



Ant Bank (Hong Kong) Limited

Interim Financial Report (Unaudited)

30 June 2025

ANT BANK (HONG KONG) LIMITED

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INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2025

		6 months ended 30 June 2025	6 months ended 30 June 2024
	Notes	HKD'000	HKD'000
Interest income	3	117,503	51,998
Interest expense	3	(55,355)	(19,908)
NET INTEREST INCOME		62,148	32,090
Fee and commission income		736	-
Fee and commission expense		-	-
NET FEE AND COMMISSION INCOME		736	-
Net foreign exchange differences		12,827	(115)
Other income		33	84
Administrative expenses	4	(147,748)	(146,658)
Net charge of impairment allowances	5	(57,093)	(3,907)
LOSS BEFORE TAX		(129,097)	(118,506)
Income tax expense	6	-	-
LOSS FOR THE PERIOD		(129,097)	(118,506)
OTHER COMPREHENSIVE INCOME:			
Items that may be reclassified subsequently to profit or loss:			
Financial assets at FVOCI - debt instruments			
- unrealised gain on revaluation		11,925	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(117,172)	(118,506)

The notes on pages 5 to 18 form part of this interim financial report.

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

		30 June 2025	31 December 2024
	Notes	HKD'000	HKD'000
ASSETS			
Balances with banks	7	2,186,684	998,592
Loans and advances to customers	8	854,621	875,754
Amount due from a fellow subsidiary	12	606	-
Financial assets at FVOCI	9(a)	5,550,408	1,813,424
Financial assets at amortised costs	9(b)	111,863	1,066,640
Intangible assets	10	1,625	6,500
Prepayment and other receivables		19,694	983
TOTAL ASSETS		8,725,501	4,761,893
LIABILITIES			
Deposits from customers	11	7,004,394	4,084,214
Amounts due to fellow subsidiaries and other related parties	12	35,044	52,967
Other payables and accruals		442,283	45,833
TOTAL LIABILITIES		7,481,721	4,183,014
NET ASSETS		1,243,780	578,879
EQUITY			
Share capital	13	2,341,417	1,563,510
Reserves		(1,097,637)	(984,631)
TOTAL EQUITY		1,243,780	578,879

The notes on pages 5 to 18 form part of this interim financial report.

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2025

	Notes	<i>Share capital</i> HKD'000	<i>Share- based payment reserve</i> HKD'000	<i>FVOCI reserve</i> HKD'000	<i>Accumulated loss</i> HKD'000	<i>Total equity</i> HKD'000
At 1 January 2024		1,563,510	108,382	-	(825,130)	846,762
Share-based payment	14	-	2,019	-	-	2,019
Loss for the period		-	-	-	(118,506)	(118,506)
At 30 June 2024		<u>1,563,510</u>	<u>110,401</u>	<u>-</u>	<u>(943,636)</u>	<u>730,275</u>
At 1 July 2024		1,563,510	110,401	-	(943,636)	730,275
Share-based payment	14	-	6,124	-	-	6,124
Loss for the period		-	-	-	(156,650)	(156,650)
Other comprehensive income		-	-	(870)	-	(870)
At 31 December 2024		<u>1,563,510</u>	<u>116,525</u>	<u>(870)</u>	<u>(1,100,286)</u>	<u>578,879</u>
At 1 January 2025		1,563,510	116,525	(870)	(1,100,286)	578,879
Capital injection	13	777,907	-	-	-	777,907
Share-based payment	14	-	4,166	-	-	4,166
Loss for the period		-	-	-	(129,097)	(129,097)
Other comprehensive income		-	-	11,925	-	11,925
At 30 June 2025		<u>2,341,417</u>	<u>120,691</u>	<u>11,055</u>	<u>(1,229,383)</u>	<u>1,243,780</u>

The notes on pages 5 to 18 form part of this interim financial report.

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2025

		6 months ended 30 June 2025	6 months ended 30 June 2024
	Notes	HKD'000	HKD'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(129,097)	(118,506)
Adjustments for:			
Fair value change of the financial investment at FVOCI		11,925	-
Share-based payment expense	14	3,973	4,983
Amortisation of intangible assets	10	4,875	4,875
Net charge of impairment allowances	5	57,093	3,907
Operating cash flows before changes in operating assets and liabilities		(51,231)	(104,741)
Changes in operating assets and liabilities:			
Placements with banks with an original maturity beyond three months but less than one year		(218,330)	-
Certificate of deposit with an original maturity beyond three months		(2,368,403)	(117,138)
Financial investments		(373,588)	(391,865)
Loans and advances to customers		(34,683)	(232,776)
Prepayments and other receivables		(18,711)	(436)
Increase in deposits from customers		2,920,180	1,834,606
Amounts due from/ to the fellow subsidiaries and other related parties		(18,529)	2,311
Other payables and accruals		395,475	(12,216)
Net cash generated from operating activities		232,180	977,745
Cash flows from Financing activities			
Proceeds from issue of shares		777,907	-
Net cash flows from financing activities		777,907	-
Net increase in cash and cash equivalents		1,010,087	977,745
Cash and cash equivalents at 1 January		998,318	127,185
Cash and cash equivalents at 30 June		2,008,405	1,104,930
Analysis of Balances of cash and cash equivalents			
Balance with central bank and banks	7	1,099,462	307,828
Placements with banks with original maturity of three months or less when acquired		868,996	480,790
Certificates of deposit with original maturity within three months		39,947	316,312
Cash and cash equivalents in the statements of cash flows		2,008,405	1,104,930
Cash flows from operating activities include:			
Interest received		118,239	55,920
Interest paid		46,952	12,232

The notes on pages 5 to 18 form part of this interim financial report.

Notes to interim financial report

1. GENERAL INFORMATION

Ant Bank (Hong Kong) Limited (the “Bank”) is a limited liability Bank incorporated in Hong Kong on 16 August 2018. The banking license was approved and obtained on 9 May 2019. The registered office of the Bank is located at Suites 2101-2105, 2201-2204 and 2301, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

The principal activity of the Bank is the provision of banking services to its customers. The Bank is a licensed bank registered under the Hong Kong Banking Ordinance.

Prior to 23 April 2025, the immediate holding company of the Bank was Alipay (Hong Kong) Investment Limited, a limited liability company incorporated in Hong Kong. On 23 April 2025, the name of the immediate holding company of the Bank has been changed to Ant International (Hong Kong) Investment Limited.

Prior to 4 December 2024, the ultimate holding company of the Bank was formerly Ant Group Co., Ltd., which is a company established in the People’s Republic of China (“PRC”). On 4 December 2024, the ultimate holding company of the Bank has been changed to Ant International (Cayman) Holding Limited, a limited company incorporated in Cayman Islands.

2. MATERIAL ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These interim financial report have been prepared in compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of the interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing the interim financial report, the significant judgements made by management in applying the Bank’s accounting policies and the key sources of estimation uncertainty were consistent with those that were applied to the financial statements for the year ended 31 December 2024.

The interim financial report should be read in conjunction with the financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The interim financial report fulfill the disclosure requirements in accordance with the Banking (Disclosure) Rules.

2.2 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars (“HKD”).

2.3 CHANGES IN ACCOUNTING POLICIES

The Bank has applied the amendments to HKAS 21, The effects of changes in foreign exchange rates – *Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Bank has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Bank has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to interim financial report

3. NET INTEREST INCOME

	6 months ended 30 June 2025	6 months ended 30 June 2024
	HKD'000	HKD'000
Interest income arising from financial assets at amortised cost and FVOCI	117,503	51,998
Interest expense arising from financial liabilities at amortised cost	(55,355)	(19,908)
	<u>62,148</u>	<u>32,090</u>

4. ADMINISTRATIVE EXPENSES

	6 months ended 30 June 2025	6 months ended 30 June 2024
	HKD'000	HKD'000
Staff costs (a)	(53,820)	(42,348)
Server and technical service fees	(46,225)	(42,368)
Marketing expenses	(16,215)	(25,902)
Rental expenses	(8,640)	(9,557)
Legal and professional fees	(3,703)	(4,498)
Amortisation of intangible assets	(4,875)	(4,875)
Other expenses	(14,270)	(17,110)
	<u>(147,748)</u>	<u>(146,658)</u>

(a) The staff costs include share-based payment expenses (Note 14).

5. NET CHARGE OF IMPAIRMENT LOSSES

	6 months ended 30 June 2025	6 months ended 30 June 2024
	HKD'000	HKD'000
Balances with banks	(378)	(409)
Loans and advances to customers (Note 8)	(55,816)	(3,289)
Financial investments	(899)	(209)
	<u>(57,093)</u>	<u>(3,907)</u>

Under HKFRS 9, ECL is assessed using an approach which classifies financial assets into three stages, each of which is associated with an ECL requirement that is reflective of the assessed credit risk profile in each instance.

Notes to interim financial report

6. INCOME TAX EXPENSES

The applicable Hong Kong profits tax rate is 16.5% (2024 Jun: 16.5%). No provision for Hong Kong Profits tax has been made (2024 Jun: Nil) as the Bank had no estimated assessable profits for the period.

No deferred tax assets have been recognized in respect of the losses incurred due to unpredictability of future profit streams.

7. BALANCES WITH BANKS

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Balances with central bank	373,415	190,448
Balances with banks	726,047	307,870
Placements with banks with original maturity of three months or less when acquired	869,647	500,553
Placements with banks with original maturity of beyond three months	218,232	-
	2,187,341	998,871
Less: Allowances for expected credit losses	(657)	(279)
	2,186,684	998,592

The movement in provision for impairment against balances with banks is as follows:

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Beginning of year – Stage 1	279	-
Net charge of impairment allowances	378	279
	657	279

8. LOANS AND ADVANCES TO CUSTOMERS

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Loans and advances to customers	926,697	920,829
Less: Allowances for expected credit losses	(72,076)	(45,075)
	854,621	875,754

The Bank's credit risk policy, including the movement in allowances for expected credit losses, is set out in Note 17.

Notes to interim financial report

9. FINANCIAL INVESTMENTS

(a) Financial assets at FVOCI

	30 June 2025	31 December 2024
	HKD'000	HKD'000
At fair value:		
Debt securities	<u>5,550,408</u>	<u>1,813,424</u>

(b) Financial assets at amortised costs

	30 June 2025	31 December 2024
	HKD'000	HKD'000
At amortised cost:		
Debt securities	111,896	1,066,944
Less: Allowances for expected credit losses - Stage 1	<u>(33)</u>	<u>(304)</u>
	<u>111,863</u>	<u>1,066,640</u>

The movement in provision for impairment against balances with financial investments is as follows:

Financial assets at FVOCI:

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Beginning of year – Stage 1	519	-
Net charge of impairment allowances	<u>1,169</u>	<u>519</u>
	<u>1,688</u>	<u>519</u>

Financial assets at amortised costs:

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Beginning of year – Stage 1	304	135
Net (reversal)/charge of impairment allowances	<u>(271)</u>	<u>169</u>
	<u>33</u>	<u>304</u>

Notes to interim financial report

10. INTANGIBLE ASSETS

	Software HKD'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	<u>48,747</u>
Accumulated amortisation:	
At 1 January 2024	32,497
Amortisation provided during the year	<u>9,750</u>
At 31 December 2024 and 1 January 2025	42,247
Amortisation provided during the year	<u>4,875</u>
At 30 June 2025	<u>47,122</u>
Carrying amount:	
At 30 June 2025	<u>1,625</u>
At 31 December 2024	<u>6,500</u>

11. DEPOSITS FROM CUSTOMERS

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Savings deposits	6,250,365	3,059,525
Fixed deposits	<u>754,029</u>	<u>1,024,689</u>
At end of 30 June 2025	<u>7,004,394</u>	<u>4,084,214</u>

Notes to interim financial report

12. AMOUNTS DUE FROM/(TO) FELLOW SUBSIDIARIES AND RELATED PARTIES

The Bank had the following outstanding balances due from/(to) fellow subsidiaries and other related parties:

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Alipay Singapore E-commerce Private Limited	288	-
Alipay Financial Services (HK) Limited	318	-
	<u>606</u>	<u>-</u>
Taobao China Holding Limited	(9,837)	(7,017)
Alipay (Hangzhou) Information Technology Co., Ltd.	(5)	(5)
Alibaba Cloud (Singapore) Private Limited	(4,144)	(2,062)
Alipay Financial Services (HK) Limited	-	(13,864)
Alipay Payment Services (HK) Limited	(7,083)	(19,207)
Alipay (Hong Kong) Holding Limited	-	(35)
Shanghai Ant Chuangjiang Information Technology Co., Ltd.	(13,240)	(7,269)
AIHK Markets Limited	(36)	-
Ant (Hong Kong) Holding Limited	-	(3,249)
Alipay Labs (Singapore) Pte. Ltd.	-	(259)
Ant International (Hong Kong) Holding Limited	(699)	-
	<u>(35,044)</u>	<u>(52,967)</u>

The amounts due to fellow subsidiaries and other related parties are unsecured, interest-free and repayable within 12 months.

Notes to interim financial report

13. SHARE CAPITAL

	30 June 2025		31 December 2024	
	Number of Shares	HK\$'000	Number of shares	HK\$'000
Ordinary shares, issued and fully paid				
At beginning of year	200,000,000	1,563,510	200,000,000	1,563,510
Issuance of shares (a)	100,000,000	777,907	-	-
At end of 30 June	300,000,000	2,341,417	200,000,000	1,563,510

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

(a) On 18 March 2025, the Bank increased its issued and fully paid up capital via the issuance of 100,000,000 new ordinary shares by cash.

Capital management

The Bank's objectives for managing capital are to safeguard the Bank's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Bank manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Bank may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to interim financial report

14. SHARE OPTION SCHEMES

The following table lists the total fair value of share option schemes of SERs, RSUs, SAR, Alibaba RSUs and GRUs for the period ended 30 June 2025 and year ended 2024:

	30 Jun 2025	31 Dec 2024
Granted during the period/year	-	-
Vested during the period/year	8,191,352	11,456,878
Replaced/forfeited during the period/year	-	456,418
Average remaining life (years)	<u>3.50</u>	<u>3.81</u>

The fair values of SERs, RSUs, SAR, Alibaba RSUs and GRUs were determined at the grant date using the market approach.

The following table lists the total fair value of share option schemes of ESOP for the period ended 30 June 2025 and year ended 2024:

	30 Jun 2025	31 Dec 2024
Granted during the period/year	2,463,500	14,410,700
Vested during the period/year	4,543,862	259,600
Replaced/forfeited during the period/year	-	-
Average remaining life (years)	<u>3.91</u>	<u>4.26</u>

The fair values of ESOP were determined at the grant date using the binomial option-valuation model. The following table lists the inputs to the pricing models for the period ended 30 June 2025 and year ended 2024:

	30 Jun 2025	31 Dec 2024
Risk free interest rate	2.88%	2.57%~3.40%
Expected dividend yield	0%	0%
Expected life (years)	5.00	5.00
Expected volatility	<u>29.49%</u>	<u>29.51%~29.9%</u>

Management estimated the equity volatility based on the average historical volatility of the comparable companies with a term commensurate with the time to expiration date as of the valuation dates.

Share Economic Interest Rights ("SERs")

Since 2014, Hangzhou Junhan Equity Investment Partnership ("Junhan") made a grant of Share Economic Interest Rights ("SERs") similar to share-appreciation awards linked to the valuation of Ant Group Co., Ltd. ("Ant Group") to employees of the Bank. The vesting of SERs is conditional upon the fulfilment of requisite service conditions to the Bank, and SERs will be settled by Junhan according to the SERs plan. Junhan has the right to repurchase the vested awards from the holders upon certain conditions.

During the period, the Bank recognised share-based payment expense of HK\$364,000 (2024:HK\$603,000) in connection with the above SERs.

Notes to interim financial report

14. SHARE OPTION SCHEMES (continued)

Restricted Share Units ("RSUs")

In 2018, Ant Group adopted the 2018 Equity Incentive Plan (the "2018 Plan"). A fellow subsidiary, Ant International Co., Limited ("Ant International") was established to hold the 2018 Plan. Some employees were granted RSUs. The fair value of RSUs at the grant date was based on the fair value of an ordinary share of Ant Group. The vesting of RSUs is conditional upon the fulfilment of requisite service conditions to the Bank and RSUs will be settled by Ant International according to the RSUs plan.

During the period, the Bank recognised share-based payment expense of HK\$636,000 (2024: HK\$888,000) in connection with the above RSUs.

Share Appreciation Right ("SAR")

According to the 2018 Equity Incentive Plan (the "2018 Plan"), some employees were granted SAR by Ant International. The fair value of SAR at the grant date was based on the fair value of an ordinary share of Ant Group. The vesting of SAR is conditional upon the fulfilment of requisite service conditions to the Bank and SAR will be settled by Ant International according to the SAR plan.

During the period, the Bank recognised share-based payment expense of HK\$2,050,000 (2024: HK\$3,448,000) in connection with the above SAR plan.

During the period, the Bank recognised cash-settled share-based payment expense of HK\$185,000 (2024: Nil).

Alibaba Restricted Share Units ("Alibaba RSUs")

Some employees were granted Alibaba RSUs by Alibaba Group Holding Limited. The fair values of Alibaba RSUs are the fair value of the underlying stock of Alibaba Group Holding Limited. The vesting of Alibaba RSUs is conditional upon the fulfilment of requisite service conditions to the Bank.

During the period, the Bank has not recognised share-based payment expense (2024: HK\$11,000) in connection with the above Alibaba RSUs.

Growth Rewards Units ("GRUs")

According to the 2021 equity incentive plan ("2021 plan"), some employees were granted GRUs by the Ant Group. The vesting of GRUs is conditional upon the fulfilment of requisite service conditions by the employee to the Bank. The value of GRUs is linked to the fair value of an ordinary share of Ant Group. Since GRUs shall be settled using cash of the subsidiaries of Ant Group according to the fair value of GRUs at exercise date, GRUs were recognised as cash-settled share-based payments.

During the period, the Bank recognised share-based payment reversal of HK\$194,000 (2024: charge of HK\$33,000) in connection with the above GRUs.

Ant International Option ("ESOP")

In 2024, some of the employees of the Bank were granted ESOP. The fair value of ESOP at the grant date was based on the fair value of the relative ordinary share. The vesting of ESOP is conditional upon the fulfilment of requisite service conditions to the Bank.

During this period, the Bank recognised share-based payment expense of HK\$1,117,000 (2024: HK\$690,000).

Notes to interim financial report

15. RELATED PARTY TRANSACTION

There were no changes in the related party transaction described in 2024 Annual Report that have had a material impact on the financial position or performance of the Bank in the six months ended 30 June 2025.

16. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2025 and 31 December 2024 are as follows:

Financial assets

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Loans and advances to customers	854,621	875,754
Financial Investments	5,662,271	2,880,064
Balances with banks	2,186,684	998,592
	<u>8,703,576</u>	<u>4,754,410</u>

Financial liabilities

	30 June 2025	31 December 2024
	HKD'000	HKD'000
Deposits from customers	7,004,394	4,084,214
Amounts due to fellow subsidiaries and other related parties	35,044	52,967
Financial liabilities included in other payables and accruals	<u>379,857</u>	<u>29,045</u>
	<u>7,419,295</u>	<u>4,166,226</u>

The fair values of the financial assets and liabilities measured at amortised cost approximated the carrying amounts largely due to the short-term maturities of these instruments.

Notes to interim financial report

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Bank's exposure to market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk arises in the normal course of its business. These risks are managed by the Bank's financial management policies and practices described below:

Interest rate risk

As at 30 June 2025, the Bank has short term deposits with fixed interest rates. The interest rate risk is considered to be minimal.

Foreign currency risk

The Bank has no significant foreign currency risk because most of the transactions are denominated in the Bank's functional currency and United States dollars. Since the Hong Kong dollar is pegged to the United States dollars, the Bank's exposure to foreign currency risk in respect of the bank balances denominated in United States Dollars is considered to be minimal.

Credit risk

Credit risk is the risk of financial loss to the Bank if a counterparty of a financial instrument fails to meet its obligations, and arise principally from banks and other financial institutions.

All the Bank's balances with banks are held in major financial institutions or central bank located in Hong Kong, which management believes are of high credit quality. All the Bank's Financial assets and investments are issued by financial institutions at investment grade, Hong Kong government and US Treasury bonds. The Bank has no significant concentration of credit risk.

Expected credit loss ("ECL")

HKFRS 9 requires an impairment model that calculates the recognition of ECL on all financial debt instruments held at amortised cost, fair value through other comprehensive income, undrawn loan commitments and financial guarantees. ECL is computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward looking.

The internal rating and probability of defaults ("PDs") estimation process

The Bank operates its internal rating models for its key portfolios in which its customers are rated or assigned to specific internal grades or risk pools. The models incorporate both qualitative and quantitative information and, in addition to information specific to the borrower, utilise supplemental external information that could affect the borrower's behaviour. The Bank adjusts the PDs to incorporate forward looking information and the HKFRS 9 stage classification of the exposure to determine the PDs for ECL calculations. This is repeated for each economic scenario as appropriate. Loans and advances to customers mainly comprise retail loans and corporate loans. These products are rated based on the models.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Bank's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 30 June 2025 and 31 December 2024. The amounts presented are gross carrying amounts for financial assets.

Notes to interim financial report

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
<u>At 30 June 2025</u>				
Balances with banks	2,186,684	-	-	2,186,684
Loans and advances to customers	837,577	31,057	58,063	926,697
Financial assets and investments	5,662,271	-	-	5,662,271
Off balance sheet exposures	3,165,513	-	-	3,165,513
	<u>11,852,045</u>	<u>31,057</u>	<u>58,063</u>	<u>11,941,165</u>
<u>At 31 December 2024</u>				
Balances with banks	998,871	-	-	998,871
Loans and advances to customers	852,022	42,612	26,195	920,829
Financial assets and investments	2,880,368	-	-	2,880,368
Off balance sheet exposures	3,021,416	70	-	3,021,486
	<u>7,752,677</u>	<u>42,682</u>	<u>26,195</u>	<u>7,821,554</u>

The details of the exposure of loans and advances to customers for which allowances for expected credit losses is recognised are set out as below.

Loans and advances to customers – gross amount

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2024	325,172	1,301	1,094	327,567
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(140)	140	-	-
Transfer to Stage 3	(4,526)	-	4,526	-
Net change in exposures	531,516	41,171	20,575	593,262
At 31 December 2024 and 1 January 2025	<u>852,022</u>	<u>42,612</u>	<u>26,195</u>	<u>920,829</u>
Transfer to Stage 1	17,889	(17,300)	(589)	-
Transfer to Stage 2	(98,815)	99,043	(228)	-
Transfer to Stage 3	(93)	(48,429)	48,522	-
Net change in exposures	66,574	(44,869)	(15,837)	5,868
At 30 June 2025	<u>837,577</u>	<u>31,057</u>	<u>58,063</u>	<u>926,697</u>

In September 2025, the Bank disposed part of the loans amounted to USD5,800,650 at a consideration approximately the net book value that no significant gain or loss has been recorded.

Notes to interim financial report

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Loans and advances to customers – Allowances for expected credit losses

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2024	11,536	562	1,094	13,192
Net transfers between stages	(217)	85	132	-
Net change in exposures	(1,572)	12,595	18,054	29,077
Net re-measurement from stage change	-	671	4,316	4,987
Net release due to change in estimation methodology	(2,121)	(39)	(21)	(2,181)
At 31 December 2024 and 1 January 2025	<u>7,626</u>	<u>13,874</u>	<u>23,575</u>	<u>45,075</u>
Net transfers between stages	446	(5,688)	5,242	-
Net change in exposures	169	1,132	13,945	15,246
Net re-measurement from stage change	(69)	2,329	38,310	40,570
Write-offs	-	-	(30,379)	(30,379)
Recovery	-	-	1,564	1,564
At 30 June 2025	<u>8,172</u>	<u>11,647</u>	<u>52,257</u>	<u>72,076</u>

All the Bank's bank balances are held in major financial institutions located in Hong Kong, which management believes are of high credit quality. The Bank has no significant concentration of credit risk. The maximum exposure is the carrying amount as at the period end. There are no financial assets that are past due or impaired.

Liquidity risk

The Bank aims to maintain sufficient cash and credit lines to meet its liquidity requirements. The Bank finances its working capital requirements through balances with banks.

Notes to interim financial report

17. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

The tables below summarise the maturity profile of the Bank's non-derivative financial liabilities at 30 June 2025 and 31 December 2024 based on the contractual undiscounted cash flows:

As at 30 June 2025	Total contractual undiscounted cash flow	On demand	Less than 3 months	3 to 12 months
	HKD'000	HKD'000	HKD'000	HKD'000
FINANCIAL LIABILITIES:				
Deposits from customers	7,012,807	6,250,365	420,489	341,953
Amounts due to fellow subsidiaries and other related parties	35,044	-	35,044	-
Financial liabilities included in other payables and accruals	379,857	-	379,857	-
Total financial liabilities	7,427,708	6,250,365	835,390	341,953
As at 31 December 2024	Total contractual undiscounted cash flow	On demand	Less than 3 months	3 to 12 months
	HKD'000	HKD'000	HKD'000	HKD'000
FINANCIAL LIABILITIES:				
Deposits from customers	4,096,205	3,059,525	640,730	395,950
Amounts due to fellow subsidiaries and other related parties	52,967	-	52,967	-
Financial liabilities included in other payables and accruals	29,047	-	29,047	-
Total financial liabilities	4,178,219	3,059,525	722,744	395,950

18. EVENT SUBSEQUENT TO THE DATE OF STATEMENT OF FINANCIAL POSITION

On 26 September 2025, the Bank increased its issued and fully paid up capital from USD 300,000,000 to USD 500,000,000 via the issuance of 200,000,000 new ordinary shares by cash.

Review report to the board of directors of Ant Bank (Hong Kong) Limited (Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 5 to 18, which comprises the interim statement of financial position of Ant Bank (Hong Kong) Limited (the “Bank”) as of 30 June 2025 and the related interim statement of profit or loss and other comprehensive income and interim statement of changes in equity and interim statement of cash flows for the six-month period then ended and explanatory notes. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34, *Interim Financial Reporting*.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

30 September 2025