

KDB Asia Limited
Interim Results 2026

Corporate Information

KDB Asia Limited ("the Company") is a limited company incorporated and domiciled in Hong Kong and is a restricted licence bank under the Hong Kong Banking Ordinance. Its registered office is Suites 6402-6407, 64th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

During the period, the principal activities of the Company consisted of deposit taking, loan syndication, underwriting, investment and the provision of financial services.

The holding company is Korea Development Bank, which is incorporated in the Republic of Korea.

Financial Review

The Company achieved a net profit before tax of US\$34.6 million in the first half of year 2026, increased by 19.9% when compared to the same period of 2025 of US\$28.8 million.

Total assets increased by 4.25% to US\$3,920.4 million (2025: US\$3,760.7 million), whereas total liabilities including deposits and borrowings also increased by 4.19%, amounted to US\$3,225.4 million (2025: US\$3,095.5 million). Due to the current profit contribution for the period, the Company's shareholders' equity still recorded a growth of 4.50% to US\$695.1 million (2025: US\$665.2 million).

Financial highlights for the first six months of 2026 are as follows:

- Return on average assets: 1.62%
- Return on average equities: 8.93%
- Average liquidity maintenance ratio: 111.32%
- Leverage ratio: 16.27%
- Common Equity Tier 1 capital ratio: 19.75%
- Tier 1 capital ratio: 19.75%
- Total capital ratio: 20.11%

The Directors of KDB Asia Limited announce that the unaudited interim results of the Company for the first half year of 2026 are as follows:

(A) Statement of Profit or Loss

	Notes	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Interest income	1	85,698,026	86,434,803
Interest expense	2	(59,066,135)	(62,113,779)
Net interest income		26,631,891	24,321,024
Fee and commission income		6,461,967	4,787,567
Fee and commission expense		(545,317)	(517,776)
Net fee and commission income	3	5,916,650	4,269,791
Net gains/(losses) from financial assets at fair value through profit or loss	4	5,940,447	(33,157,408)
Net hedging (losses)/gains	5	(524,901)	135,400
Net other operating gains	6	3,213,055	42,899,111
Operating income		41,177,142	38,467,918
Operating expenses	7	(6,353,112)	(6,148,427)
Net credit loss expenses	8	(350,975)	(3,597,795)
Net gains on sale of financial assets at fair value through other comprehensive income		112,272	121,739
PROFIT BEFORE TAX		34,585,327	28,843,435
Income tax expense	9	(4,456,633)	(3,547,737)
PROFIT FOR THE PERIOD		30,128,694	25,295,698

(B) Statement of Comprehensive Income

		For the six months ended	For the six months ended
Note		30-Jun-2026 (unaudited) US\$	30-Jun-2025 (unaudited) US\$
	PROFIT FOR THE PERIOD	30,128,694	25,295,698
	OTHER COMPREHENSIVE INCOME FOR THE PERIOD		
	Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods:		
	Financial assets at fair value through other comprehensive income:		
	Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	10 <u>(205,527)</u>	<u>1,593,991</u>
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>29,923,167</u>	<u>26,889,689</u>

(C) Statement of Financial Position

	Notes	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
ASSETS			
Cash and balances with banks and other financial institutions		2,306,010	2,964,605
Placements with banks and other financial institutions		261,910,321	298,376,242
Financial assets at fair value through profit or loss	12	199,524,748	184,879,138
Loans and advances	13	2,126,173,059	2,060,157,817
Financial assets at fair value through other comprehensive income	14	597,931,322	530,521,160
Financial assets at amortised cost	15	590,177,841	599,232,233
Property and equipment	16	2,059,991	2,259,152
Right-of-use assets	17	7,768,209	8,041,349
Tax recoverable		-	641,163
Interest receivable and other assets		132,590,440	73,619,316
TOTAL ASSETS		3,920,441,941	3,760,692,175
EQUITY AND LIABILITIES			
LIABILITIES			
Deposits and balances of banks and other financial institutions		2,188,489,026	2,090,464,776
Financial liabilities at fair value through profit or loss		1,713,960	1,676,090
Certificates of deposit issued		1,001,302,378	973,583,991
Lease liabilities	17	8,087,837	8,363,043
Tax payable		1,551,399	-
Interest payable and other liabilities		21,854,619	18,883,271
Deferred tax liabilities		2,361,651	2,563,100
TOTAL LIABILITIES		3,225,360,870	3,095,534,271
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		240,000,000	240,000,000
Reserves	18	455,081,071	425,157,904
TOTAL EQUITY		695,081,071	665,157,904
TOTAL EQUITY AND LIABILITIES		3,920,441,941	3,760,692,175

(D) Statement of Changes in Equity

	Notes	Share capital US\$	Financial assets at fair value through other comprehensive income revaluation reserve US\$	Retained profits US\$	Total US\$
At 1 January 2026		240,000,000	3,117,076	422,040,828	665,157,904
Profit for the period	18	-	-	30,128,694	30,128,694
Other comprehensive income for the period:					
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	18	-	(205,527)	-	(205,527)
Total comprehensive income for the period		-	(205,527)	30,128,694	29,923,167
At 30 June 2026 (unaudited)		240,000,000	2,911,549	452,169,522	695,081,071
At 1 January 2025		240,000,000	(2,018,554)	381,672,294	619,653,740
Profit for the period	18	-	-	25,295,698	25,295,698
Other comprehensive income for the period:					
Net movement in financial assets at fair value through other comprehensive income revaluation reserve, net of tax	18	-	1,593,991	-	1,593,991
Total comprehensive income for the period		-	1,593,991	25,295,698	26,889,689
Losses on disposal of equity investments measured at fair value through other comprehensive income		-	-	(45,247)	(45,247)
Final 2024 dividend declared and paid	11	-	-	(5,000,000)	(5,000,000)
At 30 June 2025 (unaudited)		240,000,000	(424,563)	401,922,745	641,498,182

(E) Condensed Statement of Cash Flows

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Net cash flows from/(used in) operating activities	80,186,610	(31,690,574)
Net cash flows (used in)/from investing activities	(66,696,452)	20,289,604
Net cash flows used in financing activities	(614,674)	(5,931,748)
Net increase/(decrease) in cash and cash equivalents	12,875,484	(17,332,718)
Cash and cash equivalents at 1 January	251,340,847	119,341,618
Cash and cash equivalents at 30 June	264,216,331	102,008,900

Components of cash and cash equivalents in the condensed statement of cash flows:

For the purposes of the condensed statement of cash flows, cash and cash equivalents comprise the following balances with original maturity of three months or less:

	30-Jun-2026 (unaudited) US\$	30-Jun-2025 (unaudited) US\$
Cash and balances with banks and other financial institutions	2,306,010	32,049,512
Placements with banks and other financial institutions	261,910,321	69,959,388
Cash and bank balances and placements	264,216,331	102,008,900
Cash and cash equivalents	264,216,331	102,008,900

Operational cash flows from interest and dividends:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Interest received	81,724,902	89,041,329
Interest paid	54,251,229	60,478,808
Dividend received	86,434	277,565
Dividend paid	-	5,000,000

Notes:

(1) Interest income arising from:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Placements with banks and other financial institutions	3,373,495	2,491,575
Loans and advances	54,626,479	58,016,474
Financial assets at fair value through other comprehensive income	12,449,296	12,946,966
Financial assets at amortised cost	15,002,600	12,946,983
Others	246,156	32,805
	85,698,026	86,434,803

(2) Interest expense arising from:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Deposits and balances of banks and other financial institutions	41,674,082	38,647,240
Certificates of deposit issued	17,028,789	23,105,165
Lease liabilities	130,905	115,833
Others	232,359	245,541
	59,066,135	62,113,779

(3) Net fee and commission income:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Fee and commission income		
- Financial advisory	509,947	266,229
- Loan syndication fee	3,773,632	3,609,338
- Underwriting fees	2,038,195	762,000
- Others	140,193	150,000
	6,461,967	4,787,567
Fee and commission expense	(545,317)	(517,776)
	5,916,650	4,269,791

Notes:

(4) Net gains/(losses) from financial assets at fair value through profit or loss:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Net losses from derivatives	(954,322)	(41,064,463)
Net gains from investments in funds	6,816,269	6,654,325
Net interest income on derivatives	78,500	1,252,730
	<u>5,940,447</u>	<u>(33,157,408)</u>

(5) Net hedging (losses)/gains:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Fair value hedges		
- Net (losses)/gains on hedged items attributable to the hedged risk	(5,530,887)	5,917,938
- Net gains/(losses) on hedging instruments	5,005,986	(5,782,538)
	<u>(524,901)</u>	<u>135,400</u>

(6) Net other operating gains:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Net gains from dealing in foreign currencies	2,604,987	42,643,062
Dividend income from unlisted financial assets at fair value through profit or loss	86,434	277,565
Others	521,634	(21,516)
	<u>3,213,055</u>	<u>42,899,111</u>

Notes:

(7) Operating expenses:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Staff costs		
- Salaries, wages and other benefits	3,562,474	3,149,871
- Retirement benefits	83,623	59,321
	3,646,097	3,209,192
Premises and equipment expenses		
- Depreciation of property and equipment	213,963	94,101
- Depreciation of right-of-use assets	696,051	1,002,896
- Rent	194,442	200,681
- Rates	41,552	53,748
	1,146,008	1,351,426
Auditor's remuneration	52,700	50,560
Others	1,508,307	1,537,249
	1,561,007	1,587,809
	6,353,112	6,148,427

Included in the staff costs above are depreciation of right-of-use assets in respect of staff quarters of US\$307,286 (2025: US\$313,411), operating lease charges in respect of staff quarters of US\$19,840 (2025: Nil) and retirement scheme contribution of US\$83,623 (2025: US\$59,321).

Included in the above operating expenses are depreciation of right-of-use assets in respect of office premises of US\$682,283 (2025: US\$989,128), operating lease charges of US\$40,143 (2025: US\$3,769) for rental of properties and US\$174,139 (2025: US\$196,912) for rental of equipment.

(8) Net credit loss expenses:

	For the six months ended 30-Jun-2026 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
Charge for/(reversal of) credit loss allowances:				
- Cash and cash equivalents	(34,079)	-	-	(34,079)
- Loans and advances	213,843	-	377,574	591,417
- Financial assets at fair value through other comprehensive income	(24,161)	-	-	(24,161)
- Financial assets at amortised cost	51,168	-	-	51,168
- Interest receivable and other assets	8,452	-	(298,757)	(290,305)
- Other commitments	56,935	-	-	56,935
	272,158	-	78,817	350,975

Notes:

(8) Net credit loss expenses (continued):

	For the six months ended 30-Jun-2025 (unaudited)			
	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
Charge for/(reversal of) credit loss allowances:				
- Cash and cash equivalents	11,881	-	-	11,881
- Loans and advances	880,771	2,362,600	-	3,243,371
- Financial assets at fair value through other comprehensive income	205,859	-	-	205,859
- Financial assets at amortised cost	117,057	-	-	117,057
- Interest receivable and other assets	12,030	10,658	-	22,688
- Other commitments	(3,061)	-	-	(3,061)
	<u>1,224,537</u>	<u>2,373,258</u>	<u>-</u>	<u>3,597,795</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 calculation that is reflective of the assessed credit risk profile in each instance.

(9) Income tax expense:

Under the two-tiered regime, Hong Kong profits tax has been provided at the rate of 8.25% (2025: 8.25%) on estimated assessable profits of first HK\$2 millions (2025: HK\$2 millions) arising in Hong Kong during the year. The remainder of the assessable profits is to be taxed at 16.5% (2025: 16.5%).

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Provision for the period	4,644,618	4,224,499
Deferred tax	(187,985)	(676,762)
	<u>4,456,633</u>	<u>3,547,737</u>

Notes:

(10) Other comprehensive income:

(a) Tax effects relating to each component of other comprehensive income

	For the six months ended 30-Jun-2026 (unaudited)			For the six months ended 30-Jun-2025 (unaudited)		
	Before-tax amount US\$	Tax effect US\$	Net-of-tax amount US\$	Before-tax amount US\$	Tax effect US\$	Net-of-tax amount US\$
Financial assets at fair value through other comprehensive income:						
Net movement in financial assets at fair value through other comprehensive income revaluation reserve	(218,990)	13,463	(205,527)	1,912,560	(318,569)	1,593,991
Other comprehensive income	(218,990)	13,463	(205,527)	1,912,560	(318,569)	1,593,991

(b) Reclassification adjustments relating to components of other comprehensive income

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Financial assets at fair value through other comprehensive income, net of tax		
Changes in fair value recognised during the period	(198,679)	1,863,875
Reclassification adjustments for gains and losses included in profit or loss		
- Losses/(gains) on disposal	17,313	(66,073)
- Net movement in credit loss allowance of financial assets at fair value through other comprehensive income	(24,161)	(203,811)
Net movement in financial assets at fair value through other comprehensive income revaluation reserve income	(205,527)	1,593,991

(11) Dividends:

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Final declared and paid - Nil (2025: US\$2.08 cents) per ordinary share	-	5,000,000

After the reporting period, the final dividend for the year ended 31 December 2025 totaling to US\$5,200,000 was approved at the extraordinary general meeting of the Company held on 6 July 2026 and paid on 8 July 2026.

Notes:

(12) Financial assets at fair value through profit or loss

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Unlisted investments in funds, at fair value	193,917,829	183,510,085
Positive fair values of derivatives	5,606,919	1,369,053
	199,524,748	184,879,138

(13) Loans and advances

(a) Loans and advances less credit loss allowances

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Gross loans and advances to:		
- Banks	123,621,501	168,831,602
- Customers	2,022,557,229	1,910,740,469
	2,146,178,730	2,079,572,071
Less: Credit loss allowances on non-credit impaired loans and advances to		
- Banks	(119,259)	(161,473)
- Customers	(5,902,283)	(5,646,226)
	(6,021,542)	(5,807,699)
Less: Credit loss allowances on credit impaired loans and advances to		
- Customers	(13,984,129)	(13,606,555)
	(13,984,129)	(13,606,555)
Net loans and advances to:		
- Banks	123,502,242	168,670,129
- Customers	2,002,670,817	1,891,487,688
	2,126,173,059	2,060,157,817

Notes:

(13) Loans and advances (continued)

(b) Movement in credit loss allowances on loans and advances

	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
At 1 January 2026	5,807,699	-	13,606,555	19,414,254
New loans/financing originated	922,735	-	-	922,735
Loans/financing derecognised or repaid during the period (other than write-offs)	(957,773)	-	-	(957,773)
Movements due to changes in credit risk	248,881	-	377,574	626,455
At 30 June 2026	6,021,542	-	13,984,129	20,005,671
Attributable to:				
Loans and advances to banks (note 13(a))	119,259	-	-	119,259
Loans and advances to customers (note 13(a))	5,902,283	-	13,984,129	19,886,412
	6,021,542	-	13,984,129	20,005,671
Deducted from:				
Loans and advances to banks (note 13(a))	123,621,501	-	-	123,621,501
Loans and advances to customers (note 13(a))	2,000,228,495	-	22,328,734	2,022,557,229
	2,123,849,996	-	22,328,734	2,146,178,730
At 1 January 2025	4,866,201	-	-	4,866,201
New loans/financing originated	2,512,068	-	-	2,512,068
Loans/financing derecognised or repaid during the year (other than write-offs)	(1,640,506)	-	-	(1,640,506)
Transfer between stages - transfer to lifetime expected credit loss not credit impaired (Stage 2)	(2,248,216)	2,248,216	-	-
Transfer between stages - transfer to lifetime expected credit loss credit impaired (Stage 3)	-	(13,606,555)	13,606,555	-
Movements due to changes in credit risk	2,318,152	11,358,339	-	13,676,491
At 31 December 2025	5,807,699	-	13,606,555	19,414,254
Attributable to:				
Loans and advances to banks (note 13(a))	161,473	-	-	161,473
Loans and advances to customers (note 13(a))	5,646,226	-	13,606,555	19,252,781
	5,807,699	-	13,606,555	19,414,254
Deducted from:				
Loans and advances to banks (note 13(a))	168,831,602	-	-	168,831,602
Loans and advances to customers (note 13(a))	1,889,422,469	-	21,318,000	1,910,740,469
	2,058,254,071	-	21,318,000	2,079,572,071

(c) Impaired loans and advances

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Gross impaired loans and advances	22,328,734	21,318,000
Credit loss allowances		
- Credit impaired	(13,984,129)	(13,606,555)
	8,344,605	7,711,445
Gross impaired loans and advances as a percentage of total gross loans and advances	1.04%	1.03%

Notes:

(14) Financial assets at fair value through other comprehensive income

(a) Financial assets at fair value through other comprehensive income

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Debt securities	597,931,322	530,521,160
Issued by:		
Sovereigns	138,451,700	60,450,500
Public sector entities	56,688,920	50,112,050
Banks and other financial institutions	146,329,330	188,750,935
Corporate entities	256,461,372	231,207,675
	597,931,322	530,521,160

(b) Movement in credit loss allowances on financial assets at fair value through other comprehensive income charged to statement of profit or loss

	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
At 1 January 2026	636,341	-	-	636,341
New assets originated	62,976	-	-	62,976
Assets derecognised or repaid during the period (other than write-offs)	(86,632)	-	-	(86,632)
Movements due to changes in credit risk	(505)	-	-	(505)
At 30 June 2026	612,180	-	-	612,180
At 1 January 2025	501,171	-	-	501,171
New assets originated	75,925	-	-	75,925
Assets derecognised or repaid during the year (other than write-offs)	(57,344)	-	-	(57,344)
Movements due to changes in credit risk	116,589	-	-	116,589
At 31 December 2025	636,341	-	-	636,341

Notes:

(15) Financial assets at amortised cost

(a) Financial assets at amortised cost less credit loss allowances

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Debt securities	590,691,790	599,695,014
Less: Credit loss allowances	(513,949)	(462,781)
	590,177,841	599,232,233
Issued by:		
Unspecified multilateral bodies	124,904,275	84,956,905
Banks and other financial institutions	299,759,400	379,728,640
Corporate entities	165,514,166	134,546,688
	590,177,841	599,232,233

(b) Movement in credit loss allowances on financial assets at amortised cost charged to statement of profit or loss

	12-month ECL (Stage 1) US\$	Lifetime ECL not credit impaired (Stage 2) US\$	Lifetime ECL credit impaired (Stage 3) US\$	Total US\$
At 1 January 2026	462,781	-	-	462,781
New assets originated	115,447	-	-	115,447
Assets derecognised or repaid during the period (other than write-offs)	(52,189)	-	-	(52,189)
Movements due to changes in credit risk	(12,090)	-	-	(12,090)
At 30 June 2026	513,949	-	-	513,949
At 1 January 2025	299,489	-	-	299,489
New assets originated	146,054	-	-	146,054
Movements due to changes in credit risk	17,238	-	-	17,238
At 31 December 2025	462,781	-	-	462,781

Notes:

(16) Property and equipment

	Land and buildings US\$	Leasehold improvements US\$	Furniture, fittings and office equipment US\$	Total US\$
2026				
Cost:				
At 1 January 2026	1,022,708	1,565,161	1,376,232	3,964,101
Additions	-	-	14,802	14,802
Disposal	-	-	(14,372)	(14,372)
At 30 June 2026	1,022,708	1,565,161	1,376,662	3,964,531
Accumulated depreciation:				
At 1 January 2026	543,122	168,332	993,495	1,704,949
Charge for the period	8,199	136,009	69,755	213,963
Written off on disposal	-	-	(14,372)	(14,372)
At 30 June 2026	551,321	304,341	1,048,878	1,904,540
Net book value:				
At 30 June 2026 (unaudited)	471,387	1,260,820	327,784	2,059,991
2025				
Cost:				
At 1 January 2025	1,022,708	488,770	1,271,911	2,783,389
Additions	-	1,435,379	182,775	1,618,154
Disposal	-	(358,988)	(78,454)	(437,442)
At 31 December 2025	1,022,708	1,565,161	1,376,232	3,964,101
Accumulated depreciation:				
At 1 January 2025	526,588	228,552	948,032	1,703,172
Charge for the year	16,534	161,962	123,917	302,413
Written off on disposal	-	(222,182)	(78,454)	(300,636)
At 31 December 2025	543,122	168,332	993,495	1,704,949
Net book value:				
At 31 December 2025 (audited)	479,586	1,396,829	382,737	2,259,152

Notes:

(17) Right-of-use assets and lease liabilities

(a) Right-of-use assets

	Land and buildings US\$	Motor vehicles US\$	Total US\$
2026			
Cost:			
At 1 January 2026	9,445,114	83,212	9,528,326
Additions	430,991	-	430,991
Changes arising from lease modification	(1,083,641)	-	(1,083,641)
Disposal	(6,979)	-	(6,979)
At 30 June 2026	8,785,485	83,212	8,868,697
Accumulated depreciation:			
At 1 January 2026	1,437,004	49,973	1,486,977
Charge for the period	989,569	13,768	1,003,337
Changes arising from lease modification	(1,382,847)	-	(1,382,847)
Written off on disposal	(6,979)	-	(6,979)
At 30 June 2026	1,036,747	63,741	1,100,488
Net carrying amount:			
At 30 June 2026 (unaudited)	7,748,738	19,471	7,768,209
2025			
Cost:			
At 1 January 2025	5,825,238	83,212	5,908,450
Additions	9,197,368	-	9,197,368
Changes arising from lease modification	(212,601)	-	(212,601)
Disposal	(5,364,891)	-	(5,364,891)
At 31 December 2025	9,445,114	83,212	9,528,326
Accumulated depreciation:			
At 1 January 2025	4,397,042	22,210	4,419,252
Charge for the year	2,307,644	27,763	2,335,407
Changes arising from lease modification	(197,319)	-	(197,319)
Written off on disposal	(5,070,363)	-	(5,070,363)
At 31 December 2025	1,437,004	49,973	1,486,977
Net carrying amount:			
At 31 December 2025 (audited)	8,008,110	33,239	8,041,349

The Company leases certain of its office, staff quarters and motor vehicles used in its operations. Leases for these assets are negotiated for terms ranging from one to six years (2025: one to six years).

Notes:

(17) Right-of-use assets and lease liabilities (continued)

(b) Lease liabilities

Movement of carrying amounts of lease liabilities

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
At 1 January	8,363,043	1,492,498
Additions	430,991	8,903,248
Accretion of interest	130,905	279,568
Payments	(614,674)	(2,041,565)
Changes arising from lease modification	299,206	1,251
Disposal	(521,634)	(271,957)
	8,087,837	8,363,043

(c) Amounts recognised in statement of profit or loss

	For the six months ended 30-Jun-2026 (unaudited) US\$	For the six months ended 30-Jun-2025 (unaudited) US\$
Depreciation expense of right-of-use assets	1,003,337	1,316,307
Interest expense on lease liabilities	130,905	115,833
Operating lease charges to short-term leases	214,282	200,681
Net (gains)/losses on termination on leases	(521,634)	21,517
Total amounts recognised in statement of profit or loss	826,890	1,654,338

The Company had total cash outflows of US\$614,674 (2025: US\$2,041,565) for the period ended 30 June 2026. The Company also had non-cash additions of right-of-use assets and lease liabilities of US\$430,991 and US\$430,991 (2025: US\$9,197,368 and US\$8,903,248) for the period ended 30 June 2026 respectively.

Notes:

(18) Reserves

	Note	Financial assets at fair value through other comprehensive income revaluation reserve US\$	Retained profits US\$	Total US\$
At 1 January 2026		3,117,076	422,040,828	425,157,904
Financial assets at fair value through other comprehensive income:				
- Change in fair value, net of deferred tax		(198,679)	-	(198,679)
- Transfer to statement of profit or loss on disposal		17,313	-	17,313
- Transfer of credit loss expenses to statement of profit or loss		(24,161)	-	(24,161)
Profit for the period		-	30,128,694	30,128,694
At 30 June 2026 (unaudited)		2,911,549	452,169,522	455,081,071
At 1 January 2025		(2,018,554)	381,672,294	379,653,740
Financial assets at fair value through other comprehensive income:				
- Change in fair value, net of deferred tax		5,685,624	-	5,685,624
- Transfer to statement of profit or loss on disposal		(685,164)	-	(685,164)
- Transfer of credit loss expenses to statement of profit or loss		135,170	-	135,170
Profit for the year		-	45,420,912	45,420,912
Re-measurement losses on defined benefit scheme		-	(7,131)	(7,131)
Losses on disposal of equity investments measured at fair value through other comprehensive income		-	(45,247)	(45,247)
Final 2024 dividend declared and paid	11	-	(5,000,000)	(5,000,000)
At 31 December 2025 (audited)		3,117,076	422,040,828	425,157,904

Nature and purpose of reserves

(a) Revaluation reserve on financial assets at fair value through other comprehensive income revaluation reserve

The revaluation reserve on financial assets at fair value through other comprehensive income revaluation reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income revaluation reserve held at the end of the reporting period net of any deferred tax.

(b) Regulatory reserve

As at 30 June 2026, the Company has earmarked US\$5,349,431 (31 December 2025: US\$4,983,818) as regulatory reserve from retained profits. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained profits and in consultation with the HKMA.

Notes:**(19) Derivatives**

The use of derivatives as risk management products sold to customers is an integral part of the Company's business activities. These instruments are also used to manage the Company's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Company are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. For accounting purposes, derivatives are classified as trading financial instruments.

(a) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding at the reporting period and they do not represent amounts at risk.

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Exchange rate contracts		
Forwards	542,216,919	327,269,520
Interest rate contracts		
Swaps		
- Qualifying for hedge accounting	336,921,000	302,621,000
- Others	381,900,000	40,500,000
	718,821,000	343,121,000
	1,261,037,919	670,390,520

The transactions are used to hedge the Company's own exposure to market risks as part of its asset and liability management.

Notes:

(19) Derivatives (continued)

(b) Fair values of derivatives

	At 30-Jun-2026 (unaudited)		At 31-Dec-2025 (audited)	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
	US\$	US\$	US\$	US\$
Exchange rate contracts				
Forwards	5,332,891	1,713,960	263,931	1,676,090
Interest rate contracts				
Swaps	274,028	-	1,105,122	-
	5,606,919	1,713,960	1,369,053	1,676,090

The Company did not enter into any bilateral netting arrangement during the period and accordingly these amounts are shown on a gross basis.

(c) Fair values of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type entered into by the Company:

	At 30-Jun-2026 (unaudited)			At 31-Dec-2025 (audited)		
	Change in fair value used for recognising hedge ineffectiveness	Assets	Liabilities	Change in fair value used for recognising hedge ineffectiveness	Assets	Liabilities
	US\$	US\$	US\$	US\$	US\$	US\$
Interest rate contracts						
Swaps	(7,211,445)	1,133,922	(2,814,480)	(899,823)	111,357	(6,797,901)

Fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of certain fixed rate assets due to the movements in market interest rates. At 30 June 2026, the net fair value liabilities of interest rate swaps was US\$1,680,558 comprising assets of US\$1,133,922 and liabilities of US\$2,814,480. At 31 December 2025, the net fair value of liabilities of interest rate swaps was US\$6,686,544 comprising assets of US\$111,357 and liabilities of US\$6,797,901.

Notes:

(20) Contingent liabilities and commitments

(a) Contingent liabilities and commitments to extend credit

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Commitments		
- with an original maturity of under one year	-	37,962,213
- with an original maturity of more than one year	325,201,273	266,182,143
	325,201,273	304,144,356

Contingent liabilities and commitments are credit-related instruments which include commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the customer default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

Credit loss allowances as at 30 June 2026 was US\$493,791 (31 December 2025: US\$436,856).

(b) Capital commitments

Commitments to forward asset purchases, consist of unlisted investments in funds outstanding at the end of the reporting period not provided for in the financial statements were as follows:

	At 30-Jun-2026 (unaudited) US\$	At 31-Dec-2025 (audited) US\$
Contracted for	145,210,084	150,899,977

Notes:

(21) Maturity analysis on assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

	<u>At 30-Jun-2026 (unaudited)</u>		
	Within 12 months US\$	After 12 months US\$	Total US\$
Cash and balances with banks and other financial institutions	2,306,010	-	2,306,010
Placements with banks and other financial institutions	261,910,321	-	261,910,321
Financial assets at fair value through profit or loss	26,002,637	173,522,111	199,524,748
Loans and advances	435,972,463	1,690,200,596	2,126,173,059
Financial assets at fair value through other comprehensive income	87,746,095	510,185,227	597,931,322
Financial assets at amortised cost	34,969,515	555,208,326	590,177,841
Property and equipment	-	2,059,991	2,059,991
Right-of-use assets	19,472	7,748,737	7,768,209
Interest receivable and other assets	132,590,440	-	132,590,440
	981,516,953	2,938,924,988	3,920,441,941
Deposits and balances of banks and other financial institutions	2,088,489,026	100,000,000	2,188,489,026
Financial liabilities at fair value through profit or loss	1,713,960	-	1,713,960
Certificates of deposit issued	968,645,493	32,656,885	1,001,302,378
Lease liabilities	19,513	8,068,324	8,087,837
Tax payable	1,551,399	-	1,551,399
Interest payable and other liabilities	21,854,619	-	21,854,619
Deferred tax liabilities	2,361,651	-	2,361,651
	3,084,635,661	140,725,209	3,225,360,870

	<u>At 31-Dec-2025 (audited)</u>		
	Within 12 months US\$	After 12 months US\$	Total US\$
Cash and balances with banks and other financial institutions	2,964,605	-	2,964,605
Placements with banks and other financial institutions	298,376,242	-	298,376,242
Financial assets at fair value through profit or loss	3,531,299	181,347,839	184,879,138
Loans and advances	461,281,169	1,598,876,648	2,060,157,817
Financial assets at fair value through other comprehensive income	126,123,840	404,397,320	530,521,160
Financial assets at amortised cost	34,970,425	564,261,808	599,232,233
Property and equipment	-	2,259,152	2,259,152
Right-of-use assets	4,537	8,036,812	8,041,349
Tax recoverable	641,163	-	641,163
Interest receivable and other assets	73,619,316	-	73,619,316
	1,001,512,596	2,759,179,579	3,760,692,175
Deposits and balances of banks and other financial institutions	1,890,464,776	200,000,000	2,090,464,776
Financial liabilities at fair value through profit or loss	1,676,090	-	1,676,090
Certificates of deposit issued	973,583,991	-	973,583,991
Lease liabilities	1,862,088	6,500,955	8,363,043
Interest payable and other liabilities	18,589,151	294,120	18,883,271
Deferred tax liabilities	2,563,100	-	2,563,100
	2,888,739,196	206,795,075	3,095,534,271

(F) Supplementary Information

(1) Key elements of disclosure policy

The Disclosure Policy of the Company sets out the approach used by the Company to (i) determine the content, appropriateness and frequency of the information it discloses to the general public relating to its state of affairs including its profit and loss and its financial resources (including capital/ liquidity resources) and (ii) descriptions of its own risk profile as required by the Banking (Disclosure) Rules.

To comply with the Banking (Disclosure) Rules, all information in relation to the Company's key elements of disclosure policy will be published under the "Regulatory Disclosures" section on the website:

https://www.kdb.co.kr/CHGMHK99N30.act?GmBrId=AL&_mnuId=IHIHGM2066&GmMlngTc=en

(2) Regulatory disclosures

To comply with the Banking (Disclosure) Rules, all information in relation to the Company's regulatory disclosures will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

https://www.kdb.co.kr/CHGMHK99N27.act?GmBrId=AL&_mnuId=IHIHGM2065&GmMlngTc=en

(3) Capital adequacy ratios

	At 30-Jun-2026	At 31-Dec-2025
Common Equity Tier 1 ("CET1") capital ratio	19.75%	18.77%
Tier 1 capital ratio	19.75%	18.77%
Total capital ratio	20.11%	18.97%

Capital adequacy ratios were complied in accordance with the Banking (Capital) Rules issued by the HKMA. The capital disclosures at the reporting period are compiled in accordance with the Banking (Capital) Rules for the implementation of the Basel III capital framework.

In accordance with the Banking (Capital) Rules, the Company has adopted the "basic approach" for the calculation of the risk-weighted assets for credit risk, the "simplified standardised approach" to calculate its market risk, and the "standardised approach" for the calculation of operational risk. The Company has adopted the "Treatment where Total Notional Amount of the OTC Derivative Transactions not Cleared with a CCP Does not Exceed HKD 1 Trillion on a Permanent Basis" for the calculation of CVA capital charge.

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's regulatory capital disclosures will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

https://www.kdb.co.kr/CHGMHK99N27.act?GmBrId=AL&_mnuId=IHIHGM2065&GmMlngTc=en

(F) Supplementary Information

(4) Capital Base

	At 30-Jun-2026 US\$	At 31-Dec-2025 US\$
CET1 capital instruments	240,000,000	240,000,000
Retained earnings	452,169,522	422,040,828
Disclosed reserves	2,911,549	3,117,076
CET 1 CAPITAL BEFORE DEDUCTIONS	695,081,071	665,157,904
Deduct:		
Defined benefit pension fund assets (net of related deferred tax liabilities)	-	-
Regulatory reserve for general banking risks	(5,349,431)	(4,983,818)
CET1 CAPITAL	689,731,640	660,174,086
ADDITIONAL TIER 1 CAPITAL AFTER DEDUCTIONS	-	-
TIER 1 CAPITAL	689,731,640	660,174,086
Regulatory reserve for general banking risks	5,349,431	4,983,818
Collective provisions	7,168,467	6,872,148
Less: Insignificant LAC investments in Tier 2 capital instruments issued by and non-capital LAC liabilities of financial sector entities that are not subject to consolidation under a section 3C requirement and not covered by either the 5% or the 10% threshold	-	(4,761,927)
TIER 2 CAPITAL	12,517,898	7,094,039
TOTAL CAPITAL BASE	702,249,538	667,268,125

(F) **Supplementary Information**

(5) **Leverage ratio**

	At 30-Jun-2026 US\$	At 31-Dec-2025 US\$
On-balance sheet exposures	3,935,771,177	3,779,941,077
Less: Regulatory adjustments	-	-
Total on-balance sheet exposures	3,935,771,177	3,779,941,077
Replacement cost associated with all derivatives contracts	10,592,244	2,072,575
Add-on amounts for potential future exposure associated with all derivatives contracts	17,110,499	14,232,927
Total derivative exposures	27,702,743	16,305,502
Exposures with a 40% credit conversion factor	130,080,509	121,657,742
Exposures with a 100% credit conversion factor	145,210,084	150,899,977
Total off-balance sheet exposures	275,290,593	272,557,719
Securities financing transaction exposures	-	-
Total exposures before adjustments for specific and collective provisions	4,238,764,513	4,068,804,298
Less: Collective provisions and specific provisions that are allowed to be excluded from Exposure Measure	-	-
Total exposures after adjustments for specific and collective provisions	4,238,764,513	4,068,804,298
Tier 1 capital after deductions	689,731,640	660,174,086
Leverage ratio	16.27%	16.23%

Leverage ratio is calculated in accordance with the completion instruction issued by the HKMA.

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's leverage ratio disclosure will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

<https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL& mnuld=IHIHGM2065&GmMlngTc=en>

(F) **Supplementary Information**

(6) **Liquidity maintenance ratio**

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Company's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by the trading and treasury department under the direction of the Risk Management Committee. The trading and treasury department is responsible for ensuring that the Company has adequate liquidity for all operations; ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment risk in case of a maturity gap; and monitoring local and international markets for the adequacy of funding and liquidity.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. Adequate facilities can be obtained from its holding company to provide liquidity to meet unexpected and material cash outflows in the ordinary course of business.

	For the six months ended 30-Jun-2026	For the six months ended 30-Jun-2025
Average liquidity maintenance ratio for the period	111.32%	120.45%

The Company calculates the average liquidity maintenance ratio of each calendar month by reference to positions of specified days approved by the HKMA pursuant to Rule 48(2) of the Banking (Liquidity) Rules.

The average liquidity maintenance ratio is computed on a solo basis using the arithmetic mean of each calendar month's average liquidity maintenance ratio as reported in the return relating to liquidity position submitted to the HKMA.

To comply with the Banking (Disclosure) Rules, liquidity information disclosure will be published under the "Regulatory Disclosures" section on the website:

https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL&_mnuld=IHIHGM2065&GmMlngTc=en

(F) Supplementary Information

(7) Countercyclical Capital Buffer (CCyB) Ratio

CCyB ratio were compiled in accordance with the Banking (Capital) Rules issued by the HKMA. The Company's specific CCyB rate is calculated as the weighted average of the applicable jurisdictional CCyB rates, in respect of the jurisdictions (including Hong Kong) where the Company has private sector credit exposures. The weight to be attributed to a given jurisdiction's applicable CCyB rate is the ratio of the Company's aggregate risk-weighted amounts for its private sector credit exposures (in both the banking book and the trading book) in that jurisdiction (where the location of the exposures is determined as far as possible on an ultimate risk basis) to the sum of the Company's aggregate risk-weighted amounts across all jurisdictions in which the Company has private sector credit exposure. For a credit exposure guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Geographical breakdown of risk-weighted amounts (RWA) in relation to private sector credit exposures, are shown as follows:

At 30 June 2026

Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio US\$	CCyB ratio	CCyB amount US\$
Hong Kong SAR	0.500%	386,192,267		
Mainland China	-	224,244,286		
Australia	1.000%	78,345,223		
Bermuda	-	64,129,402		
Canada	-	11,629,337		
Cayman Islands	-	524,037,255		
Chile	0.500%	30,185,723		
Denmark	2.500%	32,420,723		
France	1.000%	69,473,062		
India	-	17,001,894		
Ireland	1.500%	81,001,087		
Japan	-	22,939,657		
Luxembourg	0.500%	154,788,330		
Malta	-	53,591,066		
Netherlands	2.000%	35,007,517		
Singapore	-	79,129,761		
South Korea	1.000%	546,926,278		
Turkey	-	47,329,040		
United Arab Emirates	0.500%	1,381,182		
United Kingdom	2.000%	304,140,919		
United States	-	130,138,631		
Virgin Islands (British)	-	6,938,942		
Total		2,900,971,582	0.642%	18,624,238

(F) Supplementary Information

(7) Countercyclical Capital Buffer (CCyB) Ratio (continued)

At 31 December 2025

Jurisdiction	Applicable JCCyB ratio in effect	Total RWA used in computation of CCyB ratio US\$	CCyB ratio	CCyB amount US\$
Hong Kong SAR	0.500%	339,082,041		
Mainland China	-	339,454,785		
Australia	1.000%	77,401,586		
Bermuda	-	64,156,608		
Canada	-	20,914,057		
Cayman Islands	-	534,030,049		
Denmark	2.500%	32,733,735		
France	1.000%	57,421,408		
India	-	16,505,823		
Ireland	1.500%	105,577,770		
Japan	-	13,139,260		
Luxembourg	0.500%	201,219,314		
Malta	-	30,235,467		
Netherlands	2.000%	35,007,362		
Singapore	-	84,191,140		
South Korea	1.000%	540,922,402		
Turkey	-	51,179,104		
United Arab Emirates	-	1,615,738		
United Kingdom	2.000%	219,403,156		
United States	-	101,123,944		
Virgin Islands (British)	-	11,492,657		
Total		2,876,807,406	0.589%	16,944,396

To comply with the Banking (Disclosure) Rules, all additional information in relation to the Company's countercyclical capital buffer ratio disclosure will be published by using the standard disclosure templates as specified by the HKMA under the "Regulatory Disclosures" section on the website:

<https://www.kdb.co.kr/CHGMHK99N27.act?GmBrnId=AL& mnuld=IHIHGM2065&GmMIngTc=en>

(F) Supplementary Information

(8) International claims (by ultimate nation)

International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk and by types of counterparties. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, are shown as follows:

	<i>Non-bank private sector</i>				
	Banks US\$	Official Sector US\$	Non-bank financial institutions US\$	Non-bank private sector US\$	Total US\$
At 30 June 2026					
Developed countries	615,228,575	139,724,509	740,284,070	279,694,730	1,774,931,884
- of which Australia	45,442,809	-	31,072,425	66,467,653	142,982,887
- of which Belgium	655,077	-	-	-	655,077
- of which Canada	-	-	3,869,403	-	3,869,403
- of which Denmark	-	-	14,651,517	-	14,651,517
- of which France	112,480,635	-	101,023,642	-	213,504,277
- of which Germany	40,304,422	-	-	-	40,304,422
- of which Ireland	-	-	201,156,416	-	201,156,416
- of which Japan	114,970,416	-	10,031,993	12,907,665	137,910,074
- of which Luxembourg	-	-	54,922,791	-	54,922,791
- of which Netherlands	-	-	-	51,281,112	51,281,112
- of which Spain	71,661,264	-	-	-	71,661,264
- of which United Kingdom	208,556,356	-	143,369,419	38,008,363	389,934,138
- of which United States	21,157,596	139,724,509	180,186,464	111,029,937	452,098,506
Offshore centres	206,394,693	-	172,664,128	186,617,479	565,676,300
- of which Cayman Islands	-	-	98,651,292	-	98,651,292
- of which Guernsey	-	-	7,726,988	-	7,726,988
- of which Hong Kong	175,622,225	-	10,443,841	129,466,295	315,532,361
- of which Jersey	-	-	15,880,992	-	15,880,992
- of which Panama	10,645,187	-	-	-	10,645,187
- of which Singapore	20,127,281	-	39,961,015	57,151,184	117,239,480
Developing Europe	-	-	-	29,004,253	29,004,253
- of which Hungary	-	-	-	29,004,253	29,004,253
Developing Latin America and Caribbean	45,645	-	145,935,878	-	145,981,523
- of which Bolivia	45,645	-	85,416,466	-	85,462,111
- of which Chile	-	-	30,185,723	-	30,185,723
- of which Residual Developing Latin America And Caribbean	-	-	30,333,689	-	30,333,689
Developing Africa and Middle East	65,065,184	-	49,798,681	-	114,863,865
- of which Liberia	-	-	8,369,163	-	8,369,163
- of which Nigeria	-	-	40,048,336	-	40,048,336
- of which United Arab Emirates	65,065,184	-	1,381,182	-	66,446,366
Developing Asia and Pacific	19,935,916	-	430,502,624	472,061,791	922,500,331
- of which India	-	-	8,465,737	-	8,465,737
- of which Mainland China	-	-	-	40,418,114	40,418,114
- of which Marshall Islands	-	-	38,251,831	-	38,251,831
- of which South Korea	4,932,641	-	383,785,056	431,643,677	820,361,374
- of which Taiwan, China	15,003,275	-	-	-	15,003,275

(F) Supplementary Information

(8) International claims (by ultimate nation) (continued)

			Non-bank private sector		
	Banks	Official	Non-bank	Non-bank	Total
	US\$	Sector	financial	private sector	
		US\$	institutions		US\$
			US\$	US\$	US\$
At 31 December 2025					
Developed countries	632,051,833	61,092,951	638,331,529	224,307,421	1,555,783,734
- of which Australia	436,452	-	32,912,526	64,560,178	97,909,156
- of which Belgium	179,965	-	-	-	179,965
- of which Canada	-	-	4,825,498	-	4,825,498
- of which Denmark	-	-	11,739,099	-	11,739,099
- of which France	110,991,932	-	62,079,772	-	173,071,704
- of which Germany	40,325,244	-	-	-	40,325,244
- of which Ireland	-	-	216,503,620	-	216,503,620
- of which Japan	109,061,907	-	-	13,139,260	122,201,167
- of which Luxembourg	-	-	51,432,488	-	51,432,488
- of which Netherlands	-	-	-	50,786,330	50,786,330
- of which Spain	72,382,708	-	-	-	72,382,708
- of which United Kingdom	297,616,949	-	92,863,731	-	390,480,680
- of which United States	1,056,676	61,092,951	165,974,795	95,821,653	323,946,075
Offshore centres	248,730,128	-	183,802,160	211,090,744	643,623,032
- of which Cayman Islands	-	-	113,262,827	-	113,262,827
- of which Hong Kong	177,861,083	-	10,011,671	151,030,692	338,903,446
- of which Jersey	-	-	16,140,484	-	16,140,484
- of which Panama	10,646,800	-	-	-	10,646,800
- of which Singapore	60,222,245	-	44,387,178	60,060,052	164,669,475
Developing Europe	-	-	-	29,008,424	29,008,424
- of which Hungary	-	-	-	29,008,424	29,008,424
Developing Latin America and Caribbean	-	-	115,857,210	-	115,857,210
- of which Bolivia	-	-	85,488,733	-	85,488,733
- of which Residual Developing Latin America And Caribbean	-	-	30,368,477	-	30,368,477
Developing Africa and Middle East	65,073,154	-	10,935,340	-	76,008,494
- of which Liberia	-	-	9,319,602	-	9,319,602
- of which United Arab Emirates	65,073,154	-	1,615,738	-	66,688,892
Developing Asia and Pacific	120,304,478	-	375,426,302	524,605,299	1,020,336,079
- of which India	-	-	8,467,871	-	8,467,871
- of which Mainland China	-	-	-	124,227,317	124,227,317
- of which Malaysia	40,269,911	-	-	-	40,269,911
- of which Marshall Islands	-	-	39,207,982	-	39,207,982
- of which South Korea	5,021,496	-	327,750,449	400,377,982	733,149,927
- of which Taiwan, China	75,013,071	-	-	-	75,013,071

(F) Supplementary Information

(9) Loans and advances - by geographical areas

	Gross loans and advances US\$	Impaired loans (individually determined) US\$	Specific provisions US\$	General provisions US\$
At 30 June 2026				
- Hong Kong	449,233,062	-	-	(1,449,868)
- Korea	575,801,851	-	-	(1,074,188)
- United States	227,011,501	-	-	(1,049,997)
- Ireland	200,095,587	-	-	(474,765)
- Singapore	56,575,472	22,328,734	(13,984,129)	(194,305)
- Mainland China	40,354,391	-	-	(296,392)
- Others	597,106,866	-	-	(1,482,027)
	2,146,178,730	22,328,734	(13,984,129)	(6,021,542)
At 31 December 2025				
- Hong Kong	481,195,349	-	-	(1,881,406)
- Korea	511,214,576	-	-	(900,973)
- United States	205,370,346	-	-	(396,963)
- Ireland	215,330,963	-	-	(491,796)
- Singapore	58,655,160	21,318,000	(13,606,555)	(261,551)
- Mainland China	123,633,196	-	-	(624,317)
- Others	484,172,481	-	-	(1,250,693)
	2,079,572,071	21,318,000	(13,606,555)	(5,807,699)

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated.

(F) Supplementary Information

(10) Further analysis on loans and advances analysed by industry sector

Loans and advances analysed by the coverage of collateral, overdue amount and the provisions is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

	Gross loans and advances US\$	Percentage of collateral securing loans and advances	Specific provisions US\$	General provisions US\$	Charge for/(reversal of) credit loss allowances charged to statement of profit or loss during the period/year US\$
At 30 June 2026					
Industrial, commercial and financial					
- Property investment	66,833,198	-	-	106,895	6,024
- Financial concerns	113,019,560	-	-	365,780	(210,052)
- Wholesale and retail trade	-	-	-	-	(12,203)
- Manufacturing	20,381,936	-	-	59,032	(86,736)
- Transport and transport equipment	107,449,211	-	-	315,008	8,912
- Electricity and gas	91,851,911	-	-	453,921	(51,785)
- Others	-	-	-	-	(94,600)
Loans and advances for use in Hong Kong	399,535,816	-	-	1,300,636	(440,440)
Loans and advances for use outside Hong Kong	1,746,642,914	-	13,984,129	4,720,906	1,031,857
	2,146,178,730	-	13,984,129	6,021,542	
Charge for credit loss expenses to statement of profit or loss during the period					591,417
At 31 December 2025					
Industrial, commercial and financial					
- Property investment	39,378,338	-	-	100,871	(66,409)
- Financial concerns	112,984,325	-	-	575,832	412,044
- Wholesale and retail trade	5,153,690	-	-	12,203	(8,763)
- Manufacturing	31,338,548	-	-	145,768	(134,279)
- Transport and transport equipment	95,953,591	-	-	306,096	112,519
- Electricity and gas	91,276,406	-	-	505,706	160,546
- Others	39,966,089	-	-	94,600	8,320
Loans and advances for use in Hong Kong	416,050,987	-	-	1,741,076	483,978
Loans and advances for use outside Hong Kong	1,663,521,084	-	13,606,555	4,066,623	14,064,075
	2,079,572,071	-	13,606,555	5,807,699	
Charge for credit loss expenses to statement of profit or loss during the year					14,548,053

(F) **Supplementary Information**

(11) **Overdue and rescheduled assets**

(a) Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end.

	At 30-Jun-2026	At 31-Dec-2025
	US\$	US\$
Gross loans and advances to customers which have been overdue with respect to principal for period of		
- 3 months or less but over 1 month	<u>-</u>	<u>21,318,000</u>

(b) **Rescheduled loans and advances**

Rescheduled loans and advances are those loans and 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 Company.

	At 30-Jun-2026	At 31-Dec-2025
	US\$	US\$
Rescheduled loans and advances to customers	<u>22,328,734</u>	<u>21,318,000</u>
Gross rescheduled loans and advances as a percentage of total gross loans and advances	<u>1.04%</u>	<u>1.03%</u>

(c) There were no other assets which have been overdue for more than 3 months at 30 June 2026 and 31 December 2025.

(d) There were no repossessed assets held at 30 June 2026 and 31 December 2025.

(F) **Supplementary Information**

(12) **Non-bank Mainland China exposures**

The analysis of non-bank Mainland China exposures is based on the categories of non-bank counterparties and the type of direct exposures with reference to the Completion Instruction for the HKMA return of non-bank Mainland exposures.

30-Jun-2026				
	Items in HKMA return	On-balance sheet exposure US\$	Off-balance sheet exposure US\$	Total US\$
Central government, central government-owned entities and their subsidiaries and joint ventures	1	159,047,740	10,000,000	169,047,740
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	53,148,022	-	53,148,022
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	11,088,326	-	11,088,326
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	100,596,780	12,649,625	113,246,405
Total	8	323,880,868	22,649,625	346,530,493
Total assets after provision	9	3,928,117,055		
On-balance sheet exposures as percentage of total assets	10	8.25%		

(F) Supplementary Information

(12) Non-bank Mainland China exposures (continued)

31-Dec-2025				
	Items in HKMA return	On-balance sheet exposure US\$	Off-balance sheet exposure US\$	Total US\$
Central government, central government-owned entities and their subsidiaries and joint ventures	1	161,499,004	10,000,000	171,499,004
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	83,805,562	-	83,805,562
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3	73,409,919	6,000,000	79,409,919
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	21,668,267	-	21,668,267
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	95,953,168	20,570,010	116,523,178
Total	8	436,335,920	36,570,010	472,905,930
Total assets after provision	9	3,767,073,407		
On-balance sheet exposures as percentage of total assets	10	11.58%		

No specific provision was made in respect of the above exposures at 30 June 2026 and 31 December 2025.

(F) Supplementary Information

(13) Currency risk

The following table indicates the concentration of currency risk at the end of reporting period defined by the Banking (Disclosure) Rules.

Expressed in millions of Hong Kong dollars	At 30-Jun-2026						Total
	United States Dollars	Pound sterling	Japanese Yen	Euros	Australian Dollars	Singapore Dollars	
Spot assets	25,461	273	115	912	981	1	27,743
Spot liabilities	(26,387)	(2)	(481)	(649)	(164)	-	(27,683)
Forward purchases	7,321	2	423	333	98	-	8,177
Forward sales	(6,415)	(272)	(56)	(595)	(911)	-	(8,249)
Net long/(short) position	(20)	1	1	1	4	1	(12)

Expressed in millions of Hong Kong dollars	At 31-Dec-2025						Total
	United States Dollars	Pound sterling	Japanese Yen	Euros	Australian Dollars	Singapore Dollars	
Spot assets	24,661	292	84	1,098	975	1	27,111
Spot liabilities	(27,069)	(5)	-	(495)	(5)	-	(27,574)
Forward purchase	5,155	12	-	60	2	-	5,229
Forward sales	(2,750)	(297)	(83)	(661)	(968)	-	(4,759)
Net long/(short) position	(3)	2	1	2	4	1	7

(G) Basis of preparation

The financial information presented in this report is prepared on a basis consistent with the accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

(H) Compliance with Disclosure Requirements

In preparing the interim results for the six months ended 30 June 2026, the Company has fully complied with the requirements 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.

(I) Review of Interim Results

These interim results have been reviewed by the Company's Board of Directors.

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