

OCBC Bank (Hong Kong) Limited

2026 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, 2026	30th June, 2025
Interest income	4(a)	7,836	7,805
Interest expense	4(b)	(4,504)	(4,866)
Net interest income		3,332	2,939
Fee and commission income		1,129	995
Fee and commission expense		(71)	(56)
Net fees and commission income	4(c)	1,058	939
Dividends	4(d)	13	12
Rental income		4	4
Other income	4(e)	455	427
Other operating income		1,530	1,382
Operating income		4,862	4,321
Operating expenses	4(f)	(2,465)	(2,385)
Operating profit before expected credit losses and other impairment losses		2,397	1,936
Change in expected credit losses		(234)	(465)
Other impairment losses	10	(14)	–
Operating profit after expected credit losses and other impairment losses		2,149	1,471
Share of net profit of associated companies		38	38
Profit before taxation		2,187	1,509
Taxation	5	(360)	(249)
Profit for the period attributable to equity shareholder of the Group		1,827	1,260

Unaudited Condensed Consolidated Statement of Comprehensive Income

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

	Note	30th June, 2026	30th June, 2025
Profit for the period		1,827	1,260
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	(82)	(190)
– Income tax related to the above		44	17
		(38)	(173)
– Equity securities measured at fair value through other comprehensive income			
– Fair value changes		(470)	26
– Deferred taxes		28	(1)
		(442)	25
		(480)	(148)
Items that are or may be reclassified subsequently to profit or loss			
– Exchange adjustments on translation of financial statements of subsidiaries		466	336
		466	336
– Debt securities measured at fair value through other comprehensive income			
– Fair value changes		(75)	196
– Transfer to consolidated statement of profit or loss			
– Gains on disposal		(78)	(34)
– Expected credit losses recognised		7	14
– Income tax related to the above		17	(6)
		(129)	170
– Cash flow hedging reserve			
– Fair value changes taken to equity		(83)	53
– Deferred taxes		14	(9)
		(69)	44
– Unappropriated profits			
– Bank premises			
– Deferred taxes		1	1
		269	551
Other comprehensive income for the period, net of tax		(211)	403
Total comprehensive income for the period attributable to equity shareholder of the Group		1,616	1,663

Unaudited Condensed Consolidated Statement of Financial Position

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

	Notes	30th June, 2026	31st December, 2025
ASSETS			
Cash and balances with banks and central banks	6	11,171	15,794
Placements with banks, central banks and other financial institutions	7	9,294	4,020
Amounts due from ultimate holding company and fellow subsidiaries		23,177	24,526
Trading assets		13,322	9,987
Advances to customers and other accounts	8	243,177	216,557
Financial assets measured at fair value through other comprehensive income		137,999	115,642
Debt securities measured at amortised cost		20,321	12,791
Assets held for sale		–	8
Investments in associated companies		301	264
Fixed assets	10		
– Investment properties		383	374
– Bank premises and equipment		5,482	4,460
Goodwill		1,306	1,306
Current tax recoverable		–	57
Deferred tax assets		385	377
Total assets		466,318	406,163
EQUITY AND LIABILITIES			
Deposits and balances of banks		3,553	9,208
Amounts due to ultimate holding company and fellow subsidiaries		21,014	5,964
Deposits from customers	11	373,901	323,733
Certificates of deposit and fixed rate note issued	12	3,363	5,020
Trading liabilities		10,318	8,473
Lease liabilities		305	323
Current tax payable		200	33
Deferred tax liabilities		109	141
Other accounts and provisions	13	6,074	6,390
Total liabilities		418,837	359,285
Share capital		7,308	7,308
Reserves	14	37,173	36,570
Perpetual capital securities issued		3,000	3,000
Total equity		47,481	46,878
Total equity and liabilities		466,318	406,163

Unaudited Condensed Consolidated Statement of Changes in Equity

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

Six months ended 30th June, 2026							
	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	703	–	–	–	–	–	703
Statutory reserve	509	–	–	–	–	–	509
General reserve	1,498	193	–	–	–	466	2,157
Bank premises revaluation reserve	2,248	(57)	–	–	–	(38)	2,153
Investment revaluation reserve (recycling)	145	–	–	–	–	(129)	16
Investment revaluation reserve (non-recycling)	1,500	–	–	–	–	(442)	1,058
Cash flow hedging reserve	32	–	–	–	–	(69)	(37)
Unappropriated profits	29,935	(136)	(91)	(922)	1,827	1	30,614
Perpetual capital securities	3,000	–	–	–	–	–	3,000
Total equity	46,878	–	(91)	(922)	1,827	(211)	47,481

Six months ended 31st December, 2025							
	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	At 31st December
Share capital	7,308	–	–	–	–	–	7,308
Capital reserve	644	59	–	–	–	–	703
Statutory reserve	430	79	–	–	–	–	509
General reserve	1,315	(2)	–	–	–	185	1,498
Bank premises revaluation reserve	2,460	(20)	–	–	–	(192)	2,248
Investment revaluation reserve (recycling)	168	–	–	–	–	(23)	145
Investment revaluation reserve (non-recycling)	1,500	–	–	–	–	–	1,500
Cash flow hedging reserve	77	–	–	–	–	(45)	32
Unappropriated profits	29,407	(116)	(93)	(819)	1,418	138	29,935
Perpetual capital securities	3,000	–	–	–	–	–	3,000
Total equity	46,309	–	(93)	(819)	1,418	63	46,878

Six months ended 30th June, 2025							
	At	Transfer	Coupon of	Dividends	Profit for	Other	At
	1st January,	to/(from)	perpetual	declared or	the period	comprehensive	30th June
		reserve	capital	approved		income for	
			securities	during		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

Unaudited Condensed Consolidated Cash Flow Statement

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

		Six months ended	
	Notes	30th June, 2026	30th June, 2025
Net cash inflow from operating activities	16(a)	1,447	9,394
Investing activities			
Purchase of financial assets measured at fair value through other comprehensive income		(68,120)	(51,566)
Sale and redemption of financial assets measured at fair value through other comprehensive income		62,407	45,763
Purchase of fixed assets	10	(1,338)	(59)
Sale of fixed assets		64	–
Net cash outflow from investing activities		(6,987)	(5,862)
Financing activities			
Dividends paid		(922)	(415)
Coupon of perpetual capital securities		(91)	(91)
Net proceeds from issue of fixed rate notes		–	1,052
Redemption of fixed rate notes		–	(778)
Interest paid on fixed rate notes		(63)	(23)
Payment of lease liabilities		(39)	(36)
Net cash outflow from financing activities		(1,115)	(291)
(Decrease)/increase in cash and cash equivalents		(6,655)	3,241
Cash and cash equivalents at 1st January		38,488	47,008
Effects of foreign exchange rate changes		580	434
Cash and cash equivalents at 30th June	16(b)	32,413	50,683
Analysis of the balances of cash and cash equivalents			
Cash and balances with banks and central banks		10,906	17,580
Placements with banks, central banks and other financial institutions with an original maturity within three months		3,044	5,522
Amounts due from ultimate holding company and fellow subsidiaries with an original maturity within three months		18,327	27,581
Treasury bills with an original maturity within three months		136	–
		32,413	50,683
Cash flows from operating activities included:			
Interest received		7,704	7,765
Interest paid		4,436	4,938
Dividend received		13	12

Notes to Unaudited Condensed Interim Financial Statements

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

The unaudited consolidated profit for the period attributable to equity shareholders of the Group for the six months ended 30th June, 2026 was HK\$1,827 million. The results of the Group for the period ended 30th June, 2026 and the state of affairs of the Group and the Bank as at 30th June, 2026 are set out in the interim financial statements on pages 2 to 35.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) **Basis of preparation**

The condensed interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA"), 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, 2026 under "Regulatory Disclosures" on the website of the Bank (www.ocbc.com.hk).

The condensed interim consolidated financial statements have not been audited.

The unaudited condensed interim consolidated financial statements should be read in conjunction with the Group's annual audited financial report for the year ended 31st December, 2025.

(b) **Material accounting policies**

The accounting policies and methods of computation used in the preparation of the 2026 unaudited condensed interim consolidated financial statements are consistent with those used and described in the Group's audited annual financial statements for the year ended 31st December, 2025, except for the changes in accounting policies as described in note 3.

3. 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, 2026 to these unaudited condensed interim consolidated financial statements for the current accounting period:

- Amendments to the Classification and Measurement of Financial Instruments — Amendments to HKFRS 9 and HKFRS 7
- Contracts Referencing Nature-dependent Electricity — Amendments to HKFRS 9 and HKFRS 7
- Annual Improvements to HKFRS Accounting Standards — Volume 11

The amendments 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.

4. OPERATING PROFIT

(a) Interest income

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Interest income calculated using the effective interest method:		
– Financial assets not measured at fair value through profit or loss	6,646	6,459
Other interest income:		
– Trading assets	1,190	1,346
	7,836	7,805

(b) Interest expense

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Interest expense arising from:		
– Financial liabilities not measured at fair value through profit or loss	3,218	3,747
– Trading liabilities	1,286	1,119
	4,504	4,866

Notes to Unaudited Condensed Interim Financial Statements

4. OPERATING PROFIT *(Continued)*

(c) Net fee and commission income

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Credit commission and fees	70	64
Credit card related fees	63	53
Trade related fees	39	36
Insurance commission	264	185
Stockbroking fees	51	57
Wealth management fees	62	68
Remittance service fees (note (i))	137	117
Fee income from ultimate holding company	216	276
Other fees and commission income (note (i))	227	139
Fee and commission income	1,129	995
Less: Fee and commission expense	(71)	(56)
	1,058	939

Note (i): The remittance service fees amounted to HK\$117 million for the period ended 30th June, 2025 have been separately presented and excluded from other fees and commission income.

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	113	104
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(d) Dividends

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Dividend income from financial assets measured at fair value through other comprehensive income		
– Unlisted financial assets	13	12

4. OPERATING PROFIT *(Continued)*

(e) Other income

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Foreign exchange	232	315
Hedging activities		
– Fair value hedges (note 15)		
– Hedged items	(135)	307
– Hedging instruments	143	(281)
Interest rate and other derivatives	44	(19)
Trading securities	37	36
Others	(4)	1
Net trading income	317	359
Gains transferred from investment revaluation reserve upon disposal	78	34
Disposal of financial assets measured at fair value through other comprehensive income	19	6
Gains on disposal of financial assets measured at fair value through other comprehensive income (note 16(a))	97	40
Deficit on revaluation of properties (notes 10 & 16(a))	(14)	(13)
Gains on disposal of fixed assets (note 16(a))	18	–
Other income from ultimate holding company	27	26
Others	10	15
	455	427

Notes to Unaudited Condensed Interim Financial Statements

4. OPERATING PROFIT *(Continued)*

(f) Operating expenses

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Staff costs		
Salaries and other staff costs	1,482	1,426
Retirement benefit costs	98	101
Share-based payment expenses	23	21
	1,603	1,548
Premises and equipment expenses, excluding depreciation	464	409
Depreciation (notes 10 & 16(a))	176	158
Others	222	270
	2,465	2,385

5. TAXATION

	Six months ended 30th June, 2026	Six months ended 30th June, 2025
Current tax – Provision for Hong Kong profits tax	175	216
Current tax – Provision for tax outside Hong Kong	111	124
Deferred taxation	74	(91)
	360	249

6. CASH AND BALANCES WITH BANKS AND CENTRAL BANKS

	30th June, 2026	31st December, 2025
Cash balances	722	784
Balances with central banks	8,079	11,795
Balances with banks	2,371	3,216
Expected credit losses (Stage 1) (note 9)	(1)	(1)
	11,171	15,794

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

30th June, 2026 31st December, 2025

Remaining maturity		
– Within 1 month	3,646	1,320
– Over 1 month but within 1 year	5,649	2,700
Expected credit losses (Stage 1) (note 9)	(1)	–
	9,294	4,020

8. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

30th June, 2026 31st December, 2025

Gross advances to customers	239,600	213,855
Expected credit losses (Stages 1 and 2) (note 9)	(1,739)	(1,634)
Expected credit losses (Stage 3) (note 9)	(2,120)	(2,526)
Net advances to customers	235,741	209,695
Gross trade bills	176	1,181
Expected credit losses (Stage 1) (note 9)	–	(2)
Net trade bills	176	1,179
Advances to banks	967	54
Expected credit losses (Stage 1) (note 9)	(2)	–
Net advances to banks	965	54
Customer liability under acceptances	214	213
Interest receivables	1,627	1,495
Derivative financial instruments held for hedging (note 15)	1,097	389
Other accounts	3,357	3,532
	243,177	216,557

Notes to Unaudited Condensed Interim Financial Statements

9. EXPECTED CREDIT LOSSES

(a) Reconciliation of expected credit losses

	Six months ended 30th June, 2026			
	Stage 1	Stage 2	Stage 3	Total
At 1st January	1,005	1,127	2,526	4,658
Transfers of financial instruments				
– Transfers from Stage 1 to Stage 2	(65)	65	–	–
– Transfers from Stage 2 to Stage 1	202	(202)	–	–
– Transfers to Stage 3	–	(13)	13	–
Changes in PDs/LGDs/EADs/ forward-looking assumptions	(186)	20	4	(162)
New financial assets originated, repayments and further lending	293	11	92	396
Amounts written off	–	–	(453)	(453)
Recoveries of advances written off in prior years	–	–	8	8
Unwind of discount of expected credit losses	–	–	(72)	(72)
Exchange adjustments	20	5	2	27
At 30th June	1,269	1,013	2,120	4,402
Representing expected credit losses for:				
Balances and placement with banks (notes 6 and 7)	2	–	–	2
Advances to customers (note 8)	794	945	2,120	3,859
Advances to banks (note 8)	2	–	–	2
Contingent liabilities and commitments to extend credit (note 13)	423	66	–	489
Debt securities measured at amortised cost	4	–	–	4
Financial assets measured at fair value through other comprehensive income	44	2	–	46
	1,269	1,013	2,120	4,402

9. EXPECTED CREDIT LOSSES *(Continued)*

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

	Year ended 31st December, 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 6 and 7)	1	–	–	1
Advances to customers (note 8)	592	1,042	2,526	4,160
Trade bills (note 8)	2	–	–	2
Contingent liabilities and commitments to extend credit (note 13)	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 Unaudited Condensed Interim Financial Statements

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, 2026			
	Stage 1	Stage 2	Stage 3	Total
Cash and balances with banks and central banks (note 6)				
Pass	11,172	–	–	11,172
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	11,171	–	–	11,171
Placements with banks, central banks and other financial institutions (note 7)				
Pass	9,295	–	–	9,295
Less: Expected credit losses	(1)	–	–	(1)
Carrying amount	9,294	–	–	9,294
Advances to customers (note 8)				
Pass	198,406	28,767	–	227,173
Special mention	–	6,869	–	6,869
Substandard	–	–	802	802
Doubtful	–	–	4,736	4,736
Loss	–	–	20	20
Less: Expected credit losses	(794)	(945)	(2,120)	(3,859)
Carrying amount	197,612	34,691	3,438	235,741
Trade bills (note 8)				
Pass	175	1	–	176
Advances to banks (note 8)				
Pass	967	–	–	967
Less: Expected credit losses	(2)	–	–	(2)
Carrying amount	965	–	–	965
Debt securities measured at amortised cost				
Pass	20,325	–	–	20,325
Less: Expected credit losses	(4)	–	–	(4)
Carrying amount	20,321	–	–	20,321
Financial assets measured at fair value through other comprehensive income				
Pass	136,268	519	–	136,787
Expected credit losses	(44)	(2)	–	(46)
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	89,140	5,120	–	94,260
Special mention	–	17	–	17
Substandard	–	–	1	1
Expected credit losses	(423)	(66)	–	(489)

9. EXPECTED CREDIT LOSSES (Continued)

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

	Stage 1	31st December, 2025		Total
		Stage 2	Stage 3	
Cash and balances with banks and central banks (note 6)				
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 7)				
Pass	4,020	–	–	4,020
Advances to customers (note 8)				
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 8)				
Pass	1,181	–	–	1,181
Less: Expected credit losses	(2)	–	–	(2)
Carrying amount	1,179	–	–	1,179
Advances to banks (note 8)				
Pass	54	–	–	54
Debt securities measured at amortised cost				
Pass	12,791	–	–	12,791
Financial assets measured at fair value through other comprehensive income				
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 13)				
Pass	82,528	6,353	–	88,881
Substandard	–	–	1	1
Expected credit losses	(373)	(84)	–	(457)

Notes to Unaudited Condensed Interim Financial Statements

10. FIXED ASSETS

	Six months ended 30th June, 2026							
	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
Cost or valuation								
At 1st January	374	3,743	403	4,146	2,344	7	2,351	6,497
Additions	–	1,218	15	1,233	120	–	120	1,353
Disposals	(38)	–	–	–	(203)	–	(203)	(203)
Transfer from bank premises to investment properties	56	(56)	–	(56)	–	–	–	(56)
Deficit on revaluation								
– Charged to bank premises revaluation reserve	–	(82)	–	(82)	–	–	–	(82)
– Charged to consolidated statement of profit or loss (note 4(e))	(9)	(5)	–	(5)	–	–	–	(5)
Elimination of accumulated depreciation on revalued bank premises	–	(38)	–	(38)	–	–	–	(38)
Termination of leases	–	–	(8)	(8)	–	(1)	(1)	(9)
Exchange adjustment	–	3	2	5	–	–	–	5
At 30th June	383	4,783	412	5,195	2,261	6	2,267	7,462
The analysis of cost or valuation of the above assets is as follows:								
At cost	–	1,102	412	1,514	2,261	6	2,267	3,781
At valuation 2026	383	3,681	–	3,681	–	–	–	3,681
	383	4,783	412	5,195	2,261	6	2,267	7,462
Accumulated depreciation and impairment								
At 1st January	–	357	79	436	1,598	3	1,601	2,037
Charge for the period (note 4(f))	–	37	38	75	100	1	101	176
Impairment loss	–	14	–	14	–	–	–	14
Written back on disposals	–	–	–	–	(202)	–	(202)	(202)
Elimination of accumulated depreciation on revalued bank premises	–	(38)	–	(38)	–	–	–	(38)
Termination of leases	–	–	(8)	(8)	–	(1)	(1)	(9)
Exchange adjustment	–	1	1	2	–	–	–	2
At 30th June	–	371	110	481	1,496	3	1,499	1,980
Net book value								
At 30th June	383	4,412	302	4,714	765	3	768	5,482

Note (i): Includes computer software of HK\$386 million (2025: HK\$355 million). The cost and accumulated depreciation are HK\$904 million (2025: HK\$926 million) and HK\$518 million (2025: HK\$571 million) respectively.

10. FIXED ASSETS (Continued)

Year ended 31st December, 2025								
	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	319	4,259	260	4,519	2,133	5	2,138	6,657
Additions	–	–	196	196	283	3	286	482
Disposals	–	(48)	–	(48)	(72)	–	(72)	(120)
Transfer from bank premises to assets held for sale	–	(13)	–	(13)	–	–	–	(13)
Transfer from bank premises to investment properties	89	(89)	–	(89)	–	–	–	–
Deficit on revaluation								
– Charged to bank premises revaluation reserve	–	(296)	–	(296)	–	–	–	(296)
– Charged to consolidated statement of profit or loss	(34)	–	–	–	–	–	–	(34)
Elimination of accumulated depreciation on revalued bank premises	–	(72)	–	(72)	–	–	–	(72)
Termination of leases	–	–	(55)	(55)	–	(1)	(1)	(56)
Exchange adjustment	–	2	2	4	–	–	–	4
At 31st December	374	3,743	403	4,146	2,344	7	2,351	6,497
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
At valuation 2025	374	2,609	–	2,609	–	–	–	2,609
	374	3,743	403	4,146	2,344	7	2,351	6,497
Accumulated depreciation								
At 1st January	–	355	63	418	1,484	2	1,486	1,904
Charge for the year	–	77	68	145	185	1	186	331
Written back on disposals	–	–	–	–	(71)	–	(71)	(71)
Reclassification to assets held for sale	–	(5)	–	(5)	–	–	–	(5)
Elimination of accumulated depreciation on revalued bank premises	–	(72)	–	(72)	–	–	–	(72)
Termination of leases	–	–	(54)	(54)	–	–	–	(54)
Exchange adjustment	–	2	2	4	–	–	–	4
At 31st December	–	357	79	436	1,598	3	1,601	2,037
Net book value								
At 31st December	374	3,386	324	3,710	746	4	750	4,460

Notes to Unaudited Condensed Interim Financial Statements

11. DEPOSITS FROM CUSTOMERS

	30th June, 2026	31st December, 2025
Demand deposits and current accounts	119,258	97,108
Savings deposits	18,836	19,881
Time, call and notice deposits	235,807	206,744
	373,901	323,733

The above deposits from customers included deposits from central banks.

12. CERTIFICATES OF DEPOSIT AND FIXED RATE NOTES ISSUED

	30th June, 2026	31st December, 2025
Certificates of deposit issued at amortised cost	–	1,778
Fixed rate notes issued at amortised cost	3,363	3,242
	3,363	5,020

13. OTHER ACCOUNTS AND PROVISIONS

	30th June, 2026	31st December, 2025
Acceptances outstanding	214	213
Interest payable	1,558	1,543
Derivative financial instruments held for hedging (note 15)	361	427
Other payables	3,452	3,750
Expected credit losses (Stages 1 and 2) on contingent liabilities and commitments to extend credit (note 9)	489	457
	6,074	6,390

14. RESERVES

The Group's unappropriated profits at 30th June, 2026 included nil regulatory reserve (31st December, 2025: 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.

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, 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:

	30th June, 2026		Total
	Qualifying for hedge accounting	Others, including held for trading	
Exchange rate contracts	33,502	765,998	799,500
Interest rate contracts	44,780	1,073,093	1,117,873
Equity contracts	–	73,577	73,577
Credit derivative contracts	–	6,830	6,830
	78,282	1,919,498	1,997,780

	31st December, 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

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.

Notes to Unaudited Condensed Interim Financial Statements

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, 2026		31st December, 2025	
	Assets	Liabilities	Assets	Liabilities
Exchange rate contracts	5,683	5,182	3,789	3,953
Interest rate contracts	3,399	3,349	3,529	3,474
Equity contracts	1,738	1,738	959	959
Credit derivative contracts	49	49	84	84
Other derivative contracts	–	–	–	3
Total (note 18(a))	10,869	10,318	8,361	8,473

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, 2026		31st December, 2025	
		Assets	Liabilities	Assets	Liabilities
Fair value hedges					
Exchange rate contracts	Interest rate and Foreign exchange	827	148	264	146
Interest rate contracts	Interest rate	142	42	72	136
		969	190	336	282
Cash flow hedges					
Exchange rate contracts	Foreign exchange	128	110	53	145
Interest rate contracts	Interest rate	–	61	–	–
		128	171	53	145
Total (notes 8 & 13)		1,097	361	389	427

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 and floating rate assets due to movements in market interest rates. At 30th June, 2026, the net positive fair value of derivatives held as fair value hedges was HK\$779 million (31st December, 2025: HK\$54 million).

The gains or losses on the hedged items and hedging instruments for the period were shown in note 4(e).

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, 2026, the net negative fair value of derivatives held as cash flow hedges was HK\$43 million (31st December, 2025: HK\$92 million). During the period, there was no ineffectiveness recognised in the statement of profit or loss that arose from cash flow hedges (31st December, 2025: nil).

Notes to Unaudited Condensed Interim Financial Statements

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, 2026	Six months ended 30th June, 2025
Operating profit	2,149	1,471
Adjustments for non-cash items:		
Change in expected credit losses	234	465
Other impairment losses	14	–
Interest expense on fixed rate note issued	39	53
Interest expense on lease liabilities	5	4
Gains on disposal of financial assets measured at fair value through other comprehensive income (note 4(e))	(97)	(40)
Deficit on revaluation of properties (note 4(e))	14	13
Gains on disposal of fixed assets (note 4(e))	(18)	–
Depreciation (note 4(f))	176	158
	2,516	2,124
Changes in working capital:		
Change in treasury bills with an original maturity of three months or above	(12,049)	(13,150)
Change in placements with banks, central banks and other financial institutions with an original maturity of three months or above	(3,098)	(1,487)
Change in amounts due from ultimate holding company and fellow subsidiaries maturing after three months	1,251	3,198
Change in certificates of deposit held	(13,195)	(13,043)
Change in trading assets	(3,070)	10,624
Change in advances to customers and other accounts	(26,810)	5,534
Change in deposits and balances of banks	(5,635)	2,339
Change in amounts due to ultimate holding company and fellow subsidiaries	11,692	(805)
Change in deposits from customers	50,168	24,446
Change in certificates of deposit issued	(1,778)	(155)
Change in trading liabilities	1,845	(9,844)
Change in other accounts and provision	(326)	(254)
Net cash inflow from operations	1,511	9,527
Profits tax paid	(64)	(133)
Net cash inflow from operating activities	1,447	9,394

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, 2026	31st December, 2025
Cash and balances with banks and central banks	11,172	15,795
Placements with banks, central banks and other financial institutions	9,295	4,020
Amounts due from ultimate holding company and fellow subsidiaries	23,177	24,526
Treasury bills	55,791	43,933
Amounts shown in the consolidated statement of financial position	99,435	88,274
Less: Amounts with an original maturity of three months or above	(62,750)	(48,853)
Deposits and balances of banks that are repayable on demand	(4,272)	(933)
Cash and cash equivalents in the consolidated cash flow statement	32,413	38,488

Notes to Unaudited Condensed Interim Financial Statements

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. 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.

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.

	Six months ended 30th June, 2026									
	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, 2026										
Net interest income	466	1,365	487	2,318	(7)	2,311	765	256	–	3,332
Non-interest income	498	368	29	895	229	1,124	300	130	(24)	1,530
Reportable segment revenue	964	1,733	516	3,213	222	3,435	1,065	386	(24)	4,862
Operating expenses	(784)	(700)	(112)	(1,596)	(74)	(1,670)	(652)	(167)	24	(2,465)
Operating profit before expected credit losses and other impairment losses	180	1,033	404	1,617	148	1,765	413	219	–	2,397
Change in expected credit losses	(1)	(149)	(7)	(157)	(35)	(192)	(52)	10	–	(234)
Other impairment losses	–	–	–	–	(14)	(14)	–	–	–	(14)
Operating profit	179	884	397	1,460	99	1,559	361	229	–	2,149
Share of net profit of associated companies	–	–	–	–	38	38	–	–	–	38
Reportable segment profit before tax	179	884	397	1,460	137	1,597	361	229	–	2,187
Depreciation	(24)	(2)	(1)	(27)	(104)	(131)	(34)	(11)	–	(176)
At 30th June, 2026										
Segment assets	48,787	111,373	135,710	295,870	–	295,870	117,469	29,656	(104)	442,891
Investments in associated companies	–	–	–	–	301	301	–	–	–	301
Fixed assets	–	–	–	–	5,219	5,219	265	370	11	5,865
Goodwill	–	–	–	–	1,306	1,306	–	–	–	1,306
Deferred tax assets	–	–	–	–	235	235	150	–	–	385
Other assets	–	–	–	–	16,751	16,751	12,269	3,851	(17,301)	15,570
Total assets	48,787	111,373	135,710	295,870	23,812	319,682	130,153	33,877	(17,394)	466,318
Segment liabilities	108,223	142,722	20,495	271,440	–	271,440	102,206	26,561	–	400,207
Current tax payable	–	–	–	–	150	150	10	40	–	200
Deferred tax liabilities	–	–	–	–	8	8	–	101	–	109
Other liabilities	–	–	–	–	9,485	9,485	15,009	3,788	(9,961)	18,321
Total liabilities	108,223	142,722	20,495	271,440	9,643	281,083	117,225	30,490	(9,961)	418,837
Addition to non-current assets	39	–	–	39	1,281	1,320	14	3	–	1,337

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17. SEGMENT REPORTING (Continued)

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

	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 31st December, 2025										
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

17. SEGMENT REPORTING *(Continued)*

(b) Other geographical information

30th June, 2026					
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments	31,457	59,080	4,487	(746)	94,278

31st December, 2025					
	Hong Kong	Mainland China	Macau	Less: inter-segment elimination	Total
Contingent liabilities and commitments	35,615	50,367	3,644	(744)	88,882

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.

Notes to Unaudited Condensed Interim Financial Statements

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.

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:

Recurring fair value measurements	30th June, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Trading assets				
– Treasury bills	404	–	–	404
– Other debt securities	2,047	2	–	2,049
– Derivative financial instruments held for trading	6	10,862	1	10,869
	2,457	10,864	1	13,322
Advances to customers and other accounts				
– Derivative financial instruments held for hedging	–	1,097	–	1,097
Financial assets measured at fair value through other comprehensive income				
– Treasury bills	21,182	13,880	–	35,062
– Certificates of deposit held	10,226	38,201	–	48,427
– Other debt securities	48,932	4,366	–	53,298
– Equity securities	–	–	1,212	1,212
	80,340	56,447	1,212	137,999
	82,797	68,408	1,213	152,418
Liabilities				
Trading liabilities				
– Derivative financial instruments held for trading	10	10,308	–	10,318
Other accounts and provisions				
– Derivative financial instruments held for hedging	–	361	–	361
	10	10,669	–	10,679

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

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

Recurring fair value measurements	31st December, 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

During the period ended 30th June, 2026, there was a transfer of trading assets and liabilities of HK\$6 million from Level 3 to Level 2 due to use of inputs based on market observable data (year ended 31st December, 2025: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy during the period in which they occur.

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:

Financial assets measured at fair value through other comprehensive income – Equity securities	Six months ended 30th June, 2026	Year ended 31st December, 2025
At 1st January	1,682	1,654
Changes in fair value recognised in the consolidated statement of comprehensive income	(470)	28
At 30th June, 2026/31st December, 2025	1,212	1,682
Total (losses)/gains for the period included in investment revaluation reserve of the other comprehensive income for assets held at the reporting date	(470)	28

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	10.94% (31st December, 2025: 8.90%)
		Terminal growth rate	2.50% (31st December, 2025: 2.50%)
		P/E ratios	21.98x-34.41x (31st December, 2025: 26.41x-41.10x)
		Marketability discount	20% (31st December, 2025: 20%)
	Market approach	Enterprise value/ EBITDA ratios	5.71x (31st December, 2025: 5.71x)
		P/B ratios	2.02x (31st December, 2025: 2.02x)

Notes to Unaudited Condensed Interim Financial Statements

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)

There were no changes in the valuation approach used for unlisted equity securities measured at fair value through other comprehensive income as described in 2025 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.

(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, 2026		31st December, 2025	
	Reflected in other		Reflected in other	
	comprehensive income		comprehensive income	
	Favourable	Unfavourable	Favourable	Unfavourable
	changes	changes	changes	changes
Financial assets measured				
at fair value through other				
comprehensive income				
– Equity securities	121	(121)	168	(168)

18. 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.

19. MATERIAL RELATED-PARTY TRANSACTIONS

There were no significant changes to the nature of the related party transactions described in the 2025 consolidated financial statements that have a material effect on the financial position or performance of the Group for the six months ended 30th June, 2026.

Unaudited Supplementary Financial Information

(A) 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.

	30th June, 2026		31st December, 2025	
	Gross advances to customers	% of gross advances covered by collateral	Gross advances to customers	% of gross advances covered by collateral
Advances for use in Hong Kong				
Industrial, commercial and financial				
– Property development	11,871	42.2	10,225	52.5
– Property investment	37,020	70.0	32,636	83.2
– Financial concerns	20,396	4.0	13,145	11.0
– Stockbrokers	2,465	0.2	1,447	42.4
– Wholesale and retail trade	2,895	50.4	2,086	65.6
– Manufacturing	2,750	31.9	2,654	37.6
– Transport and transport equipment	4,264	64.6	3,739	77.6
– Information technology	2,088	1.6	2,250	1.3
– Share financing	72	58.3	76	77.6
– Recreational activities	21	81.0	14	64.3
– Others	9,465	45.8	7,832	55.8
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	349	100.0	385	100.0
– Advances for the purchase of other residential properties	33,132	100.0	31,144	100.0
– Credit card advances	108	0.0	119	0.0
– Others	7,729	80.0	7,335	77.4
	134,625	60.1	115,087	70.8
Trade finance	10,434	19.9	9,168	27.6
Advances for use outside Hong Kong				
– Mainland China	59,119	39.8	54,775	41.6
– Macau	16,162	66.9	17,740	69.2
– Others	19,260	35.7	17,085	39.2
	94,541	43.6	89,600	46.6
	239,600	51.8	213,855	58.8

(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.

	30th June, 2026					
	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 period
Hong Kong	137,700	3,639	2,293	1,304	1,111	448
Macau	16,740	1,123	42	389	108	1
Mainland China	77,417	753	750	427	451	4
Others	7,743	43	3	–	69	–
	239,600	5,558	3,088	2,120	1,739	453

	31st December, 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

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.

30th June, 2026						
	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 (released)/ charged to consolidated statement of profit or loss during the period	Expected credit losses written off during the period
Property investment	37,020	448	365	386	(34)	258
Advances for the purchase of other residential properties	33,132	115	5	18	(9)	–
Advances for use outside Hong Kong – Mainland China	59,119	723	415	559	272	4

31st December, 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

(D) OVERDUE AND RESCHEDULED ASSETS

(i) Overdue and rescheduled advances to customers

	30th June, 2026		31st December, 2025	
	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	680	0.29	114	0.05
– 1 year or less but over 6 months	750	0.31	661	0.31
– Over 1 year	1,658	0.69	1,990	0.93
	3,088	1.29	2,765	1.29
Covered portion of overdue advances	2,182		2,114	
Uncovered portion of overdue advances	906		651	
	3,088		2,765	
Current market values of collateral held against covered portion of overdue advances	2,409		2,337	
Expected credit losses (Stage 3) made on overdue advances	1,336		1,069	

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 period end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period 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:

	30th June, 2026		31st December, 2025	
	Amount	% of total advances to customers	Amount	% of total advances to customers
Rescheduled advances to customers	1,175	0.49	45	0.02

All rescheduled advances to customers are impaired at 30th June, 2026 and 31st December, 2025.

There were no advances to banks which were overdue nor rescheduled at 30th June, 2026 and 31st December, 2025.

(ii) **Other overdue assets**

There are no debt securities or other assets which are overdue at 30th June, 2026 (31st December, 2025: nil).

(iii) **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:

	30th June, 2026	31st December, 2025
Gross impaired advances to customers	5,558	7,003
Gross impaired advances to customers as a percentage of total advances to customers	2.32%	3.27%
Value of collateral used in determining the allowance for impaired advances to customers	4,386	5,299
Expected credit losses (Stage 3)	2,120	2,526

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 30th June, 2026 and 31st December, 2025.

(iv) **Reposessed assets**

At 30th June, 2026, reposessed assets obtained as securities for impaired advances to customers totalled HK\$160 million (31st December, 2025: HK\$614 million) for the Group.

(E) 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:

	30th June, 2026	31st December, 2025
Direct credit substitutes	10,534	10,259
Transaction-related contingencies	3,087	2,010
Trade-related contingencies	5,498	3,661
Other commitments:		
With an original maturity of not more than one year	1,300	1,929
With an original maturity over one year	8,275	6,868
Which are unconditionally cancellable	65,471	64,155
Others	113	–
Total	94,278	88,882
Credit risk weighted amounts	10,339	9,767

Unaudited Supplementary Financial Information

(F) 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:

	30th June, 2026										
	Chinese US\$ Renminbi	Pound Sterling	Australian EURO	Singapore \$	New Zealand \$	Macau Pataca	Japanese Yen	Other currencies	Total		
Spot assets	127,029	116,512	5,126	8,137	24,355	384	335	10,438	2,005	14,504	308,825
Spot liabilities	(127,887)	(111,766)	(1,958)	(2,859)	(9,274)	(277)	(1,413)	(10,403)	(1,863)	(3,263)	(270,963)
Forward purchases	338,041	253,978	21	742	2,778	3	1,220	–	1,997	5,696	604,476
Forward sales	(315,994)	(258,013)	(3,350)	(6,293)	(18,466)	(4)	(27)	–	(2,064)	(17,768)	(621,979)
Net option positions	(20,280)	(517)	2	170	5	–	2	–	–	1	(20,617)
Net long/(short) positions	909	194	(159)	(103)	(602)	106	117	35	75	(830)	(258)

	31st December, 2025					
	US\$	Chinese Renminbi	EURO	Australian \$	Other currencies	Total
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)

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

	30th June, 2026				31st December, 2025			
	Macau Patacas	Chinese Renminbi	US\$	Total	Macau Patacas	Chinese Renminbi	US\$	Total
Net structural positions	2,358	11,007	1,538	14,903	3,736	10,327	1,526	15,589

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

The detailed disclosures required by the Banking (Disclosure) Rules will be disclosed before 30th September, 2026 under "Regulatory Disclosures" on the website of the Bank (www.ocbc.com.hk).



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