

OCBC Bank (Hong Kong) Limited

2025 Interim Report



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Unaudited Condensed Consolidated Statement of Profit or Loss

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

		Six months ended	
	Notes	30th June, 2025	30th June, 2024
Interest income calculated using the effective interest method	4(a)	6,459	7,273
Other interest income	4(a)	1,346	1,232
Interest expense	4(b)	(4,866)	(5,406)
Net interest income		2,939	3,099
Fees and commission income		995	738
Fees and commission expense		(56)	(66)
Net fees and commission income	4(c)	939	672
Dividends	4(d)	12	13
Rental income		4	2
Other income	4(e)	427	564
Other operating income		1,382	1,251
Operating income		4,321	4,350
Operating expenses	4(f)	(2,385)	(2,293)
Operating profit before expected credit losses		1,936	2,057
Change in expected credit losses		(465)	(986)
Operating profit after expected credit losses		1,471	1,071
Share of net profit/(loss) of associated companies		38	(57)
Profit before taxation		1,509	1,014
Taxation	5	(249)	(190)
Profit for the period attributable to equity shareholder of the Group		1,260	824

Unaudited Condensed Consolidated Statement of Comprehensive Income

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

		Six months ended	
	Notes	30th June, 2025	30th June, 2024
Profit for the period		1,260	824
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that will not be reclassified to profit or loss			
– Deficit on revaluation of bank premises	10	(190)	(82)
– Income tax related to the above		17	32
– Share of deficit on revaluation of bank premises of associated companies		–	(3)
		(173)	(53)
– Equity securities measured at fair value through other comprehensive income			
– Fair value changes		26	(27)
– Deferred taxes		(1)	3
		25	(24)
		(148)	(77)
Items that are or may be reclassified subsequently to profit or loss			
– Exchange adjustments on translation of financial statements of subsidiaries		336	(252)
– Debt securities measured at fair value through other comprehensive income			
– Fair value changes		196	164
– Transfer to consolidated statement of profit or loss			
– Gains on disposal		(34)	(5)
– Expected credit losses recognised		14	6
– Income tax related to the above		(6)	(37)
		170	128

	Six months ended	
	30th June, 2025	30th June, 2024
– Cash flow hedging reserve		
– Fair value changes taken to equity	53	(98)
– Deferred taxes	(9)	16
	44	(82)
– Unappropriated profits		
– Bank premises	1	9
– Deferred taxes		
	551	(197)
Other comprehensive income for the period, net of tax	403	(274)
Total comprehensive income for the period attributable to equity shareholder of the Group	1,663	550

Unaudited Condensed Consolidated Statement of Financial Position

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

	Notes	30th June, 2025	31st December, 2024
ASSETS			
Cash and balances with banks and central banks	6	17,848	10,488
Placements with banks, central banks and other financial institutions	7	7,006	6,625
Amounts due from ultimate holding company and fellow subsidiaries		34,436	39,725
Trading assets		14,284	21,972
Advances to customers and other accounts	8	197,340	203,295
Financial assets measured at fair value through other comprehensive income		118,999	91,558
Debt securities measured at amortised cost		10,849	9,776
Assets held for sale		315	315
Investments in associated companies		281	243
Fixed assets	10		
– Investment properties		362	319
– Bank premises and equipment		4,436	4,753
Goodwill		1,306	1,306
Current tax recoverable		–	64
Deferred tax assets		332	233
Total assets		407,794	390,672
EQUITY AND LIABILITIES			
Deposits and balances of banks		9,993	7,743
Amounts due to ultimate holding company and fellow subsidiaries		8,708	9,763
Deposits from customers	11	321,137	296,691
Certificates of deposit and fixed rate notes issued	12	3,817	3,606
Trading liabilities		10,631	20,475
Lease liabilities		190	190
Current tax payable		330	182
Deferred tax liabilities		142	141
Other accounts and provisions	13	6,537	6,729
Total liabilities		361,485	345,520
Share capital		7,308	7,308
Reserves	14	36,001	34,844
Perpetual capital securities issued		3,000	3,000
Total equity		46,309	45,152
Total equity and liabilities		407,794	390,672

Unaudited Condensed Consolidated Statement of Changes in Equity

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

	Six months ended 30th June, 2025						At 30th June
	At 1st January	Transfer to/(from) reserve	Coupon of perpetual capital securities	Dividends declared or approved during the period	Profit for the period	Other comprehensive income for the period	
Share capital	7,308	-	-	-	-	-	7,308
Capital reserve	644	-	-	-	-	-	644
Statutory reserve	430	-	-	-	-	-	430
General reserve	979	-	-	-	-	336	1,315
Bank premises revaluation reserve	2,655	(22)	-	-	-	(173)	2,460
Investment revaluation reserve (recycling)	(2)	-	-	-	-	170	168
Investment revaluation reserve (non-recycling)	1,475	-	-	-	-	25	1,500
Cash flow hedging reserve	33	-	-	-	-	44	77
Unappropriated profits	28,630	22	(91)	(415)	1,260	1	29,407
Perpetual capital securities	3,000	-	-	-	-	-	3,000
Total equity	45,152	-	(91)	(415)	1,260	403	46,309

	Six months ended 31st December, 2024						At 31st December
	At 30th June	Transfer to/(from) reserve	Coupon of perpetual capital securities	Dividends declared or approved during the period	Profit for the period	Other comprehensive income for the period	
Share capital	7,308	-	-	-	-	-	7,308
Capital reserve	583	61	-	-	-	-	644
Statutory reserve	430	-	-	-	-	-	430
General reserve	1,095	-	-	-	-	(116)	979
Bank premises revaluation reserve	2,813	(3)	-	-	-	(155)	2,655
Investment revaluation reserve (recycling)	(252)	-	-	-	-	250	(2)
Investment revaluation reserve (non-recycling)	1,691	-	-	-	-	(216)	1,475
Cash flow hedging reserve	11	-	-	-	-	22	33
Unappropriated profits	28,675	(58)	(82)	(536)	638	(7)	28,630
Perpetual capital securities	3,000	-	-	-	-	-	3,000
Total equity	45,354	-	(82)	(536)	638	(222)	45,152

				Six months ended 30th June, 2024			
	At 1st January	Transfer to/(from) reserve	Coupon of perpetual capital securities	Dividends declared or approved during the period	Profit for the period	Other comprehensive income for the period	At 30th June
Share capital	7,308	–	–	–	–	–	7,308
Capital reserve	584	(1)	–	–	–	–	583
Statutory reserve	430	–	–	–	–	–	430
General reserve	1,347	–	–	–	–	(252)	1,095
Bank premises revaluation reserve	2,911	(45)	–	–	–	(53)	2,813
Investment revaluation reserve (recycling)	(380)	–	–	–	–	128	(252)
Investment revaluation reserve (non-recycling)	1,715	–	–	–	–	(24)	1,691
Cash flow hedging reserve	93	–	–	–	–	(82)	11
Unappropriated profits	29,342	46	(82)	(1,464)	824	9	28,675
Perpetual capital securities	3,000	–	–	–	–	–	3,000
Total equity	46,350	–	(82)	(1,464)	824	(274)	45,354

Unaudited Condensed Consolidated Cash Flow Statement

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

		Six months ended	
	Notes	30th June, 2025	30th June, 2024
Net cash inflow from operating activities	16(a)	9,394	5,082
Investing activities			
Purchase of financial assets measured at fair value through other comprehensive income		(51,566)	(66,364)
Sale and redemption of financial assets measured at fair value through other comprehensive income		45,763	61,064
Purchase of equipment	10	(59)	(47)
Net cash outflow used in investing activities		(5,862)	(5,347)
Financing activities			
Dividends paid		(415)	(1,464)
Net proceeds from issue of fixed rate notes		1,052	1,612
Redemption of fixed rate notes		(778)	(1,074)
Interest paid on fixed rate notes		(23)	(52)
Coupon of perpetual capital securities		(91)	(82)
Payment of lease liabilities		(36)	(25)
Net cash outflow used in financing activities		(291)	(1,085)
Increase/(decrease) in cash and cash equivalents		3,241	(1,350)
Cash and cash equivalents at 1st January		47,008	33,520
Effects of foreign exchange rate changes		434	(89)
Cash and cash equivalents at 30th June	16(b)	50,683	32,081
Analysis of the balances of cash and cash equivalents			
Cash and balances with banks and central banks		17,580	8,437
Placements with banks, central banks and other financial institutions with an original maturity within three months		5,522	2,075
Amounts due from ultimate holding company and fellow subsidiaries with an original maturity within three months		27,581	21,423
Treasury bills with an original maturity within three months		–	146
		50,683	32,081
Cash flows from operating activities included:			
Interest received		7,765	8,110
Interest paid		4,938	4,279
Dividend received		12	13

Notes to Unaudited Interim Condensed Financial Report

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

1. GENERAL INFORMATION

OCBC Bank (Hong Kong) Limited ("the Bank") is a licensed bank in Hong Kong. The Bank together with its subsidiaries (collectively "the Group") provide banking, financial and other related services.

The unaudited consolidated profit for the period attributable to equity shareholders of the Group for the six months ended 30th June, 2025 was HK\$1,260 million. The results of the Group for the period ended 30th June, 2025 and the state of affairs of the Group and the Bank as at 30th June, 2025 are set out in the interim financial report on pages 2 to 40.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) *Basis of preparation*

The interim condensed consolidated financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountant, the disclosure standards set out in the Banking (Disclosure) Rules and the Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("HKMA").

Detailed disclosures including capital and leverage as required by the Banking (Disclosure) Rules will be disclosed by 30th September, 2025 under "Regulatory Disclosure" on the website of the Bank (www.ocbc.com.hk).

The interim condensed consolidated financial report was approved by the Board of Directors for issue on 12th September, 2025.

The interim condensed consolidated financial report has not been audited.

The unaudited interim condensed consolidated financial report should be read in conjunction with the Group's annual audited financial report for the year ended 31st December, 2024.

(b) *Material accounting policies*

The accounting policies and methods of computation used in the preparation of the 2025 unaudited interim condensed consolidated financial report are consistent with those used and described in the Group's audited annual financial report for the year ended 31st December, 2024, except for the changes in accounting policies as described in note 3.

3. CHANGES IN ACCOUNTING POLICIES

The following new/revised accounting and financial reporting standard was applied with effect from 1st January, 2025. The initial application of the standard did not have any material impact in the Group's interim condensed consolidated financial report.

- Lack of Exchangeability – Amendments to HKAS 21

Notes to Unaudited Interim Condensed Financial Report

4. OPERATING PROFIT

(a) *Interest income*

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Interest income calculated using the effective interest method:		
– Financial assets not measured at fair value through profit or loss	6,459	7,273
Other interest income:		
– Trading assets	1,346	1,232
	7,805	8,505

(b) *Interest expense*

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Interest expense including the following:		
– Financial liabilities not measured at fair value through profit or loss	3,747	4,216
– Trading liabilities	1,119	1,190
	4,866	5,406

4. OPERATING PROFIT *(Continued)*

(c) Net fees and commission income

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Credit commission and fees	64	59
Credit card related fees	53	58
Trade related fees	36	29
Insurance commission	185	108
Stockbroking fees	57	35
Wealth management fees	68	40
Fee income from ultimate holding company	276	171
Other fees and commission income	256	238
Fees and commission income	995	738
Less: Fees and commission expense	(56)	(66)
	939	672
of which:		
Net fees and commission, other than amounts included in determining the effective interest rate, arising from financial instruments that are not measured at fair value through profit or loss		
– Fees and commission income	104	93

(d) Dividends

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Dividend income from financial assets measured at fair value through other comprehensive income		
– Unlisted financial assets	12	13

Notes to Unaudited Interim Condensed Financial Report

4. OPERATING PROFIT *(Continued)*

(e) Other income

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Foreign exchange	315	206
Hedging activities		
– Fair value hedges (note 15)		
– Hedged items	307	(104)
– Hedging instruments	(281)	102
Interest rate and other derivatives	(19)	99
Trading securities	36	47
Others	1	–
Net trading income	359	350
Gains transferred from investment revaluation reserve upon disposal	34	5
Disposal of financial assets measured at fair value through other comprehensive income	6	56
Net gains on disposal of financial assets measured at fair value through other comprehensive income (note 16(a))	40	61
Revaluation of investment properties (notes 10 & 16(a))	(13)	(17)
Other income from ultimate holding company	26	157
Others	15	13
	427	564

4. OPERATING PROFIT *(Continued)*

(f) Operating expenses

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Staff costs		
Salaries and other staff costs	1,426	1,446
Retirement benefit costs	101	100
Share based expenses	21	17
	1,548	1,563
Premises and equipment expenses, excluding depreciation	409	352
Depreciation (notes 10 & 16(a))	158	164
Others	270	214
	2,385	2,293

5. TAXATION

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Current tax – Provision for Hong Kong profits tax	216	238
Current tax – Provision for tax outside Hong Kong	124	127
Deferred taxation	(91)	(175)
	249	190

6. CASH AND BALANCES WITH BANKS AND CENTRAL BANKS

	30th June, 2025	31st December, 2024
Cash balances	701	838
Balances with central banks	13,850	8,320
Balances with banks	3,297	1,330
	17,848	10,488

Notes to Unaudited Interim Condensed Financial Report

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

	30th June, 2025	31st December, 2024
Remaining maturity		
– Within 1 month	5,091	6,276
– Over 1 month but within 1 year	1,917	350
Expected credit losses (Stage 1) (note 9)	(2)	(1)
	7,006	6,625

8. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

	30th June, 2025	31st December, 2024
Gross advances to customers	194,470	198,601
Expected credit losses (Stages 1 and 2) (note 9)	(1,681)	(1,553)
Expected credit losses (Stage 3) (note 9)	(1,982)	(1,628)
Net advances to customers	190,807	195,420
Gross trade bills	564	1,048
Expected credit losses (Stage 1) (note 9)	(1)	(1)
Net trade bills	563	1,047
Advances to banks	27	450
Customer liability under acceptances	357	574
Interest receivables	1,455	1,415
Derivative financial instruments held for hedging (note 15)	296	1,121
Other accounts	3,835	3,268
	197,340	203,295

9. EXPECTED CREDIT LOSSES

(a) Reconciliation of expected credit losses

	Six months ended 30th June, 2025			
	Stage 1	Stage 2	Stage 3	Total
At 1st January	847	1,157	1,628	3,632
Transfers of financial instruments				
– Transfers from Stage 1 to Stage 2	(113)	113	–	–
– Transfers from Stage 2 to Stage 1	237	(237)	–	–
– Transfers to Stage 3	–	(135)	135	–
– Transfers from Stage 3	2	1	(3)	–
Changes in PDs/LGDs/EADs/forward-looking assumptions	(260)	321	259	320
New financial assets originated, repayments and further lending	199	28	(82)	145
Amounts written off	–	–	(15)	(15)
Recoveries of advances written off in prior years	–	–	66	66
Unwind of discount of expected credit losses	–	–	(8)	(8)
Exchange adjustments	13	4	2	19
At 30th June	925	1,252	1,982	4,159
Representing expected credit losses for:				
Balances and placement with banks (note 7)	2	–	–	2
Advances to customers (note 8)	523	1,158	1,982	3,663
Trade bills (note 8)	1	–	–	1
Contingent liabilities and commitments to extend credit (note 13)	360	92	–	452
Financial assets measured at fair value through other comprehensive income	39	2	–	41
	925	1,252	1,982	4,159

Notes to Unaudited Interim Condensed Financial Report

9. EXPECTED CREDIT LOSSES *(Continued)*

(a) Reconciliation of expected credit losses (Continued)

	Year ended 31st December, 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 (note 7)	1	–	–	1
Advances to customers (note 8)	492	1,061	1,628	3,181
Trade bills (note 8)	1	–	–	1
Contingent liabilities and commitments to extend credit (note 13)	328	94	–	422
Financial assets measured at fair value through other comprehensive income	25	2	–	27
	847	1,157	1,628	3,632

9. 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.

	30th June, 2025			
	Stage 1	Stage 2	Stage 3	Total
Cash and balances with banks and central banks (note 6)				
Pass	17,848	–	–	17,848
Placements with banks, central banks and other financial institutions (note 7)				
Pass	7,008	–	–	7,008
Less: Expected credit losses	(2)	–	–	(2)
Carrying amount	7,006	–	–	7,006
Advances to customers (note 8)				
Pass	149,768	32,269	–	182,037
Special mention	–	5,872	–	5,872
Substandard	–	–	901	901
Doubtful	–	–	5,628	5,628
Loss	–	–	32	32
Less: Expected credit losses	(523)	(1,158)	(1,982)	(3,663)
Carrying amount	149,245	36,983	4,579	190,807
Trade bills (note 8)				
Pass	564	–	–	564
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	563	–	–	563

Notes to Unaudited Interim Condensed Financial Report

9. EXPECTED CREDIT LOSSES *(Continued)*

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

	30th June, 2025			
	Stage 1	Stage 2	Stage 3	Total
Advances to banks (note 8)				
Pass	27	–	–	27
Debt securities measured at amortised cost				
Pass	10,849	–	–	10,849
Financial assets measured at fair value through other comprehensive income				
Pass	114,167	3,152	–	117,319
Expected credit losses	(39)	(2)	–	(41)
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 13)				
Pass	71,305	7,404	–	78,709
Substandard	–	–	1	1
Expected credit losses	(360)	(92)	–	(452)

9. EXPECTED CREDIT LOSSES *(Continued)*

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

	31st December, 2024			
	Stage 1	Stage 2	Stage 3	Total
Cash and balances with banks and central banks (note 6)				
Pass	10,458	30	–	10,488
Placements with banks, central banks and other financial institutions (note 7)				
Pass	6,626	–	–	6,626
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	6,625	–	–	6,625
Advances to customers (note 8)				
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 8)				
Pass	1,048	–	–	1,048
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	1,047	–	–	1,047

Notes to Unaudited Interim Condensed Financial Report

9. EXPECTED CREDIT LOSSES *(Continued)*

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

	31st December, 2024			
	Stage 1	Stage 2	Stage 3	Total
Advances to banks (note 8)				
Pass	450	–	–	450
Debt securities measured at amortised cost				
Pass	9,776	–	–	9,776
Financial assets measured at fair value through other comprehensive income				
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 13)				
Pass	65,828	5,769	–	71,597
Expected credit losses	(328)	(94)	–	(422)

10. FIXED ASSETS

	Six months ended 30th June, 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	–	–	29	29	59	2	61	90	90
Disposals	–	–	–	–	(13)	–	(13)	(13)	(13)
Transfer from bank premises to investment properties	56	(56)	–	(56)	–	–	–	(56)	–
Deficit on revaluation									
– Charged to bank premises revaluation reserve	–	(190)	–	(190)	–	–	–	(190)	(190)
– Charged to consolidated statement of profit or loss (note 4(e))	(13)	–	–	–	–	–	–	–	(13)
Elimination of accumulated depreciation on revalued bank premises	–	(35)	–	(35)	–	–	–	(35)	(35)
Termination of leases	–	–	(26)	(26)	–	(1)	(1)	(27)	(27)
Exchange adjustment	–	1	2	3	–	–	–	3	3
At 30th June	362	3,979	265	4,244	2,179	6	2,185	6,429	6,791
The analysis of cost or valuation of the above assets is as follows:									
At cost	–	1,002	265	1,267	2,179	6	2,185	3,452	3,452
At valuation 2025	362	2,977	–	2,977	–	–	–	2,977	3,339
	362	3,979	265	4,244	2,179	6	2,185	6,429	6,791
Accumulated depreciation									
At 1st January	–	355	63	418	1,484	2	1,486	1,904	1,904
Charge for the period (note 4(f))	–	40	33	73	85	–	85	158	158
Written back on disposals	–	–	–	–	(13)	–	(13)	(13)	(13)
Elimination of accumulated depreciation on revalued bank premises	–	(35)	–	(35)	–	–	–	(35)	(35)
Termination of leases	–	–	(22)	(22)	–	–	–	(22)	(22)
Exchange adjustment	–	–	1	1	–	–	–	1	1
At 30th June	–	360	75	435	1,556	2	1,558	1,993	1,993
Net book value									
At 30th June	362	3,619	190	3,809	623	4	627	4,436	4,798

Note (i): Includes computer software of HK\$261 million (2024: HK\$242 million). The cost and accumulated depreciation are HK\$800 million (2024: HK\$742 million) and HK\$539 million (2024: HK\$500 million) respectively.

Notes to Unaudited Interim Condensed Financial Report

10. FIXED ASSETS (Continued)

	Year ended 31st December, 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	(42)	–	–	–	–	–	–	–	(42)
Elimination of accumulated depreciation on revalued bank premises	–	(86)	–	(86)	–	–	–	(86)	(86)
Termination of leases	–	–	(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	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 year	–	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 leases	–	–	(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

11. DEPOSITS FROM CUSTOMERS

	30th June, 2025	31st December, 2024
Demand deposits and current accounts	104,611	92,391
Savings deposits	21,216	18,913
Time, call and notice deposits	195,310	185,387
	321,137	296,691

The above deposits from customers included deposits from central banks.

12. CERTIFICATES OF DEPOSIT AND FIXED RATE NOTES ISSUED

	30th June, 2025	31st December, 2024
Certificates of deposit issued at amortised cost	109	265
Fixed rate notes issued at amortised cost	3,708	3,341
	3,817	3,606

13. OTHER ACCOUNTS AND PROVISIONS

	30th June, 2025	31st December, 2024
Acceptances outstanding	357	574
Interest payable	1,545	1,671
Derivative financial instruments held for hedging (note 15)	695	58
Other payables	3,488	4,004
Expected credit losses (Stages 1 and 2) on contingent liabilities and commitments to extend credit (note 9)	452	422
	6,537	6,729

14. RESERVES

The Group's unappropriated profits at 30th June, 2025 included nil regulatory reserve (31st December, 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 expected credit losses recognised. Movements in the reserve are earmarked directly through unappropriated profits and in consultation with the HKMA.

Notes to Unaudited Interim Condensed Financial Report

15. 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 and equity 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:

	30th June, 2025		
	Qualifying for hedge accounting	Others, including held for trading	Total
Exchange rate contracts	37,798	774,113	811,911
Interest rate contracts	33,685	1,005,274	1,038,959
Equity contracts	–	16,546	16,546
Credit derivative contracts	–	11,708	11,708
Other derivative contracts	–	77	77
	71,483	1,807,718	1,879,201

	31st December, 2024		
	Qualifying for hedge accounting	Others, including held for trading	Total
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 and equity 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.

15. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

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:

	30th June, 2025		31st December, 2024	
	Assets	Liabilities	Assets	Liabilities
Exchange rate contracts	4,864	5,100	14,115	14,100
Interest rate contracts	4,763	4,690	5,904	5,801
Equity contracts	740	740	495	495
Credit derivative contracts	105	101	79	79
	10,472	10,631	20,593	20,475

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:

		30th June, 2025		31st December, 2024	
		Assets	Liabilities	Assets	Liabilities
Fair value hedges					
Exchange rate contracts	Interest rate and Foreign exchange	68	531	565	3
Interest rate contracts	Interest rate	89	135	205	44
		157	666	770	47
Cash flow hedges					
Exchange rate contracts	Foreign exchange	139	29	322	9
Interest rate contracts	Interest rate	–	–	29	2
		139	29	351	11
Total (notes 8 & 13)		296	695	1,121	58

Notes to Unaudited Interim Condensed Financial Report

15. DERIVATIVE FINANCIAL INSTRUMENTS *(Continued)*

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 30th June, 2025, the net negative fair value of derivatives held as fair value hedges was HK\$509 million (31st December, 2024: net positive fair value of HK\$723 million).

The losses on the hedging instruments for the period were HK\$281 million (31st December, 2024: HK\$20 million). The gains on the hedged item attributable to the hedged risk for the period were HK\$307 million (31st December, 2024: HK\$12 million).

Cash flow hedges

The cash flow hedges principally consist of exchange rate and interest rate contracts that are used to hedge against the variability in cash flows of certain floating rate assets. At 30th June, 2025, the net positive fair value of derivatives held as cash flow hedges was HK\$110 million (31st December, 2024: HK\$340 million). During the period, there was no ineffectiveness recognised in the statement of profit or loss that arose from cash flow hedges (31st December, 2024: nil).

16. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

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

	Six months ended 30th June, 2025	Six months ended 30th June, 2024
Operating profit	1,471	1,071
Adjustments for non-cash items:		
Change in expected credit losses	465	986
Interest expense on fixed rate notes issued	53	62
Interest expense on lease liabilities	4	1
Net gains from disposal of financial assets measured at fair value through other comprehensive income (note 4(e))	(40)	(61)
Losses on revaluation of investment properties (note 4(e))	13	17
Depreciation (note 4(f))	158	164
	2,124	2,240
Changes in working capital:		
Change in placements with banks, central banks and other financial institutions with an original maturity of three months or above	(1,487)	1,015
Change in treasury bills with an original maturity of three months or above	(13,150)	(1,112)
Change in amounts due from ultimate holding company and fellow subsidiaries maturing after three months	3,198	(762)
Change in certificates of deposit held	(13,043)	(2,882)
Change in trading assets	10,624	(3,528)
Change in advances to customers and other accounts	5,534	6,400
Change in deposits and balances of banks	2,339	(3,169)
Change in amounts due to ultimate holding company and fellow subsidiaries	(805)	(843)
Change in deposits from customers	24,446	5,111
Change in certificates of deposit issued	(155)	(947)
Change in trading liabilities	(9,844)	2,633
Change in other accounts and provision	(254)	955
Net cash inflow from operations	9,527	5,111
Profits tax paid	(133)	(29)
Net cash inflow from operating activities	9,394	5,082

Notes to Unaudited Interim Condensed Financial Report

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

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

	30th June, 2025	31st December, 2024
Cash and balances with banks and central banks	17,848	10,488
Placements with banks, central banks and other financial institutions	7,008	6,626
Amounts due from ultimate holding company and fellow subsidiaries	34,436	39,725
Treasury bills	46,217	33,896
Amounts shown in the consolidated statement of financial position	105,509	90,735
Less: Amounts with an original maturity of three months or above	(53,701)	(42,264)
Deposits and balances of bank that are repayable on demand	(1,125)	(1,463)
Cash and cash equivalents in the consolidated cash flow statement	50,683	47,008

17. 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 maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters.

Aligned with Oversea-Chinese Banking Corporation Limited, the Group's operating segments include Consumer Banking, Wholesale Banking and Global Markets activities. 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 segment of OCBC Bank (Macau) Limited is Consumer 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 Unaudited Interim Condensed Financial Report

17. 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 period is set out below.

	Hong Kong Operations									
	Hong Kong Banking Business									
	Consumer Banking	Wholesale Banking	Global Markets	Total	Others	Total	Mainland China	Macau	Inter- segment elimination	Total
Six months ended 30th June, 2025										
Net interest income	490	1,228	261	1,979	(15)	1,964	695	280	–	2,939
Non-interest income	389	274	48	711	283	994	312	101	(25)	1,382
Reportable segment revenue	879	1,502	309	2,690	268	2,958	1,007	381	(25)	4,321
Operating expenses	(811)	(759)	(68)	(1,638)	1	(1,637)	(602)	(171)	25	(2,385)
Operating profit before expected credit losses	68	743	241	1,052	269	1,321	405	210	–	1,936
Change in expected credit losses	(1)	(234)	(6)	(241)	(11)	(252)	(67)	(146)	–	(465)
Operating profit	67	509	235	811	258	1,069	338	64	–	1,471
Share of net profit of associated companies	–	–	–	–	38	38	–	–	–	38
Reportable segment profit before tax	67	509	235	811	296	1,107	338	64	–	1,509
Depreciation	(15)	(2)	(1)	(18)	(95)	(113)	(35)	(10)	–	(158)
At 30th June, 2025										
Segment assets	48,085	84,546	138,002	270,633	–	270,633	86,617	29,375	(132)	386,493
Investments in associated companies	–	–	–	–	281	281	–	–	–	281
Fixed assets	–	–	–	–	4,087	4,087	300	400	11	4,798
Goodwill	–	–	–	–	1,306	1,306	–	–	–	1,306
Deferred tax assets	–	–	–	–	158	158	174	–	–	332
Other assets	–	–	–	–	12,994	12,994	12,949	4,414	(15,773)	14,584
Total assets	48,085	84,546	138,002	270,633	18,826	289,459	100,040	34,189	(15,894)	407,794
Segment liabilities	109,843	130,213	1,774	241,830	–	241,830	74,658	26,284	(131)	342,641
Current tax payable	–	–	–	–	168	168	128	34	–	330
Deferred tax liabilities	–	–	–	–	8	8	–	134	–	142
Other liabilities	–	–	–	–	10,206	10,206	13,538	2,958	(8,330)	18,372
Total liabilities	109,843	130,213	1,774	241,830	10,382	252,212	88,324	29,410	(8,461)	361,485
Addition to non-current assets	2	1	–	3	42	45	11	3	–	59

17. SEGMENT REPORTING (Continued)

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

	Hong Kong Operations									Total
	Hong Kong Banking Business						Mainland China	Macau	Inter-segment elimination	
	Consumer Banking	Wholesale Banking	Global Markets	Total	Others	Total				
Six months ended 30th June, 2024										
Net interest income	368	1,360	406	2,134	6	2,140	659	300	–	3,099
Non-interest income	258	228	52	538	188	726	484	68	(27)	1,251
Reportable segment revenue	626	1,588	458	2,672	194	2,866	1,143	368	(27)	4,350
Operating expenses	(618)	(699)	(82)	(1,399)	(8)	(1,407)	(739)	(174)	27	(2,293)
Operating profit before expected credit losses	8	889	376	1,273	186	1,459	404	194	–	2,057
Change in expected credit losses	(27)	(855)	(4)	(886)	(5)	(891)	(39)	(56)	–	(986)
Operating profit	(19)	34	372	387	181	568	365	138	–	1,071
Share of net loss of associated companies	–	–	–	–	(57)	(57)	–	–	–	(57)
Reportable segment profit/(loss) before tax	(19)	34	372	387	124	511	365	138	–	1,014
Depreciation	(16)	(4)	–	(20)	(64)	(84)	(68)	(12)	–	(164)
At 31st December, 2024										
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

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17. SEGMENT REPORTING *(Continued)*

(b) Other geographical information

30th June, 2025					
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments	27,339	48,915	3,140	(684)	78,710

31st December, 2024					
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments	23,491	45,931	2,868	(693)	71,597

18. 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 fair value through profit or loss, and financial instruments measured at fair value through other comprehensive income.

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.

18. 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 Unaudited Interim Condensed Financial Report

18. 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:

		30th June, 2025			
Recurring fair value measurements	Level 1	Level 2	Level 3		Total
Assets					
Trading assets					
– Treasury bills	3,811	–	–		3,811
– Other debt securities	–	1	–		1
– Derivative financial instruments held for trading	2	10,468	2		10,472
	3,813	10,469	2		14,284
Advances to customers and other accounts					
– Derivative financial instruments held for hedging	–	296	–		296
Financial assets measured at fair value through other comprehensive income					
– Treasury bills	18,812	12,745	–		31,557
– Certificates of deposit held	21,376	13,801	–		35,177
– Other debt securities	46,561	4,024	–		50,585
– Equity securities	–	–	1,680		1,680
	86,749	30,570	1,680		118,999
	90,562	41,335	1,682		133,579
Liabilities					
Trading liabilities					
– Derivative financial instruments held for trading	3	10,628	–		10,631
Other accounts and provisions					
– Derivative financial instruments held for hedging	–	695	–		695
	3	11,323	–		11,326

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

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

	31st December, 2024			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
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 period ended 30th June, 2025, there were no transfer between Level 2 and Level 3 (year ended 31st December, 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 period in which they occur.

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18. 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:

	Six months ended 30th June, 2025		
	Financial assets measured at fair value through other comprehensive income – Equity securities	Trading assets – Derivative financial instruments held for trading	Trading liabilities – Derivative financial instruments held for trading
Assets/(liabilities)			
At 1st January	1,654	1	(4)
Changes in fair value recognised in the consolidated income statement	–	1	4
Changes in fair value recognised in the consolidated statement of other comprehensive income	26	–	–
At 30th June	1,680	2	–
Total gains for the period included in investment revaluation reserve of the other comprehensive income for assets held at the reporting date	26	–	–
Total gains for the period included in the consolidated statement of profit or loss for assets held at the reporting date – Net trading income	–	1	4

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

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

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

	Year ended 31st December, 2024		
	Financial assets measured at fair value through other comprehensive income – Equity securities	Trading assets – Derivative financial instrument held for trading	Trading liabilities – Derivative financial instrument held for trading
Assets/(liabilities)			
At 1st January	1,910	368	(367)
Transfer out	–	(518)	518
Changes in fair value recognised in the consolidated income statement	–	151	(155)
Changes in fair value recognised in the consolidated statement of other comprehensive income	(256)	–	–
At 31st December	1,654	1	(4)
Total losses for the year included in investment revaluation reserve of the other comprehensive income for assets held at the reporting date	(256)	–	–
Total gains or losses for the year included in the consolidated statement of profit or loss for assets held at the reporting date – Net trading income	–	151	(155)

Notes to Unaudited Interim Condensed Financial Report

18. 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	9.47% (31st December, 2024: 11.01%)
		Terminal growth rate	2.50% (31st December, 2024: 2.50%)
		P/E ratios	22.75x-39.09x (31st December, 2024: 26.48x-42.95x)
		Marketability discount	20.00% (31st December, 2024: 20.00%)
	Market approach	Enterprise value/EBITDA ratios	4.77x (31st December, 2024: 4.77x)
		P/B ratios	1.89x (31st December, 2024: 1.89x)
		Indicative price from market information	N/A (31st December, 2024: N/A)

There were no changes in the valuation approach used for unlisted equity securities measured at fair value through other comprehensive income as described in 2024 Annual Report. The fair value of unlisted equity securities measured at fair value through other comprehensive income are determined using the discounted cash flow and market approach.

18. 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.

30th June, 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)
31st December, 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 Unaudited Interim Condensed Financial Report

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th June, 2025 and 31st December, 2024. The level of fair value hierarchy is disclosed below:

	30th June, 2025		
	Carrying value	Fair value	Level 2
Financial liabilities			
Fixed rate notes issued at amortised cost	3,708	3,730	3,730
	31st December, 2024		
	Carrying value	Fair value	Level 2
Financial liabilities			
Fixed rate notes issued at amortised cost	3,341	3,364	3,364

The following methods and significant assumptions have been applied in determining the fair values of financial instruments not presented above.

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the reporting date.
- (ii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts and, in the case of loans and debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the expected credit losses from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the expected credit losses from the carrying amount.

19. MATERIAL RELATED-PARTY TRANSACTIONS

There were no significant changes to the nature of the related party transactions described in the 2024 consolidated financial statements that have a material effect on the financial position or performance of the Group for the six months ended 30th June, 2025.



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