interest rate and other derivatives	35	168
Trading securities	59	149
Others	4	1
Net trading income	602	846
Gains transferred from investment revaluation reserve upon disposal	91	83
Disposal of financial assets measured at fair value through other comprehensive income	11	71
Gains on disposal of financial assets measured at fair value through other comprehensive income (note 31(a))	102	154
Gains/(losses) on disposal of debt securities measured at amortised cost (note 31(a))	1	(4)
Gains on disposal of investment in associated companies (note 31(a))	274	–
Revaluation of investment properties (notes 20 & 31(a))	(34)	(42)
Disposal of fixed assets (note 31(a))	(1)	–
Other income from ultimate holding company	57	362
Others	33	33
	1,034	1,349

5. OPERATING PROFIT *(Continued)*

(g) Operating expenses

	2025	2024
Staff costs		
Salaries and other staff costs	2,884	3,110
Retirement benefit costs (note 36(a))	212	231
Share-based payment expenses	47	39
	3,143	3,380
Premises and equipment expenses, excluding depreciation	884	759
Depreciation (notes 20 & 31(a))		
– Owned property, plant and equipment	262	233
– Right-of-use assets	69	53
	331	286
Other expenses		
Auditor's remuneration		
Audit services	20	15
Other services	1	1
Others	514	473
	535	489
	4,893	4,914

Notes to the Consolidated Financial Statements

6. TAXATION

(a) *Taxation in the consolidated statement of profit or loss represents:*

	2025	2024
Current tax – Provision for Hong Kong profits tax		
Provision for the year	412	438
Under/(over)-provision in respect of prior years	16	(2)
	428	436
Current tax – Provision for tax outside Hong Kong		
Provision for the year	128	264
Over-provision in respect of prior years	(51)	(3)
	77	261
Deferred taxation		
Origination and reversal of temporary differences	(63)	(422)
	442	275

The provision for Hong Kong profits tax for 2025 is calculated at 16.5% (2024: 16.5%) of the Group's estimated assessable profits for the year. The provision for taxation outside Hong Kong is provided at the appropriate current rates of taxation ruling in the regions in which the relevant units of the Group operate.

Organisation for Economic Co-operation and Development (“OECD”) Pillar Two Model Rules

The Group is part of Oversea-Chinese Banking Corporation Limited and its group companies (collectively the “OCBC Group”), a multinational enterprise group that is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. Hong Kong enacted the Pillar Two legislation and implemented the Hong Kong minimum top-up tax (“HKMTT”), which is intended to be a qualified domestic minimum top-up tax (“QDMTT”) and Income Inclusion Rule (“IIR”) effective from 1 January 2025.

The Group applies the HKAS 12 paragraph 4A exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has determined that it has either met the transitional country-by-country safe harbour or has effective tax rates exceeding 15%, except for Macau. As Macau has yet to implement the OECD Pillar Two model rules and the legal obligation to settle the IIR top-up tax is with the ultimate parent entity, the Group does not have any top-up tax exposure to Pillar Two legislation as at 31 December 2025.

6. TAXATION *(Continued)*

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	2025	2024
Profit before tax	3,120	1,737
Notional tax on profit before tax, calculated at the rates applicable to profits in the region concerned	563	348
Tax effect of non-deductible expenses	14	43
Tax effect of non-taxable revenue	(126)	(99)
Over-provision in respect of prior years	(36)	(5)
Others	27	(12)
Actual tax expense	442	275

(c) Current tax recoverable and payable

The components of current tax recoverable and payable in the consolidated statement of financial position are as follows:

	2025	2024
Current tax recoverable		
Provision for Hong Kong profits tax	341	549
Provisional profits tax paid	(385)	(613)
	(44)	(64)
Provision for tax outside Hong Kong	(13)	–
	(57)	(64)
Current tax payable		
Provision for Hong Kong profits tax	37	17
Provisional profits tax paid	(17)	(10)
	20	7
Provision for tax outside Hong Kong	13	175
	33	182

All current tax recoverable and payable are expected to be settled within one year.

Notes to the Consolidated Financial Statements

6. TAXATION (Continued)

(d) **Deferred tax assets and liabilities recognised**

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	2025							
	Depreciation allowances in excess of related depreciation	Revaluation of properties	Revaluation of financial assets measured at fair value through other comprehensive income	Revaluation of cash flow hedges	Expected credit losses	Tax Loss	Others	Total
At 1st January	188	379	139	6	(490)	(101)	(213)	(92)
(Credited)/charged to consolidated statement of profit or loss	(15)	-	-	-	(109)	8	53	(63)
Credited to unappropriated profits	-	(31)	-	-	-	-	-	(31)
Credited to reserves	-	(39)	(5)	-	-	-	-	(44)
Exchange adjustments	-	-	-	-	(1)	-	(5)	(6)
At 31st December	173	309	134	6	(600)	(93)	(165)	(236)
	2024							
	Depreciation allowances in excess of related depreciation	Revaluation of properties	Revaluation of financial assets measured at fair value through other comprehensive income	Revaluation of cash flow hedges	Expected credit losses	Tax Loss	Others	Total
At 1st January	180	473	76	18	(159)	(53)	(169)	366
Charged/(credited) to consolidated statement of profit or loss	8	-	-	-	(332)	(48)	(50)	(422)
Credited to unappropriated profits	-	(2)	-	-	-	-	-	(2)
(Credit)/charged to reserves	-	(92)	63	(12)	-	-	-	(41)
Exchange adjustments	-	-	-	-	1	-	6	7
At 31st December	188	379	139	6	(490)	(101)	(213)	(92)
					2025			2024
Net deferred tax assets recognised in the consolidated statement of financial position					(377)			(233)
Net deferred tax liabilities recognised in the consolidated statement of financial position					141			141
					(236)			(92)

7. PROFIT ATTRIBUTABLE TO THE SHAREHOLDER OF THE BANK

The profit attributable to the shareholder of the Bank includes an amount of HK\$2,043 million (2024: HK\$809 million (restated)) which has been dealt with in the financial statements of the Bank.

Details of dividends paid and payable to equity shareholder of the Bank are set out in note 8.

8. DIVIDENDS

(a) Dividends attributable to the year

The Bank declared and paid interim dividend of HK\$819 million for the year ended 31st December, 2025 (2024: HK\$536 million). The final dividend of HK\$922 million (2024: HK\$415 million) was recommended by the Board on 26th March, 2026 and it is subject to shareholder approval at the Bank's 2026 Annual General Meeting. The dividend has not been recognised as a liability at the end of the reporting period.

(b) Dividends attributable to the previous year, approved and paid during the year

Final dividend of HK\$415 million in respect of the previous financial year was approved and paid during the year (2024: HK\$1,464 million).

9. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

	2025	2024
Directors' fee	7	7
Salaries, allowances and benefits in kind*	7	6
Pension contributions	1	1
Performance bonuses	6	6
Share-based payments	1	1
	22	21

* Note: The non-cash benefits to directors mainly include housing allowances.

10. CASH AND BALANCES WITH BANKS AND CENTRAL BANKS

	2025	2024
Cash balances	784	838
Balances with central banks	11,795	8,320
Balances with banks	3,216	1,330
Expected credit losses (Stage 1) (note 14)	(1)	–
	15,794	10,488

Notes to the Consolidated Financial Statements

11. PLACEMENTS WITH BANKS, CENTRAL BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025	2024
Remaining maturity		
– Within 1 month	1,320	6,276
– Over 1 month but within 1 year	2,700	350
Expected credit losses (Stage 1) (note 14)	–	(1)
	4,020	6,625

12. TRADING ASSETS

	2025	2024
Trading debt securities:		
Listed outside Hong Kong	1,624	1,379
Unlisted	2	–
Derivative financial instruments held for trading (note 30(a)(i))	8,361	20,593
	9,987	21,972

Trading debt securities include:		
Treasury bills	56	930
Other trading debt securities	1,570	449
	1,626	1,379

Trading debt securities analysed by counterparty are as follows:

	2025	2024
Issued by:		
Sovereigns	56	930
Banks	1,345	385
Corporates	225	64
	1,626	1,379

13. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

(a) *Advances to customers and other accounts*

	2025	2024
Gross advances to customers (note 13(b))	213,855	198,601
Expected credit losses (Stages 1 and 2) (note 14(b))	(1,634)	(1,553)
Expected credit losses (Stage 3) (note 14(b))	(2,526)	(1,628)
Net advances to customers	209,695	195,420
Gross trade bills	1,181	1,048
Expected credit losses (Stage 1) (note 14(b))	(2)	(1)
Net trade bills	1,179	1,047
Advances to banks	54	450
Customer liability under acceptances	213	574
Interest receivables	1,495	1,415
Derivative financial instruments held for hedging (note 30(a)(ii))	389	1,121
Other accounts	3,532	3,268
	216,557	203,295

Notes to the Consolidated Financial Statements

13. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS *(Continued)*

(b) *Advances to customers analysed by industry sectors*

The information concerning advances to customers by industry sectors is prepared by classifying the advances according to the usage of the advances and is stated gross of any expected credit losses.

	2025			2024		
	Gross advances to customers	% of gross advances covered by collateral	Impaired advances to customers	Gross advances to customers	% of gross advances covered by collateral	Impaired advances to customers
Advances for use in Hong Kong						
Industrial, commercial and financial						
– Property development	10,225	52.5	1,401	9,366	70.4	2,064
– Property investment	32,636	83.2	2,608	31,162	96.2	1,520
– Financial concerns	13,145	11.0	50	16,693	29.5	54
– Stockbrokers	1,447	42.4	–	81	71.6	–
– Wholesale and retail trade	2,086	65.6	68	4,728	36.9	78
– Manufacturing	2,654	37.6	10	2,942	45.6	18
– Transport and transport equipment	3,739	77.6	16	4,379	80.9	20
– Information technology	2,250	1.3	–	617	7.5	–
– Share financing	76	77.6	–	94	97.9	–
– Recreational activities	14	64.3	–	5	80.0	–
– Others	7,832	55.8	976	10,741	59.2	1,238
Individuals						
– Advances for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	385	100.0	2	462	100.0	–
– Advances for the purchase of other residential properties	31,144	100.0	163	31,419	100.0	175
– Credit card advances	119	0.0	1	127	0.0	1
– Others	7,335	77.4	327	7,231	76.8	352
	115,087	70.8	5,622	120,047	76.7	5,520
Trade finance	9,168	27.6	32	6,538	49.4	34
Advances for use outside Hong Kong						
– Mainland China	54,775	41.6	733	46,536	45.8	163
– Macau	17,740	69.2	616	16,832	78.7	81
– Others	17,085	39.2	–	8,648	83.0	–
	89,600	46.6	1,349	72,016	58.0	244
	213,855	58.8	7,003	198,601	69.0	5,798

13. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS *(Continued)*

(c) Impaired advances to customers

The gross impaired advances to customers, value of collateral held with respect to such advances and expected credit losses (Stage 3) are as follows:

	2025	2024
Gross impaired advances to customers	7,003	5,798
Gross impaired advances to customers as a percentage of total advances to customers	3.27%	2.92%
Value of collateral used in determining the allowance for impaired advances to customers	5,299	4,695
Expected credit losses (Stage 3)	2,526	1,628

Impaired advances to customers are individually assessed loans with objective evidence of impairment on an individual basis. Individually assessed expected credit losses (Stage 3) were made after taking into account the net present value of future recoverable amounts in respect of such loans and advances, and the collateral held mainly comprised properties and vehicles.

There are no impaired advances to banks nor expected credit loss (Stage 3) made on advances to banks at 31st December, 2025 and 2024.

Notes to the Consolidated Financial Statements

13. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS *(Continued)*

(d) **Net investments in finance leases and hire purchase contracts**

Advances to customers include net investment in equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The total minimum lease payments receivable under finance leases and hire purchase contracts, and their present values are as follows:

	2025		2024	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
Amount receivable:				
Within 1 year	2,099	2,276	2,249	2,451
After 1 year but within 5 years	2,892	3,036	3,286	3,460
After 5 years	–	–	1	1
	4,991	5,312	5,536	5,912
Unearned future income on finance lease	–	(321)	–	(376)
	4,991	4,991	5,536	5,536
Expected credit losses (Stage 3)	(5)		(7)	
Expected credit losses (Stages 1 and 2)	(11)		(11)	
Net investment in finance leases and hire purchase contracts	4,975		5,518	

(e) **Repossessed assets**

Repossessed assets obtained are intended to be realised in an orderly fashion to repay the impaired advances to customers and are not held for the own use of the Group.

At 31st December, 2025, repossessed assets obtained as securities for impaired advances to customers totalled HK\$614 million (2024: HK\$157 million) for the Group.

14. EXPECTED CREDIT LOSSES

(a) Reconciliation of expected credit losses

	2025			Total
	Stage 1	Stage 2	Stage 3	
At 1st January	847	1,157	1,628	3,632
Transfers of financial instruments				
– Transfers from Stage 1 to Stage 2	(180)	180	–	–
– Transfers from Stage 2 to Stage 1	414	(414)	–	–
– Transfers to Stage 3	(2)	(417)	419	–
– Transfers from Stage 3	3	1	(4)	–
Changes in PDs/LGDs/EADs/ forward-looking assumptions	(589)	583	694	688
New financial assets originated, repayments and further lending	491	31	(76)	446
Amounts written off	–	–	(56)	(56)
Recoveries of advances written off in prior years	–	–	73	73
Unwind of discount of expected credit losses	–	–	(155)	(155)
Exchange adjustments	21	6	3	30
At 31st December	1,005	1,127	2,526	4,658
Representing expected credit losses for:				
Balances and placement with banks (notes 10 and 11)	1	–	–	1
Advances to customers (note 13(a))	592	1,042	2,526	4,160
Trade bills (note 13(a))	2	–	–	2
Contingent liabilities and commitments to extend credit (note 26)	373	84	–	457
Financial assets measured at fair value through other comprehensive income	37	1	–	38
	1,005	1,127	2,526	4,658

Notes to the Consolidated Financial Statements

14. EXPECTED CREDIT LOSSES *(Continued)*

(a) *Reconciliation of expected credit losses (Continued)*

	2024			
	Stage 1	Stage 2	Stage 3	Total
At 1st January	686	585	203	1,474
Transfers of financial instruments				
– Transfers from Stage 1 to Stage 2	(170)	170	–	–
– Transfers from Stage 2 to Stage 1	225	(225)	–	–
– Transfers to Stage 3	–	(215)	215	–
– Transfers from Stage 3	1	5	(6)	–
Changes in PDs/LGDs/EADs/ forward-looking assumptions	(168)	923	1,098	1,853
New financial assets originated, repayments and further lending	287	(82)	345	550
Amounts written off	–	–	(244)	(244)
Recoveries of advances written off in prior years	–	–	31	31
Unwind of discount of expected credit losses	–	–	(12)	(12)
Exchange adjustments	(14)	(4)	(2)	(20)
At 31st December	847	1,157	1,628	3,632
Representing expected credit losses for:				
Balances and placement with banks (notes 10 and 11)	1	–	–	1
Advances to customers (note 13(a))	492	1,061	1,628	3,181
Trade bills (note 13(a))	1	–	–	1
Contingent liabilities and commitments to extend credit (note 26)	328	94	–	422
Financial assets measured at fair value through other comprehensive income	25	2	–	27
	847	1,157	1,628	3,632

14. EXPECTED CREDIT LOSSES *(Continued)*

(b) Expected credit losses on financial assets

The following tables set out information on the credit quality of financial assets, and loan commitments and financial guarantee contracts.

	2025			Total
	Stage 1	Stage 2	Stage 3	
Cash and balances with banks and central banks (note 10)				
Pass	15,795	–	–	15,795
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	15,794	–	–	15,794
Placements with banks, central banks and other financial institutions (note 11)				
Pass	4,020	–	–	4,020
Advances to customers (note 13(a))				
Pass	170,370	31,659	–	202,029
Special mention	–	4,823	–	4,823
Substandard	–	–	861	861
Doubtful	–	–	6,122	6,122
Loss	–	–	20	20
Less: Expected credit losses	(592)	(1,042)	(2,526)	(4,160)
Carrying amount	169,778	35,440	4,477	209,695
Trade bills (note 13(a))				
Pass	1,181	–	–	1,181
Less: Expected credit losses	(2)	–	–	(2)
Carrying amount	1,179	–	–	1,179
Advances to banks (note 13(a))				
Pass	54	–	–	54

Notes to the Consolidated Financial Statements

14. EXPECTED CREDIT LOSSES *(Continued)*

(b) Expected credit losses on financial assets (Continued)

	2025			Total
	Stage 1	Stage 2	Stage 3	
Debt securities measured at amortised cost (note 16)				
Pass	12,791	–	–	12,791
Financial assets measured at fair value through other comprehensive income (note 15)				
Pass	113,074	886	–	113,960
Expected credit losses	(37)	(1)	–	(38)

For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed:

Contingent liabilities and commitments to extend credit (note 29(a))				
Pass	82,528	6,353	–	88,881
Substandard	–	–	1	1
Expected credit losses (note 26)	(373)	(84)	–	(457)

14. EXPECTED CREDIT LOSSES *(Continued)*

(b) Expected credit losses on financial assets *(Continued)*

	2024			
	Stage 1	Stage 2	Stage 3	Total
Cash and balances with banks and central banks (note 10)				
Pass	10,458	30	–	10,488
Placements with banks, central banks and other financial institutions (note 11)				
Pass	6,626	–	–	6,626
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	6,625	–	–	6,625
Advances to customers (note 13(a))				
Pass	147,550	38,505	–	186,055
Special mention	–	6,748	–	6,748
Substandard	–	–	871	871
Doubtful	–	–	4,893	4,893
Loss	–	–	34	34
Less: Expected credit losses	(492)	(1,061)	(1,628)	(3,181)
Carrying amount	147,058	44,192	4,170	195,420
Trade bills (note 13(a))				
Pass	1,048	–	–	1,048
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	1,047	–	–	1,047
Advances to banks (note 13(a))				
Pass	450	–	–	450

Notes to the Consolidated Financial Statements

14. EXPECTED CREDIT LOSSES *(Continued)*

(b) Expected credit losses on financial assets (Continued)

	2024			
	Stage 1	Stage 2	Stage 3	Total
Debt securities measured at amortised cost (note 16)				
Pass	9,776	–	–	9,776
Financial assets measured at fair value through other comprehensive income (note 15)				
Pass	88,755	1,149	–	89,904
Expected credit losses	(25)	(2)	–	(27)
For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed:				
Contingent liabilities and commitments to extend credit (note 29(a))				
Pass	65,828	5,769	–	71,597
Expected credit losses (note 26)	(328)	(94)	–	(422)

15. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
Debt securities:		
Listed in Hong Kong	8,231	8,576
Listed outside Hong Kong	61,624	58,213
	69,855	66,789
Unlisted	44,105	23,115
	113,960	89,904
Equity securities:		
Unlisted	1,682	1,654
	115,642	91,558
Debt securities include:		
Treasury bills	31,086	23,191
Certificates of deposit held	35,232	22,134
Other debt securities	47,642	44,579
	113,960	89,904

Financial assets measured at fair value through other comprehensive income analysed by counterparty are as follows:

	2025	2024
Issued by:		
Sovereigns	31,086	23,191
Public sector entities	2,758	891
Banks	65,946	52,137
Corporates	15,852	15,339
	115,642	91,558

Notes to the Consolidated Financial Statements

16. DEBT SECURITIES MEASURED AT AMORTISED COST

	2025	2024
Debt securities:		
Listed in Hong Kong	391	–
Listed outside Hong Kong	7,841	5,615
	8,232	5,615
Unlisted	4,559	4,161
	12,791	9,776
Debt securities include:		
Treasury bills	12,791	9,776
Debt securities measured at amortised cost analysed by counterparty are as follows:		
	2025	2024
Issued by:		
Sovereigns	12,791	9,776

17. INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of principal subsidiaries:

Name of company	Place of incorporation and operation	Nominal value of issued ordinary shares	Group's effective interest	Principal activities
OCBC Bank (Macau) Limited	Macau	MOP360,000,000	100%	Banking
OCBC Bank Limited	People's Republic of China	RMB5,467,000,000	100%	Banking
OCBC Finance Company (Hong Kong) Limited	Hong Kong	HK\$130,000,000	100%	Hire Purchase
OCBC Insurance Brokers (Hong Kong) Limited	Hong Kong	HK\$500,000	100%	Insurance Broker
OCBC Securities Brokerage (Hong Kong) Limited	Hong Kong	HK\$10,000,000	100%	Securities Dealing
Cheuk Woo Enterprises Company Limited	Hong Kong	HK\$10,000	100%	Property Investment

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or form a substantial portion of the net assets of the Group.

Notes to the Consolidated Financial Statements

18. ASSETS HELD FOR SALE

	2025	2024
Assets held for sale		
– Fixed assets (note (i))	8	–
– Investments in associated companies	–	315
	8	315

Note (i): In January, 2026, the Group completed the sale of its bank premise located at Macau for a cash consideration of HK\$27 million. The carrying amount of the premise at the reporting date was HK\$8 million. The transaction is expected to result in a gain of approximately HK\$19 million.

19. INVESTMENTS IN ASSOCIATED COMPANIES

	2025	2024
Share of net assets	264	243

The following list contains the particulars of the material associated company:

Name of company	Note	Form of business structure	Place of incorporation and operation	Nominal value of issued ordinary shares	Group's effective interest	Voting power	Principal activities
Bank Consortium Holding Limited	(i)	Incorporated	Hong Kong	HK\$150,000,000	27%	2 out of 7*	Services for Retirement Schemes

* Representing the Group's number of votes on the board of directors of the respective associated companies.

Note (i): Bank Consortium Holding Limited, a major provider of retirement plans and pension fund services in Hong Kong, enables the Group to enhance its Mandatory Provident Fund services.

All of the associated companies are accounted for using the equity method in the consolidated financial statements.

In respect of the year ended 31st December, 2025, the share of the result of Bank Consortium Holding Limited was included in these financial statements based on accounts drawn up to 30th November, 2025. The Group has taken advantage of the provision contained in HKAS 28, *Investments in Associates*, whereby it is permitted to include the attributable share of associates' results based on accounts drawn up to a non-coterminous period and where the difference is not greater than three months.

19. INVESTMENTS IN ASSOCIATED COMPANIES *(Continued)*

Summarised financial information of the material associated company, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, is disclosed below:

	Bank Consortium Holding Limited	
	2025	2024
Gross amounts of the associated company		
Assets	1,519	1,378
Liabilities	250	175
Net assets	1,269	1,203
Total operating income	821	926
Profit after tax	253	228
Total comprehensive income	253	228
Dividends received from the associated company	48	50
Reconciled to the Group's interests in the associated company		
Gross amounts of net assets of the associated company	1,269	1,203
Group's effective interest	27%	27%
Group's share of net assets of the associated company	339	321
Dividends received from the associated company	(48)	(50)
Elimination of unrealised gain on transfer of bank premises to the associated company	(38)	(38)
Carrying amount in the consolidated financial statements	253	233

Notes to the Consolidated Financial Statements

19. INVESTMENTS IN ASSOCIATED COMPANIES *(Continued)*

Information of an associated company that is not individually material:

	Joint Electronic Teller Services Limited	
	2025	2024
Carrying amount of individually immaterial associated company in the consolidated financial statements	11	10
Amounts of the Group's share of net assets of the associated company	11	10
Total operating income	145	127
Profit after tax	35	29
Total comprehensive income	35	29
Reconciliation of carrying amounts to the Group's total interests in the associated companies:		
Carrying amount of the associated companies		
– Bank Consortium Holding Limited	253	233
– Joint Electronic Teller Services Limited	11	10
Investments in associated companies in the consolidated financial statements	264	243

20. FIXED ASSETS

	2025								
	Investment properties	Bank premises	Right of use assets – Bank premises	Total Bank premises	Equipment and others (note (i))	Right of use assets – Equipment	Total equipment	Bank premises and equipment	Total
Cost or valuation									
At 1st January	319	4,259	260	4,519	2,133	5	2,138	6,657	6,976
Additions	-	-	196	196	283	3	286	482	482
Disposals	-	(48)	-	(48)	(72)	-	(72)	(120)	(120)
Transfer from bank premises to assets held for sale (note (ii))	-	(13)	-	(13)	-	-	-	(13)	(13)
Transfer from bank premises to investment properties	89	(89)	-	(89)	-	-	-	(89)	-
Deficit on revaluation									
- Charged to bank premises revaluation reserve	-	(296)	-	(296)	-	-	-	(296)	(296)
- Charged to consolidated statement of profit or loss (note 5(f))	(34)	-	-	-	-	-	-	-	(34)
Elimination of accumulated depreciation on revalued bank premises	-	(72)	-	(72)	-	-	-	(72)	(72)
Termination of lease	-	-	(55)	(55)	-	(1)	(1)	(56)	(56)
Exchange adjustment	-	2	2	4	-	-	-	4	4
At 31st December	374	3,743	403	4,146	2,344	7	2,351	6,497	6,871
The analysis of cost or valuation of the above assets is as follows:									
At cost	-	1,134	403	1,537	2,344	7	2,351	3,888	3,888
At valuation 2025 (note 20(a))	374	2,609	-	2,609	-	-	-	2,609	2,983
At 31st December	374	3,743	403	4,146	2,344	7	2,351	6,497	6,871
Accumulated depreciation									
At 1st January	-	355	63	418	1,484	2	1,486	1,904	1,904
Charge for the period (note 5(g))	-	77	68	145	185	1	186	331	331
Written back on disposals	-	-	-	-	(71)	-	(71)	(71)	(71)
Reclassification to assets held for sale (note (ii))	-	(5)	-	(5)	-	-	-	(5)	(5)
Elimination of accumulated depreciation on revalued bank premises	-	(72)	-	(72)	-	-	-	(72)	(72)
Termination of lease	-	-	(54)	(54)	-	-	-	(54)	(54)
Exchange adjustment	-	2	2	4	-	-	-	4	4
At 31st December	-	357	79	436	1,598	3	1,601	2,037	2,037
Net book value									
At 31st December	374	3,386	324	3,710	746	4	750	4,460	4,834

Note (i): Includes computer software of HK\$355 million (2024: HK\$242 million). The cost and accumulated depreciation are HK\$926 million (2024: HK\$707 million) and HK\$571 million (2024: HK\$465 million) respectively.

Note (ii): In October 2025, the Bank entered into a sale and purchase agreement to sell a property. Accordingly, the net carrying value of the property was reported as assets held for sale (note 18). Subsequently, the sale transaction was completed in January 2026.

Notes to the Consolidated Financial Statements

20. FIXED ASSETS (Continued)

	2024								
	Investment properties	Bank premises	Right of use assets – Bank premises	Total Bank premises	Equipment and others	Right of use assets – Equipment	Total equipment	Bank premises and equipment	Total
Cost or valuation									
At 1st January	216	4,775	344	5,119	1,940	5	1,945	7,064	7,280
Additions	-	-	190	190	296	2	298	488	488
Disposals	-	-	-	-	(103)	-	(103)	(103)	(103)
Transfer from bank premises to investment properties	145	(145)	-	(145)	-	-	-	(145)	-
Deficit on revaluation									
- Charged to bank premises revaluation reserve	-	(281)	-	(281)	-	-	-	(281)	(281)
- Charged to consolidated statement of profit or loss (note 5(f))	(42)	-	-	-	-	-	-	-	(42)
Elimination of accumulated depreciation on revalued bank premises	-	(86)	-	(86)	-	-	-	(86)	(86)
Termination of lease	-	-	(272)	(272)	-	(2)	(2)	(274)	(274)
Exchange adjustment	-	(4)	(2)	(6)	-	-	-	(6)	(6)
At 31st December	319	4,259	260	4,519	2,133	5	2,138	6,657	6,976
The analysis of cost or valuation of the above assets is as follows:									
At cost	-	1,168	260	1,428	2,133	5	2,138	3,566	3,566
At valuation 2024 (note 20(a))	319	3,091	-	3,091	-	-	-	3,091	3,410
	319	4,259	260	4,519	2,133	5	2,138	6,657	6,976
Accumulated depreciation									
At 1st January	-	360	283	643	1,430	2	1,432	2,075	2,075
Charge for the period (note 5(g))	-	85	52	137	148	1	149	286	286
Written back on disposals	-	-	-	-	(93)	-	(93)	(93)	(93)
Elimination of accumulated depreciation on revalued bank premises	-	(86)	-	(86)	-	-	-	(86)	(86)
Termination of lease	-	-	(271)	(271)	-	(1)	(1)	(272)	(272)
Exchange adjustment	-	(4)	(1)	(5)	(1)	-	(1)	(6)	(6)
At 31st December	-	355	63	418	1,484	2	1,486	1,904	1,904
Net book value									
At 31st December	319	3,904	197	4,101	649	3	652	4,753	5,072

20. FIXED ASSETS (Continued)

(a) Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The fair value levelling is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data is not available.
- Level 3: Fair value measured using significant unobservable inputs.

	2025
	Level 3
Recurring fair value measurements	
Investment properties	374
Bank premises held for administrative use	2,609
	2,983

	2024
	Level 3
Recurring fair value measurements	
Investment properties	319
Bank premises held for administrative use	3,091
	3,410

The fair value levelling of all of the Group's properties is level 3. There was no transfer between levels of fair value hierarchy during the year.

All of the Group's investment properties and bank premises held for administrative use were revalued by independent firms of surveyors. RHL Appraisal Limited has staff who are Fellows of the Hong Kong Institute of Surveyors. Savills Real Estate Valuation (Guangzhou) Ltd. is registered with the Royal Institution of Chartered Surveyors. Both firms have recent experience in the location and category of the properties being valued.

Notes to the Consolidated Financial Statements

20. FIXED ASSETS *(Continued)*

(a) **Fair value measurement of properties** *(Continued)*

(ii) **Information about Level 3 fair value measurements**

	Valuation techniques	Unobservable inputs	Ranges
Investment properties and bank premises held for administrative use	Direct comparison approach	Premium (discount) on quality of the properties	-60% to 40% (2024: -45% to 35%)

The fair value of investment properties and bank premises are determined using the direct comparison approach with reference to recent sales prices of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's properties. The valuations take into account characteristics of the properties including the location, size, view, floor level, year of completion and other factors collectively. Higher premiums for higher quality properties will result in a higher fair value measurement.

The movements in the balance during the period of these Level 3 fair value measurements are as follows:

	2025		2024	
	Investment properties	Bank premises	Investment properties	Bank premises
Cost or valuation				
At 1st January	319	3,091	216	3,570
Disposals	–	(48)	–	–
Transfer from bank premises to investment properties	89	(25)	145	(7)
Depreciation charge for the year	–	(59)	–	(68)
Deficit on revaluation				
– Charged to bank premises revaluation reserve	–	(350)	–	(404)
– Charged to consolidated statement of profit or loss	(34)	–	(42)	–
At 31st December	374	2,609	319	3,091

20. FIXED ASSETS *(Continued)*

(a) **Fair value measurement of properties** *(Continued)*

(ii) **Information about Level 3 fair value measurements** *(Continued)*

Fair value movement of investment properties is recognised as “Other income” in the consolidated statement of profit or loss.

Deficit on revaluation of bank premises is recognised in OCI as “Bank premises revaluation reserve”.

All the losses recognised in the consolidated statement of profit or loss for the year arose from the properties held at the end of the reporting period.

(iii) The deficit on revaluation of bank premises held for administrative use net of deferred tax of HK\$257 million (2024: HK\$189 million) have been recognised in OCI and accumulated in the bank premises revaluation reserve of the Group.

(iv) The carrying amount of the Group’s bank premises held for administrative use would have been HK\$583 million (2024: HK\$615 million) had they been stated at cost less accumulated depreciation.

(b) **The net book value of investment properties and bank premises is as follows:**

	2025	2024
Freehold		
– Held outside Hong Kong	151	167
Leasehold		
– Held in Hong Kong		
Long-term leases (over 50 years unexpired)	1,853	2,149
Medium-term leases (10 to 50 years unexpired)	1,422	1,496
– Held outside Hong Kong		
Medium-term leases (10 to 50 years unexpired)	121	166
Short-term leases (less than 10 years unexpired)	213	245
	3,760	4,223

(c) **Fixed assets leased out under operating leases**

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years. None of the leases includes contingent rentals.

All properties held under operating leases meeting the definition of investment property are classified as investment properties.

Notes to the Consolidated Financial Statements

20. FIXED ASSETS *(Continued)*

(c) **Fixed assets leased out under operating leases** *(Continued)*

The Group's total future minimum lease payments of all fixed assets under non-cancellable operating leases are receivables as follows:

	2025	2024
Within 1 year	8	6
After 1 year but within 5 years	7	7
	15	13

21. GOODWILL

(a) **Goodwill**

	2025	2024
Cost		
At 1st January/31st December	1,307	1,307
Accumulated impairment loss		
At 1st January/31st December	1	1
Net book value		
At 1st January/31st December	1,306	1,306

(b) **Impairment tests for cash-generating units containing goodwill**

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to region of operation and reportable segment as follows:

	2025	2024
Hong Kong:		
Consumer Banking business acquired	577	577
Wholesale Banking business acquired	676	676
Global Markets business acquired	53	53
	1,306	1,306

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimate growth rate beyond initial cash flows projection of 2.50% (2024: 2.50%). The cash flows are discounted using discount rate of 10% (2024: 11%). The discount rates used are post-tax and reflect specific risks relating to the relevant segments.

22. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	2025		2024	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
Within 1 year	61	70	48	53
After 1 year but within 2 years	48	55	35	39
After 2 years but within 5 years	136	149	87	94
After 5 years	78	81	20	21
	262	285	142	154
	323	355	190	207
Less: total future interest expenses		(32)		(17)
Present value of lease liabilities		323		190

The Group leases various offices and equipment. Rental contracts are typically made for fixed periods of 6 months to 6 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension and termination options:

Extension and termination options are included in a number of fixed assets leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Notes to the Consolidated Financial Statements

23. DEPOSITS FROM CUSTOMERS

	2025	2024
Demand deposits and current accounts	97,108	92,391
Savings deposits	19,881	18,913
Time, call and notice deposits	206,744	185,387
	323,733	296,691

The above deposits from customers included deposits from central banks.

24. CERTIFICATES OF DEPOSIT AND FIXED RATE NOTES ISSUED

	2025	2024
Certificates of deposit issued at amortised cost	1,778	265
Fixed rate notes issued at amortised cost	3,242	3,341
	5,020	3,606

25. TRADING LIABILITIES

Trading liabilities represent negative fair values of derivative financial instruments held for trading. Details are set out in note 30(a).

26. OTHER ACCOUNTS AND PROVISIONS

	2025	2024
Acceptances outstanding	213	574
Interest payable	1,543	1,671
Derivative financial instruments held for hedging (note 30(a)(ii))	427	58
Other payables	3,750	4,004
Expected credit losses (Stages 1 and 2) on contingent liabilities and commitments to extend credit (note 14)	457	422
	6,390	6,729

27. MATURITY PROFILE

The following maturity profiles of the assets and liabilities of the Group are based on the remaining periods to repayment at the reporting date.

	Repayable on demand	Within 1 month	2025				Over 5 years	Undated	Total
			Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 1 year but within 5 years			
Assets									
Cash and balances with banks and central banks	12,684	25	62	16	-	-	3,007	15,794	
Placements with banks, central banks and other financial institutions	-	1,320	1,150	1,550	-	-	-	4,020	
Amounts due from ultimate holding company and fellow subsidiaries	267	7,919	3,767	8,365	3,976	232	-	24,526	
Trading assets	-	1,052	1,024	3,085	4,824	2	-	9,987	
Advances to customers	6,729	29,258	12,814	42,777	62,396	48,804	6,917	209,695	
Trade bills	-	79	930	170	-	-	-	1,179	
Advances to banks	-	21	22	11	-	-	-	54	
Financial assets measured at fair value through other comprehensive income	-	5,123	15,401	47,028	44,909	1,499	1,682	115,642	
Debt securities measured at amortised cost	-	799	1,766	1,801	8,425	-	-	12,791	
Other assets	31	2,410	867	955	555	611	7,046	12,475	
Total assets	19,711	48,006	37,803	105,758	125,085	51,148	18,652	406,163	
Liabilities									
Deposits and balances of banks	347	8,861	-	-	-	-	-	9,208	
Amounts due to ultimate holding company and fellow subsidiaries	-	3,857	19	1,714	374	-	-	5,964	
Deposits from customers	129,793	62,571	61,657	65,507	4,205	-	-	323,733	
Certificates of deposit and fixed rate notes issued	-	-	1,778	504	2,738	-	-	5,020	
Trading liabilities	-	1,088	1,121	2,786	3,476	2	-	8,473	
Lease liabilities	-	5	12	44	184	78	-	323	
Other liabilities	370	2,722	1,316	1,076	363	139	578	6,564	
Total liabilities	130,510	79,104	65,903	71,631	11,340	219	578	359,285	
Net assets/(liabilities) gap	(110,799)	(31,098)	(28,100)	34,127	113,745	50,929	18,074	46,878	

of which:

Certificates of deposit held									
- Included in financial assets measured at fair value through other comprehensive income	-	2,233	7,657	25,342	-	-	-	35,232	
Debt securities									
- Included in trading assets	-	-	-	325	1,300	1	-	1,626	
- Included in financial assets measured at fair value through other comprehensive income	-	2,890	7,744	21,685	44,909	1,499	-	78,727	
- Included in debt securities measured at amortised cost	-	799	1,766	1,801	8,425	-	-	12,791	

Notes to the Consolidated Financial Statements

27. MATURITY PROFILE (Continued)

	Repayable on demand	Within 1 month	2024 (restated)			Over 5 years	Undated	Total
			Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years			
Assets								
Cash and balances with banks and central banks (note (i))	7,676	1	3	206	-	-	2,602	10,488
Placements with banks, central banks and other financial institutions	902	5,373	350	-	-	-	-	6,625
Amounts due from ultimate holding company and fellow subsidiaries	-	8,589	5,860	6,931	16,954	1,391	-	39,725
Trading assets (note (i))	-	2,615	4,437	8,298	5,692	930	-	21,972
Advances to customers	1,333	32,455	15,613	35,826	57,745	46,405	6,043	195,420
Trade bills	-	187	729	131	-	-	-	1,047
Advances to banks	-	-	240	210	-	-	-	450
Financial assets measured at fair value through other comprehensive income	-	2,314	8,401	38,622	38,916	1,651	1,654	91,558
Debt securities measured at amortised cost	-	1,265	1,755	1,259	5,497	-	-	9,776
Other assets	97	3,764	771	959	563	60	7,397	13,611
Total assets	10,008	56,563	38,159	92,442	125,367	50,437	17,696	390,672
Liabilities								
Deposits and balances of banks	2,630	5,113	-	-	-	-	-	7,743
Amounts due to ultimate holding company and fellow subsidiaries	-	4,626	3,248	1,143	746	-	-	9,763
Deposits from customers	119,529	46,092	77,889	50,153	3,028	-	-	296,691
Certificates of deposit and fixed rate notes issued	-	-	265	1,260	2,081	-	-	3,606
Trading liabilities (note (i))	-	2,682	4,420	7,791	5,582	-	-	20,475
Lease liabilities	-	2	9	29	110	40	-	190
Other liabilities	-	3,748	1,594	796	244	7	663	7,052
Total liabilities	122,159	62,263	87,425	61,172	11,791	47	663	345,520
Net assets/(liabilities) gap	(112,151)	(5,700)	(49,266)	31,270	113,576	50,390	17,033	45,152

of which:

Certificates of deposit held								
- Included in financial assets measured at fair value through other comprehensive income	-	117	3,625	18,392	-	-	-	22,134
Debt securities								
- Included in trading assets	-	-	-	449	-	930	-	1,379
- Included in financial assets measured at fair value through other comprehensive income	-	2,197	4,776	20,230	38,916	1,651	-	67,770
- Included in debt securities measured at amortised cost	-	1,265	1,755	1,259	5,497	-	-	9,776

Note (i): The maturity classification of cash and balances with banks and central banks, trading assets and trading liabilities for the year ended 31st December, 2024 has been restated to reclassify from undated to the appropriate time intervals. The restatements have no impact on the consolidated statement of comprehensive income for the year ended 31st December, 2024 and the consolidated statement of financial position as at 31st December, 2024.

28. SHARE CAPITAL AND RESERVES

(a) *Share capital*

	2025		2024	
	No. of shares		No. of shares	
Issued and fully paid:				
At 1st January	353	7,308	353	7,308
At 31st December	353	7,308	353	7,308

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual net assets.

(b) *Perpetual capital securities issued*

	2025	2024
HK\$3,000 million perpetual non-cumulative subordinated Additional Tier 1 capital securities at amortised cost (2024: HK\$3,000 million)	3,000	3,000

On 12th December, 2018, the Bank issued non-cumulative subordinated Additional Tier 1 capital securities with a face value of HK\$1,500 million to its ultimate holding company, Oversea-Chinese Banking Corporation Limited. The securities are undated and the coupon rate was reset on 12th December, 2023 to 6.63% per annum for the first 5 years up to 12th December, 2028. The coupon will be reset on year 5 and every 5 years thereafter at the prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread. The securities will have optional call dates on every coupon distribution date thereafter, which are semi-annually on 12th June or 12th December in each year. The securities will be written down at the point of non-viability on the occurrence of a trigger event as defined in the Banking (Capital) Rules.

On 27th September, 2019, the Bank issued another non-cumulative subordinated Additional Tier 1 capital securities with a face value of HK\$1,500 million to its ultimate holding company, Oversea-Chinese Banking Corporation Limited. The securities are undated and the coupon rate was reset on 27th September, 2024 to 5.61% per annum for 5 years up to 27th September, 2029. The coupon will be reset on year 5 and every 5 years thereafter at the prevailing 5-year Hong Kong Dollar Swap Offer Rate plus a fixed initial spread. The securities will have optional call dates on every coupon distribution date thereafter, which are semi-annually on 27th March or 27th September in each year. The securities will be written down at the point of non-viability on the occurrence of a trigger event as defined in the Banking (Capital) Rules.

Notes to the Consolidated Financial Statements

28. SHARE CAPITAL AND RESERVES *(Continued)*

(c) Reserves

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the year are set out below:

	General reserve	Bank premises revaluation reserve	Investment revaluation reserve (recycling)	The Bank 2025 Investment revaluation reserve (non-recycling)	Cash flow hedging reserve	Unappropriated profits	Total
At 1st January	1,802	2,091	(122)	746	33	20,690	25,240
Coupon of perpetual capital securities	-	-	-	-	-	(184)	(184)
Dividends declared or approved during the year	-	-	-	-	-	(1,234)	(1,234)
Transfer (from)/to reserve	-	(30)	-	-	-	30	-
	-	(30)	-	-	-	(1,388)	(1,418)
Total comprehensive income:							
- Cash flow hedges net of deferred tax	-	-	-	-	(1)	-	(1)
- Fair value changes on financial assets measured at fair value through other comprehensive income net of deferred tax	-	-	271	2	-	-	273
- Fair value changes on financial assets measured at fair value through other comprehensive income transferred to statement of profit or loss on disposal net of deferred tax	-	-	(44)	-	-	-	(44)
- Deficit on revaluation net of deferred tax	-	(226)	-	-	-	-	(226)
- Expected credit losses on debt securities	-	-	(4)	-	-	-	(4)
- Profit attributable to shareholder of the Bank for the year	-	-	-	-	-	2,043	2,043
Total comprehensive income for the year, net of tax	-	(226)	223	2	(1)	2,043	2,041
At 31st December	1,802	1,835	101	748	32	21,345	25,863

28. SHARE CAPITAL AND RESERVES *(Continued)*

(c) Reserves (Continued)

	General reserve	Bank premises revaluation reserve	Investment revaluation reserve (recycling)	The Bank 2024 (restated) Investment revaluation reserve (non-recycling)	Cash flow hedging reserve	Unappropriated profits	Total
At 1st January	1,802	2,174	(385)	867	93	20,489	25,040
Amalgamation of a subsidiary	-	-	-	-	-	1,522	1,522
Adjusted balance at 1st January	1,802	2,174	(385)	867	93	22,011	26,562
Coupon of perpetual capital securities	-	-	-	-	-	(164)	(164)
Dividends declared or approved during the year	-	-	-	-	-	(2,000)	(2,000)
Transfer (from)/to reserve	-	(34)	-	-	-	34	-
	-	(34)	-	-	-	(2,130)	(2,164)
Total comprehensive income:							
- Cash flow hedges net of deferred tax	-	-	-	-	(60)	-	(60)
- Fair value changes on financial assets measured at fair value through other comprehensive income net of deferred tax	-	-	234	(121)	-	-	113
- Fair value changes on financial assets measured at fair value through other comprehensive income transferred to statement of profit or loss on disposal net of deferred tax	-	-	27	-	-	-	27
- Deficit on revaluation net of deferred tax	-	(49)	-	-	-	-	(49)
- Expected credit losses on debt securities	-	-	2	-	-	-	2
- Profit attributable to shareholder of the Bank for the year	-	-	-	-	-	809	809
Total comprehensive income for the year, net of tax	-	(49)	263	(121)	(60)	809	842
At 31st December	1,802	2,091	(122)	746	33	20,690	25,240

Notes to the Consolidated Financial Statements

28. SHARE CAPITAL AND RESERVES *(Continued)*

(c) Reserves (Continued)

The Group's unappropriated profits at 31st December, 2025 included nil regulatory reserve (2024: nil). The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Group will or may incur on advances to customers in addition to impairment losses recognised. Movements in the reserve are earmarked directly through unappropriated profits and in consultation with the Hong Kong Monetary Authority ("HKMA").

The capital reserve of the Group comprises unappropriated profits capitalised on the issue of bonus shares by subsidiaries in prior years and reserves established by OCBC Bank (Macau) Limited and OCBC Bank Limited in accordance with the local banking regulations and are not available for distribution.

The statutory reserve of the Group is calculated as a percentage of the total risk assets at the reporting date of OCBC Bank Limited to cover its potential losses that are not yet incurred as required by the relevant requirements issued by the Ministry of Finance of the People's Republic of China and is not available for distribution.

The general reserve of the Group was set up from the transfer of unappropriated profits and exchange differences arising from the translation of the financial statements of overseas subsidiaries (note 2(n)).

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges (note 2(i)).

Revaluation reserves have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and financial assets measured at fair value through other comprehensive income (notes 2(o) and (f)). Bank premises revaluation reserve do not represent realised profits and are not available for distribution.

The Bank and its financial subsidiaries operate under regulatory jurisdictions which require the maintenance of minimum capital ratios which could therefore potentially restrict the amount of general reserve and unappropriated profits, which are available for distribution, to be distributed to equity shareholder.

29. CONTINGENT LIABILITIES AND COMMITMENTS

(a) *Contingent liabilities and commitments to extend credit*

Contingent liabilities and commitments arise from forward asset purchases, amounts owing to partly paid-up shares and securities, forward deposits placed, asset sales or other transactions with recourse, as well as credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the contractual amounts is not representative of future cash flows.

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	2025	2024
Direct credit substitutes	10,259	6,563
Transaction-related contingencies	2,010	1,702
Trade-related contingencies	3,661	2,728
Other commitments:		
With an original maturity of not more than one year	1,929	1,080
With an original maturity over one year	6,868	5,776
Which are unconditionally cancellable	64,155	53,748
Total	88,882	71,597
Credit risk weighted amounts	9,767	6,779

(b) *Capital commitments*

Capital commitments for acquisition of fixed assets outstanding at 31st December, 2025 and 2024 not provided for in the financial statements are as follows:

	2025	2024
Expenditure authorised and contracted for	1,117	64

Notes to the Consolidated Financial Statements

30. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives refer to financial contracts for which the value depends on the value of one or more underlying assets or indices.

Derivative financial instruments arise from futures, forward, swap and option transactions undertaken by the Group in the foreign exchange, interest rate, debt, equity and gold markets.

Derivative financial 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 derivatives instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter ("OTC") derivatives. The Group also participates in exchange-traded derivatives. Most of the Group's derivative positions have been entered into to meet customer demand and to hedge these and other trading positions. For accounting purposes, derivatives are classified as held for trading or held for hedging.

The notional amounts of these instruments indicate the volume of transactions outstanding at the reporting date and do not represent amounts at risk.

The following table is a summary of the notional amounts of each significant type of derivative.

	2025		Total
	Qualifying for hedge accounting	Others, including held for trading	
Exchange rate contracts	43,842	710,406	754,248
Interest rate contracts	38,646	1,134,325	1,172,971
Equity contracts	–	33,892	33,892
Credit derivative contracts	–	9,936	9,936
Other derivative contracts	–	110	110
	82,488	1,888,669	1,971,157
	2024		Total
	Qualifying for hedge accounting	Others, including held for trading	
Exchange rate contracts	29,065	963,557	992,622
Interest rate contracts	34,241	807,100	841,341
Equity contracts	–	9,162	9,162
Credit derivative contracts	–	9,190	9,190
	63,306	1,789,009	1,852,315

The trading transactions include the Group's positions arising from the execution of trade orders from customers or transactions undertaken to hedge these positions. Derivatives arise from futures, forward, swap and option transactions undertaken by the Group in the foreign exchange, interest rate, debt, equity and gold markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

30. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(a) *Use of derivative financial instruments*

- (i) The following is a summary of the fair values of derivative financial instruments held for trading purposes by type of derivative entered into by the Group:

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Exchange rate contracts	3,789	3,953	14,115	14,100
Interest rate contracts	3,529	3,474	5,904	5,801
Equity contracts	959	959	495	495
Credit derivative contracts	84	84	79	79
Other derivative contracts	–	3	–	–
Total (notes 12 and 25)	8,361	8,473	20,593	20,475

- (ii) The following is a summary of the fair values of derivative financial instruments held for hedging purposes by type of derivative entered into by the Group:

	Type of risk hedged	2025		2024	
		Assets	Liabilities	Assets	Liabilities
Fair value hedges					
Exchange rate contracts	Interest rate and Foreign exchange	264	146	565	3
Interest rate contracts	Interest rate	72	136	205	44
		336	282	770	47
Cash flow hedges					
Exchange rate contracts	Foreign exchange	53	145	322	9
Interest rate contracts	Interest rate	–	–	29	2
		53	145	351	11
Total (notes 13 and 26)		389	427	1,121	58

Notes to the Consolidated Financial Statements

30. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(b) Remaining life of derivative financial instruments

The following tables provide an analysis of the notional amounts of derivatives of the Group by relevant maturity groupings based on the remaining periods to settlement at the reporting date.

	2025			Total
	Within 1 year	Over 1 year but within 5 years	Over 5 years	
Exchange rate contracts	746,000	8,248	–	754,248
Interest rate contracts	633,409	538,485	1,077	1,172,971
Equity contracts	29,961	3,931	–	33,892
Credit derivative contracts	9,098	838	–	9,936
Other derivative contracts	110	–	–	110
	1,418,578	551,502	1,077	1,971,157

	2024			Total
	Within 1 year	Over 1 year but within 5 years	Over 5 years	
Exchange rate contracts	982,327	10,295	–	992,622
Interest rate contracts	407,390	432,667	1,284	841,341
Equity contracts	6,795	2,367	–	9,162
Credit derivative contracts	9,190	–	–	9,190
	1,405,702	445,329	1,284	1,852,315

30. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value hedges

The fair value hedges principally consist of interest rate swaps. The interest rate swaps are used to protect against changes in the fair value of certain fixed rate assets due to movements in market interest rates. At 31st December, 2025, the net positive fair value of derivatives held as fair value hedges was HK\$54 million (2024: HK\$723 million).

The losses on the hedging instruments for the year were HK\$200 million (2024: HK\$20 million). The gains on the hedged items attributable to the hedged risk for the year were HK\$198 million (2024: HK\$12 million).

	2025		2024	
	Carrying amount	Accumulated fair value hedge adjustments included in carrying amount	Carrying amount	Accumulated fair value hedge adjustments included in carrying amount
Assets				
Financial assets measured at fair value through other comprehensive income				
Advances to customers and other accounts	7,090	(20)	7,986	(101)
Liabilities				
Certificates of deposit and fixed rate notes issued				
Deposits from customers	18,513	19	12,683	8

Notes to the Consolidated Financial Statements

30. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

(d) **Cash flow hedges**

The cash flow hedges principally consist of interest rate contracts that are used to hedge against the variability in cash flows of certain floating rate assets. At 31st December, 2025, the net negative fair value of derivatives held as cash flow hedges was HK\$92 million (2024: the net positive fair value was HK\$340 million). During the year, there was no ineffectiveness recognised in the statement of profit or loss that arose from cash flow hedges (2024: nil).

The time periods in which the hedged cash flows are expected to occur and affect the consolidated statement of profit or loss are as follows:

	2025		Total
	Within 1 year	Over 1 year but within 5 years	
Forecast receivable cash flows	220	–	220
	2024		Total
	Within 1 year	Over 1 year but within 5 years	
Forecast receivable cash flows	306	96	402

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity groupings based on the remaining periods to settlement at the reporting date:

	Type of risk hedged	2025		Weighted average exposure years
		Within 1 year	Notional designated	
Foreign Currency swaps				
HKD	Foreign exchange	19,236	19,236	0.27
USD	Foreign exchange	7,293	7,293	0.05
		26,529	26,529	
	Type of risk hedged	2024		Weighted average exposure years
		Within 1 year	Over 1 year but within 5 years	
Interest rate swaps				
HIBOR	Interest rate	2,710	2,775	1.33
Foreign Currency swaps				
CNY	Foreign exchange	6,595	–	0.77

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2025	2024
Operating profit	3,052	1,744
Adjustments for non-cash items:		
Change in expected credit losses	1,134	2,403
Interest expense on fixed rate notes issued (note 5(b))	98	124
Interest expense on lease liabilities (note 5(b))	8	3
Gains on disposal of financial assets measured at fair value through other comprehensive income (note 5(f))	(102)	(154)
(Gains)/losses on disposal of debt securities measured at amortised cost (note 5(f))	(1)	4
Gains on disposal of investment in associated companies (note 5(f))	(274)	–
Losses on revaluation of investment properties (note 5(f))	34	42
Losses on disposal of fixed assets (note 5(f))	1	–
Depreciation (note 5(g))	331	286
	4,281	4,452
Changes in working capital:		
Change in treasury bills with an original maturity of three months or above	(10,538)	(4,223)
Change in placements with banks and central banks with original maturity of three months or above	(3,153)	1,016
Change in amounts due from ultimate holding company and fellow subsidiaries maturing after three months	7,102	(6,180)
Change in certificates of deposit held	(13,098)	(2,013)
Change in trading assets	11,110	(11,988)
Change in advances to customers and other accounts	(14,350)	2,164
Change in deposits and balances of banks	1,533	(4,192)
Change in amounts due to ultimate holding company and fellow subsidiaries	(3,339)	(1,893)
Change in deposits from customers	27,042	33,689
Change in certificates of deposit issued	1,514	(2,920)
Change in trading liabilities	(12,002)	11,067
Change in other accounts and provision	(390)	1,617
Net cash (outflow)/inflow from operations	(4,288)	20,596
Profits tax paid	(654)	(771)
Net cash (outflow)/inflow from operating activities	(4,942)	19,825

Notes to the Consolidated Financial Statements

31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(b) Reconciliation of cash and cash equivalents with the consolidated statement of financial position

	2025	2024
Cash and balances with banks and central banks	15,795	10,488
Placements with banks, central banks and other financial institutions	4,020	6,626
Amounts due from ultimate holding company and fellow subsidiaries	24,526	39,725
Treasury bills	43,933	33,896
<hr/>		
Amounts shown in the consolidated statement of financial position	88,274	90,735
Less: Amounts with an original maturity of three months or above	(48,853)	(42,264)
Deposits and balances of banks that are repayable on demand	(933)	(1,463)
<hr/>		
Cash and cash equivalents in the consolidated cash flow statement	38,488	47,008

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated cash flow statement as cash flows from financing activities.

	2025	2024
At 1st January	6,622	7,025
Net proceeds from issue of fixed rate notes	1,069	1,595
Redemption of fixed rate notes	(1,314)	(1,988)
Interest paid on fixed rate notes	(96)	(123)
Payment of lease liabilities	(66)	(48)
Exchange adjustment	153	(138)
Net increase in lease liabilities from entering into new leases and termination of existing leases	189	172
Interest expenses on fixed rate notes (note 5(b))	98	124
Interest expenses on lease liabilities (note 5(b))	8	3
<hr/>		
At 31st December	6,663	6,622

32. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. The segment disclosure is based on the way that the Group's chief operating decision makers regard and manage the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision makers for the purposes of assessing segment performance and making decisions about operating matters. Below are the segment activities presented by geographic region.

Hong Kong

The operating segments in Hong Kong include Consumer Banking, Wholesale Banking and Global Markets activities.

Consumer Banking activities include acceptance of deposits, residential mortgages, hire purchase, consumer loans, wealth management, stock brokerage and insurance services.

Wholesale Banking activities include acceptance of deposits, advance of commercial and industrial loans, trade financing and institutional banking.

Global Markets activities include foreign exchange services, management of investment securities, trading activities and management of shareholders' funds.

Mainland China

The main operating segments of OCBC Bank Limited are Wholesale Banking and Global Markets activities.

Macau

The main business segments of OCBC Bank (Macau) Limited are Consumer Banking and Wholesale Banking.

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include balances and placements with banks, central banks and other financial institutions, advances to customers and banks, and financial assets. Segment liabilities include deposits and financial liabilities.

Revenue and expenses are allocated to the reportable segments with reference to interest and fees and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments.

The identification of reportable segments has also considered geographical information which is classified by the geographical location of the principal operations of the subsidiaries, or in the case of the Bank itself, of the geographical location of the branch responsible for reporting the results or booking the assets and liabilities.

Notes to the Consolidated Financial Statements

32. SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	2025									
	Hong Kong Operations					Total	Mainland China	Macau	Inter-segment elimination	Total
	Hong Kong Banking Business				Others					
Consumer Banking	Wholesale Banking	Global Markets	Total	Others	Total					
Net interest income	1,107	2,641	543	4,291	(24)	4,267	1,398	551	-	6,216
Non-interest income	794	541	35	1,370	770	2,140	582	198	(57)	2,863
Reportable segment revenue	1,901	3,182	578	5,661	746	6,407	1,980	749	(57)	9,079
Operating expenses	(1,546)	(1,529)	(171)	(3,246)	(104)	(3,350)	(1,244)	(356)	57	(4,893)
Operating profit before expected credit losses	355	1,653	407	2,415	642	3,057	736	393	-	4,186
Change in expected credit losses	(37)	(691)	3	(725)	(17)	(742)	(113)	(279)	-	(1,134)
Operating profit	318	962	410	1,690	625	2,315	623	114	-	3,052
Share of net profit of associated companies	-	-	-	-	68	68	-	-	-	68
Reportable segment profit before tax	318	962	410	1,690	693	2,383	623	114	-	3,120
Depreciation	(34)	(4)	(2)	(40)	(200)	(240)	(69)	(22)	-	(331)
Segment assets	47,297	94,564	111,998	253,859	-	253,859	103,785	30,943	(101)	388,486
Investments in associated companies	-	-	-	-	264	264	-	-	-	264
Fixed assets	-	-	-	-	4,156	4,156	275	392	11	4,834
Goodwill	-	-	-	-	1,306	1,306	-	-	-	1,306
Current tax assets	-	-	-	-	44	44	13	-	-	57
Deferred tax assets	-	-	-	-	240	240	137	-	-	377
Other assets	-	-	-	-	12,297	12,297	9,896	4,298	(15,652)	10,839
Total assets	47,297	94,564	111,998	253,859	18,307	272,166	114,106	35,633	(15,742)	406,163
Segment liabilities	111,661	109,862	1,042	222,565	-	222,565	90,133	27,509	(100)	340,107
Current tax payable	-	-	-	-	20	20	-	13	-	33
Deferred tax liabilities	-	-	-	-	8	8	-	133	-	141
Other liabilities	-	-	-	-	12,261	12,261	11,795	3,157	(8,209)	19,004
Total liabilities	111,661	109,862	1,042	222,565	12,289	234,854	101,928	30,812	(8,309)	359,285
Addition to non-current assets	22	2	-	24	186	210	48	25	-	283

32. SEGMENT REPORTING (Continued)

(a) Segment results, assets and liabilities (Continued)

	2024									
	Hong Kong Operations									
	Hong Kong Banking Business				Others	Total	Mainland China	Macau	Inter-segment elimination	Total
Consumer Banking	Wholesale Banking	Global Markets	Total							
Net interest income	797	2,628	801	4,226	(10)	4,216	1,392	606	–	6,214
Non-interest income	558	498	178	1,234	418	1,652	1,116	143	(64)	2,847
Reportable segment revenue	1,355	3,126	979	5,460	408	5,868	2,508	749	(64)	9,061
Operating expenses	(1,314)	(1,528)	(173)	(3,015)	(81)	(3,096)	(1,525)	(357)	64	(4,914)
Operating profit before expected credit losses	41	1,598	806	2,445	327	2,772	983	392	–	4,147
Change in expected credit losses	(44)	(2,059)	(2)	(2,105)	3	(2,102)	(136)	(165)	–	(2,403)
Operating profit/(loss)	(3)	(461)	804	340	330	670	847	227	–	1,744
Share of net loss of associated companies	–	–	–	–	(7)	(7)	–	–	–	(7)
Reportable segment profit/(loss) before tax	(3)	(461)	804	340	323	663	847	227	–	1,737
Depreciation	(31)	(5)	(1)	(37)	(145)	(182)	(81)	(23)	–	(286)
Segment assets	49,129	83,980	115,172	248,281	–	248,281	81,623	28,254	(396)	357,762
Investments in associated companies	–	–	–	–	243	243	–	–	–	243
Fixed assets	–	–	–	–	4,313	4,313	319	429	11	5,072
Goodwill	–	–	–	–	1,306	1,306	–	–	–	1,306
Current tax assets	–	–	–	–	64	64	–	–	–	64
Deferred tax assets	–	–	–	–	137	137	96	–	–	233
Other assets	–	–	–	–	14,173	14,173	23,339	5,375	(16,895)	25,992
Total assets	49,129	83,980	115,172	248,281	20,236	268,517	105,377	34,058	(17,280)	390,672
Segment liabilities	96,257	115,149	3,766	215,172	–	215,172	69,658	26,185	(393)	310,622
Current tax payable	–	–	–	–	8	8	147	27	–	182
Deferred tax liabilities	–	–	–	–	8	8	–	133	–	141
Other liabilities	–	–	–	–	16,790	16,790	24,396	2,841	(9,452)	34,575
Total liabilities	96,257	115,149	3,766	215,172	16,806	231,978	94,201	29,186	(9,845)	345,520
Addition to non-current assets	7	3	2	12	222	234	53	9	–	296

Notes to the Consolidated Financial Statements

32. SEGMENT REPORTING *(Continued)*

(b) Other geographical information

	2025				
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments (note 29(a))	35,615	50,367	3,644	(744)	88,882
	2024				
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments (note 29(a))	23,491	45,931	2,868	(693)	71,597

33. MATERIAL RELATED PARTY TRANSACTIONS

(a) *Ultimate holding company*

The Oversea-Chinese Banking Corporation Limited (“OCBC”)

During the year, transactions with OCBC were entered into by the Group in the ordinary course of business. The income and expenses during the year and on-balance sheet and off-balance sheet outstanding at the reporting date were:

	2025	2024
(i) Income and expense during the year		
Interest income	2,488	1,414
Interest expense	940	185
Fee income (note 5(c))	472	406
Other (expense)/income	(49)	362
(ii) On-balance sheet outstanding at the reporting date		
Amounts due from ultimate holding company	24,130	39,335
Amounts due to ultimate holding company, including	5,643	9,504
– Certificates of deposits issued at amortised cost	–	158
(iii) Derivative financial instruments outstanding (notional amounts) at the reporting date		
Exchange rate contracts	95,063	106,046
Interest rate contracts	15,314	26,383
Equity contracts	16,623	4,347
Credit derivative contracts	4,968	4,595

Notes to the Consolidated Financial Statements

33. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Fellow companies

(1) Fellow subsidiaries

During the year, transactions with OCBC fellow subsidiaries are entered into by the Group in the ordinary course of business. The income and expenses during the year and on-balance sheet outstanding at the reporting date are:

	2025	2024
(i) Income and expense during the year		
Interest income	12	14
Interest expense	1	1
Other operating income	4	3
Operating expense	321	19
(ii) On-balance sheet outstanding at the reporting date		
Amounts due from fellow subsidiaries	396	390
Amounts due to fellow subsidiaries	321	259
(iii) Derivative financial instruments outstanding (notional amounts) at the reporting date		
Exchange rate contracts	341	–

(2) Associates in OCBC

During the year, transactions with associates in OCBC are entered into by the Group in the ordinary course of business. The on-balance sheet and off-balance sheet outstanding at the reporting date are:

	2025	2024 (restated)
(i) On-balance sheet outstanding at the reporting date		
Amounts due from associates in OCBC (note (i))	1,224	777
Amounts due to associates in OCBC	56	–
(ii) Derivative financial instruments outstanding (notional amounts) at the reporting date		
Exchange rate contracts	2,255	423

Note (i): The Group has identified related parties during the year that were not disclosed in the prior years. The Group has restated the prior year comparative of amounts due from associates in OCBC. The restatement has no impact on the consolidated statement of comprehensive income for the year ended 31st December, 2024 and the consolidated statement of financial position as at 31st December, 2024.

33. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(c) Subsidiaries

During the year, the Bank entered into transactions with subsidiaries owned by the Bank in the ordinary course of business. The income and expenses during the year and on-balance sheet and off-balance sheet outstanding at the reporting date are as follows:

	2025	2024
(i) Income and expense during the year		
Interest income	547	1,073
Interest expense	136	121
Other operating income	77	37
Operating expense	28	12

The interest rates in connection with amounts due from or to subsidiaries are under terms and conditions normally applicable to customers of comparable standing.

Other operating income represents income from providing management services, information technology services, rental services, share brokerage services, financial control and other administration services to the Bank's subsidiaries by the Bank.

Operating expense represents rental services and share brokerage services fees paid to the Bank's subsidiaries by the Bank.

All income and expense for these transactions are determined on an arm's length basis.

(ii) On-balance sheet outstanding at the reporting date

Amounts due from subsidiaries	4,102	18,885
Amounts due to subsidiaries	5,387	6,601

During the year, no expected credit loss (Stage 3) has been made in respect of these balances at 31st December, 2025 (2024: nil).

(iii) Off-balance sheet outstanding (contract amounts) at the reporting date

Direct credit substitutes	6	6
Other commitments	794	9,369

(iv) Derivative financial instruments outstanding (notional amounts) at the reporting date

Exchange rate contracts	1,122	19,700
Interest rate contracts	2,680	2,179

Notes to the Consolidated Financial Statements

33. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(d) Associated companies

During the year, the Bank entered into transactions with associated companies in the ordinary course of business. The income and expenses during the year and on-balance sheet and off-balance sheet outstanding at the reporting date are as follows:

	2025	2024
(i) Expense during the year		
Interest expense	8	11
(ii) On-balance sheet outstanding at the reporting date		
Deposits from customers	415	594
(iii) Off-balance sheet outstanding (contract amounts) at the reporting date		
Other commitments	80	80

(e) Key management personnel

During the year, the Group entered into a number of transactions with the Group's key management personnel and their close family members and companies controlled or significantly influenced by them. All the transactions are in the ordinary course of business and under terms and conditions normally applicable to customers of comparable standing. The income, expenses and emoluments during the year and on-balance sheet outstanding at the reporting date are as follows:

	2025	2024
(i) On-balance sheet outstanding at the reporting date		
Advances to customers	3	3
Deposits from customers	6	4

33. MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(e) Key management personnel *(Continued)*

(ii) Emoluments for the year

Remuneration for key management personnel, including amounts paid to the Bank's directors as disclosed in note 9 is as follows:

	2025	2024
Short-term employee benefits	31	29
Post-employment benefits	1	1
Equity compensation benefits	4	3
	36	33

(f) Loans to directors

Loans to directors of the company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025	2024
Aggregate amount of relevant loans outstanding at 31st December	3	3
The maximum aggregate amount of relevant loans outstanding during the year	3	6

(g) During the year, no expected credit loss (Stage 3) has been made in respect of the above advances to related parties (2024: nil).

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS

Overview

Operating in an environment of geopolitical tensions, macroeconomic uncertainty and sector-specific headwinds, the Group maintained a proactive and vigilant risk management approach across the various risk types, in particular credit, operational resilience, third-party arrangements, technology and cybersecurity domains. We conducted comprehensive stress testing to identify vulnerable customers, implemented targeted strategies for at-risk accounts, rebalanced our loan portfolio away from weak sectors, and intensified recovery efforts. Simultaneously, the Group leveraged the Bank's operational and technology resilience frameworks to proactively manage and mitigate the impact of technology outages and third-party interruptions on our customers. Our multi-layered cybersecurity defences effectively safeguarded against evolving cyber threats. Collectively, these initiatives underscore the Group's commitment to long-term resilience and sustainable growth, closely aligning with the Bank's comprehensive management of principal risks such as credit, operational, information security and digital risk, as well as other interconnected risk areas.

Risk ownership is a shared responsibility between the business units and risk functions as well as other support functions. The Group's leadership actively fosters a strong risk culture and sets a clear tone from the top, emphasising risk awareness, accountability, and ownership at every level. This commitment drives our comprehensive and disciplined risk management approach, which addresses all types of financial and non-financial risks and upholds the highest ethical standards. We identify risk sources and drivers, set risk appetites and tolerances aligned with business goals and manage potential impacts under adverse circumstances. Risks are identified, measured and monitored using comprehensive metrics, on a standalone and aggregated basis, with a strong focus on early risk identification and mitigation, and pivoting our risk strategies in response to cyclical and structural changes.

Our risk frameworks define governance structures, roles and responsibilities, with well-documented policies and procedures for taking and managing risks. As risks are increasingly inter-connected, we adopt a holistic approach to risk assessment. Cross-functional teams identify and assess top and emerging risks using stress-testing and scenario analyses to evaluate potential impacts of plausible risk factors on our earnings, capital, liquidity, customer segments, and obligations. These insights shape our risk strategies and contingency plans. We invest in our people and technology to ensure that the right skills, data, systems and infrastructure are in place to support effective risk management.

Principal risk types include Credit Risk, Liquidity Risk, Market Risk, Operational Risk, and Information Security and Digital Risk. Among these, ESG and climate risks management is vital to our operations, as they can impact credit, market, liquidity, operational, and reputational risks. Each managed with the appropriate expertise, resources, systems, policies and procedures. Our business, risk and functional support teams work together to actively identify, measure, approve, monitor, and report risks. Limits and triggers are set to ensure timely review and decision making at appropriate authority levels. We also review our frameworks regularly to incorporate best practices and meet regulatory requirements in all the regions where we operate.

A robust risk governance structure ensures effective oversight and accountability of risk. The RMC is the principal board committee that oversees risk management matters. It ensures that the Group's overall risk management philosophy and principles and risk appetite are aligned with the corporate strategy.

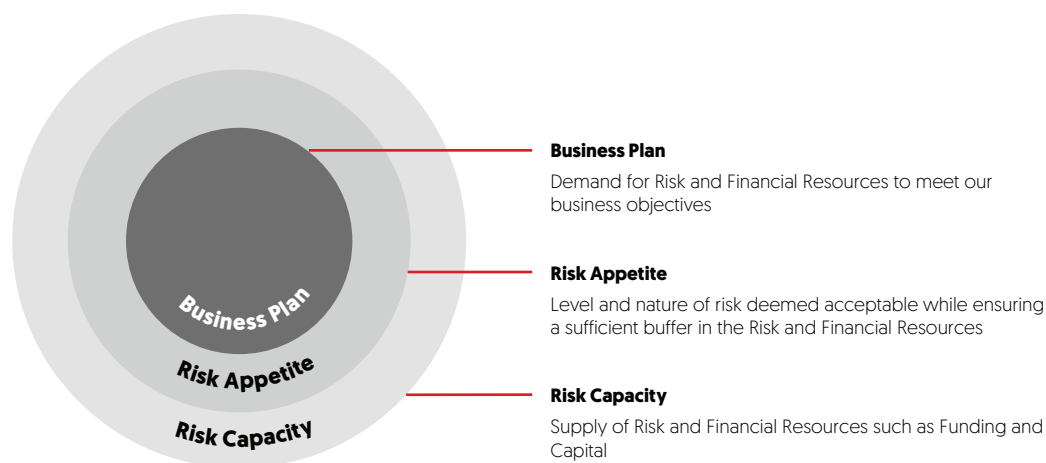
Risk and Control Function independently and objectively identifies and assesses the risk-taking activities of the first line. It establishes relevant risk management frameworks, policies, processes and systems. It provides independent identification, assessment, monitoring and reporting of the Group's risk profiles, portfolio concentrations and material risk issues.

34. MANAGEMENT OF RISKS *(Continued)*

Risk Appetite

Our aim is to manage risks in a prudent and sustainable manner to ensure the Group's long-term viability. The Board sets the Group's risk appetite, defining the level and nature of risks that we can undertake on behalf of our shareholders while maintaining our commitments to customers, regulators, employees and other stakeholders. Business plans consider the corporate strategy, the forward-looking operating environment and potential risks assessed against our risk appetite. We operationalise our risk appetite across the Group through our policies, processes, systems and limits to manage financial and non-financial risks. Together, these components form our Risk Appetite Framework, which articulates Group-level risk appetite and guides operations within our major business units.

Specific risk tolerance levels are defined for different portfolios based on our corporate strategy and the inherent risk characteristics of each portfolio. We closely monitor performance against these risk tolerances and report findings in relevant forums.



Senior business and risk managers meet regularly to review macroeconomic and financial developments, discuss operating conditions and event risks and potential 'dark clouds' that may significantly impact our earnings or solvency. These risks are measured via stress tests as well as sector/segment-specific and ad hoc event-specific portfolio reviews. The results are used to assess the potential impact of various scenarios on our earnings and capital, and to identify vulnerabilities of material portfolios and trigger appropriate risk management actions.

We conduct an annual Internal Capital Adequacy Assessment Process ("ICAAP") that incorporates the results of stress tests for various risk types. The aim is to assess whether we are capable of maintaining sufficient capital levels under a forward-looking operating environment and in severe stress scenarios. Appropriate risk-mitigating actions are taken to manage potential risks.

The following notes present information about the Group's exposure to each of the above risks, its objectives, frameworks and processes for measuring and managing risks, and management of capital.

Climate-related risk financial disclosure shall be referred to a separate Climate-Related Disclosures Report. The report provides insights into the Group's governance approach, strategy and risk management, as well as key metrics and targets for climate-related financial risks.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(a) Credit risk management

Credit risk is the risk of financial loss due to a borrower/obligor failing to meet their financial or contractual obligations. It arises from lending activities to retail, corporate and institutional customers. It also includes counterparty and issuer credit risks arising from the underwriting, trading and investment banking activities.

Our credit risk framework defines credit approval authorities, concentration limits, risk rating methodologies, portfolio review parameters and guidelines for managing distressed business. We manage risk through a combination of expert judgment and data-driven insights, where credit specialists apply their expertise to manage the risks of different portfolios and customer segments. Credit decisions are made within predefined risk acceptance criteria after a comprehensive risk assessment. The Credit Policies also take into account the requirements of the Hong Kong Banking Ordinance, guidelines issued by the HKMA and accounting standards issued by the HKICPA with respect to large exposures and impairment requirements.

Credit portfolio management focuses on managing the collective or aggregate risk of our credit portfolios, instead of the credit risk of individual borrowers. We have developed and implemented a range of capabilities to identify, measure and monitor credit risk at the portfolio level. These capabilities include Portfolio Segmentation, which is the process of grouping credit exposures that are similar in nature; Portfolio Modeling, which includes using internal rating models to quantify the default risk and potential losses of borrowers; Portfolio Reporting, which includes internal and external reporting of portfolio risk information to the respective stakeholders; and Portfolio Management, which uses insights from portfolio modelling and reporting and allocate appropriate financial resources such as funding and capital to support growth opportunities.

The Group also uses internal rating models and their components such as probability of default (“PD”), loss given default (“LGD”) and exposure of default (“EAD”) in limit setting, credit approval, portfolio monitoring and reporting, remedial management, stress testing and assessment of capital adequacy and portfolio allowance. The development, validation, application and maintenance of rating models are governed by the relevant Model Risk Management framework.

Regular risk reports offer valuable insights into the evolving trends of credit portfolio risk in response to the changing operating environment and downside risks. These reports covering detailed metrics for credit portfolio exposures, quality, concentrations and hotspots covering dimensions such as geography, industry and business segment are provided to Senior Management and the Board for making timely and better-informed decisions.

Credit risk mitigation is managed via various measures, such as holding collateral and setting netting arrangements to reduce credit risk exposure. These measures complement and do not replace our proper assessment of the obligor’s ability to repay, which remains the primary source of repayment.

Credit policies and processes are established to identify vulnerable borrowers early. We proactively monitor credit portfolio quality and discuss emerging risks at dedicated risk forums, where we discuss, develop and review risk management action plans to address deteriorating trends. Dedicated remedial management units manage the restructuring, work-out and recovery of non-performing assets (“NPAs”) for wholesale portfolios. The aim is to rehabilitate NPAs where possible or maximise recoveries for NPAs under exit strategies.

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

The Group adopts loan classification based on HKMA guideline. It is required to classify loans and advances to five classification categories, namely "Pass", "Special Mention", "Substandard", "Doubtful" and "Loss". The decision to classify loans into the above five categories is based on the borrower's repayment ability and the likelihood of individual counterparties being in default.

(i) **Corporate credit risk**

Corporate credit exposures are diversified among corporates, middle market borrowers and SMEs. Corporate customers are assessed individually with independent evaluation carried out by experienced credit risk managers. Joint credit approvals are ensured between business and credit risk units for objectivity, while conducting regular portfolio reviews and stress tests to monitor credit quality and identify potential weaknesses. The Group also has internal limits to manage exposure to individual industries and for borrowers and groups of borrowers or linked-counterparties.

(ii) **Consumer and Small Business Credit**

Consumers and small businesses customers are assessed using established program lending parameters, a structured risk-return framework and targeted customer selection criteria for product programs while advanced credit models are employed to ensure consistent credit decisioning and minimise deviations from credit criteria. Any deviations from the credit criteria shall be approved by designated credit approving officers to maintain robust risk controls. Portfolio credit risk is monitored by leveraging advanced analytics, behavioral models, and regular stress testing to identify emerging risks and potential weak credits for timely intervention.

(iii) **Credit risk for treasury transactions**

Counterparty credit risk arises from the potential default of a counterparty, borrower or obligor during our trading and/or banking activities including derivatives and debt securities. We measure counterparty credit exposure based on both current replacement cost and potential future exposures arising from market price fluctuations.

This risk also includes settlement risk, which is the potential loss incurred if a counterparty fails to fulfil its obligation after the Bank has performed its obligation under a contract or agreement at the settlement date.

Each counterparty undergoes robust credit assessment. An internal risk grading and individual counterparty limits are assigned and reviewed regularly. For debt securities in the treasury portfolio, the Group considers both internal and external ratings which are actively monitored and updated.

Credit risk mitigation tools are used to manage counterparty credit risk, including entering netting and other collateral arrangements, early termination options, or use of central clearing mechanisms.

(iv) **Credit-related commitments**

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risks involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS (Continued)

(a) Credit risk management (Continued)

(v) Master netting arrangements

To mitigate counterparty credit risks, the Group enters into master netting arrangements with counterparties whenever possible. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a single net claim basis.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements:

	2025					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral received	
Financial assets						
Amounts due from ultimate holding company and fellow subsidiaries	1,573	-	1,573	(1,573)	-	-
Advances to customers and other accounts	409	-	409	(409)	-	-
Derivative financial instruments	8,750	-	8,750	(295)	-	8,455
	10,732	-	10,732	(2,277)	-	8,455

	2025					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral pledged	
Financial liabilities						
Deposits from banks	6,279	-	6,279	(6,279)	-	-
Amounts due to ultimate holding company and fellow subsidiaries	75	-	75	(75)	-	-
Derivative financial instruments	8,899	-	8,899	(295)	(98)	8,506
	15,253	-	15,253	(6,649)	(98)	8,506

34. MANAGEMENT OF RISKS (Continued)

(a) Credit risk management (Continued)

(v) Master netting arrangements (Continued)

	2024					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral received	
Financial assets						
Placements with banks, central banks and other financial institutions	596	–	596	(596)	–	–
Amounts due from ultimate holding company and fellow subsidiaries	14,183	–	14,183	(14,183)	–	–
Advances to customers and other accounts	3,337	–	3,337	(3,337)	–	–
Derivative financial instruments	21,714	–	21,714	(328)	(264)	21,122
	39,830	–	39,830	(18,444)	(264)	21,122

	2024					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral pledged	
Financial liabilities						
Deposits from banks	5,664	–	5,664	(5,664)	–	–
Amounts due to ultimate holding company and fellow subsidiaries	713	–	713	(713)	–	–
Derivative financial instruments	20,533	–	20,533	(328)	–	20,205
	26,910	–	26,910	(6,705)	–	20,205

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

(vi) **Concentration of credit risk**

Concentration of credit risk occurs when a significant portion of exposure is focused on a particular geography, industry, product, counterparty, or group. The Group's portfolio is diversified across various geographies, industries, and products in adherence to the approved limits set by the relevant functional risk committees. The information on advances to customers analysed by industry sectors and by geographical area is disclosed in note 13(b) of "Notes to the consolidated financial statements" and note (B) of "Unaudited supplementary financial information" respectively.

(i) *Maximum exposure*

The maximum exposure to credit risk at the reporting date without considering any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any expected credit loss/impairment allowance. A summary of the maximum exposure is as follows:

	2025	2024
Cash and balances with banks and central banks	15,794	10,488
Placements with banks, central banks and other financial institutions	4,020	6,625
Amounts due from ultimate holding company and fellow subsidiaries	24,256	39,725
Trading assets	9,987	21,972
Advances to customers	209,695	195,420
Trade bills	1,179	1,047
Advances to banks	54	450
Interest receivables	1,495	1,415
Derivative financial instruments held for hedging	389	1,121
Financial assets measured at fair value through other comprehensive income	113,960	91,558
Debt securities measured at amortised cost	12,791	9,776
Financial guarantees and other credit related contingent liabilities	15,929	10,993
Loan commitments and other credit related commitments	72,953	60,604

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

(vi) **Concentration of credit risk** *(Continued)*

(2) *Credit quality of loans and advances*

Advances to banks are only made to banks with a good credit standing. Loans to associated companies are granted on the basis that our associated companies have good credit standing. At 31st December, 2025 and 2024, no advances to banks and loans to associated companies are past due or impaired. The credit quality of advances to customers is analysed as follows:

	2025	2024
Gross advances to customers		
– neither past due nor impaired	204,922	190,898
– past due but not impaired	1,930	1,905
– impaired (note 13(c))	7,003	5,798
	213,855	198,601

of which:

Gross advances to customers		
– Grade 1: Pass	202,029	186,055
– Grade 2: Special mention	4,823	6,748

The ageing analysis of advances to customers that are past due but not impaired is as follows:

	2025	2024
Gross advances to customers that are past due but not impaired		
– past due 3 months or less	1,930	1,905

At 31st December, 2025, advances to customers that were not past due or impaired but had the terms been renegotiated amounted to HK\$12 million (2024: HK\$10 million) for the Group.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS (Continued)

(a) Credit risk management (Continued)

(vi) Concentration of credit risk (Continued)

- (3) *Credit quality of financial assets other than advances to customers, banks and associated companies*

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate credit risk, and risk gradings are applied to the counterparties with individual counterparty limits set.

At the reporting date, the credit quality of investment in debt securities analysed by designation of external credit assessment institutions, Standard & Poor's Ratings Services or their equivalents, are as follows. In the absence of such issue ratings, the ratings designated for the issuers are reported.

	2025			Total
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	
AAA	–	14,179	12,400	26,579
AA- to AA+	2	35,434	391	35,827
A- to A+	1,400	54,068	–	55,468
BBB to BBB+	–	5,840	–	5,840
Lower than BBB	–	507	–	507
	1,402	110,028	12,791	124,221
Unrated	224	3,932	–	4,156
	1,626	113,960	12,791	128,377

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

(vi) **Concentration of credit risk** *(Continued)*

(3) *Credit quality of financial assets other than advances to customers, banks and associated companies (Continued)*

	2024			
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total
AAA	–	14,019	9,776	23,795
AA- to AA+	–	19,448	–	19,448
A- to A+	1,315	46,823	–	48,138
BBB to BBB+	–	8,506	–	8,506
Lower than BBB	64	214	–	278
	1,379	89,010	9,776	100,165
Unrated	–	894	–	894
	1,379	89,904	9,776	101,059

There are no debt securities which are overdue at 31st December, 2025 (2024: nil).

Included in "Other assets" of the Group at 31st December, 2025 and 2024, there are no receivables which are overdue.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

(vi) **Concentration of credit risk** *(Continued)*

(4) *Collateral and other credit enhancements*

Our credit policies define eligibility criteria for credit risk mitigants including legal certainty and enforceability, correlation, liquidity, marketability, counterparty risk of the credit protection provider and collateral specific minimum operational requirements. The most common of these is accepting collateral for funds advanced.

The Group adopts prudent valuation practices for the collateral obtained as part of the loan origination process. Where collateral is taken, regular independent valuations of the collateral are conducted.

The principal collateral types for loans and advances are:

- Mortgages over properties;
- Other pledge/legal charge over assets and cash deposits, and guarantees duly registered (where applicable); and
- Charges over financial instruments such as debt securities and equities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured.

Collateral generally is not held over advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

The Group proactively monitors the vulnerable exposures and maximises recoveries by possession of collateral held as security.

34. MANAGEMENT OF RISKS *(Continued)*

(a) **Credit risk management** *(Continued)*

(vi) **Concentration of credit risk** *(Continued)*

(4) *Collateral and other credit enhancements (Continued)*

An estimate of the fair value of collateral and other credit enhancements held against past due but not impaired financial assets is as follows:

	2025	2024
Fair value of collateral and other credit enhancements held against financial assets that are past due but not impaired	4,399	4,293

Analysis of credit risk concentration by the economic sector of the respective financial assets is disclosed in notes 12, 13, 15 and 16 and the geographical concentration of the Group's assets is disclosed in note (B) of "Unaudited supplementary financial information".

(b) **Liquidity risk management**

The aim of liquidity risk management is to ensure that the Group can meet its financial obligations and support new business opportunities by effectively managing liquidity and funding risks within our risk appetite. This involves maintaining a diversified funding base and holding sufficient liquid assets to meet liquidity needs under both normal and stress circumstances, while balancing cost efficiency.

To achieve this, the Group has implemented a comprehensive liquidity risk management framework and policies that establish consistent guidelines and standards across jurisdictions. ALCO oversees and regularly reviews our liquidity profiles to ensure they remain aligned with our business strategies and risk appetite.

Liquidity risk is assessed by projecting cash flow mismatches using both contractual and behavioural assumptions under normal conditions and stress scenarios. We monitor concentration level and regulatory liquidity ratios to evaluate funding diversification and resilience, with early warning indicators in place to detect potential liquidity risks stemming from market developments.

We conduct regular stress tests under a variety of adverse scenarios to assess the potential impact of idiosyncratic and market events on our liquidity risk profile. These outcomes inform funding strategies, liquidity policies and contingency funding plans to minimise the impact of any liquidity crunch.

We continuously monitor liquidity risk positions against approved liquidity risk limits and triggers, aligned with our risk appetite and regulatory requirements. A rigorous review and oversight processes are in place to facilitate prompt escalation and remediation of any limit exceptions.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(b) Liquidity risk management *(Continued)*

The Group has formulated a contingency plan setting out strategies for dealing with a liquidity crisis and the procedures for making up cash-flow deficits and responsibility of relevant departments in emergency situations. The plan is updated and reviewed at least annually by ALCO to ensure that it remains robust over time. Any revision will be concurred by the Risk Management Committee. Apart from the liquidity limits and ratios agreed with the HKMA, the Group will promptly inform the HKMA of any early warning indicators of serious liquidity problems, which may trigger the contingency funding plan.

Liquidity positions are monitored and reported against approved liquidity risk limits and triggers. Limits are established in alignment with our risk appetites, taking into account our funding capacity, business requirements and the liquidity environment we operate in. There is also an established review, oversight, and escalation process to facilitate prompt escalation and remediation of any limit exceptions.

The Group maintained an average liquidity maintenance ratio (“LMR”) and core funding ratio (“CFR”) of 68.8% and 186.5% respectively in 2025 (2024: 59.0% of LMR; 166.8% of CFR), which are well above the statutory requirement of 25% and 75% respectively. The liquidity maintenance ratio and core funding ratio are compiled in accordance with the Banking (Liquidity) Rules.

The tables below analyse the Group’s financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities, and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed are based on the contractual undiscounted cash flows. Interest payable in respect of non-derivative financial liabilities is reported based on contractual interest payment date.

34. MANAGEMENT OF RISKS (Continued)

(b) Liquidity risk management (Continued)

	Repayable on demand	Within 1 month	2025			Over 5 years	Undated	Gross cash outflow
			Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years			
Non-derivative financial liabilities								
Deposits and balances of banks	347	8,865	-	-	-	-	-	9,212
Amounts due to ultimate holding company and fellow subsidiaries	-	3,860	17	1,715	375	-	-	5,967
Deposits from customers	129,826	63,018	62,427	66,344	4,372	-	1	325,988
Certificates of deposit and fixed rate notes issued	-	20	1,782	555	2,820	-	-	5,177
Other liabilities	369	2,015	597	449	564	221	113	4,328
	130,542	77,778	64,823	69,063	8,131	221	114	350,672
Unrecognised loan commitments	28,481	662	5,582	31,649	5,834	745	-	72,953
Financial guarantees and other credit related contingent liabilities	314	3,649	5,467	5,242	1,257	-	-	15,929
	28,795	4,311	11,049	36,891	7,091	745	-	88,882
Derivative cash flows								
Derivative financial instruments settled on net basis	-	(54)	8	(3)	53	(15)	-	(11)
Derivative financial instruments settled on a gross basis								
- total outflow	-	8,248	9,358	16,548	117	-	-	34,271
- total inflow	-	(8,082)	(9,340)	(16,645)	(166)	-	-	(34,233)
	-	166	18	(97)	(49)	-	-	38

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS (Continued)

(b) Liquidity risk management (Continued)

	Repayable on demand	Within 1 month	2024			Over 5 years	Over Undated	Gross cash outflow
			Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years			
Non-derivative financial liabilities								
Deposits and balances of banks	2,630	5,128	-	-	-	-	-	7,758
Amounts due to ultimate holding company and fellow subsidiaries	-	4,629	3,251	1,271	750	-	-	9,901
Deposits from customers	119,529	46,481	78,810	50,996	3,205	-	-	299,021
Certificates of deposit and fixed rate notes issued	-	-	265	1,310	2,176	-	-	3,751
Other liabilities	-	3,309	967	292	293	47	663	5,571
	122,159	59,547	83,293	53,869	6,424	47	663	326,002
Unrecognised loan commitments	18,410	976	3,532	33,522	3,563	601	-	60,604
Financial guarantees and other credit related contingent liabilities	291	1,836	3,168	5,192	506	-	-	10,993
	18,701	2,812	6,700	38,714	4,069	601	-	71,597
Derivative cash flows								
Derivative financial instruments settled on net basis	-	9	10	23	43	1	-	86
Derivative financial instruments settled on a gross basis								
- total outflow	-	25,022	15,703	26,433	791	-	-	67,949
- total inflow	-	(24,761)	(15,427)	(25,464)	(771)	-	-	(66,423)
	-	261	276	969	20	-	-	1,526

Details of the analysis on the Group's material assets and liabilities categorised into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date are set out in note 27.

34. MANAGEMENT OF RISKS *(Continued)*

(c) Market risk management

Market risks arise primarily from our trading, customer servicing and balance sheet management activities. Given the volatile macroeconomic environment, it is paramount that the management of market risk is robust and timely. This is achieved through the market risk management approach, which involves identification, measurement, monitoring, reporting and control of market risks.

Group-level market risk policies and procedures are established to provide common guidelines and standards for managing market risks. We regularly review our market risk management strategy and limits, which are established in accordance with our risk appetite and are aligned with our business strategies, taking into account prevailing macroeconomic and market conditions.

Our internal approval processes ensure that market risk is properly identified and quantified, allowing us to manage and mitigate such risks.

Value-At-Risk (“VaR”) quantifies market risk exposures arising from our trading portfolio activities. VaR is measured and monitored by different asset class risks, namely interest rate risk, foreign exchange risk, equity risk, credit spread risk and commodity risk, as well as at the aggregate level. Our VaR model is based on the historical simulation approach, calibrated at the 99% confidence level, and a one-day holding period. A 99% confidence level means that, statistically, losses on a single trading day may exceed VaR, on average, once every 100 days. To ensure the continued integrity of the VaR model, we regularly back-test the VaR estimates against actual and hypothetical trading P&Ls daily to confirm that the VaR models do not underestimate our market risk exposures.

As interest rate movements are a key driver of our market risk exposure, Present Value of a Basis Point (“PV01”) which measures the change in value of interest rate-sensitive exposures resulting from a one basis point increase across the entire yield curve – is an important measure that is monitored on a daily basis. Other than VaR and PV01, we use risk metrics such as notional positions, Present Value of a One Basis Point Move in Credit Spreads (“CS01”) and other risk measures for specific exposure types.

We perform stress testing and scenario analysis to assess and quantify potential losses from unlikely but plausible extreme market conditions. We regularly review and adjust the stress scenarios to ensure that their relevance to the Group’s trading portfolio activities and risk profile, as well as current and forecasted economic conditions. These analyses determine if potential losses from such extreme market conditions are within the Group’s risk tolerance. In addition to regular stress scenarios, we also use ad hoc event-specific stress scenarios to assess the potential impact of specific market conditions on our market risk exposures.

Trading units can undertake authorized trading activities only for approved products. We monitor all trading risk positions on a daily basis against approved and allocated limits. Trading activities are conducted within approved mandates and are dynamically hedged to remain within limits. Hedge effectiveness is enforced through independent limit monitoring to ensure compliance with market risk limits. Limits are approved to reflect our risk appetite and manage the downside risks from trading opportunities, with clearly defined exception escalation procedures. We also manage market risk exposure holistically by using multiple market risk limits (VaR and market risk sensitivities), P&L Stop-Loss and other measures. We report exceptions, including temporary breaches, promptly to senior management, the relevant risk committee(s) and the Board.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(c) **Market risk management** *(Continued)*

(i) **Interest rate risk in the banking book (“IRRBB”)**

IRRBB is the risk of potential loss of capital or reduction in earnings from adverse interest rate movements that affect the banking book positions. It arises from repricing mismatches between banking book assets and liabilities in terms of timing, reference interest rate indices and optionalities.

IRRBB is assessed from the perspective of both earnings and capital. Net interest income (“NII”) sensitivity estimates the potential change in earnings over a one-year horizon, and Economic Value of Equity (“EVE”) sensitivity evaluates the potential impact on the net present value of banking book positions under various interest rate shock scenarios.

As at December 2025, the Group’s EVE had the maximum simulated reduction of HK\$2,522 million (2024: HK\$2,028 million) under the supervisory prescribed Parallel Up interest rate scenario. For the Group’s NII, the scenario with the most adverse impact on net interest income was the Parallel Up scenario, with a simulated decrease by HK\$5 million (2024: HK\$78 million).

(ii) **Currency risk**

The Group had the following non-structural foreign currency positions which exceeded 10% of the net non-structural position in all foreign currencies:

	2025					Total
	US\$	Chinese Renminbi	EURO	Australian \$	Other currencies	
Spot assets	104,406	109,569	5,359	13,295	33,150	265,779
Spot liabilities	(103,890)	(97,893)	(2,530)	(5,695)	(23,154)	(233,162)
Forward purchases	353,293	302,682	2,031	712	10,262	668,980
Forward sales	(354,630)	(314,706)	(5,100)	(8,535)	(20,220)	(703,191)
Net option positions	(1,021)	795	217	3	4	(2)
Net long/(short) positions	(1,842)	447	(23)	(220)	42	(1,596)

34. MANAGEMENT OF RISKS (Continued)

(c) Market risk management (Continued)

(ii) Currency risk (Continued)

	2024						Total
	US\$	Chinese Renminbi	Pound Sterling	New Zealand \$	Macau Patacas	Other currencies	
Spot assets	99,202	114,013	4,377	115	14,235	19,617	251,559
Spot liabilities	(82,184)	(88,356)	(1,915)	(2,097)	(13,898)	(19,624)	(208,074)
Forward purchases	504,359	433,081	82	2,273	–	16,998	956,793
Forward sales	(522,050)	(460,865)	(2,901)	(3)	–	(16,825)	(1,002,644)
Net option positions	(1,416)	1,406	2	3	–	5	–
Net long/(short) positions	(2,089)	(721)	(355)	291	337	171	(2,366)

The net positions or net structural positions in foreign currencies are disclosed below where each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies.

The net option position is calculated on the basis of delta-weighted positions of all foreign exchange options contracts. The net structural position includes the Bank's overseas banking subsidiaries and other subsidiaries substantially involved in foreign exchange trading and includes structural assets or liabilities as follows:

- investments in overseas subsidiaries and related companies

	2025				2024			
	Macau Patacas	Chinese Renminbi	US\$	Total	Macau Patacas	Chinese Renminbi	US\$	Total
Net structural positions	3,736	10,327	1,526	15,589	3,785	9,349	1,522	14,656

(iii) Equity risk

The Group's equities exposures in 2025 and 2024 are mainly in long-term equity investments which are reported as "Financial assets measured at fair value through other comprehensive income" set out in note 15 separately.

(d) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

Operational Risk Management Approach

Our operational risk management framework defines how we manage and control operational risks arising from our Group's business activities and operations. This framework is supported by various programmes that ensure preparedness and minimise the impact of adverse event through a timely response, recovery, and adaptability, and adaptability of Critical Business Services and Functions.

Notes to the Consolidated Financial Statements

34. MANAGEMENT OF RISKS *(Continued)*

(d) Operational risk management *(Continued)*

Senior Management and the Board receive regular updates on operational risk profile, including operational risk events, key risk indicators, material issues and trends. Senior Management also receives an annual assurance report on the adequacy and effectiveness of our internal control and risk management systems.

A key focus area is Operational Resilience which refers to our ability to minimise the risk of business interruptions caused by operational failures, while ensuring the continued delivery of Critical Business Services and Functions during disruptions, including those provided by third parties. We proactively anticipate and prevent potential operational risk events through robust risk management practices.

Our Operational Resilience strategy builds on existing programmes such as business continuity management, crisis management, third-party risk management, technology risk management and cyber security. The robust risk management practices adopted by these programmes enable us to anticipate, prepare for, respond to, recover from, and learn from disruptive events.

(e) Information Security and Digital Risk Management

Information security and digital risk is the risk of data loss, financial loss, or disruption to financial services due to data leaks, cyberattacks or technology failures. It comprises three risk domains information, cyber and technology risks. Sound management of these risks is key to ensuring the confidentiality, integrity and availability of our information and critical systems. This approach minimises material impact on our customers and businesses from unforeseen events and aligns with regulatory expectations.

Information Security and Digital Risk Management Approach

Sound management of information security and digital risk remains a top priority as we continue to advance in our digital transformation journey. The cyber threat landscape is becoming increasingly sophisticated, with adversaries exploiting Artificial Intelligence (“AI”) for deepfakes, malware-generation and phishing, alongside a growing number of targeted attacks on critical infrastructure and service providers in the region. These developments underscore the importance of maintaining strong cyber resilience to safeguard our stakeholders’ interest.

Our information security and digital risk framework is supported by comprehensive set of policies, processes and controls that guide the governance and management of associated risks. We continue to invest in enhancement programmes designed to strengthen our technology and cyber resilience. We are highly focused on improving our capability to anticipate, respond to, and recover from unforeseen IT disruptions or cyberattacks with the objective of achieving operational resilience in serving our customers.

The programmes include regular assessments of key risk areas, referencing past incidents, regulatory developments, and emerging threats. Through this risk-based approach, we are able to prioritise mitigation efforts and focus enhancements effectively on areas of elevated risk exposures. Senior Management and the Board are regularly kept informed of risk profiles, key trends, and incidents across the Group.

34. MANAGEMENT OF RISKS *(Continued)*

(f) *Responsible Use of Artificial Intelligence (“AI”)*

The Group continues to explore and identify opportunities to embed AI across key use cases to deepen data insights and support decision making. These aim to improve productivity and operational efficiency, uplift customer experience, and enhance risk management processes.

As we expand AI adoption across the Group, we remain vigilant of the associated risks and committed to ethical and responsible AI deployment with close oversight. We recognise that threat actors are increasingly exploiting AI through deepfakes, sophisticated malware, and advanced phishing techniques, creating new avenues for fraud against the organisation and our customers.

To address these challenges, we maintain a robust governance framework supported by policies and guardrails to ensure proper oversight on ethical and responsible AI use. Strong controls are in place to identify, manage and mitigate potential harm from AI misuse. We also continue to collaborate with industry stakeholders to strengthen our frameworks, recognising the fast-evolving nature of AI and its regulatory landscape and the need for collective action. This disciplined approach reflects our commitment to continuously innovate with integrity – harnessing AI to deliver value, capture new opportunities, and uphold trust and accountability.

(g) *Capital management*

The Group’s policy is to maintain a strong capital base to support its business development and to meet the regulatory and internal capital requirements. In addition to meeting the requirements from the HKMA, the Group’s primary objectives in capital management include safeguarding the Group’s ability to operate as a going concern and ensuring it can continue to provide returns for shareholder and benefits for other stakeholders by pricing products and services commensurate with the level of risk and by securing access to finance at a reasonable cost. The Group has established a capital planning process to assess the adequacy of its capital to support current and future activities and to ensure the Group’s capital adequacy in relation to respective risk, taking into account its strategic focus and business plan.

The Group actively and regularly reviews and optimise its capital structure to maintain a balance between higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The amount of minimum capital requirements held for credit, market and operational risks are calculated in accordance with the Basel requirements and the regulations from the HKMA.

Capital allocation to various activities of the Bank is determined based on the risk profile of each business division. The Bank and certain financial subsidiaries, as designated by the HKMA, are subject to the HKMA’s capital requirements for its regulatory supervision purposes. The Group and its individually regulated subsidiaries have complied with all externally imposed capital requirements throughout the years ended 31st December, 2025 and 2024 and are well above the minimum required ratios set by the HKMA. The information is disclosed in the Bank’s Regulatory Disclosure. Where the subsidiaries are directly regulated by overseas regulators, they are required to maintain minimum capital according to their local regulators’ requirements.

The capital ratios at 31st December, 2025 are computed on a consolidated basis including the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules (“the Capital Rules”).

Notes to the Consolidated Financial Statements

35. TRANSFERS OF FINANCIAL ASSETS

At 31st December, 2025, the Group entered into repurchase agreements with certain banks and customers to sell debt securities with a carrying amount of HK\$6,820 million (2024: HK\$6,334 million) which are subject to simultaneous agreements (“repurchase agreements”) to repurchase these securities at the agreed dates and prices.

The carrying amounts of debt securities sold under repurchase agreements by nature are as follows:

	2025	2024
Trading assets	–	386
Financial assets measured at fair value through other comprehensive income	6,820	5,948
	6,820	6,334

The consideration received under these repurchase agreements for the Group totaling HK\$6,354 million (2024: HK\$5,824 million) was reported as amounts due to ultimate holding company and deposits and balances of banks at 31st December, 2025 and 2024.

As stipulated in the repurchase agreements, there was no transfer of the legal ownership of these securities to the counterparties during the covered period. However, the Group was not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, these securities were not derecognised from the financial statements but regarded as “collateral” for the secured lending from these counterparties. Normally, the counterparties could only claim from the collateral when there exists an event of default on the secured lending.

At 31st December, 2025 and 2024, there were no outstanding transferred financial assets in which the Group has a continuing involvement that were derecognised in their entirety.

36. STAFF BENEFITS

(a) Retirement schemes

	2025	2024
Retirement benefit costs (note 5(g))	212	231

The Group operates both a Mandatory Provident Fund Exempt ORSO Scheme (“the ORSO Scheme”) which is registered under the Hong Kong Occupational Retirement Schemes Ordinance and two Mandatory Provident Fund Schemes (“the MPF Schemes”) established under the Hong Kong Mandatory Provident Fund Ordinance to cover all qualifying employees in Hong Kong. As from 1st August, 2004, the ORSO Scheme has been frozen as employees and the employer have made the contributions to MPF Schemes instead. In addition, a defined contribution scheme was established on 3rd January, 2001 to cover all qualifying employees in Macau at various funding rates. The costs of these schemes are charged to the statement of profit or loss as incurred and the assets of these schemes are held separately from the Group. Any forfeiture amount under the MPF Schemes is refunded to the Group when the member leaves employment prior to the employer’s voluntary contributions being vested fully.

(b) Equity compensation benefits

(i) Share Option Scheme

The Group has ceased granting share options under OCBC Share Option Scheme 2001 (“2001 Scheme”) effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by the recipients. 2001 Scheme was implemented in 2001 and was extended for another 10 years from 2011 to 2021. Executives of the Group ranked Manager and above and non-executive directors of the Group are eligible to participate in this scheme. OCBC will either issue new shares or transfer treasury shares to the participants upon the exercise of their options. The acquisition prices for these grants were equal to the average of the last traded price of the ordinary shares of OCBC on the Singapore Exchange over the five consecutive trading days immediately prior to the respective dates of grant.

Notes to the Consolidated Financial Statements

36. STAFF BENEFITS *(Continued)*

(b) **Equity compensation benefits** *(Continued)*

(i) **Share Option Scheme** *(Continued)*

Movements in the number of options and fair value are as follows:

	2025		2024	
	Number of options	Average price (in Singapore \$)	Number of options	Average price (in Singapore \$)
At 1st January	1,120,337	1.3108	1,625,399	1.2697
Exercised during the year	(672,426)	1.2430	(504,048)	1.1769
Lapsed during the year	–	–	(1,014)	2.0469
At 31st December	447,911	1.4124	1,120,337	1.3108
Exercisable at the end of the year	447,911	1.4124	1,120,337	1.3108

At 31st December, 2025, the weighted average remaining contractual life of outstanding share options was 1.22 years (2024: 2.14 years). The accounting treatment of share-based compensation plan is set out in note 2(v).

(ii) **Employee Share Purchase Plan**

The OCBC Employee Share Purchase Plan (“ESP Plan”), which was implemented in 2004, was extended for another 10 years from 2014 to 2024, with the approval of shareholders. Employees of the Group who have attained the age of 21 years and been employed for not less than six months are eligible to participate in the ESP Plan. In June 2022, the Bank launched the offering of ESP Plan for the eligible employees of the Group, which commenced on 1st July, 2022 and expire on 30th June, 2023. Under the offering, the Bank granted right to acquire 546,307 (2024: 612,725) ordinary shares in the OCBC pursuant to the ESP Plan. The acquisition price is equal to the average of the last traded price of the ordinary shares of OCBC on the Singapore Exchange over five consecutive trading days immediately preceding the price fixing date. The fair value of the rights is determined using the binominal valuation model. Significant inputs to the valuation model are set out below:

	2025	2024
Acquisition price (in Singapore \$)	16.73	14.45
Share price (in Singapore \$)	16.79	14.80
Expected volatility based on historical volatility as of acceptance date (%)	19.42	13.19
Singapore government bond yields (%)	1.56	2.83
Expected dividend yield (%)	6.66	6.54

36. STAFF BENEFITS *(Continued)*

(b) **Equity compensation benefits** *(Continued)*

(ii) **Employee Share Purchase Plan** *(Continued)*

Movements in the number of acquisition rights of the ESP Plan are as follows:

	2025		2024	
	Number of acquisition rights	Average price (in Singapore \$)	Number of acquisition rights	Average price (in Singapore \$)
At 1st January	1,092,402	13.588	890,879	12.414
Exercised and conversion upon expiry	(947,164)	14.996	(314,179)	12.070
Forfeited	(82,754)	15.157	(97,023)	13.166
Subscription	546,307	16.730	612,725	14.450
At 31st December	608,791	14.003	1,092,402	13.588

At 31st December, 2025, the weighted average remaining contractual life of outstanding acquisition rights was 1.0 year (2024: 1.0 year). The accounting treatment of share-based compensation plan is set out in note 2(v).

(iii) **OCBC Deferred Share Plan**

OCBC implemented the OCBC Deferred Share Plan ("DSP") in 2003. The DSP is a discretionary incentive and retention award programme extended to executives of the Group at the absolute discretion of the Remuneration Committee. Among the ordinary shares granted, 50% vests at 2 years from the date of grant and the remaining 50% vests at 3 years from the date of grant.

Awards of an aggregate of 767,957 (2024: 929,093) ordinary shares of OCBC (including awards of 310,795 (2024: 363,965) ordinary shares of OCBC granted to directors of the Group) were granted by OCBC to eligible executives under the DSP during the financial year ended 31st December, 2025. The fair value of the shares at grant date was Singapore \$13.0 million (2024: Singapore \$12.0 million). In addition, awards are adjusted following the declarations of final dividend and interim dividend, if any.

The accounting treatment of share-based compensation plan is set out in note 2(v).

Notes to the Consolidated Financial Statements

37. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) *Financial instruments measured at fair value*

Financial instruments measured at fair value on an ongoing basis include trading assets and liabilities, financial instruments designated at FVTPL, and financial instruments measured at FVOCI.

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values at the end of the reporting period on a recurring basis using the following fair value hierarchy as defined in HKFRS 13, Fair Value Measurement that reflects the observability and significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments where the valuation technique includes inputs not based on observable market data and for which unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial instruments measured at fair value *(Continued)*

Fair values of financial instruments that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments that are not traded in the active markets, the Group determines fair values using valuation techniques. Valuation techniques include net present value of expected future cash flows and discounted cash flow models based on “no-arbitrage” principles, standard option pricing models across the industry for vanilla derivative products. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm’s length.

The majority of valuation techniques employ only observable market data. Hence, the reliability of the fair values measurement is high. However, certain financial instruments are valued on the basis of one or more significant market inputs that are not observable. The fair value derived is more judgemental. “Not observable” does not mean there is absolutely no market data available, but rather that there is little or no current market data available from which to determine the level at which an arm’s length transaction would likely occur. Examples of observable inputs include foreign exchange spot and forward rates, benchmark interest rate curves and volatility surfaces for commonly traded option products. Examples of unobservable inputs include volatility surfaces for less commonly traded option products and correlations between market factors.

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the valuation uncertainty associated with determination of fair values. Availability varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses the broker pricing service, which adopts proprietary valuation models as inputs to a fair value measurement. These models are usually developed from recognised valuation models across the industry with some or all of the inputs into these models being unobservable in the market.

Fair values are subject to a control framework that aims to ensure that they are either determined or validated by a function independent of the risk-taker. To this end, the ultimate responsibility for the determination of fair values lies with Finance Division – Treasury Financial Control and Advisory Team. Treasury Financial Control and Advisory Team establishes procedures governing valuation, and is responsible for ensuring that these comply with all relevant accounting standards.

Notes to the Consolidated Financial Statements

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) *Financial instruments measured at fair value (Continued)*

The table below analyses financial instruments measured at fair value at the reporting date according to the level in the fair value hierarchy into which they are categorised:

Recurring fair value measurements	2025			Total
	Level 1	Level 2	Level 3	
Assets				
Trading assets				
– Treasury bills	56	–	–	56
– Other debt securities	1,568	2	–	1,570
– Derivative financial instruments held for trading	3	8,350	8	8,361
	1,627	8,352	8	9,987
Advances to customers and other accounts				
– Derivative financial instruments held for hedging	–	389	–	389
Financial assets measured at fair value through other comprehensive income				
– Treasury bills	18,122	12,964	–	31,086
– Certificates of deposit held	11,456	23,776	–	35,232
– Other debt securities	42,840	4,802	–	47,642
– Equity securities	–	–	1,682	1,682
	72,418	41,542	1,682	115,642
	74,045	50,283	1,690	126,018
Liabilities				
Trading liabilities				
– Derivative financial instruments held for trading	4	8,463	6	8,473
Other accounts and provisions				
– Derivative financial instruments held for hedging	–	427	–	427
	4	8,890	6	8,900

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) *Financial instruments measured at fair value (Continued)*

Recurring fair value measurements	Level 1	2024		Total
		Level 2	Level 3	
Assets				
Trading assets				
– Treasury bills	930	–	–	930
– Other debt securities	449	–	–	449
– Derivative financial instruments held for trading	1	20,591	1	20,593
	1,380	20,591	1	21,972
Advances to customers and other accounts				
– Derivative financial instruments held for hedging	–	1,121	–	1,121
Financial assets measured at fair value through other comprehensive income				
– Treasury bills	14,386	8,805	–	23,191
– Certificates of deposit held	13,840	8,294	–	22,134
– Other debt securities	41,369	3,210	–	44,579
– Equity securities	–	–	1,654	1,654
	69,595	20,309	1,654	91,558
	70,975	42,021	1,655	114,651
Liabilities				
Trading liabilities				
– Derivative financial instruments held for trading	1	20,470	4	20,475
Other accounts and provisions				
– Derivative financial instruments held for hedging	–	58	–	58
	1	20,528	4	20,533

During the year ended 31st December, 2025, there were no transfers between Level 1 and Level 2, nor transfers into or out of Level 3 (2024: trading assets and liabilities of HK\$518 million from Level 3 to Level 2). The Group's policy is to recognise transfers between levels of fair value hierarchy during the year in which they occur.

Notes to the Consolidated Financial Statements

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) *Financial instruments measured at fair value (Continued)*

(i) **Valuation of financial instruments with significant unobservable inputs**

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	2025
	Financial assets measured at fair value through other comprehensive income – Equity securities
Assets/(liabilities)	
At 1st January	1,654
Changes in fair value recognised in the consolidated statement of comprehensive income	28
<hr/>	
At 31st December	1,682
<hr/>	
Total gains for the year included in investment revaluation reserve of the other comprehensive income for assets held at the reporting date	28

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) *Financial instruments measured at fair value (Continued)*

(i) **Valuation of financial instruments with significant unobservable inputs** *(Continued)*

	2024
	Financial assets measured at fair value through other comprehensive income – Equity securities
Assets/(liabilities)	
At 1st January	1,910
Changes in fair value recognised in the consolidated statement of comprehensive income	(256)
<hr/>	
At 31st December	1,654
<hr/>	
Total losses for the year included in investment revaluation reserve of the other comprehensive income for assets held at the reporting date	(256)

Notes to the Consolidated Financial Statements

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) **Financial instruments measured at fair value** *(Continued)*

(i) **Valuation of financial instruments with significant unobservable inputs** *(Continued)*

Information about significant unobservable inputs in Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range
Unlisted equity securities measured at fair value through other comprehensive income	Discounted cash flow model	Discount rates	8.90% (2024: 11.01%)
		Terminal growth rate	2.50% (2024: 2.50%)
	Market approach	P/E ratios	26.41x-41.10x (2024: 26.48x-42.95x)
		Marketability discount	20% (2024: 20%)
		Enterprise value/EBITDA ratios	5.71x (2024: 4.77x)
		P/B ratios	2.02x (2024: 1.89x)

The fair value of unlisted equity securities under financial assets measured at fair value through other comprehensive income is determined using the discounted cash flow and market approach.

For discounted cash flow model, the significant unobservable inputs used in the fair value measurement are forecasted cash flows, discount rates and terminal growth rate. The fair value measurement is positively correlated to the net cash inflows and terminal growth rate. For market approach, the significant unobservable inputs used in the fair value measurement are P/E ratios, marketability discount, enterprise value/EBITDA ratios and P/B ratios.

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(a) **Financial instruments measured at fair value** *(Continued)*

(ii) **Effect of changes in significant non-observable assumptions to reasonably possible alternative assumptions**

The fair value of financial instruments is, in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the sensitivity of fair values in Level 3 due to parallel movement of plus or minus 10 percent of change in significant non-observable assumptions to reasonably possible alternative assumptions. This Level 3 sensitivity analysis assumes a one-way market move and does not consider offsets for hedges.

	2025			
	Reflected in profit/(loss)		Reflected in other comprehensive income	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Financial assets measured at fair value through other comprehensive income				
– Equity securities	–	–	168	(168)
	2024			
	Reflected in profit/(loss)		Reflected in other comprehensive income	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Financial assets measured at fair value through other comprehensive income				
– Equity securities	–	–	165	(165)

Notes to the Consolidated Financial Statements

37. FAIR VALUES OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair values of financial instruments carried at other than fair value

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. For financial assets and liabilities not carried at fair value on the financial statements, the Group has determined that their fair values were not materially different from the carrying amounts at the reporting date. The carrying amounts and fair values of financial instruments of the Group are described below.

Financial Assets

Fair values of cash and balances with banks and central banks, placements with banks, central banks and other financial institutions, interest and other short-term receivables are expected to approximate their carrying amounts due to their short tenor or frequent re-pricing.

Securities held by the Group, comprising debt and equity securities, are substantially carried at fair value on the consolidated statement of financial position. Fair value of debt securities measured at amortised cost are expected to approximate their carrying amounts due to frequent re-pricing.

Advances to customers are mainly carried at amortised cost on the consolidated statement of financial position, net of allowances for impaired and non-impaired advances to customers. The Group deems that the carrying amounts of advances to customers approximate their fair values as substantially all the loans are subject to frequent re-pricing.

Financial Liabilities

Fair value of certain financial liabilities, which include mainly deposits from customers with no stated maturity, interbank borrowings, borrowings under repurchase agreements and interest and other short-term payables are expected to approximate their carrying amounts due to their short tenor. For non-bank customer term deposits, contractual or derived cash flows are discounted at market rates as at reporting date to estimate the fair values, which approximate the carrying amounts.

For certificates of deposits and fixed rate notes which are usually short term, the fair values approximate the carrying amounts.

38. BANK-LEVEL STATEMENT OF FINANCIAL POSITION

	2025	2024 (restated)
ASSETS		
Cash and balances with banks and central banks	4,321	4,261
Placements with banks, central banks and other financial institutions	3,852	5,723
Amounts due from ultimate holding company and fellow subsidiaries	8,588	23,631
Amounts due from subsidiaries	4,102	3,364
Trading assets	283	877
Advances to customers and other accounts	141,698	133,884
Financial assets measured at fair value through other comprehensive income	76,731	62,202
Debt securities measured at amortised cost	19,019	20,643
Assets held for sale	–	290
Investments in subsidiaries	8,228	8,228
Investments in associated companies	42	42
Fixed assets		
– Investment properties	200	131
– Bank Premises and equipment	3,632	3,832
Goodwill	847	847
Current tax recoverable	43	64
Deferred tax assets	240	135
Total assets	271,826	268,154
EQUITY AND LIABILITIES		
Deposits and balances of banks	346	828
Amounts due to ultimate holding company and fellow subsidiaries	696	2,938
Amounts due to subsidiaries	5,387	6,466
Deposits from customers	225,341	218,693
Trading liabilities	464	490
Lease liabilities	289	158
Other accounts and provisions	3,132	3,033
Total liabilities	235,655	232,606
Share capital	7,308	7,308
Reserves	25,863	25,240
Perpetual capital securities issued	3,000	3,000
Total equity	36,171	35,548
Total equity and liabilities	271,826	268,154

Approved and authorised for issue by the Board of Directors on 15th April, 2026

KHOO Cheng Hoe Andrew
WANG Ke

Chairman
Executive Director and Chief Executive Officer

Notes to the Consolidated Financial Statements

39. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31st December, 2025, the directors consider the immediate and ultimate controlling party of the Bank to be Oversea-Chinese Banking Corporation Limited, which is incorporated and listed in Singapore.

40. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Board recommended a final dividend. Further details are disclosed in note 8(a). In January 2026, the Bank purchased a property at cost of HK\$1,157 million.

41. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2025

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31st December, 2025 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

42. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 15th April, 2026.

43. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

Unaudited Supplementary Financial Information

(Expressed in millions of Hong Kong dollars unless otherwise stated)

The notes to the consolidated financial statements and the following unaudited supplementary financial information are prepared to comply with the Banking (Disclosure) Rules.

(A) CAPITAL AND LIQUIDITY RATIOS

(i) Capital ratios

	2025	2024
Common Equity Tier 1 capital ratio as at 31st December	22.5%	18.5%
Tier 1 capital ratio as at 31st December	24.3%	20.1%
Total capital ratio as at 31st December	25.5%	21.0%
Capital conservation buffer ratio	2.500%	2.500%
Countercyclical capital buffer ratio	0.271%	0.291%
Common Equity Tier 1 capital	38,528	36,830
Tier 1 capital	41,528	39,830
Total capital	43,513	41,621
Risk weighted assets	170,903	198,595

As mentioned in note 34(g) of "Notes to the consolidated financial statements" on the capital management of the Group, the calculation of the regulatory capital and capital charges are in accordance with the Banking (Capital) Rules.

The capital ratios are computed on a consolidated basis including the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules.

Unaudited Supplementary Financial Information

(A) CAPITAL AND LIQUIDITY RATIOS *(Continued)*

(i) **Capital ratios** *(Continued)*

In calculating the capital ratios of the Group, the following subsidiaries are excluded from the regulatory scope of consolidation. These are mainly securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance:

Subsidiaries	Principal activities	2025		2024	
		Total assets	Total equity	Total assets	Total equity
Chekiang First Bank (Nominees) Limited	Inactive/Nominee Services	-	-	-	-
OCBC Futures Investment (Hong Kong) Limited	Futures Trading	23	17	21	17
OCBC Nominees Services (Hong Kong) Limited	Inactive/Nominee Services	-	-	-	-
OCBC Trustee (Hong Kong) Limited	Inactive	4	4	4	4
OCBC Insurance Agency (Hong Kong) Limited	Inactive/Insurance Agency	-	-	28	28
OCBC Insurance Brokers (Hong Kong) Limited	Insurance Broker	403	376	222	189
OCBC Securities Brokerage (Hong Kong) Limited	Securities Dealing	639	360	589	349

At 31st December, 2025, for all subsidiaries included both the accounting and regulatory scope of consolidation, the same consolidation methodology is applied.

There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

There are no relevant capital shortfalls in any of the Group's subsidiaries at 31st December, 2025 (2024: nil) which are not included in the Group's consolidation for regulatory purposes.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

(ii) **Average liquidity maintenance ratio and core funding ratio**

	2025	2024
Average liquidity maintenance ratio for the year	68.8%	59.0%
Average core funding ratio for the year	186.5%	166.8%

The average liquidity maintenance ratio and core funding ratio for 2025 include the liquidity positions of the Bank and certain of its financial subsidiaries. The basis of computation has been agreed with the Hong Kong Monetary Authority ("HKMA"). Liquidity maintenance ratio and core funding ratio are compiled in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015 and 2018 respectively.

(B) ADVANCES TO CUSTOMERS ANALYSED BY GEOGRAPHICAL AREA

The geographical information is classified by the geographical location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a geographical location which is different from that of the borrower or if the claims are on an overseas branch of a bank whose head office is located in another geographical location.

	2025					
	Gross advances to customers	Impaired advances to customers	Overdue advances to customers for over three months	Expected credit losses (Stage 3) on advances to customers	Expected credit losses (Stages 1 and 2) on advances to customers	Expected credit losses written off during the year
Hong Kong	125,067	4,951	2,562	1,698	1,092	41
Macau	17,400	1,246	40	403	107	1
Mainland China	65,682	764	163	425	380	14
Others	5,706	42	–	–	55	–
	213,855	7,003	2,765	2,526	1,634	56

	2024					
	Gross advances to customers	Impaired advances to customers	Overdue advances to customers for over three months	Expected credit losses (Stage 3) on advances to customers	Expected credit losses (Stages 1 and 2) on advances to customers	Expected credit losses written off during the year
Hong Kong	121,760	5,475	603	1,568	871	59
Macau	17,132	86	42	3	312	2
Mainland China	54,631	192	170	57	280	183
Others	5,078	45	–	–	90	–
	198,601	5,798	815	1,628	1,553	244

Unaudited Supplementary Financial Information

(C) FURTHER ANALYSIS OF ADVANCES TO CUSTOMERS BY INDUSTRY SECTORS

The following information concerning further analysis of advances to customers by industry sectors is prepared by classifying the advances according to the usage of the advances in respect of industry sectors which constitute not less than 10% of gross advances to customers.

	2025					
	Gross advances to customers	Overdue advances to customers for over three months	Expected credit losses (Stage 3) on advances to customers	Expected credit losses (Stages 1 and 2) on advances to customers	Expected credit losses charged to consolidated statement of profit or loss during the year	Expected credit losses written off during the year
Property investment	32,636	576	641	424	311	–
Advances for the purchase of other residential properties	31,144	121	5	27	3	1
Advances for use outside Hong Kong						
– Mainland China	54,775	133	413	281	354	14
– Macau	17,740	37	177	299	254	1
	2024					
	Gross advances to customers	Overdue advances to customers for over three months	Expected credit losses (Stage 3) on advances to customers	Expected credit losses (Stages 1 and 2) on advances to customers	Expected credit losses charged to consolidated statement of profit or loss during the year	Expected credit losses written off during the year
Property investment	31,162	336	285	513	549	–
Advances for the purchase of other residential properties	31,419	133	4	27	25	–
Advances for use outside Hong Kong						
– Mainland China	46,536	157	48	253	107	22
– Macau	16,832	39	3	227	198	2

(D) OVERDUE AND RESCHEDULED ASSETS

(i) *Overdue and rescheduled advances to customers*

	2025		2024	
	Amount	% of total advances to customers	Amount	% of total advances to customers
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:				
– 6 months or less but over 3 months	114	0.05	118	0.06
– 1 year or less but over 6 months	661	0.31	149	0.07
– Over 1 year	1,990	0.93	548	0.28
	2,765	1.29	815	0.41
Covered portion of overdue advances	2,114		690	
Uncovered portion of overdue advances	651		125	
	2,765		815	
Current market values of collateral held against covered portion of overdue advances	2,337		957	
Expected credit losses (Stage 3) made on overdue advances	1,069		216	

Collateral held with respect to overdue advances to customers are mainly properties and vehicles.

Advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

Unaudited Supplementary Financial Information

(D) OVERDUE AND RESCHEDULED ASSETS *(Continued)*

(i) **Overdue and rescheduled advances to customers** *(Continued)*

Rescheduled advances are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled advances are stated net of any advances that have subsequently become overdue for over 3 months and can be analysed as follows:

	2025		2024	
	Amount	% of total advances to customers	Amount	% of total advances to customers
Rescheduled advances to customers	45	0.02	56	0.03

All rescheduled advances to customers are impaired at 31st December, 2025 and 2024.

There were no advances to banks which were overdue nor rescheduled at 31st December, 2025 and 2024.

(ii) **Other overdue assets**

There are no debt securities or other assets which are overdue at 31st December, 2025 (2024: nil).

(E) DISCLOSURE REQUIREMENTS UNDER THE BANKING (DISCLOSURE) RULES

(i) **Corporate Governance**

The Group is committed to high standards of corporate governance. The Group has fully complied with the requirements set out in the guideline on "Corporate Governance of Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the HKMA. The Group has established a number of board committees under the Board of Directors including Audit Committee, Nomination Committee, Risk Management Committee and Remuneration Committee. The compositions and functions of these committees are explained in the "Corporate Governance Report".

(ii) The detailed disclosures required by the Banking (Disclosure) Rules will be disclosed on 15th April, 2026 under "Regulatory Disclosure" on the website of the Bank (www.ocbc.com.hk).

List of Branches

OCBC BANK (HONG KONG) LIMITED

HONG KONG ISLAND

Main Branch	OCBC Centre, 161 Queen's Road Central, Central
Causeway Bay Branch	443–445 Hennessy Road, Causeway Bay
Central Branch	G/F–3/F, 35 QRC, 35 Queen's Road Central, Central
Johnston Road Branch	131–133 Johnston Road, Wan Chai
North Point Branch	441–443 King's Road, North Point
Shaukeiwan Branch	Perfect Mount Gardens, 1 Po Man Street, Shaukeiwan
Taikoo Shing Branch	Shop G11 & G12, Wah Shan Mansion, 17 Taikoo Shing Road, Taikoo Shing
Western Branch	139–141 Des Voeux Road West, Sai Ying Pun
Auto Finance	
Main Office	1/F, Eastern Central Plaza, 3 Yiu Hing Road, Shaukeiwan

KOWLOON

Hoi Yuen Road Branch	Unit 01, 22/F, Crocodile Centre, 79 Hoi Yuen Road, Kwun Tong
Kowloon Branch	298 Nathan Road, Jordan
Mei Foo Branch	Shop N52, G/F., Mount Sterling Mall, Mei Foo Sun Chuen, Mei Foo
Mongkok Road Branch	16 Mongkok Road, Mongkok
San Po Kong Branch	G/F, 66–70 Tseuk Luk Street, San Po Kong
Tsimshatsui Branch	54 Cameron Road, Tsimshatsui
Whampoa Estate Branch	8–10 Tak Man Street, Whampoa Estate, Hung Hom
Yaumati Branch	507 Nathan Road, Yaumati

NEW TERRITORIES

Tai Po Branch	Shop F, 12–26 Tai Wing Lane, Tai Po
Tai Wai Branch	32–34 Tai Wai Road, Shatin
Tsuen Wan Branch	35 Chung On Street, Tsuen Wan
Tuen Mun Branch	Shops 1&2, G/F, Man Cheung Mansion, 52–62 Tuen Mun Heung Sze Wui Road, Tuen Mun
Yuen Long Branch	Shop 1–3, G/F, 40–54 Castle Peak Road, Yuen Long

List of Branches

MACAU

OCBC Bank (Macau) Limited

Main Branch	241 Avenida de Almeida Ribeiro
Hong Kai Si Branch	85 Avenida Horta e Costa
San Kiu Branch	19–21 Estrada de Adolfo Loureiro
Hak Sa Van Branch	32C-F Estrada de Marginal do Hipodromo
Toi San Branch	338 Avenida de A.T. Barbosa
Kou Tei Vu Kai Branch	29A Rua Pedro Coutinho R/C
Ho Pin San Kai Branch	75–79 Rua Almirante Sergio
Flower City Branch	356–366, Rua de Evora, Edif. Lei Fung, Taipa
San Hau On Branch	286 Alameda Dr. Carlos D'Assumpcao R/C

MAINLAND CHINA

OCBC Bank Limited

SHANGHAI

Main Branch OCBC Centre, No. 1155 Yuanshen Road, Pudong New District, Shanghai, 200135

Shanghai Branch Unit 102, Unit 107, Unit 307, OCBC Centre, No. 1155 Yuanshen Road, Pudong New District, Shanghai, 200135

BEIJING

Beijing Branch 01, 02B, 06, 16/F, Tower 3, China Central Place, No. 77, Jianguo Road, Chaoyang District, Beijing 100022

CHENGDU

Chengdu Branch Unit 1, 8, 9 and 10, 31F, No.2 Office Building, Chengdu IFS, No. 1, Hong Xing San Duan Road, Jin Jiang District, Chengdu 610021

TIANJIN

Tianjin Branch Unit 3805, 3806, 38/F, Metropolitan Tower, Southwest of the Intersection of Nanjing Road and Changsha Road, Heping District, Tianjin 300051

XIAMEN

Xiamen Branch 2F-3F, No. 2 Zhongshan Road, Siming District, Xiamen 361001

QINGDAO

Qingdao Branch Unit 2105-2107, No. 9 Middle Hong Kong Road, Shinan District, Qingdao 266071

CHONGQING

Chongqing Branch Unit 1-3, 48 Floor, Yingli International Financial Center, No. 28, Minquan Road, Yuzhong District, Chongqing 400010

List of Branches

MAINLAND CHINA

OCBC Bank Limited (Continued)

SHAOXING

Shaoxing Branch Unit 11-17, 13F, Sunriver Plaza, No. 299 Houshu Road, Yuecheng District, Shaoxing 312000

SUZHOU

Suzhou Branch Unit 1-3, 12th Floor, No. 2 Building, Jinghope Plaza, No. 88 Huachi Street, SIP, Suzhou 215027

WUHAN

Wuhan Branch Unit 3004A, 3004B1, 3005A, 3005B, Tiandi Tower A1, No. 1505, Zhongshan Avenue, JiangAn District, Wuhan 430010

SHENZHEN

Shenzhen Branch 5/F & Unit M02, Shun Hing Square, Di Wang Commercial Centre, 5002 Shennan Dong Road, Shenzhen 518008

GUANGZHOU

Guangzhou Branch Unit 2305, Taikoo Hui Tower 1, No. 385 Tianhe Road, Tianhe District, Guangzhou 510620

ZHUHAI

Zhuhai Branch #1501 & 1508, Yanlord Marina Center Tower 5, No. 1 Qinglv South Road, Xiangzhou District, Zhuhai 519020

FOSHAN

Foshan Sub-Branch Room 2001, Mingri Plaza I, Xingui Road, Daliang, Shunde District, Foshan 528300



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