



上海商業銀行
SHANGHAI COMMERCIAL BANK

2026

GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT



SHANGHAI COMMERCIAL BANK LIMITED

(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Interest income	6	3,883,176	4,594,825
Interest expense	6	<u>(1,883,308)</u>	<u>(2,436,733)</u>
Net interest income		1,999,868	2,158,092
Fee and commission income		502,249	405,235
Fee and commission expense		<u>(27,733)</u>	<u>(34,736)</u>
Net fee and commission income	7	474,516	370,499
Net trading income	8	296,904	256,099
Net gains/(losses) from disposal of investment securities at fair value through other comprehensive income		45	(13,402)
Dividend income from investment securities at fair value through other comprehensive income		108,956	103,192
Other operating income	9	148,114	360,541
Net losses from insurance services	10	(5,278)	(6,720)
Operating expenses	11	(1,112,628)	(1,100,596)
Credit impairment losses	12	<u>(210,508)</u>	<u>(1,454,618)</u>
Operating profit		1,699,989	673,087
Share of net profits of associates and joint venture		<u>21,790</u>	<u>40,505</u>
Profit before income tax		1,721,779	713,592
Income tax expense	13	<u>(235,952)</u>	<u>(8,691)</u>
Profit for the period		<u>1,485,827</u>	<u>704,901</u>
Attributable to:			
Equity holders of the Bank		1,480,285	699,839
Non-controlling interests		<u>5,542</u>	<u>5,062</u>
		<u>1,485,827</u>	<u>704,901</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Profit for the period	1,485,827	704,901
Other comprehensive income		
<u>Items that may be reclassified to profit or loss</u>		
Currency translation difference arising from operations outside Hong Kong	101,757	118,453
Investment securities at fair value through other comprehensive income		
– Change in fair value	(303,099)	532,982
– Change in credit impairment losses recognized in profit or loss	501	706
– Fair value changes transferred to profit or loss on disposal	(45)	13,402
– Deferred income tax	50,019	(90,154)
<u>Items that will not be reclassified to profit or loss</u>		
Equity investments at fair value through other comprehensive income		
– Change in fair value	(522,814)	845,656
– Deferred income tax	(4,713)	(5,206)
Share of reserves of associates and joint venture	8,993	1,453
Other comprehensive (loss)/income for the period, net of tax	(669,401)	1,417,292
Net comprehensive income for the period	816,426	2,122,193
Attributable to:		
Equity holders of the Bank	811,174	2,116,979
Non-controlling interests	5,252	5,214
Net comprehensive income for the period	816,426	2,122,193

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 June 2026 (unaudited)	31 December 2025 (audited)
ASSETS			
Cash and balances with banks	14	30,960,747	37,645,746
Placements with and advances to banks	15	37,961,135	41,142,419
Loans and advances to customers	16	70,087,051	67,275,776
Financial assets at fair value through profit or loss	23(b)	177,263	155,272
Derivative financial instruments	17	519,350	499,949
Investment securities at fair value through other comprehensive income	23(b)	77,007,684	68,326,253
Investment securities at amortized cost		4,252,332	4,739,101
Properties for sale	18	121,370	336,511
Investments in associates and joint venture		381,612	365,679
Properties and equipment	19	2,344,342	2,203,270
Investment properties	20	1,068,764	982,161
Intangible assets	21	89,126	72,648
Current income tax assets		256,678	243,544
Deferred income tax assets	25	1,110,107	1,050,441
Other assets		2,790,998	2,464,950
TOTAL ASSETS		229,128,559	227,503,720
LIABILITIES			
Deposits and balances from banks		5,989,328	4,866,038
Deposits from customers	22	173,394,762	175,133,015
Derivative financial instruments	17	446,015	500,469
Subordinated debts	24	2,724,744	2,702,108
Other liabilities		4,461,808	3,127,750
Current income tax liabilities		250,837	127,201
Deferred income tax liabilities	25	11,991	11,195
TOTAL LIABILITIES		187,279,485	186,467,776
EQUITY			
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS			
Share capital		2,000,000	2,000,000
Retained earnings		28,325,883	26,846,121
Reserves	26	11,387,565	12,056,153
		41,713,448	40,902,274
Non-controlling interests in equity		135,626	133,670
TOTAL EQUITY		41,849,074	41,035,944
TOTAL EQUITY AND LIABILITIES		229,128,559	227,503,720

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to equity holders			Non-controlling interests	Total equity
		Share capital	Reserves	Retained earnings		
As at 1 January 2025		2,000,000	10,647,116	25,475,571	118,373	38,241,060
Profit for the period		–	–	699,839	5,062	704,901
Other comprehensive income net of tax		–	1,326,608	90,532	152	1,417,292
Net change in fair value of investment securities at fair value through other comprehensive income		–	1,297,234	–	152	1,297,386
Currency translation difference arising from operations outside Hong Kong		–	27,419	91,034	–	118,453
Share of reserves of associates and joint venture		–	1,955	(502)	–	1,453
Net comprehensive income for the period		–	1,326,608	790,371	5,214	2,122,193
Payment of dividend relating to 2024		–	–	–	(640)	(640)
As at 30 June 2025 (unaudited)		2,000,000	11,973,724	26,265,942	122,947	40,362,613
As at 1 January 2026		2,000,000	12,056,153	26,846,121	133,670	41,035,944
Profit for the period		–	–	1,480,285	5,542	1,485,827
Other comprehensive loss net of tax		–	(668,588)	(523)	(290)	(669,401)
Net change in fair value of investment securities at fair value through other comprehensive income	26	–	(779,861)	–	(290)	(780,151)
Currency translation difference arising from operations outside Hong Kong	26	–	101,757	–	–	101,757
Share of reserves of associates and joint venture	26	–	9,516	(523)	–	8,993
Net comprehensive income for the period		–	(668,588)	1,479,762	5,252	816,426
Payment of dividend relating to 2025		–	–	–	(3,296)	(3,296)
As at 30 June 2026 (unaudited)		2,000,000	11,387,565	28,325,883	135,626	41,849,074

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Cash flows from operating activities			
Profit before income tax		1,721,779	713,592
Share of net profits of associates and joint venture		(21,790)	(40,505)
Credit impairment losses	12	210,508	1,454,618
Depreciation expenses		102,422	102,459
Amortization of intangible assets		16,942	12,149
Net losses/(gains) from disposal of equipment	9	2	(5)
Net (gains)/losses from disposal of investment securities at fair value through other comprehensive income		(45)	13,402
Net gains from sale of properties	9	(113,182)	(326,746)
Interest income on investment securities at amortized cost and at fair value through other comprehensive income	6	(1,298,820)	(1,085,606)
Interest expense on subordinated debts	6	88,881	88,572
Interest expense on lease liabilities	6	6,573	4,660
Dividend income from investment securities at fair value through other comprehensive income		(108,956)	(103,192)
Hong Kong profits tax paid		(104,564)	(97,542)
Overseas tax paid		(28,733)	(175,375)
Effect of exchange rate changes		(10,352)	(111,815)
Cash flows from operating activities before changes in operating assets and liabilities		460,665	448,666
Changes in operating assets and liabilities:			
– Net decrease in balances with banks with original maturity beyond 3 months		1,102,912	1,994,482
– Net increase in placements with and advances to banks with original maturity beyond 3 months		(1,245,404)	(6,382,078)
– Net (increase)/decrease in financial assets at fair value through profit or loss		(21,991)	105,282
– Net increase in derivative financial instruments		(73,855)	(20,435)
– Net (increase)/decrease in loans and advances to customers		(2,689,876)	6,020,366
– Net increase in other assets		(453,721)	(1,821,608)
– Net increase in deposits and balances from banks		1,018,478	1,425,758
– Net decrease in deposits from customers		(2,603,110)	(3,558,343)
– Net increase/(decrease) in other liabilities		1,153,957	(204,635)
Net cash used in operating activities		(3,351,945)	(1,992,545)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Cash flows from investing activities			
Interest received on investment securities at amortized cost and at fair value through other comprehensive income		1,298,844	781,301
Dividend income from investment securities at fair value through other comprehensive income		108,956	103,192
Dividends received from associates and joint venture		14,850	12,750
Purchases of properties and equipment		(91,356)	(36,030)
Additions of properties for sale		–	(94,897)
Additions of intangible assets		(33,374)	(7,133)
Proceeds from sale of equipment		1,623	9
Purchases of investment securities at amortized cost and at fair value through other comprehensive income		(32,233,753)	(29,197,450)
Proceeds from sale and redemption of investment securities at amortized cost and at fair value through other comprehensive income		24,180,305	25,376,955
Deposits and proceeds received from sale of properties		328,885	438,554
Net cash used in investing activities		(6,425,020)	(2,622,749)
Cash flows from financing activities			
Interest paid on subordinated debts		(87,269)	(86,768)
Payment of lease liabilities	27	(45,539)	(49,165)
Dividend paid to non-controlling interests		(3,296)	(640)
Net cash used in financing activities		(136,104)	(136,573)
Net decrease in cash and cash equivalents		(9,913,069)	(4,751,867)
Cash and cash equivalents as at 1 January		57,799,089	71,360,536
Effect of exchange rate changes on cash and cash equivalents		207,630	773,568
Cash and cash equivalents as at 30 June		48,093,650	67,382,237
Represented by:			
Cash and balances with banks with less than 3 months' original maturity	14	27,942,446	43,773,958
Placements with and advances to banks with less than 3 months' original maturity	15	17,753,882	22,093,790
Debt securities – Exchange Fund Bills with less than 3 months' original maturity		2,397,322	1,514,489
		48,093,650	67,382,237
Cash flows from operating and investing activities included:			
Interest received		3,920,627	4,245,471
Interest paid		(1,824,468)	(2,621,635)

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

1 General information

Shanghai Commercial Bank Limited (the “Bank”) and its subsidiaries (together, the “Group”) are engaged in the provision of banking and related financial services in Hong Kong, the United States, the United Kingdom and the Chinese Mainland.

The Bank is a financial institution incorporated in Hong Kong. The address of its registered office is Shanghai Commercial Bank Tower, 12 Queen’s Road Central, Hong Kong.

The ultimate holding company is The Shanghai Commercial & Savings Bank, Ltd., which is incorporated in Taiwan.

This Group Interim Financial Disclosure Statement is presented in thousands of units of Hong Kong Dollars (HK\$’000), unless otherwise stated and was approved for issue by the Board of Directors on 19 August 2026.

2 Basis of preparation

This Group Interim Financial Disclosure Statement for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting”. The Group Interim Financial Disclosure Statement should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

The financial information relating to the year ended 31 December 2025 that is included in the 2026 Group Interim Financial Disclosure Statement as comparative information does not constitute the Group’s statutory annual consolidated financial statements for that year but is derived from those financial statements.

The Group has delivered the financial statements for the year ended 31 December 2025 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Group’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

3 Material accounting policy information

The material accounting policies applied in the preparation of the 2026 Group Interim Financial Disclosure Statement are consistent with those used and described in the Group’s audited annual financial statements for the year ended 31 December 2025.

(a) New and amended standards adopted by the Group for the period ended 30 June 2026

The Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. They do not have a significant impact on the financial statements of the Group. The key amendments relevant to the Group are those to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments, as detailed below.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

3 Material accounting policy information (Continued)

(a) New and amended standards adopted by the Group for the period ended 30 June 2026 (Continued)

Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognized and derecognized. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.
- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance (“ESG”)-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.
- The amendments introduce new disclosures for disposals of investments in equity instruments designated at fair value through other comprehensive income (“FVOCI”), and for financial instruments not measured at fair value through profit or loss (“FVTPL”) which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

(b) New and amended standards issued but not yet effective

	Effective for accounting periods beginning on or after
Amendment to HKAS 21 – Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group has not early adopted amendments and new standards that have been issued but are not yet effective for the period ended 30 June 2026. Management is currently assessing the detailed implications of applying these amendments and new standards on the Group’s financial statements.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

4 Estimates

The preparation of the Group Interim Financial Disclosure Statement requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Group Interim Financial Disclosure Statement, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's audited annual financial statements for the year ended 31 December 2025.

5 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

5 Basis of consolidation (Continued)

(a) Subsidiaries (Continued)

The following is a list of the subsidiaries as at 30 June 2026:

Name	Place of incorporation	Principal activities and place of operation	Particulars of issued share capital	Percentage of ordinary share capital held
Shanghai Commercial Bank (Nominees) Limited	Hong Kong	Nominee services Hong Kong	100 ordinary shares	100% ¹
Shanghai Commercial Bank Trustee Limited	Hong Kong	Trustee services Hong Kong	1,000 ordinary shares	60% ²
Shacom Futures Limited	Hong Kong	Advising and dealing in futures contracts Hong Kong	600,000 ordinary shares	100% ¹
Shacom Investment Limited	Hong Kong	Investment in Exchange Fund Bills and Notes Hong Kong	10,000 ordinary shares	100% ¹
Shacom Property Holdings (BVI) Limited	British Virgin Islands	Property holding United Kingdom	2 ordinary shares of US\$1 each	100% ¹
Shacom Property (NY), Inc.	United States of America	Property holding United States of America	10 ordinary shares of US\$1 each	100% ¹
Shacom Property (CA), Inc.	United States of America	Property holding United States of America	10 ordinary shares of US\$1 each	100% ¹
Shacom Assets Investments Limited	Hong Kong	Investment in notes and bonds Hong Kong	10,000 ordinary shares	100% ¹
Infinite Financial Solutions Limited	Hong Kong	Information technology services provider Hong Kong	500,000 ordinary shares	100% ¹
Shacom Insurance Brokers Limited	Hong Kong	Insurance broker Hong Kong	1,000,000 ordinary shares	100% ¹
Shacom Securities Limited	Hong Kong	Securities brokerage services Hong Kong	2,000,000 ordinary shares	100% ¹
Hai Kwang Property Management Company Limited	Hong Kong	Property management Hong Kong	2 ordinary shares	100% ¹
Paofoong Insurance Company (Hong Kong) Limited	Hong Kong	Insurance Hong Kong	500,000 ordinary shares	60% ²
Right Honour Investments Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of US\$1 each	100% ¹
Glory Step Westpoint Investments Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of US\$1 each	100%
Silver Wisdom Westpoint Investments Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of US\$1 each	100%
KCC 23F Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of HK\$1 each	100% ¹
KCC 25F Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of HK\$1 each	100% ¹
KCC 26F Limited	British Virgin Islands	Property holding Hong Kong	1 ordinary share of HK\$1 each	100% ¹

¹ Ordinary share capital is held directly by the Bank.

² 60% of ordinary share capital is held directly by the Bank and 40% of ordinary share capital is held by non-controlling interests in equity.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

5 Basis of consolidation (Continued)

(b) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement and have right to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method, and are initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Group transacts with its associates or joint ventures, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associates or joint ventures that are not related to the Group.

6 Net interest income

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Interest income		
Balances with banks and placements with and advances to banks	1,064,563	1,509,560
Investment securities at amortized cost	62,352	88,856
Investment securities at fair value through other comprehensive income	1,236,468	996,750
Loans and advances to customers	1,512,393	1,990,714
Others	7,400	8,945
	<u>3,883,176</u>	<u>4,594,825</u>
Interest income on financial assets that are not measured at fair value through profit or loss	<u>3,883,176</u>	<u>4,594,825</u>
Interest expense		
Deposits and balances from banks	71,749	96,989
Deposits from customers	1,711,653	2,242,455
Subordinated debts	88,881	88,572
Lease liabilities	6,573	4,660
Others	4,452	4,057
	<u>1,883,308</u>	<u>2,436,733</u>
Interest expense on financial liabilities that are not measured at fair value through profit or loss	<u>1,883,308</u>	<u>2,436,733</u>

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

7 Net fee and commission income

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Fee and commission income		
Bills	17,023	21,331
Nominees, custodian and securities brokerage	106,582	105,171
Investment products	85,366	54,346
Remittance	25,885	25,818
Credit cards	22,245	25,637
Retail banking	18,792	23,031
Safe deposit boxes	30,572	31,198
Insurance	123,776	45,679
Loans and advances and facility fees	62,475	71,303
Trust and other commissions	9,533	1,721
Total fee and commission income	502,249	405,235
Less: fee and commission expense	(27,733)	(34,736)
Net fee and commission income	474,516	370,499
Of which :		
Net fee and commission income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at fair value through profit or loss		
– fee and commission income	101,743	118,271
– fee and commission expense	3,945	3,790
Net fee and commission income on trust and other fiduciary activities		
– fee and commission income	19,553	11,628

8 Net trading income

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Foreign exchange	296,617	222,212
Interest rate instruments	2,803	8,852
Equity instruments:		
– Trading (losses)/gains	(2,724)	4,509
– Dividend income	884	901
Other trading (losses)/income	(676)	19,625
	296,904	256,099

“Foreign exchange” includes gains and losses from spot, forward and option contracts, swaps and translated foreign currency assets and liabilities, which are not designated as qualifying hedging relationship. “Interest rate instruments” include the results of trading in government securities, corporate debt securities, money market instruments and interest rate swaps and cross currency swaps. “Equity instruments” include equity securities.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

9 Other operating income

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Gross rental income from investment properties (Note a)	19,845	29,276
Net gains from sale of properties (Note b)	113,182	326,746
Net (losses)/gains from disposal of equipment	(2)	5
Others	15,089	4,514
	<u>148,114</u>	<u>360,541</u>

Note a: Direct operating expenses arising from investment properties are included in premises management expenses (Note 11).

Note b: For the six months ended 30 June 2026, the Group recognized net gains from the sale of properties amounting to HK\$113,182,000 (six months ended 30 June 2025: HK\$326,746,000). This was attributable to sales proceeds of HK\$339,527,000 (six months ended 30 June 2025: HK\$891,889,000), net of direct costs of HK\$226,345,000 (six months ended 30 June 2025: HK\$565,143,000).

10 Net losses from insurance services

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Insurance revenue	23,598	23,951
Insurance service expenses	(23,493)	(24,924)
Net expenses from reinsurance contracts held	(4,495)	(4,606)
Net insurance finance expenses	(888)	(1,141)
	<u>(5,278)</u>	<u>(6,720)</u>

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

11 Operating expenses

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Auditor's remuneration		
Audit services (Note a)	6,899	6,193
Non-audit-related services (Note b)	1,813	2,294
Premises management expenses	25,691	27,067
Depreciation expenses		
Properties and equipment	42,613	48,362
Right-of-use assets	54,722	49,650
Investment properties	5,087	4,447
Amortization of intangible assets	16,942	12,149
Employee benefit expenses		
Wages and salaries and other costs (Note c)	668,482	651,944
Pension costs – defined contribution schemes	54,883	48,754
Expenses relating to short-term and low-value leases	3,336	1,327
Information technology and communications	77,420	71,256
Legal and consultancy	7,314	37,494
Printing, stationery and postage	10,265	10,557
Promotion and advertising	39,807	36,672
Others	97,354	92,430
	1,112,628	1,100,596

Note a: The above auditor's remuneration for audit services represents the fee for the audit of the Group's financial information for the interim and annual period to comply with the statutory and regulatory requirements in Hong Kong and Taiwan and is accrued on a pro-rata basis.

Note b: The above fee for non-audit-related services include the fees for the review under Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" for the first quarter results of the Group in accordance with the regulatory requirements of the ultimate holding company in Taiwan.

Note c: Employee benefit expenses include directors' emoluments. The number of employees of the Group as at 30 June 2026 was 1,993 (30 June 2025: 1,991).

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

12 Credit impairment losses

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Loans and advances to customers	222,340	1,461,755
Balances with banks and placements with and advances to banks	355	(81)
Investment securities	476	655
Other assets	2,438	11,750
Loan commitments and financial guarantee contracts	(15,101)	(19,461)
	<u>210,508</u>	<u>1,454,618</u>

13 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2025: 16.5%) on the estimated assessable profits for the six months ended 30 June 2026. Taxation on overseas profits has been calculated on the estimated assessable profits for the six months ended 30 June 2026 at the rates of taxation prevailing in the countries in which the Group operates.

The Group is subject to the Organization for Economic Co-operation and Development ("OECD") Pillar Two model rules. On 6 June 2025, Hong Kong enacted Pillar Two legislation, which became effective on 1 January 2025. Under the new rules, the Group is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction under Pillar Two model rules and the minimum effective tax rate of 15%. The Group's effective tax rates under Pillar Two model rules in all jurisdictions exceed 15%, resulting in no top-up tax liability for the six months ended 30 June 2026.

In accordance with the amendments to HKAS 12 "Income Taxes", the Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amount of taxation charged to the statement of profit or loss represents:

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Current income tax:		
– Hong Kong profits tax	233,338	199,477
– Overseas taxation	13,007	112,761
– Over provisions in respect of prior years	(648)	(555)
Total current income tax	<u>245,697</u>	<u>311,683</u>
Deferred income tax:		
– Hong Kong deferred tax	(7,597)	(93,301)
– Overseas deferred tax	(2,148)	(209,691)
Total deferred income tax (Note 25)	<u>(9,745)</u>	<u>(302,992)</u>
Income tax expense	<u>235,952</u>	<u>8,691</u>

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

14 Cash and balances with banks

	30 June 2026 (unaudited)	31 December 2025 (audited)
Cash in hand	557,633	729,432
Balances with central banks and Hong Kong Monetary Authority	1,236,587	1,295,656
Balances with banks	29,167,364	35,621,380
	30,961,584	37,646,468
Less: Stage 1 credit impairment allowances	(837)	(722)
	30,960,747	37,645,746
Gross amount of cash and balances with banks	30,961,584	37,646,468
Less: Amount with an original maturity beyond 3 months or deposits with designated banks subject to regulatory requirement	(3,019,138)	(4,122,051)
Amount included in cash and cash equivalents	27,942,446	33,524,417

Included in the above amounts, HK\$338,755,000 (31 December 2025: HK\$210,976,000) were deposited in central banks or designated banks in the Chinese Mainland as at 30 June 2026, in compliance with the statutory requirements of respective jurisdiction in which the Group is operating the business.

15 Placements with and advances to banks

	30 June 2026 (unaudited)	31 December 2025 (audited)
Placements with banks maturing between 1 and 12 months	37,530,799	40,948,662
Advances to banks	431,381	194,562
	37,962,180	41,143,224
Less: Stage 1 credit impairment allowances	(1,045)	(805)
	37,961,135	41,142,419
Gross amount of placements with and advances to banks	37,962,180	41,143,224
Less: Amount with an original maturity beyond 3 months or deposits with designated banks subject to regulatory requirement	(20,208,298)	(18,865,795)
Amount included in cash and cash equivalents	17,753,882	22,277,429

Included in the above amounts, there were no placements with and advances to designated banks in the Chinese Mainland as at 30 June 2026 (31 December 2025: HK\$165,925,000), in compliance with the local statutory requirements.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

16 Loans and advances to customers

	30 June 2026 (unaudited)	31 December 2025 (audited)
Gross loans and advances to customers	71,588,383	68,791,477
Less: credit impairment allowances		
– Stage 1	(454,601)	(512,399)
– Stage 2	(208,321)	(199,470)
– Stage 3	(838,410)	(803,832)
	<u>70,087,051</u>	<u>67,275,776</u>
Gross trade bills and other eligible bills, included within gross loans and advances to customers	180,079	121,286
Less: credit impairment allowances on trade bills		
– Stage 1	(929)	(580)
– Stage 2	(176)	(79)
	<u>178,974</u>	<u>120,627</u>

The Group accepted listed securities at fair value of HK\$3,046,697,000 as at 30 June 2026 (31 December 2025: HK\$2,647,465,000) as collateral for shares financing facilities. These securities are permitted to be sold or re-pledged in the event of default by the borrowers.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

16 Loans and advances to customers (Continued)

(a) Loans and advances (excluding trade bills and other eligible bills) by industry sector

The following table shows the breakdown of the Group's loans and advances (excluding trade bills and other eligible bills) by industry sector according to the usage of loans based on the categories and definitions set by the Hong Kong Monetary Authority.

	30 June 2026 (unaudited)		31 December 2025 (audited)	
	Balance	% covered by collateral	Balance	% covered by collateral
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	2,760,823	44%	3,331,991	30%
– Property investment	4,367,007	92%	4,294,943	90%
– Financial concerns	291,687	46%	310,411	50%
– Stockbrokers	613,217	100%	376,238	100%
– Wholesale and retail trade	2,175,691	25%	1,605,546	38%
– Manufacturing	983,025	40%	736,422	63%
– Transport and transport equipment	910,433	8%	98,578	84%
– Recreational activities	1,757,476	13%	1,793,434	17%
– Information technology – telecommunication	480,000	0%	500,000	0%
– Hotels, boarding houses and catering	1,292,973	64%	1,362,603	64%
– Others	10,496,812	48%	10,624,427	48%
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	69,368	95%	54,843	98%
– Loans for the purchase of other residential properties	6,000,286	99%	5,060,579	100%
– Credit card advances	172,924	0%	191,581	0%
– Others	5,603,193	94%	4,775,661	93%
Trade financing	5,311,474	71%	5,554,855	69%
Loans for use outside Hong Kong	28,121,915	83%	27,998,079	84%
	71,408,304	72%	68,670,191	72%

As at 30 June 2026 and 31 December 2025, the Bank did not have exposures to individual industry sector constituting 10% or more of the Group's total amount of loans and advances.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

16 Loans and advances to customers (Continued)

(b) Loans and advances (excluding trade bills and other eligible bills) by geographical area

The information concerning the breakdown of the gross amount of loans and advances to customers (excluding trade bills and other eligible bills) by country or geographical area is derived according to the location of the customers after taking into account any transfer of risk. In general, such transfer of risk takes place if the loans and advances are guaranteed by a party in a country which is different from that of the customers.

As at 30 June 2026 (unaudited)	Balance	Stage 3 balance	Balance overdue for over 3 months	Total Stage 3 credit impairment allowances	Total Stage 1 and Stage 2 credit impairment allowances
Hong Kong	46,900,728	1,214,903	1,055,698	289,136	420,055
Chinese Mainland	5,223,519	36,903	35,114	36,903	105,346
United States	17,504,374	2,383,542	2,019,421	512,371	120,403
Others	1,779,683	–	–	–	16,013
	<u>71,408,304</u>	<u>3,635,348</u>	<u>3,110,233</u>	<u>838,410</u>	<u>661,817</u>
% of total loans and advances to customers		<u>5.09</u>			
Fair value of collateral		<u>5,678,575</u>			

As at 31 December 2025 (audited)	Balance	Stage 3 balance	Balance overdue for over 3 months	Total Stage 3 credit impairment allowances	Total Stage 1 and Stage 2 credit impairment allowances
Hong Kong	44,865,527	1,291,196	806,339	185,220	417,580
Chinese Mainland	4,258,170	102,891	66,869	104,237	126,300
United States	17,481,789	2,563,632	2,422,280	514,347	117,637
Others	2,064,705	43	41	28	49,693
	<u>68,670,191</u>	<u>3,957,762</u>	<u>3,295,529</u>	<u>803,832</u>	<u>711,210</u>
% of total loans and advances to customers		<u>5.76</u>			
Fair value of collateral		<u>6,576,899</u>			

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

16 Loans and advances to customers (Continued)

(c) Loans and advances (excluding trade bills and other eligible bills) overdue for more than 3 months

	30 June 2026 (unaudited)		31 December 2025 (audited)	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Balances which have been overdue for:				
– 6 months or less but over 3 months	203,249	0.28	195,004	0.28
– 1 year or less but over 6 months	408,366	0.57	1,111,379	1.62
– over 1 year	2,498,618	3.50	1,989,146	2.90
	<u>3,110,233</u>	<u>4.35</u>	<u>3,295,529</u>	<u>4.80</u>
Current market value of collateral	<u>4,903,143</u>		<u>5,827,580</u>	
Covered portion by collateral	<u>2,967,792</u>		<u>3,199,826</u>	
Uncovered portion by collateral	<u>142,441</u>		<u>95,703</u>	
Credit impairment allowances	<u>782,264</u>		<u>643,442</u>	

Collateral held against such loans and advances mainly include properties.

(d) Rescheduled loans and advances (net of amounts included in loans and advances overdue for more than 3 months)

	30 June 2026 (unaudited)		31 December 2025 (audited)	
		% of gross loans and advances to customers		% of gross loans and advances to customers
Rescheduled loans and advances	<u>1,744</u>	<u>0.002</u>	<u>1,574</u>	<u>0.002</u>

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

17 Derivative financial instruments

As at 30 June 2026 (unaudited)	Contract amount	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Exchange rate contracts	166,333,588	497,291	(423,956)
Interest rate contracts	3,344,602	22,059	(22,059)
Total recognized derivative assets/(liabilities)		519,350	(446,015)

As at 31 December 2025 (audited)	Contract amount	Fair values	
		Assets	Liabilities
Derivatives held for trading			
Exchange rate contracts	150,746,260	483,069	(483,589)
Interest rate contracts	3,333,784	16,880	(16,880)
Total recognized derivative assets/(liabilities)		499,949	(500,469)

	Credit risk weighted amount	
	30 June 2026 (unaudited)	31 December 2025 (audited)
Derivatives held for trading	606,319	613,013

The contract amounts of these instruments indicate the volume of transactions outstanding as at the reporting date, they do not represent the amounts at risk.

The above fair values have not taken into account the effect of bilateral netting arrangements and accordingly the amounts disclosed are shown on a gross basis.

The credit risk weighted amounts are calculated in accordance with the standardized (counterparty credit risk) approach as stipulated in the Banking (Capital) Rules.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

17 Derivative financial instruments (Continued)

The Group uses the following derivative strategies:

- Trading purposes (customer needs)

The Group offers its customers derivatives in connection with their risk management actions to transfer, modify or reduce their interest rate, foreign exchange and other market/credit risks or for their own trading purposes. As part of this process, the Group considers the customers' suitability for the risk involved, and the business purpose for the transaction. The Group also manages its derivative-risk positions through offsetting trade activities, controls focused on price verification, and daily reporting of positions to senior managers.

- Trading purposes (own account)

The Group trades derivatives for its own account. These derivatives are entered into in order to take proprietary positions. Trading limits and price verification controls are key aspects of this activity.

18 Properties for sale

	30 June 2026 (unaudited)	31 December 2025 (audited)
Property development		
Leasehold land held for development for sale	42,949	119,081
Building development cost	78,421	217,430
	<u>121,370</u>	<u>336,511</u>

The above balance of HK\$121,370,000 as at 30 June 2026 (31 December 2025: HK\$336,511,000) represented the costs of the unsold residential units. The net gains from the sale of properties were included in other operating income (Note 9) and the deposits received from the buyers based on payment schedules established in contracts were included in "other liabilities".

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

19 Properties and equipment

	Leasehold land	Bank premises	Furniture, fittings and equipment	Property under development		Right-of-use assets	Total
				Leasehold land	Development cost		
As at 1 January 2025							
Cost	1,391,522	1,079,352	1,004,829	97,823	124,554	418,529	4,116,609
Accumulated depreciation	(265,361)	(434,796)	(905,435)	(1,404)	–	(216,711)	(1,823,707)
Net book amount	<u>1,126,161</u>	<u>644,556</u>	<u>99,394</u>	<u>96,419</u>	<u>124,554</u>	<u>201,818</u>	<u>2,292,902</u>
Year ended 31 December 2025							
Opening net book amount	1,126,161	644,556	99,394	96,419	124,554	201,818	2,292,902
Additions	–	53,662	18,786	–	–	51,905	124,353
Adjustments	–	–	–	–	–	(8,675)	(8,675)
Transfers upon completion of redevelopment project							
Cost	44,646	27,676	–	(97,823)	(124,554)	–	(150,055)
Accumulated depreciation	(581)	1,863	–	1,404	–	–	2,686
Transfers from investment properties (Note 20)							
Cost	99,226	45,921	–	–	–	–	145,147
Accumulated depreciation	(2,133)	(10,708)	–	–	–	–	(12,841)
Disposals/write-off/expiry							
Cost	–	–	(15,904)	–	–	(89,469)	(105,373)
Accumulated depreciation	–	–	15,630	–	–	89,469	105,099
Depreciation charge	(17,542)	(29,233)	(46,169)	–	–	(99,376)	(192,320)
Exchange adjustments	(1)	1,487	648	–	–	213	2,347
Closing net book amount	<u>1,249,776</u>	<u>735,224</u>	<u>72,385</u>	<u>–</u>	<u>–</u>	<u>145,885</u>	<u>2,203,270</u>
As at 31 December 2025 (audited)							
Cost	1,535,393	1,209,082	1,010,499	–	–	373,465	4,128,439
Accumulated depreciation	(285,617)	(473,858)	(938,114)	–	–	(227,580)	(1,925,169)
Net book amount	<u>1,249,776</u>	<u>735,224</u>	<u>72,385</u>	<u>–</u>	<u>–</u>	<u>145,885</u>	<u>2,203,270</u>
Six months ended 30 June 2026							
Opening net book amount	<u>1,249,776</u>	<u>735,224</u>	<u>72,385</u>	–	–	<u>145,885</u>	<u>2,203,270</u>
Additions	–	–	<u>91,356</u>	–	–	<u>239,928</u>	<u>331,284</u>
Adjustments	–	–	–	–	–	(227)	(227)
Transfers to investment properties (Note 20)							
Cost	(127,301)	(53,840)	–	–	–	–	(181,141)
Accumulated depreciation	6,911	15,317	–	–	–	–	22,228
Transfers from investment properties (Note 20)							
Cost	50,650	23,441	–	–	–	–	74,091
Accumulated depreciation	(1,120)	(5,748)	–	–	–	–	(6,868)
Disposals/write-off/expiry							
Cost	–	–	(17,291)	–	–	(79,269)	(96,560)
Accumulated depreciation	–	–	15,666	–	–	79,269	94,935
Depreciation charge	(8,799)	(14,293)	(19,521)	–	–	(54,722)	(97,335)
Exchange adjustments	–	377	21	–	–	267	665
Closing net book amount	<u>1,170,117</u>	<u>700,478</u>	<u>142,616</u>	<u>–</u>	<u>–</u>	<u>331,131</u>	<u>2,344,342</u>
As at 30 June 2026 (unaudited)							
Cost	1,458,742	1,179,342	1,085,114	–	–	530,819	4,254,017
Accumulated depreciation	(288,625)	(478,864)	(942,498)	–	–	(199,688)	(1,909,675)
Net book amount	<u>1,170,117</u>	<u>700,478</u>	<u>142,616</u>	<u>–</u>	<u>–</u>	<u>331,131</u>	<u>2,344,342</u>

As at 30 June 2026, interests in freehold land outside Hong Kong amounted to HK\$34,516,000 (31 December 2025: HK\$34,506,000) were included as “bank premises” above.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

20 Investment properties

	Leasehold land	Buildings	Total
As at 1 January 2025			
Cost	725,305	335,666	1,060,971
Accumulated depreciation	(14,732)	(70,248)	(84,980)
Net book amount	710,573	265,418	975,991
Year ended 31 December 2025			
Opening net book amount	710,573	265,418	975,991
Transfers to properties and equipment (Note 19)			
Cost	(99,226)	(45,921)	(145,147)
Accumulated depreciation	2,133	10,708	12,841
Transfers from properties and equipment			
Cost	53,177	96,878	150,055
Accumulated depreciation	(823)	(1,863)	(2,686)
Depreciation charge	(865)	(8,028)	(8,893)
Closing net book amount	664,969	317,192	982,161
As at 31 December 2025 (audited)			
Cost	679,256	386,623	1,065,879
Accumulated depreciation	(14,287)	(69,431)	(83,718)
Net book amount	664,969	317,192	982,161
Six months ended 30 June 2026			
Opening net book amount	664,969	317,192	982,161
Transfers to properties and equipment (Note 19)			
Cost	(50,650)	(23,441)	(74,091)
Accumulated depreciation	1,120	5,748	6,868
Transfers from properties and equipment (Note 19)			
Cost	127,301	53,840	181,141
Accumulated depreciation	(6,911)	(15,317)	(22,228)
Depreciation charge	(403)	(4,684)	(5,087)
Closing net book amount	735,426	333,338	1,068,764
As at 30 June 2026 (unaudited)			
Cost	755,907	417,022	1,172,929
Accumulated depreciation	(20,481)	(83,684)	(104,165)
Net book amount	735,426	333,338	1,068,764

As at 30 June 2026, the Group's investment properties were valued at HK\$1,785,540,000 (31 December 2025: HK\$1,713,500,000) by an independent firm, Colliers International (Hong Kong) Limited, which has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of properties being valued. The valuations were performed based on income capitalization approach.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

20 Investment properties (Continued)

Operating lease commitments as a lessor

Where a group company is the lessor, the future minimum lease receivables under non-cancellable leases are as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Not later than 1 year	31,601	37,250
1 to 2 years	26,050	26,266
2 to 5 years	34,033	42,517
	<u>91,684</u>	<u>106,033</u>

The Group leases its investment properties under operating lease arrangements, with leases typically for a period from 2 to 5 years. The terms of the leases generally require the tenants to pay security deposits and provide for rent adjustments according to the prevailing market conditions at the expiration of the lease.

21 Intangible assets

	Trading Right	Computer Software	Total
As at 1 January 2025			
Cost	4,570	94,381	98,951
Accumulated amortization	(1,951)	(20,019)	(21,970)
Net book amount	<u>2,619</u>	<u>74,362</u>	<u>76,981</u>
Year ended 31 December 2025			
Opening net book amount	2,619	74,362	76,981
Additions	–	21,105	21,105
Amortization	–	(25,583)	(25,583)
Exchange adjustments	–	145	145
Closing net book amount	<u>2,619</u>	<u>70,029</u>	<u>72,648</u>
As at 31 December 2025 (audited)			
Cost	4,570	115,674	120,244
Accumulated amortization	(1,951)	(45,645)	(47,596)
Net book amount	<u>2,619</u>	<u>70,029</u>	<u>72,648</u>
Six months ended 30 June 2026			
Opening net book amount	2,619	70,029	72,648
Additions	–	33,374	33,374
Amortization	–	(16,942)	(16,942)
Exchange adjustments	–	46	46
Closing net book amount	<u>2,619</u>	<u>86,507</u>	<u>89,126</u>
As at 30 June 2026 (unaudited)			
Cost	4,570	149,129	153,699
Accumulated amortization	(1,951)	(62,622)	(64,573)
Net book amount	<u>2,619</u>	<u>86,507</u>	<u>89,126</u>

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

22 Deposits from customers

	30 June 2026 (unaudited)	31 December 2025 (audited)
Demand deposits and current accounts	15,137,777	14,783,979
Savings deposits	37,803,455	39,074,646
Time, call and notice deposits	120,061,365	120,885,265
Deposits from Hong Kong Government Exchange Fund	392,165	389,125
	173,394,762	175,133,015

23 Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

(i) Balances with banks and placements with and advances to banks

Balances with banks and placements with and advances to banks are stated net of impairment allowances. The carrying amount at the reporting date approximates their fair value.

(ii) Loans and advances to customers

Loans and advances are stated net of impairment allowances. An insignificant portion of loans and advances to customers bears interest at fixed rate. The carrying amount at the reporting date approximates their fair value.

(iii) Investment securities at amortized cost

The fair value of investment securities at amortized cost is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics. The fair value of investment securities at amortized cost is classified under Level 1 (30 June 2026: HK\$4,251,747,000; 31 December 2025: HK\$4,744,753,000) in the fair value hierarchy. Please refer to Note 23(b) for the definition of fair value hierarchy.

(iv) Deposits and balances from banks and deposits from customers

Substantially all the deposits and balances from banks and deposits from customers will mature within 1 year from the reporting date. The carrying amount at the reporting date approximates their fair value.

(v) Subordinated debts

The fair value of subordinated debts of HK\$2,795,172,000 (31 December 2025: HK\$2,803,984,000) is classified under Level 2 in the fair value hierarchy.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

23 Fair value of financial assets and liabilities (Continued)

(b) Fair value hierarchy

Valuation governance

The Group has in place fair valuation policy to ensure adequate governance and control processes for the designation and valuation of financial instruments to be measured at fair value for financial reporting, risk management and regulatory capital purposes. The valuation process is conducted by control units independent of risk taking units.

The Group is to recognize transfers into and transfers out of fair value hierarchy levels as of that date of the event or change in circumstances that caused the transfer.

HKFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt securities on exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes instruments such as over-the-counter derivative contracts and unlisted debt securities. Observable parameters that are used as input include market data such as interest rate yield curves and exchange rate implied volatilities.

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This level includes unlisted equity securities and unlisted debt securities with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

23 Fair value of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

Recurring fair value measurement

As at 30 June 2026 (unaudited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Debt securities	–	104,310	–	104,310
Equity securities	55,428	–	17,525	72,953
Derivative financial instruments				
Exchange rate contracts	–	497,291	–	497,291
Interest rate contracts	–	22,059	–	22,059
Investment securities at fair value through other comprehensive income				
Debt securities	44,742,792	27,169,505	2,874	71,915,171
Equity securities (Note a)	4,389,154	–	703,359	5,092,513
Total Assets	49,187,374	27,793,165	723,758	77,704,297
Derivative financial instruments				
Exchange rate contracts	–	423,956	–	423,956
Interest rate contracts	–	22,059	–	22,059
Total Liabilities	–	446,015	–	446,015

As at 31 December 2025 (audited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Debt securities	–	103,501	–	103,501
Equity securities	34,246	–	17,525	51,771
Derivative financial instruments				
Exchange rate contracts	–	483,069	–	483,069
Interest rate contracts	–	16,880	–	16,880
Investment securities at fair value through other comprehensive income				
Debt securities	36,977,870	25,753,875	2,874	62,734,619
Equity securities (Note a)	4,911,913	–	679,721	5,591,634
Total Assets	41,924,029	26,357,325	700,120	68,981,474
Derivative financial instruments				
Exchange rate contracts	–	483,589	–	483,589
Interest rate contracts	–	16,880	–	16,880
Total Liabilities	–	500,469	–	500,469

Note a: As at 30 June 2026, equity securities designated at fair value through other comprehensive income amounting to HK\$5,092,513,000 (31 December 2025: HK\$5,591,634,000) were for long term investment purpose, of which HK\$4,269,849,000 (31 December 2025: HK\$4,797,531,000) were the fair value of the Bank's investment in Bank of Shanghai, China.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

23 Fair value of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

There were no significant transfers of financial assets or liabilities between level 1, level 2 and level 3 fair value hierarchy classifications.

Level 2 fair values of unlisted debt securities are determined based on quotes from brokers. The most significant input is discount rate of the instruments.

Level 2 fair values of exchange rate contracts and interest rate contracts are determined using the appropriate foreign exchange rates, interest rate yield curves and where applicable, the implied option volatility at the reporting date, with the expected cash-flow discounted back to present value.

Level 3 fair values of unlisted equity securities and debentures are determined based on valuation techniques using significant unobservable inputs, which includes the market comparison approach and the dividend discount approach. The fair value is affected by the price to book ratio of appropriate comparables, sustainable growth rate or discount rate.

If the significant unobservable inputs would be shifted by +/- 5%, the impact on other comprehensive income would be increased by HK\$33,204,000 (31 December 2025: HK\$18,776,000) or decreased by HK\$30,365,000 (31 December 2025: HK\$17,260,000) and profit or loss would be increased/decreased by HK\$876,000 (31 December 2025: HK\$876,000) respectively.

The following table presents the changes in level 3 instruments for the period ended 30 June 2026 and year ended 31 December 2025 respectively.

	Financial assets at fair value through profit or loss		Investment securities at fair value through other comprehensive income		
	Equity securities	Total	Equity securities	Debt securities	Total
As at 1 January 2025	15,519	15,519	662,143	2,874	665,017
Total gains					
– Profit	2,006	2,006	–	–	–
– Other comprehensive income	–	–	(14,002)	–	(14,002)
Exchange adjustments	–	–	31,580	–	31,580
As at 31 December 2025 (audited) and 1 January 2026	17,525	17,525	679,721	2,874	682,595
Total gains					
– Other comprehensive income	–	–	–	–	–
Exchange adjustments	–	–	23,638	–	23,638
As at 30 June 2026 (unaudited)	17,525	17,525	703,359	2,874	706,233

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

24 Subordinated debts

	30 June 2026 (unaudited)	31 December 2025 (audited)
US\$350 million fixed rate subordinated notes issued due 2033 at amortized cost	2,724,744	2,702,108

This represents US\$350,000,000 Basel III compliant 10-year subordinated fixed rate notes qualifying as Tier 2 capital of the Bank in accordance with the Banking (Capital) Rules ("BCR"), which are listed on the Hong Kong Stock Exchange. The notes will mature on 28 February 2033 with an optional redemption date falling on 28 February 2028. Interest at 6.375% p.a. is payable semi-annually from the issue date to the optional redemption date. Thereafter, if the notes are not redeemed, the interest rate will be reset and the notes will bear interest at the prevailing 5-year U.S. Treasury Rate plus 240 basis points. The Bank may, subject to receiving the prior approval of the Hong Kong Monetary Authority, redeem the notes at the option of the Bank in whole but not in part, at par either on the optional redemption date or for tax or regulatory reasons at any time prior to maturity of the notes.

25 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Deferred income tax assets	Credit impairment allowances	Accelerated tax depreciation	Fair value (gains)/losses on investment securities at fair value through other comprehensive income	Others	Total
As at 1 January 2025	759,761	(43,810)	16,173	17,570	749,694
Credited to the statement of profit or loss	306,133	5,985	–	127,383	439,501
Exchange adjustments	3,301	–	–	(147)	3,154
Charged to other comprehensive income	–	–	(142,408)	–	(142,408)
Reclassified from/(to) deferred income tax liabilities	996	(724)	100	128	500
As at 31 December 2025 (audited) and 1 January 2026	1,070,191	(38,549)	(126,135)	144,934	1,050,441
(Charged)/credited to the statement of profit or loss (Note a)	(7,303)	(1,039)	–	18,866	10,524
Exchange adjustments	2,647	(8)	–	1,182	3,821
Credited to other comprehensive income	–	–	45,306	–	45,306
Reclassified from/(to) deferred income tax liabilities	17	–	–	(2)	15
As at 30 June 2026 (unaudited)	1,065,552	(39,596)	(80,829)	164,980	1,110,107

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

25 Deferred income tax (Continued)

Deferred income tax liabilities	Credit impairment allowances	Accelerated tax depreciation	Fair value (gains)/losses on investment securities at fair value through other comprehensive income	Others	Total
As at 1 January 2025	349	(21,462)	29	10,837	(10,247)
Credited/(charged) to the statement of profit or loss	611	(1,614)	–	501	(502)
Exchange adjustments	38	(55)	–	–	(17)
Credited to other comprehensive income	–	–	71	–	71
Reclassified (to)/from deferred income tax assets	(996)	724	(100)	(128)	(500)
As at 31 December 2025 (audited) and 1 January 2026	2	(22,407)	–	11,210	(11,195)
(Charged)/credited to the statement of profit or loss (Note a)	(35)	(808)	–	64	(779)
Exchange adjustments	(8)	6	–	–	(2)
Reclassified (to)/from deferred income tax assets	(17)	–	–	2	(15)
As at 30 June 2026 (unaudited)	(58)	(23,209)	–	11,276	(11,991)

Note a: Total deferred income tax credited to the statement of profit or loss arising from: (Note 13)

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Deferred income tax assets	10,524	303,185
Deferred income tax liabilities	(779)	(193)
	9,745	302,992

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

26 Reserves attributable to equity holders

	Regulatory reserve (Note a)	Investment revaluation reserve	General and other reserves	Total
As at 1 January 2025	931,772	2,581,665	7,133,679	10,647,116
Net change in fair value of investment securities at fair value through other comprehensive income (Note b)	–	1,361,462	–	1,361,462
Currency translation difference arising from operations outside Hong Kong	3,423	–	42,013	45,436
Share of reserves of associates and joint venture	–	1,592	547	2,139
As at 31 December 2025 (audited) and 1 January 2026	935,195	3,944,719	7,176,239	12,056,153
Net change in fair value of investment securities at fair value through other comprehensive income (Note b)	–	(779,861)	–	(779,861)
Currency translation difference arising from operations outside Hong Kong	2,593	–	99,164	101,757
Share of reserves of associates and joint venture	–	8,993	523	9,516
As at 30 June 2026 (unaudited)	937,788	3,173,851	7,275,926	11,387,565

Note a: The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance and local regulatory requirements of branches' respective locations for prudent supervision purpose. Any movements in the regulatory reserve for Hong Kong operations are made in consultation with the Hong Kong Monetary Authority.

Note b: For the six months ended 30 June 2026, net change in fair value of investment securities at fair value through other comprehensive income was a loss of HK\$779,861,000 (for the year ended 31 December 2025: gain of HK\$1,361,462,000) due to the net decrease in fair value of HK\$527,527,000 (for the year ended 31 December 2025: net increase of HK\$662,421,000) on equities holdings and HK\$252,334,000 (for the year ended 31 December 2025: net increase of HK\$699,041,000) from debt securities portfolio. As at 30 June 2026, the debt securities at fair value through other comprehensive income had 99.8% (31 December 2025: 99.5%) in investment grade based on Standard & Poor's ratings or their equivalents while 80% (31 December 2025: 83%) of the portfolio maturing within 3 years.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

27 Other cash flow information

Reconciliation of liabilities arising from financing activities

	Subordinated debts	
	2026	2025
As at 1 January	2,702,108	2,692,532
Non-cash changes:		
– Foreign exchange movement	21,112	29,869
– Amortization of discount and issuance cost	1,524	1,518
As at 30 June (unaudited)	2,724,744	2,723,919

	Lease liabilities	
	2026	2025
As at 1 January	151,515	206,204
Payment of lease liabilities	(45,539)	(49,165)
Non-cash changes:		
– Additions	213,694	25,878
– Other changes	6,898	5,057
As at 30 June (unaudited)	326,568	187,974

Note: Lease liabilities are included in “other liabilities” in statement of financial position.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

28 Contingent liabilities and commitments

(a) Credit commitments

The contract and credit risk weighted amounts of the Group's off-balance sheet financial instruments that commit it to extend credit to customers are as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Contract amounts		
Direct credit substitutes	1,147,003	1,278,480
Trade-related contingencies	1,309,928	1,006,585
Forward forward deposits placed	–	537,067
Other commitments with an original maturity of:		
– under 1 year	1,538,825	2,592,239
– 1 year and over	3,007,304	2,768,528
– unconditionally cancellable	20,834,030	23,578,082
	<u>27,837,090</u>	<u>31,760,981</u>
Credit risk weighted amounts	<u>4,026,947</u>	<u>4,598,445</u>

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are therefore subject to the same credit origination, portfolio maintenance and collateral requirements as for customers applying for loans.

(b) Capital commitments

Capital expenditure for the acquisition of properties and equipment outstanding as at the reporting date but not yet incurred is as follows:

	30 June 2026 (unaudited)	31 December 2025 (audited)
Contracted but not provided for	<u>269,480</u>	<u>77,939</u>

(c) Other contingent liabilities

The Group is involved in legal actions which are in relation to its normal business operations. No material provision was made for those actions against the Group because the management believes that the Group has adequate grounds to defend against the claimants or the amounts involved in those actions are not expected to be material.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

29 Maturity analysis

The table below analyzes the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

As at 30 June 2026 (unaudited)	Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Indefinite	Total
Assets								
Cash and balances with banks	3,288,367	27,672,380	-	-	-	-	-	30,960,747
Placements with and advances to banks	-	-	26,975,107	10,554,658	431,370	-	-	37,961,135
Loans and advances to customers	4,854,399	1,612,070	4,344,367	12,717,828	25,341,501	18,421,566	2,795,320	70,087,051
Financial assets at fair value through profit or loss	-	104,310	-	-	-	-	72,953	177,263
Derivative financial instruments	-	181,470	187,127	119,513	31,240	-	-	519,350
Investment securities at fair value through other comprehensive income	242,542	3,336,823	4,975,390	18,046,334	45,248,258	64,423	5,093,914	77,007,684
Investment securities at amortized cost	-	898,064	1,467,227	1,587,665	299,376	-	-	4,252,332
Properties for sale	-	-	26,971	94,399	-	-	-	121,370
Investments in associates and joint venture	-	-	-	-	-	-	381,612	381,612
Properties and equipment	-	9,109	17,281	59,486	168,729	76,522	2,013,215	2,344,342
Investment properties	-	-	-	-	-	-	1,068,764	1,068,764
Other assets (including intangible assets, current and deferred tax assets)	316,731	1,025,379	357,730	571,025	681,848	94,934	1,199,262	4,246,909
Total assets	8,702,039	34,839,605	38,351,200	43,750,908	72,202,322	18,657,445	12,625,040	229,128,559
Liabilities								
Deposits and balances from banks	1,732,095	2,165,773	1,295,086	796,374	-	-	-	5,989,328
Deposits from customers	54,498,296	41,735,801	60,214,058	16,900,162	46,445	-	-	173,394,762
Derivative financial instruments	-	159,027	154,913	100,801	31,274	-	-	446,015
Subordinated debts	-	-	-	-	-	2,724,744	-	2,724,744
Other liabilities (including current and deferred tax liabilities)	1,116,785	2,202,906	408,262	680,480	180,607	123,605	11,991	4,724,636
Total liabilities	57,347,176	46,263,507	62,072,319	18,477,817	258,326	2,848,349	11,991	187,279,485
Net liquidity gap	(48,645,137)	(11,423,902)	(23,721,119)	25,273,091	71,943,996	15,809,096	12,613,049	41,849,074
Of which lease liabilities included in: Other liabilities	-	6,019	11,536	52,875	155,501	100,637	-	326,568

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

29 Maturity analysis (Continued)

As at 31 December 2025 (audited)	Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Indefinite	Total
Assets								
Cash and balances with banks	3,415,865	34,229,881	–	–	–	–	–	37,645,746
Placements with and advances to banks	–	–	33,923,974	7,023,886	194,559	–	–	41,142,419
Loans and advances to customers	4,763,072	2,974,275	4,531,168	9,648,104	26,546,643	15,682,761	3,129,753	67,275,776
Financial assets at fair value through profit or loss	–	–	–	103,501	–	–	51,771	155,272
Derivative financial instruments	–	257,558	115,792	85,754	40,845	–	–	499,949
Investment securities at fair value through other comprehensive income	–	2,688,097	6,985,462	16,968,566	36,025,604	64,016	5,594,508	68,326,253
Investment securities at amortized cost	–	905,887	2,079,781	1,697,213	56,220	–	–	4,739,101
Properties for sale	–	28,043	56,085	252,383	–	–	–	336,511
Investments in associates and joint venture	–	–	–	–	–	–	365,679	365,679
Properties and equipment	–	7,670	14,178	42,707	41,993	39,337	2,057,385	2,203,270
Investment properties	–	–	–	–	–	–	982,161	982,161
Other assets (including intangible assets, current and deferred tax assets)	322,984	661,003	452,239	561,896	658,863	98,082	1,076,516	3,831,583
Total assets	<u>8,501,921</u>	<u>41,752,414</u>	<u>48,158,679</u>	<u>36,384,010</u>	<u>63,564,727</u>	<u>15,884,196</u>	<u>13,257,773</u>	<u>227,503,720</u>
Liabilities								
Deposits and balances from banks	935,137	2,188,347	1,285,619	456,935	–	–	–	4,866,038
Deposits from customers	55,081,900	46,687,446	58,797,582	14,509,549	56,538	–	–	175,133,015
Derivative financial instruments	–	252,474	130,910	76,242	40,843	–	–	500,469
Subordinated debts	–	–	–	–	–	2,702,108	–	2,702,108
Other liabilities (including current and deferred tax liabilities)	666,979	1,375,866	780,134	312,119	62,634	57,219	11,195	3,266,146
Total liabilities	<u>56,684,016</u>	<u>50,504,133</u>	<u>60,994,245</u>	<u>15,354,845</u>	<u>160,015</u>	<u>2,759,327</u>	<u>11,195</u>	<u>186,467,776</u>
Net liquidity gap	<u>(48,182,095)</u>	<u>(8,751,719)</u>	<u>(12,835,566)</u>	<u>21,029,165</u>	<u>63,404,712</u>	<u>13,124,869</u>	<u>13,246,578</u>	<u>41,035,944</u>
Of which lease liabilities included in:								
Other liabilities	–	7,299	12,014	38,786	36,197	57,219	–	151,515

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

30 Related party transactions

A number of banking transactions were entered into with related parties by the Group in the normal course of business and at arm's length basis. The outstanding balances of the related party transactions at the reporting date, and related expense and income for the period were as follows:

As at 30 June 2026 (unaudited)	Ultimate holding company and fellow subsidiaries	Associates and joint venture	Key management personnel (Note a)	Other related parties (Note b)	Total
Aggregate amounts outstanding at the period end					
– Loans and advances	565	–	29,828	–	30,393
– Cash and balances with banks	283,292	–	–	26,814	310,106
– Deposits and balances from banks and customers	190,206	135,588	485,183	687,387	1,498,364
– Investment securities at fair value through other comprehensive income	119,305	–	–	–	119,305
– Stage 1 and Stage 2 credit impairment allowances	13	–	50	–	63
– Contingent liabilities and other commitments	427	–	36,630	–	37,057
Six months ended 30 June 2026 (unaudited)					
Interest income received from related parties	487	–	425	1,076	1,988
Interest expenses paid to related parties	3,017	1,164	4,263	12,761	21,205
Net fee and commission (expense)/income (to)/from related parties	(4,268)	3,804	–	(28)	(492)
Net other operating income/(expense) from/(to) related parties	14	(808)	(650)	–	(1,444)

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

30 Related party transactions (Continued)

As at 31 December 2025 (audited)	Ultimate holding company and fellow subsidiaries	Associates and joint venture	Key management personnel (Note a)	Other related parties (Note b)	Total
Aggregate amounts outstanding at the year end					
– Loans and advances	–	–	24,308	–	24,308
– Cash and balances with banks	28,541	–	–	87,918	116,459
– Deposits and balances from banks and customers	288,914	248,575	434,997	608,914	1,581,400
– Investment securities at fair value through other comprehensive income	114,382	–	–	–	114,382
– Stage 1 and Stage 2 credit impairment allowances	10	–	32	1	43
– Contingent liabilities and other commitments	423	–	38,193	–	38,616
Six months ended 30 June 2025 (unaudited)					
Interest income received from related parties	992	–	839	1,422	3,253
Interest expenses paid to related parties	5,020	2,729	3,402	7,185	18,336
Net fee and commission (expense)/income (to)/from related parties	(11,264)	50,774	–	(18)	39,492
Net other operating income/(expense) from/(to) related parties	14	(3,673)	2,769	–	(890)

Note a: Include key management personnel and Directors of the Bank and the ultimate holding company, their close family members and entities that are controlled or jointly controlled, directly or indirectly, by key management personnel or Directors.

Note b: Include other shareholders of the Group.

Key management personnel compensation

The compensation for Directors and key management personnel of the Bank is as follows:

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
Salaries and other short-term employee benefits	48,295	56,193

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

31 Segment reporting

(a) By operating segment

Operating segments, and the amounts of each segment item reported in the Group Interim Financial Disclosure Statement, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

For the purpose of assessing performance of business activity by class, the allocation of revenue, besides the direct revenue generated by the business, also includes the benefits of funding resources derived from the other businesses by way of internal fund transfer pricing mechanisms. Cost allocation is based on the direct cost incurred by the class of business and internal allocation of management overheads. Asset allocation is based on the assets directly attributable to the class of business and internal allocation of assets. The Group is currently implementing a new platform for funds transfer pricing, and exploring systems to streamline expense allocations.

The Group is engaged predominantly in banking and related financial activities. It comprises retail and corporate banking, trade finance, treasury and other classes of business.

Retail and corporate banking – incorporating banking services to individual and corporate customers such as current accounts, savings accounts, fixed deposits, safe deposit box, credit cards, loans and other credit facilities.

Trade finance – incorporating import and export bills services, invoice discounting/receivable financing and ECIC supported export finance for small and medium enterprises.

Treasury – conducting treasury operations for trading and investment purposes such as foreign exchange, money market and capital market activities and providing treasury products such as yield enhancement and hedging products to retail and corporate customers.

The business activities under "Others" mainly comprise remittance, share dealing, provisions of trustee, wealth management and insurance services, sales of properties and support services for operations not directly identified under other reportable segments.

As the Group derives a majority of revenue from interest and the senior management relies primarily on net interest income in managing the business, interest income and expense for all reportable segments are presented on a net basis.

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

31 Segment reporting (Continued)

(a) By operating segment (Continued)

	Six months ended 30 June 2026 (unaudited)				
	Retail and corporate banking	Trade finance	Treasury	Others	Total
Net interest income	1,589,113	27,837	317,152	65,766	1,999,868
Non-interest income	111,382	20,333	296,949	594,593	1,023,257
Operating income	1,700,495	48,170	614,101	660,359	3,023,125
Operating expenses	(636,875)	(44,590)	(116,318)	(314,845)	(1,112,628)
Operating profit before credit impairment losses	1,063,620	3,580	497,783	345,514	1,910,497
Credit impairment losses	(166,642)	(41,171)	(803)	(1,892)	(210,508)
Operating profit/(loss) after credit impairment losses	896,978	(37,591)	496,980	343,622	1,699,989
Share of net profits of associates and joint venture	–	–	–	21,790	21,790
Profit/(loss) before income tax (after taking into account internal fund transfers and cost allocation)	896,978	(37,591)	496,980	365,412	1,721,779
Income tax expense	156,196	(6,206)	86,057	(95)	235,952
Depreciation expenses and amortization	48,244	3,339	3,089	64,692	119,364
As at 30 June 2026 (unaudited):					
Total assets	71,685,844	2,703,326	147,102,734	7,636,655	229,128,559
Total liabilities	174,599,517	68,407	10,829,402	1,782,159	187,279,485

	Six months ended 30 June 2025 (unaudited)				
	Retail and corporate banking	Trade finance	Treasury	Others	Total
Net interest income	1,607,724	31,180	447,480	71,708	2,158,092
Non-interest income	116,985	24,594	242,697	685,933	1,070,209
Operating income	1,724,709	55,774	690,177	757,641	3,228,301
Operating expenses	(574,049)	(44,578)	(88,029)	(393,940)	(1,100,596)
Operating profit before credit impairment losses	1,150,660	11,196	602,148	363,701	2,127,705
Credit impairment losses	(1,455,981)	1,387	(657)	633	(1,454,618)
Operating profit/(loss) after credit impairment losses	(305,321)	12,583	601,491	364,334	673,087
Share of net profits of associates and joint venture	–	–	–	40,505	40,505
Profit/(loss) before income tax (after taking into account internal fund transfers and cost allocation)	(305,321)	12,583	601,491	404,839	713,592
Income tax expense	(69,541)	2,066	98,802	(22,636)	8,691
Depreciation expenses and amortization	50,435	5,096	4,669	54,408	114,608
As at 31 December 2025 (audited):					
Total assets	69,239,089	2,816,685	148,184,356	7,263,590	227,503,720
Total liabilities	176,294,132	68,788	8,591,450	1,513,406	186,467,776

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

31 Segment reporting (Continued)

(b) By geographical regions

The following tables provide segment information by geographical area determined with reference to the location of the principal operations of the branches and subsidiaries of the Group.

	As at 30 June 2026 (unaudited)			Six months ended 30 June 2026 (unaudited)		
	Total assets	Total liabilities	Contingent liabilities and commitments	Total operating income	Profit/(loss) before income tax	Capital expenditure
Hong Kong and Chinese Mainland	206,783,145	179,288,990	27,292,437	2,694,261	1,921,390	363,631
United States	18,443,821	5,833,399	533,025	289,074	(224,758)	976
United Kingdom	3,901,593	2,157,096	11,628	39,790	25,147	51
Total	229,128,559	187,279,485	27,837,090	3,023,125	1,721,779	364,658

	As at 31 December 2025 (audited)			Six months ended 30 June 2025 (unaudited)		
	Total assets	Total liabilities	Contingent liabilities and commitments	Total operating income	Profit/(loss) before income tax	Capital expenditure
Hong Kong and Chinese Mainland	204,970,351	178,629,434	31,349,920	2,802,203	695,414	68,633
United States	18,324,595	5,505,699	406,301	375,341	(13,889)	155
United Kingdom	4,208,774	2,332,643	4,760	50,757	32,067	866
Total	227,503,720	186,467,776	31,760,981	3,228,301	713,592	69,654

NOTES TO THE GROUP INTERIM FINANCIAL DISCLOSURE STATEMENT

32 International claims

The following table shows the Group's international claims by major country or geographical segment, each representing 10% or more of the Group's total international claims. International claims refer to exposures to counterparties on which the ultimate risk lies, and are derived according to the location of the counterparties after taking into account any recognized risk transfer. In general, transfer of risk from one country to another is recognized if the claims against a counterparty are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country.

As at 30 June 2026 (unaudited)	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developed economies	51,604,000	128,000	186,000	4,707,000	56,625,000
Offshore centres	8,920,000	4,654,000	547,000	14,026,000	28,147,000
– of which Hong Kong	2,463,000	116,000	238,000	7,763,000	10,580,000
Developing Asia and Pacific	53,533,000	61,000	–	3,264,000	56,858,000
– of which Chinese Mainland	27,014,000	61,000	–	2,440,000	29,515,000
– of which Chinese Taipei	18,072,000	–	–	170,000	18,242,000

As at 31 December 2025 (audited)	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developed economies	46,855,000	244,000	–	4,661,000	51,760,000
Offshore centres	10,887,000	1,061,000	236,000	19,293,000	31,477,000
– of which Hong Kong	2,688,000	518,000	236,000	8,091,000	11,533,000
Developing Asia and Pacific	55,262,000	58,000	–	3,480,000	58,800,000
– of which Chinese Mainland	23,439,000	58,000	–	2,794,000	26,291,000
– of which Chinese Taipei	24,085,000	–	–	369,000	24,454,000

REGULATORY DISCLOSURES (UNAUDITED)

The following disclosures are prepared under regulatory scope of consolidation to comply with the Banking (Disclosure) Rules and are not audited.

1 Key prudential ratios

		30 June 2026	31 March 2026	31 December 2025	30 September 2025	30 June 2025
Regulatory capital (amount)						
1 & 1a	Common Equity Tier 1 (CET1)	37,885,084	37,329,802	36,604,045	36,120,469	35,914,608
2 & 2a	Tier 1	37,885,084	37,329,802	36,604,045	36,120,469	35,914,608
3 & 3a	Total capital	42,133,425	41,546,371	40,776,278	40,293,773	40,143,946
Risk Weighted Amounts (RWA)						
4	Total RWA	140,452,720	137,064,391	134,102,176	135,517,581	139,971,549
4a	Total RWA (pre-floor)	140,452,720	137,064,391	134,102,176	135,517,581	139,971,549
Risk-based regulatory capital ratios (as a percentage of RWA)						
5 & 5a	CET1 ratio (%)	27.0%	27.2%	27.3%	26.7%	25.7%
5b	CET1 ratio (%) (pre-floor ratio)	27.0%	27.2%	27.3%	26.7%	25.7%
6 & 6a	Tier 1 ratio (%)	27.0%	27.2%	27.3%	26.7%	25.7%
6b	Tier 1 ratio (%) (pre-floor ratio)	27.0%	27.2%	27.3%	26.7%	25.7%
7 & 7a	Total capital ratio (%)	30.0%	30.3%	30.4%	29.7%	28.7%
7b	Total capital ratio (%) (pre-floor ratio)	30.0%	30.3%	30.4%	29.7%	28.7%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical capital buffer requirement (%)	0.32%	0.33%	0.34%	0.33%	0.33%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	N/A	N/A	N/A	N/A	N/A
11	Total AI-specific CET1 buffer requirements (%)	2.8%	2.8%	2.8%	2.8%	2.8%
12	CET1 available after meeting the AI's minimum capital requirements (%)	21.0%	21.2%	21.3%	20.7%	19.7%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	231,437,004	235,031,042	230,451,324	233,365,846	232,639,558
13a	LR exposure measure based on mean values of gross assets of SFTs	231,435,736	234,753,385	230,606,759	232,574,542	232,661,536
14, 14a & 14b	LR (%)	16.4%	15.9%	15.9%	15.5%	15.4%
14c & 14d	LR (%) based on mean values of gross assets of SFTs	16.4%	15.9%	15.9%	15.5%	15.4%
Liquidity Coverage Ratio (LCR)/Liquidity Maintenance Ratio (LMR)						
	Applicable to category 1 institutions only:					
15	Total high quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A
16	Total net cash outflows	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2 institutions only:					
17a	LMR (%)	84.7%	84.8%	83.7%	82.3%	76.5%
Net Stable Funding Ratio (NSFR)/Core Funding Ratio (CFR)						
	Applicable to category 1 institutions only:					
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
	Applicable to category 2A institutions only:					
20a	CFR (%)	273.2%	271.3%	282.6%	308.4%	295.6%

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy

The calculation of the capital adequacy ratio as at 30 June 2026 is based on the Banking (Capital) Rules ("BCR"). The capital adequacy ratio represents the consolidated ratio of the Bank's Hong Kong offices and its branches outside Hong Kong, Shacom Property (CA), Inc., Shacom Property (NY), Inc., Shacom Property Holdings (BVI) Limited, Shacom Investment Limited, Shacom Assets Investments Limited, Right Honour Investments Limited, Glory Step Westpoint Investments Limited, Silver Wisdom Westpoint Investments Limited, Shacom Insurance Brokers Limited, KCC 23F Limited, KCC 25F Limited, and KCC 26F Limited computed in accordance with Section 3C(1) of the BCR.

For accounting purposes, the basis of consolidation is described in Note 5 to the Group Interim Financial Disclosure Statement.

The Group uses the standardized (credit risk) approach, standardized (market risk) approach, revised standardized approach and reduced basic credit valuation adjustment ("CVA") approach under BCR for credit risk, market risk, operational risk and CVA risk respectively. The Group operates subsidiaries in different countries where capital is governed by local rules and there may be restrictions on the transfer of funds or regulatory capital between members of the Group.

The table below shows the balance sheet based on accounting scope of consolidation and the regulatory scope of consolidation, and the reconciliation of the capital components from balance sheet based on regulatory scope of consolidation to the Composition of Regulatory Capital as at 30 June 2026.

Reconciliation of regulatory capital to balance sheet

	Balance sheet as in published financial statements as at 30 June 2026	Under regulatory scope of consolidation as at 30 June 2026	Reference
Assets			
Cash and balances with banks	30,960,747	30,959,033	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(837)	(1)
Placements with and advances to banks	37,961,135	37,961,135	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(1,045)	(2)
Loans and advances to customers	70,087,051	70,087,051	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(662,922)	(3)
Financial assets at fair value through profit or loss	177,263	121,835	
<i>of which: insignificant capital investments in financial sector entities exceeding 10% threshold</i>	–	3,838	(4)
Derivative financial instruments	519,350	519,350	
Investment securities at fair value through other comprehensive income	77,007,684	76,748,994	
<i>of which: insignificant capital investments in financial sector entities exceeding 10% threshold</i>	–	1,089,094	(5)
Investment securities at amortized cost	4,252,332	4,252,332	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(10)	(6)
Properties for sale	121,370	121,370	
Investments in associates and joint venture	381,612	43,000	
Investments in and amounts due from subsidiaries	–	296,609	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(40,963)	(7)

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Reconciliation of regulatory capital to balance sheet (Continued)

	Balance sheet as in published financial statements as at 30 June 2026	Under regulatory scope of consolidation as at 30 June 2026	Reference
Properties and equipment	2,344,342	2,345,066	
Investment properties	1,068,764	1,068,764	
Intangible assets	89,126	112,615	(8)
Current income tax assets	256,678	256,678	
Deferred income tax assets	1,110,107	1,116,054	(9)
Other assets	2,790,998	2,717,365	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	(6,605)	(10)
Total assets	229,128,559	228,727,251	
Liabilities			
Deposits and balances from banks	5,989,328	5,989,328	
Deposits from customers	173,394,762	173,394,762	
Derivative financial instruments	446,015	446,015	
Amounts due to subsidiaries	–	456,262	
Subordinated debts	2,724,744	2,724,744	(11)
Other liabilities	4,461,808	4,314,141	
<i>of which: Stage 1 and Stage 2 impairment allowances reflected in regulatory capital</i>	–	51,280	(12)
Current income tax liabilities	250,837	244,389	
Deferred income tax liabilities	11,991	11,947	
Total liabilities	187,279,485	187,581,588	
Equity			
Share capital	2,000,000	2,000,000	(13)
Retained earnings	28,325,883	27,788,449	(14)
Reserves	11,387,565	11,357,214	
<i>of which: accumulated other comprehensive income/(loss), other than regulatory reserve</i>	–	10,419,426	(15)
<i>regulatory reserve</i>	–	937,788	(16)
Non-controlling interests in equity	135,626	–	
Total equity	41,849,074	41,145,663	
Total equity and liabilities	229,128,559	228,727,251	

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Composition of regulatory capital

The Composition of Regulatory Capital as at 30 June 2026 is shown below:

		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
CET1 capital: instruments and reserves			
1	Directly issued qualifying CET1 capital instruments plus any related share premium	2,000,000	(13)
2	Retained earnings	27,788,449	(14)
3	Disclosed reserves	11,357,214	(15) + (16)
5	Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group)	–	
6	CET1 capital before regulatory deductions	41,145,663	
CET1 capital: regulatory deductions			
7	Valuation adjustments	1,190	
8	Goodwill (net of associated deferred tax liabilities)	–	
9	Other intangible assets (net of associated deferred tax liabilities)	112,615	(8)
10	Deferred tax assets (net of associated deferred tax liabilities)	1,116,054	(9)
11	Cash flow hedge reserve	–	
12	Excess of total EL amount over total eligible provisions under the IRB approach	–	
13	Credit-enhancing interest-only strip, and any gain-on-sale and other increase in the CET1 capital arising from securitization transactions	–	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15	Defined benefit pension fund net assets (net of associated deferred tax liabilities)	–	
16	Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet)	–	
17	Reciprocal cross-holdings in CET1 capital instruments	–	
18	Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	1,092,932	(4) + (5)
19	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
21	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
22	Amount exceeding the 15% threshold	Not applicable	Not applicable
23	of which: significant investments in the ordinary share of financial sector entities	Not applicable	Not applicable
24	of which: mortgage servicing rights	Not applicable	Not applicable
25	of which: deferred tax assets arising from temporary differences	Not applicable	Not applicable
26	National specific regulatory adjustments applied to CET1 capital	937,788	
26a	Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	–	
26b	Regulatory reserve for general banking risks	937,788	(16)
26c	Securitization exposures specified in a notice given by the Monetary Authority	–	

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Composition of regulatory capital (Continued)

		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
26d	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	–	
26e	Capital shortfall of regulated non-bank subsidiaries	–	
26f	Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base)	–	
27	Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	–	
28	Total regulatory deductions to CET1 capital	3,260,579	
29	CET1 capital	37,885,084	
AT1 capital: instruments			
30	Qualifying AT1 capital instruments plus any related share premium	–	
31	of which: classified as equity under applicable accounting standards	–	
32	of which: classified as liabilities under applicable accounting standards	–	
34	AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group)	–	
36	AT1 capital before regulatory deductions	–	
AT1 capital: regulatory deductions			
37	Investments in own AT1 capital instruments	–	
38	Reciprocal cross-holdings in AT1 capital instruments	–	
39	Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
40	Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments applied to AT1 capital	–	
42	Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions	–	
43	Total regulatory deductions to AT1 capital	–	
44	AT1 capital	–	
45	Tier 1 capital (T1 = CET1 + AT1)	37,885,084	
Tier 2 capital: instruments and provisions			
46	Qualifying Tier 2 capital instruments plus any related share premium	2,724,744	(11)
48	Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group)	–	
50	Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	1,523,597	
51	Tier 2 capital before regulatory deductions	4,248,341	

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Composition of regulatory capital (Continued)

		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
Tier 2 capital: regulatory deductions			
52	Investments in own Tier 2 capital instruments	–	
53	Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities	–	
54	Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold)	–	
54a	Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as “section 2 institution” under §2(1) of Schedule 4F to BCR only)	–	
55	Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
55a	Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	
56	National specific regulatory adjustments applied to Tier 2 capital	–	
56a	Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital	–	
56b	Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within BCR §48(1) (g)	–	
57	Total regulatory adjustments to Tier 2 capital	–	
58	Tier 2 capital (T2)	4,248,341	
59	Total regulatory capital (TC = T1 + T2)	42,133,425	
60	Total RWA	140,452,720	
Capital ratios (as a percentage of RWA)			
61	CET1 capital ratio	27.0%	
62	Tier 1 capital ratio	27.0%	
63	Total capital ratio	30.0%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements)	2.8%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical capital buffer requirement	0.32%	
67	of which: higher loss absorbency requirement	–	
68	CET1 (as a percentage of RWA) available after meeting minimum capital requirements	21.0%	
National minima (if different from Basel 3 minimum)			
69	National CET1 minimum ratio	Not applicable	Not applicable
70	National Tier 1 minimum ratio	Not applicable	Not applicable
71	National Total capital minimum ratio	Not applicable	Not applicable

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Composition of regulatory capital (Continued)

		Amount	Source based on reference numbers of the balance sheet under the regulatory scope of consolidation
Amounts below the thresholds for deduction (before risk weighting)			
72	Insignificant LAC investments in CET1, AT1 and Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation	3,897,801	
73	Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	494,209	
74	Mortgage servicing rights (net of associated deferred tax liabilities)	Not applicable	Not applicable
75	Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities)	Not applicable	Not applicable
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap)	1,701,450	(12) + (16) – (1) – (2) – (3) – (6) – (7) – (10)
77	Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA	1,523,597	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach and SEC-IRBA (prior to application of cap)	–	
79	Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA	–	

Note to the template:

Element where a more conservative definition has been applied in the BCR relative to that set out in Basel III capital standards:

Row No.	Description	Hong Kong basis	Basel III basis
	Deferred tax assets (“DTA”) (net of associated deferred tax liabilities)	1,116,054	–
10	<u>Explanation</u> As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III. The amount reported under the column “Basel III basis” in this box represents the amount reported in row 10 (i.e. the amount reported under the “Hong Kong basis”) adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for mortgage servicing rights, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities or other credit exposures to connected companies) under Basel III.		
Remarks: The amount of the 10% threshold and 5% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.			

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Main features of regulatory capital instruments

The main features of regulatory capital instruments as at 30 June 2026 are shown below. Full terms and conditions are published in the Bank's website of <http://www.shacombank.com.hk> and are accessible via the following direct link: <http://www.shacombank.com.hk/eng/about/regulatory/20260630.jsp>

		Ordinary shares	Subordinated notes due 2033
1	Issuer	Shanghai Commercial Bank Limited	Shanghai Commercial Bank Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	ISIN: XS2531672892
3	Governing law(s) of the instrument	Laws of Hong Kong	English Law, except that the subordination provisions shall be governed by the laws of Hong Kong.
	Regulatory treatment		
4	Transitional Basel III rules	N/A	N/A
5	Basel III rules	Common Equity Tier 1	Tier 2
6	Eligible at solo*/group/solo and group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Other Tier 2 instruments
8	Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	HK\$2,000 million	HK\$2,725 million
9	Par value of instrument	N/A	US\$350 million
10	Accounting classification	Shareholders' equity	Liability-amortized cost
11	Original date of issuance	1951, 1968, 1969, 1970, 1972, 1973, 1975, 1979, 1981, 1985, 1988, 1990, 1991, 1996, 2000	28 February 2023
12	Perpetual or dated	Perpetual	Dated
13	Original maturity date	No maturity	28 February 2033
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	One-off call date: 28 February 2028. Additional optional redemption in whole at 100% of principal amount with accrued interest for taxation reasons, tax deductions reasons and regulatory reasons. Redemption amount subject to adjustment following occurrence of a Non-Viability Event. Redemption subject to prior written consent of the HKMA.
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons/dividends		
17	Fixed or floating dividend/coupon	Floating	Fixed
18	Coupon rate and any related index	N/A	6.375% p.a. Fixed until 28 February 2028 and thereafter reset to a new fixed rate equal to the sum of the then prevailing U.S. Treasury Rate and the Spread at Pricing.
19	Existence of a dividend stopper	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Cumulative

REGULATORY DISCLOSURES (UNAUDITED)

2 Capital structure and adequacy (Continued)

Main features of regulatory capital instruments (Continued)

		Ordinary shares	Subordinated notes due 2033
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	N/A	The earlier of the HKMA notifying the issuer in writing: (i) that the HKMA is of the opinion that a write-off or conversion is necessary, without which the Issuer would become non-viable or (ii) that a decision has been made by the government body, a government officer or other relevant regulatory body with the authority to make such a decision, that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable.
32	If write-down, full or partial	N/A	May be in part or in full
33	If write-down, permanent or temporary	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A	The rights of the holders will, in the event of the winding up of the Bank, rank (i) subordinate and junior in right of payment to, and of all claims of, (a) all unsubordinated creditors of the Issuer (including its depositors), and (b) all other Subordinated Creditors of the Issuer whose claims are stated to rank senior to the Notes or rank senior to the Notes by operation of law or contract; (ii) pari passu in right of payment to and of all claims of the holders of Parity Obligations; and (iii) senior in right of payment to, and of all claims of, (a) the holders of Junior Obligations, and (b) holders of Tier 1 Capital Instruments of the Issuer.
36	Non-compliant transitioned features	N/A	N/A
37	If yes, specify non-compliant features	N/A	N/A

Footnote:

* Include solo-consolidated

REGULATORY DISCLOSURES (UNAUDITED)

3 Overview of RWA

The table below shows the breakdowns of RWA for various risks as at 30 June 2026 and 31 March 2026 and the minimum capital requirements as at 30 June 2026 which are calculated by multiplying the Group's RWA by 8%.

		RWA		Minimum capital requirements
		30 June 2026	31 March 2026	30 June 2026
1	Credit risk for non-securitization exposures	110,281,081	107,845,036	8,822,487
2	Of which STC approach	110,281,081	107,845,036	8,822,487
2a	Of which BSC approach	–	–	–
3	Of which foundation IRB approach	–	–	–
4	Of which supervisory slotting criteria approach	–	–	–
5	Of which advanced IRB approach	–	–	–
5a	Of which retail IRB approach	–	–	–
5b	Of which specific risk-weight approach	–	–	–
5c	Of which cryptoasset exposures to credit risk calculated in accordance with section 376 and Divisions 5, 6 and 8 of Part 12 of the BCR	–	–	–
6	Counterparty credit risk and default fund contributions	608,551	701,686	48,684
7	Of which SA-CCR approach	606,319	700,839	48,506
7a	Of which CEM	–	–	–
8	Of which IMM(CCR) approach	–	–	–
8a	Of which method for group 2b cryptoasset derivative contracts	–	–	–
9	Of which others	2,232	847	178
10	CVA risk	411,200	479,863	32,896
11	Equity positions in banking book under the simple risk-weight method and internal models method	N/A	N/A	N/A
12	Collective investment scheme ("CIS") exposures – look-through approach/ third-party approach	–	–	–
13	CIS exposures – mandate-based approach	–	–	–
14	CIS exposures – fall-back approach	–	–	–
14a	CIS exposures – combination of approaches	–	–	–
15	Settlement risk	–	–	–
16	Securitization exposures in banking book	–	–	–
17	Of which SEC-IRBA	–	–	–
18	Of which SEC-ERBA (including IAA)	–	–	–
19	Of which SEC-SA	–	–	–
19a	Of which SEC-FBA	–	–	–
20	Market risk	9,133,925	7,969,150	730,714
21	Of which STM approach	9,133,925	7,969,150	730,714
22	Of which IMA	–	–	–
22a	Of which SSTM approach	–	–	–
23	Capital charge for moving exposures between trading book and banking book	–	–	–
24	Operational risk	9,019,850	9,055,363	721,588
24a	Sovereign concentration risk	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% RW)	10,998,113	11,013,293	879,849
26	Output floor level applied	N/A	N/A	N/A
27	Floor adjustment (before application of transitional cap)	N/A	N/A	N/A
28	Floor adjustment (after application of transitional cap)	N/A	N/A	N/A
28a	Deduction to RWA	–	–	–
28b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	–	–	–
28c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	–	–	–
29	Total	140,452,720	137,064,391	11,236,218

REGULATORY DISCLOSURES (UNAUDITED)

4 Countercyclical Capital Buffer (“CCyB”) Ratio

CCyB ratio is calculated as the weighted average of the applicable jurisdictional CCyB (“JCCyB”) ratio effective at the date for which the determination is made, in respect of the jurisdictions (including Hong Kong) where the Bank has private sector credit exposures. The weight to be attributed to a given jurisdiction’s applicable CCyB ratio is the ratio of the Bank’s aggregate RWA 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 Bank’s aggregate RWA across all jurisdictions in which the Bank has private sector credit exposures.

Key drivers for the changes in exposure amounts include asset quality, credit growth and credit portfolio. The applicable JCCyB ratio for Hong Kong is determined by the Hong Kong Monetary Authority based on the Initial Reference Calculator that is transparently calculated and made public, while the applicable JCCyB ratio in respect of a given jurisdiction outside Hong Kong may differ from the JCCyB ratio as determined by the relevant authority in that jurisdiction if the Hong Kong Monetary Authority has determined and announced the application of a higher or lower rate.

The following table shows the CCyB ratio, the geographical breakdown of the RWA in relation to private sector credit exposures that are relevant to the calculation of CCyB ratio and which have an applicable JCCyB ratio greater than zero as at 30 June 2026.

	Geographical breakdown by Jurisdiction (J)	Applicable JCCyB ratio in effect	RWA used in computation of CCyB ratio	AI-specific CCyB ratio	CCyB amount
		%	HK\$’000	%	HK\$’000
1	Hong Kong SAR	0.50%	50,339,092		
2	Australia	1.00%	3,958		
3	Belgium	1.00%	5,016		
4	Chile	0.50%	124		
5	France	1.00%	52		
6	Germany	0.75%	83		
7	Ireland	1.50%	93,476		
8	Luxembourg	0.50%	79,133		
9	Netherlands	2.00%	1,043		
10	Norway	2.50%	2		
11	Saudi Arabia	1.00%	167,537		
12	South Africa	1.00%	8		
13	South Korea	1.00%	158,489		
14	Spain	0.50%	13		
15	Sweden	2.00%	23,679		
16	United Arab Emirates	0.50%	2,122		
17	United Kingdom	2.00%	271,745		
	Sum		51,145,572		
	Total		83,392,003	0.32%	449,449

REGULATORY DISCLOSURES (UNAUDITED)

5 Leverage ratio

The leverage ratio ("LR") represents the consolidated ratio computed in the same regulatory consolidation basis as the capital adequacy ratio. The table below presents the summary comparison of accounting assets against leverage ratio exposure measure as at 30 June 2026.

Item	Value under the LR framework
1 Total consolidated assets as per published financial statements (before adjustments for specific and collective provisions)	230,835,850
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(401,308)
3 Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	–
4 Adjustments for temporary exemption of central bank reserves	Not applicable
5 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure	–
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	–
7 Adjustments for eligible cash pooling transactions	–
8 Adjustments for derivative contracts	657,352
9 Adjustment for SFTs (i.e. repos and similar secured lending)	2,136
10 Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures)	5,310,844
11 Adjustments for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from LR exposure measure	(1,707,291)
12 Other adjustments	(3,260,579)
13 Leverage ratio exposure measure	231,437,004

The leverage ratios as at 30 June 2026 and 31 March 2026 are shown below:

	30 June 2026	31 March 2026
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivative contracts and SFTs, but including related on-balance sheet collateral)	229,412,215	231,252,905
2 Gross-up for derivative contracts collateral provided where deducted from balance sheet assets pursuant to the applicable accounting standard	–	–
3 Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	–	–
4 Less: Adjustment for assets other than money received under SFTs that are recognized as an asset	–	–
5 Less: Specific and collective provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	(1,656,011)	(1,750,640)
6 Less: Asset amounts deducted in determining Tier 1 capital	(3,260,579)	(3,726,590)
7 Total on-balance sheet exposures (excluding derivative contracts and SFTs)	224,495,625	225,775,675
Exposures arising from derivative contracts		
8 Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	93,853	208,647
9 Add-on amounts for PFE associated with all derivative contracts	1,082,849	1,288,636

REGULATORY DISCLOSURES (UNAUDITED)

5 Leverage ratio (Continued)

		30 June 2026	31 March 2026
10	Less: Exempted CCP leg of client-cleared trade exposures	–	–
11	Adjusted effective notional amount of written credit-related derivative contracts	–	–
12	Less: Permitted reductions in effective notional amount and permitted deductions from add-on amounts for PFE of written credit-related derivative contracts	–	–
13	Total exposures arising from derivative contracts	1,176,702	1,497,283
Exposures arising from SFTs			
14	Gross amount of SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	502,977	501,130
15	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
16	CCR exposure for SFT assets	2,136	1,130
17	Agent transaction exposures	–	–
18	Total exposures arising from SFTs	505,113	502,260
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	27,837,089	31,754,396
20	Less: Adjustments for conversion to credit equivalent amounts	(22,526,245)	(24,439,723)
21	Less: Specific and collective provisions associated with off-balance sheet exposures that are deducted from Tier 1 capital	(51,280)	(58,849)
22	Off-balance sheet items	5,259,564	7,255,824
Capital and total exposures			
23	Tier 1 capital	37,885,084	37,329,802
24	Total exposures	231,437,004	235,031,042
Leverage ratio			
25 & 25a	Leverage ratio	16.4%	15.9%
26	Minimum leverage ratio requirement	3.0%	3.0%
27	Applicable leverage buffers	Not applicable	Not applicable
Disclosure of mean values			
28	Mean value of gross assets of SFTs, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	501,709	223,473
29	Quarter-end value of gross amount of SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	502,977	501,130
30 & 30a	Total exposures based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	231,435,736	234,753,385
31 & 31a	Leverage ratio based on mean values from row 28 of gross assets of SFTs (after adjustment for sale accounting transactions and netted amounts of associated cash payables and cash receivables)	16.4%	15.9%

Abbreviations:
CCP: Central counterparty
CCR: Counterparty credit risk
PFE: Potential future exposure
SFT: Securities financing transactions

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk

(a) Credit quality of exposures as at 30 June 2026

	Gross carrying amounts of			Allowances/ impairments	Of which ECL accounting provisions for credit losses on STC approach exposures		Of which ECL accounting provisions for credit losses on IRB approach exposures	Net values
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of specific provisions	Allocated in regulatory category of collective provisions		
1	Loans	3,633,970	67,954,413	1,501,332	838,410	662,922	–	70,087,051
2	Debt securities	–	75,908,822	10	–	10	–	75,908,812
3	Off-balance sheet exposures	9,957	6,993,103	19,390	–	19,390	–	6,983,670
4	Total	3,643,927	150,856,338	1,520,732	838,410	682,322	–	152,979,533

Defaulted exposures correspond to the secured and unsecured portions of defaulted exposures as defined in BCR §51(1) or claims past due for more than 90 days.

(b) Changes in defaulted loans and debt securities

	Amount
1 Defaulted loans and debt securities at end of the previous reporting period	3,956,367
2 Loans and debt securities that have defaulted since the last reporting period	601,669
3 Returned to non-defaulted status	–
4 Amounts written off	(221,658)
5 Other changes*	(702,408)
6 Defaulted loans and debt securities at end of the current reporting period	3,633,970

* Other changes include loan repayment and exchange rate difference.

(c) Overview of recognized credit risk mitigation as at 30 June 2026

	Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by recognized collateral	Exposures secured by recognized guarantees	Exposures secured by recognized credit derivative contracts
1 Loans	64,636,144	5,450,907	907,650	557,230	–
2 Debt securities	75,908,812	–	–	–	–
3 Total	140,544,956	5,450,907	907,650	557,230	–
4 Of which defaulted	2,787,926	7,634	1,674	1,513	–

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(d) Credit risk exposures and effects of recognized credit risk mitigation – for STC approach as at 30 June 2026

Exposure classes	Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Sovereign exposures	10,365,702	–	10,375,011	–	61	0%
2 Public sector entity exposures	5,599,103	500,000	6,145,546	200,000	1,269,109	20%
3 Multilateral development bank exposures	1,147,174	–	1,147,174	–	–	0%
3a Unspecified multilateral body exposures	288,173	–	288,173	–	57,635	20%
4 Bank exposures	113,749,115	1,429,529	113,749,115	571,812	28,286,372	25%
4a Qualifying non-bank financial institution exposures	1,665,252	397,888	1,665,252	39,789	762,810	45%
5 Eligible covered bond exposures	–	–	–	–	–	–
6 General corporate exposures	30,218,190	15,081,034	29,947,559	2,904,139	25,544,680	78%
6a Of which: non-bank financial institution exposures excluding those reported under row 4a	–	–	–	–	–	–
6b Specialized lending	–	–	–	–	–	–
7 Equity exposures	–	–	–	–	–	–
7a Significant capital investments in commercial entities	–	–	–	–	–	–
7b Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities	–	–	–	–	–	–
7c Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates	–	–	–	–	–	–
8 Retail exposures	2,609,622	6,290,930	2,378,222	690,928	2,661,790	87%
8a Exposures arising from IPO financing	–	–	–	–	–	–
9 Real estate exposures	47,902,413	4,075,127	46,941,317	894,930	42,647,093	89%
9a Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	6,695,022	1,529,171	6,153,902	611,668	2,168,972	32%
9b Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)	1,395,227	–	1,395,227	–	599,979	43%

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(d) Credit risk exposures and effects of recognized credit risk mitigation – for STC approach as at 30 June 2026 (Continued)

Exposure classes		Exposures pre-CCF and pre-CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
9c	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	2,709,258	32,191	2,704,279	11,321	2,137,117	79%
9d	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	7,260,776	6,994	7,150,547	2,798	5,956,482	83%
9e	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	22,683,519	2,466,154	22,403,555	262,294	21,120,734	93%
9f	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)	4,670,434	–	4,665,474	–	6,998,211	150%
9g	Of which: land acquisition, development and construction exposures	2,488,177	40,617	2,468,333	6,849	3,665,598	148%
10	Defaulted exposures	2,971,867	62,582	2,971,867	9,245	4,435,893	149%
11	Other exposures	4,492,930	–	4,492,930	–	4,492,930	100%
11a	Cash and gold	586,276	–	1,493,651	–	122,703	8%
11b	Items in the process of clearing or settlement	504,950	–	504,950	–	5	0%
12	Total	222,100,767	27,837,090	222,100,767	5,310,843	110,281,081	48%

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(e) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2026

		0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	65%
1	Sovereign exposures	10,374,706			305						–	
2	Public sector entity exposures	–			6,345,546						–	
3	Multilateral development bank exposures	1,147,174					–				–	
3a	Unspecified multilateral body exposures				288,173		–				–	
4	Bank exposures				68,217,178		42,044,694		–		4,059,055	
4a	Qualifying non-bank financial institution exposures				425,554		626,482		–		–	
5	Eligible covered bond exposures		–	–	–	–	–	–			–	
6	General corporate exposures				1,666,395		–				10,625,070	
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a				–		–				–	
6b	Specialized lending				–						–	
7	Equity exposures											
7a	Significant capital investments in commercial entities											
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities											
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates											
8	Retail exposures									484,306		
8a	Exposures arising from IPO financing	–										

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(e) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2026 (Continued)

		75%	80%	85%	100%	130%	150%	250%	400%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereign exposures				–		–				–	10,375,011
2	Public sector entity exposures				–		–				–	6,345,546
3	Multilateral development bank exposures				–		–				–	1,147,174
3a	Unspecified multilateral body exposures				–		–				–	288,173
4	Bank exposures	–			–		–				–	114,320,927
4a	Qualifying non-bank financial institution exposures	653,005			–		–				–	1,705,041
5	Eligible covered bond exposures				–						–	–
6	General corporate exposures	1,660,174		1,642,162	17,257,897		–				–	32,851,698
6a	Of which: non-bank financial institution exposures excluding those reported under row 4a	–		–	–		–				–	–
6b	Specialized lending	–	–		–	–	–				–	–
7	Equity exposures							–	–		–	–
7a	Significant capital investments in commercial entities							–	–	–	–	–
7b	Holdings of capital instruments issued by, and non-capital LAC liabilities of, financial sector entities						–	–	–		–	–
7c	Subordinated debts issued by banks, qualifying non-bank financial institutions and corporates						–				–	–
8	Retail exposures	568,718			2,006,627						9,499	3,069,150
8a	Exposures arising from IPO financing										–	–

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(e) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2026 (Continued)

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%
9	Real estate exposures	–	2,273,274	765,730	2,856,842	132,940	403,890	472,678	275,897	1,448,083	
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		2,273,274	765,730	2,209,846		403,890	78,763	275,897	–	
9b	Of which: no loan splitting applied		2,273,274	765,730	2,209,846		403,890	78,763	275,897	–	
9c	Of which: loan splitting applied (secured)										
9d	Of which: loan splitting applied (unsecured)										
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)				646,996	132,940		393,915		25,805	
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–		–		–		–	1,422,278	
9g	Of which: no loan splitting applied	–	–		–		–		–	1,422,278	
9h	Of which: loan splitting applied (secured)										
9i	Of which: loan splitting applied (unsecured)										
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)										
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	–	–		–		–		–		
9l	Of which: no loan splitting applied	–	–		–		–		–		
9m	Of which: loan splitting applied (secured)										
9n	Of which: loan splitting applied (unsecured)										
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)										
9p	Of which: land acquisition, development and construction exposures										

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(e) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2026 (Continued)

		70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
9	Real estate exposures	4,184,735	3,175,550	5,246,610	2,672,580	15,733,796	71,770	1,036,559	7,046,305	39,008	47,836,247
9a	Of which: regulatory residential real estate exposures (not materially dependent on cash flows generated by mortgaged properties)	740,529	-				-			17,641	6,765,570
9b	Of which: no loan splitting applied	740,529	-				-			17,641	6,765,570
9c	Of which: loan splitting applied (secured)										
9d	Of which: loan splitting applied (unsecured)										
9e	Of which: regulatory residential real estate exposures (materially dependent on cash flows generated by mortgaged properties)		102,434		-		71,770			21,367	1,395,227
9f	Of which: regulatory commercial real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		-	63,726		1,229,596			-	-	2,715,600
9g	Of which: no loan splitting applied		-	63,726		1,229,596			-	-	2,715,600
9h	Of which: loan splitting applied (secured)										
9i	Of which: loan splitting applied (unsecured)										
9j	Of which: regulatory commercial real estate exposures (materially dependent on cash flows generated by mortgaged properties)	3,444,206			2,672,580			1,036,559		-	7,153,345
9k	Of which: other real estate exposures (not materially dependent on cash flows generated by mortgaged properties)		3,073,116	5,182,884		14,409,849			-	-	22,665,849
9l	Of which: no loan splitting applied		3,073,116	5,182,884		14,409,849			-	-	22,665,849
9m	Of which: loan splitting applied (secured)										
9n	Of which: loan splitting applied (unsecured)										
9o	Of which: other real estate exposures (materially dependent on cash flows generated by mortgaged properties)								4,665,474	-	4,665,474
9p	Of which: land acquisition, development and construction exposures					94,351			2,380,831	-	2,475,182

REGULATORY DISCLOSURES (UNAUDITED)

6 Credit risk (Continued)

(e) Credit risk exposures by exposure classes and by risk weights – for STC approach as at 30 June 2026 (Continued)

		0%	20%	50%	100%	150%	1250%	Other	Total credit exposure amount (post-CCF and post-CRM)
10	Defaulted exposures				63,093	2,914,766		3,253	2,981,112
11	Other exposures				4,492,930		-	-	4,492,930
11a	Cash and gold	994,714			28,644			470,293	1,493,651
11b	Items in the process of clearing or settlement	504,926	24					-	504,950

Exposure amounts and CCFs applied to off-balance sheet exposures, categorized based on risk bucket of converted exposures (STC version)

	Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	138,383,731	1,930,282	40%	139,155,844
2	40–70%	20,859,480	5,502,506	20%	21,975,081
3	75%	5,691,348	3,032,826	12%	6,057,447
4	85%	6,030,292	4,837,641	18%	6,888,772
5	90–100%	40,076,335	12,419,383	18%	42,255,567
6	105–130%	1,114,604	11,253	29%	1,117,828
7	150%	9,944,977	103,199	16%	9,961,071
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	222,100,767	27,837,090	19%	227,411,610

* Weighting is based on off-balance sheet exposure (pre-CCF)

REGULATORY DISCLOSURES (UNAUDITED)

7 Counterparty credit risk

(a) Analysis of counterparty credit risk exposures (other than those to CCPs) by approaches as at 30 June 2026

		Replacement cost (RC)	PFE	Effective EPE	Alpha (α) used for computing default risk exposure	Default risk exposure after CRM	RWA
1	SA-CCR approach (for derivative contracts)	125,988	753,481		1.4	1,231,257	606,319
1a	CEM (for derivative contracts)	–	–		1.4	–	–
1b	Method for group 2b cryptoasset derivative contracts	–	–		1.4	–	–
2	IMM (CCR) approach			–	–	–	–
3	Simple approach (for SFTs)					505,112	2,232
4	Comprehensive approach (for SFTs)					–	–
5	VaR (for SFTs)					–	–
6	Total						608,551

(b) Counterparty credit risk exposures (other than those to CCPs) by exposure classes and by risk weights – for STC approach as at 30 June 2026

Risk Weight Exposure class													Total default risk exposure after CRM
		0%	10%	20%	30%	40%	50%	75%	85%	100%	150%	Others	
1	Sovereign exposures	2,136	–	–	–	–	–	–	–	–	–	–	2,136
2	Public sector entity exposures	–	–	–	–	–	–	–	–	–	–	–	–
3	Multilateral development bank exposures	–	–	–	–	–	–	–	–	–	–	–	–
4	Unspecified multilateral body exposures	–	–	–	–	–	–	–	–	–	–	–	–
5	Bank exposures	–	–	642,589	80,371	–	–	–	–	–	–	–	722,960
6	Qualifying non-bank financial institution exposures	–	–	68,259	–	–	–	–	–	–	–	–	68,259
7	General corporate exposures	–	–	–	–	–	–	–	239,878	–	–	–	239,878
8	Retail exposures	–	–	–	–	–	–	2,976	–	200,160	–	–	203,136
9	Defaulted exposures	–	–	–	–	–	–	–	–	–	–	–	–
10	Other exposures	500,000	–	–	–	–	–	–	–	–	–	–	500,000
11	Total	502,136	–	710,848	80,371	–	–	2,976	–	440,038	–	–	1,736,369

REGULATORY DISCLOSURES (UNAUDITED)

7 Counterparty credit risk (Continued)

(c) Composition of collateral for counterparty credit risk exposures (including those for contracts or transactions cleared through CCPs) as at 30 June 2026

		Derivative contracts				SFTs	
		Fair value of recognized collateral received		Fair value of posted collateral		Fair value of recognized collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash – domestic currency	–	–	–	1,926	500,000	–
2	Cash – other currencies	–	145,885	–	104,570	–	–
3	Debt securities	–	–	–	–	–	502,136
4	Total	–	145,885	–	106,496	500,000	502,136

(d) Credit-related derivatives contracts

The Group did not have any credit-related derivatives contracts as at 30 June 2026.

(e) Exposures to CCPs

The Group did not have any exposures to CCPs as at 30 June 2026.

8 CVA risk

CVA risk under reduced basic CVA approach as at 30 June 2026

		Components	CVA risk capital charge under the reduced basic CVA approach
1	Aggregation of systematic components of CVA risk	93,387	
2	Aggregation of idiosyncratic components of CVA risk	22,538	
3	Total		32,896

REGULATORY DISCLOSURES (UNAUDITED)

9 Market risk

Market risk under STM approach as at 30 June 2026

		Market risk capital charges under STM approach
1	General interest rate risk	16,377
2	Equity risk	–
3	Commodity risk	5,713
4	Foreign exchange risk	708,042
5	Credit spread risk (non-securitization)	146
6	Credit spread risk (securitization: non-correlation trading portfolio (“CTP”))	–
7	Credit spread risk (securitization: CTP)	–
8	Standardized default risk charge (“SA-DRC”) (non-securitization)	413
9	SA-DRC (securitization: non-CTP)	–
10	SA-DRC (securitization: CTP)	–
11	Group 2a cryptoasset exposures	–
12	Residual risk add-on	23
13	Total	730,714

10 Asset encumbrance

The encumbered and unencumbered assets on the balance sheet as at 30 June 2026 are shown below.

	Encumbered assets*	Unencumbered assets	Total
Balances and placements with and advances to banks	338,755	68,581,413	68,920,168
Loans and advances to customers	–	70,087,051	70,087,051
Investment securities	4,696,450	76,304,876	81,001,326
Other assets	106,497	8,612,209	8,718,706
Total	5,141,702	223,585,549	228,727,251

* Assets that the Group is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations.

REGULATORY DISCLOSURES (UNAUDITED)

11 Non-bank Mainland exposures

The Bank	30 June 2026			31 December 2025		
	On-balance sheet exposures	Off-balance sheet exposures	Total	On-balance sheet exposures	Off-balance sheet exposures	Total
Types of counterparties						
1. Central government, central government-owned entities and their subsidiaries and joint ventures	712,408	41,582	753,990	793,331	3,629	796,960
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	280,536	–	280,536	74,907	–	74,907
3. PRC nationals residing in Chinese Mainland or other entities incorporated in Chinese Mainland and their subsidiaries and joint ventures	8,232,011	305,005	8,537,016	7,597,418	623,084	8,220,502
4. Other entities of central government not reported in item 1 above	448,997	–	448,997	448,292	–	448,292
5. Other entities of local governments not reported in item 2 above	–	–	–	–	–	–
6. PRC nationals residing outside Chinese Mainland or entities incorporated outside Chinese Mainland where the credit is granted for use in Chinese Mainland	3,176,916	440,179	3,617,095	3,276,708	324,836	3,601,544
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Chinese Mainland exposures	359,075	2	359,077	550,382	5	550,387
Total	13,209,943	786,768	13,996,711	12,741,038	951,554	13,692,592
Total assets after provisions	223,601,814			222,019,814		
On-balance sheet exposures as percentage of total assets	5.91%			5.74%		

REGULATORY DISCLOSURES (UNAUDITED)

12 Currency concentrations

As at 30 June 2026

Equivalent in Hong Kong dollars	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position	Net structural position
US Dollars	85,561,000	(89,272,000)	59,251,000	(50,832,000)	747,000	5,455,000	6,980,000
Pound Sterling	5,218,000	(5,284,000)	2,990,000	(3,186,000)	382,000	120,000	3,000
Euro Dollars	1,183,000	(1,231,000)	5,496,000	(4,382,000)	(842,000)	224,000	–
Renminbi	14,468,000	(13,462,000)	6,441,000	(7,353,000)	–	94,000	4,701,000
Canadian Dollars	1,135,000	(1,128,000)	427,000	(92,000)	(137,000)	205,000	–
Australian Dollars	3,565,000	(3,567,000)	1,692,000	(1,410,000)	(150,000)	130,000	–
Other currencies and gold	6,037,000	(1,591,000)	6,713,000	(10,111,000)	–	1,048,000	–
	117,167,000	(115,535,000)	83,010,000	(77,366,000)	–	7,276,000	11,684,000

As at 31 December 2025

Equivalent in Hong Kong dollars	Spot assets	Spot liabilities	Forward purchases	Forward sales	Net options position	Net long/ (short) position	Net structural position
US Dollars	86,374,000	(90,536,000)	49,976,000	(37,240,000)	(832,000)	7,742,000	6,817,000
Pound Sterling	5,373,000	(5,424,000)	796,000	(737,000)	–	8,000	3,000
Euro Dollars	1,115,000	(1,169,000)	4,176,000	(4,543,000)	409,000	(12,000)	–
Renminbi	13,957,000	(12,913,000)	3,783,000	(4,908,000)	–	(81,000)	5,202,000
Canadian Dollars	1,381,000	(1,382,000)	299,000	(372,000)	–	(74,000)	–
Australian Dollars	4,043,000	(4,040,000)	2,015,000	(2,009,000)	–	9,000	–
Other currencies and gold	6,709,000	(1,589,000)	7,411,000	(12,699,000)	423,000	255,000	–
	118,952,000	(117,053,000)	68,456,000	(62,508,000)	–	7,847,000	12,022,000

The net options position is calculated based on the delta-weighted positions of all foreign exchange option contracts.

The above disclosure is based on the significance of the Group's foreign currency exposures of the current period.

REVIEW OF OPERATIONS

Financial Review

Hong Kong's economy was robust during the first half of 2026, highlighted by a robust 4.3% year-on-year real GDP rise in Q2 – moderating from the 5.9% growth in Q1. The growth was supported by healthy external trade, particularly in advanced electronics and AI-linked sectors, alongside recovering domestic demand and vibrant inbound tourism. The labor market remained stable with the seasonally adjusted unemployment rate holding steady at 3.7%, reflecting resilient employment conditions amid economic expansion.

The city continued to cement its role as a premier global financial center, leading worldwide IPO activity with funds raised reaching about HK\$110 billion in the first quarter alone, boosted by strong A+H listings and technology offerings. The residential property market also staged a recovery, with residential property prices rising moderately for consecutive months and transaction volumes surging year-on-year, aided by improved affordability and renewed buyer confidence. On the other hand, the commercial property market was still under pressure, while the outlook on interest rates would continue to impact market sentiment.

On the global stage, the first half of 2026 featured moderate but uneven growth, shaped by lingering trade tensions, supply chain realignments, and geopolitical uncertainties. U.S. equity markets advanced on solid corporate earnings and AI optimism, while China maintained steady expansion through industrial output and diversified exports. Hong Kong benefited from these trends, leveraging its strengths in finance and trade connectivity to support local activity.

For the first six months ended 30 June 2026, Shanghai Commercial Bank Limited (the “Bank”) and its subsidiaries (together the “Group”) recorded a consolidated profit after tax of HK\$1,486 million, an increase of 111% compared to the same period last year. The Bank's operation and business remained robust with the total capital adequacy ratio and common equity Tier 1 capital ratio maintained at 30.0% and 27.0% respectively at the end of June 2026, while the average liquidity maintenance ratio for the first half of 2026 was 84.8%.

Net interest income for the Bank reached HK\$2,000 million, down 7.3% from the same period last year and net interest margin dropped by 13 basis points to 1.87% primarily due to lower interest rates. The Bank, however, took proactive steps to grow the loan portfolio as well as to shift to higher-yielding investment grade debt securities. Net fee and commission income was 28% higher than that of the same period last year mainly due to increased revenue contribution from wealth management fees and life insurance commissions. Net trading income also increased by 16% year-on-year.

Credit impairment charge for the period was HK\$211 million, down by HK\$1,244 million, as specialized resources were allocated to monitor and manage exposures in regions that contributed to a material portion of the classified lending. The non-performing loan ratio was 5.08% at the end of June 2026 compared to 5.75% at the end of 2025 as professionals within the special asset management area have accelerated the recovery and disposal of distressed assets. The Group has actively implemented strategic credit management initiatives to safeguard asset quality and proactively manage non-performing assets.

The Group's total expenses were 1.1% higher than that for the first half of 2025, while the cost-to-income ratio for the period was at 36.8% compared to 34.1% for the same period last year.

Net comprehensive income attributable to equity holders for the first half of 2026 amounted to HK\$811 million, reflecting the Group's fair value movements on the its debt investments and equity interests, chiefly in shares of Bank of Shanghai.

The loan-to-deposit ratio was 41.3% at the end of June 2026 compared with 39.3% at the end of 2025 as gross loans and advances increased by 4.1% to HK\$72 billion while customer deposits declined by 1.0% to HK\$173 billion as the Bank prudently grew the loan portfolio while maintaining asset quality. The excess liquidity was invested in high-quality investment-grade bonds with ratings of single A or above, thereby reducing the Group's exposure to credit risk.

At the end of June 2026, the Group's total assets grew by 0.7% to HK\$229 billion while shareholders' funds grew by 2.0% to HK\$42 billion as compared to the levels at the end of 2025.

REVIEW OF OPERATIONS

Highlights of Business Performance

The Group maintained a prudent and selective approach in managing its corporate banking business during the first half of 2026. Loan demand remained moderate as customers adopted a cautious stance toward investment and financing, while the Group continued to focus on credit quality and disciplined risk management. Net interest income was affected by market pricing pressure and lower loan yields, while corporate fee income from bills business and facility fees remained resilient, supported by ongoing trade activity. The Bank joined the Northern Metropolis Financial Advisory Taskforce jointly established by the Hong Kong Monetary Authority (“HKMA”) and the Hong Kong Association of Banks (“HKAB”) to contribute banking expertise and support the development of financing solutions for large-scale infrastructure and project opportunities. This reinforces our commitment to public-private collaboration and participation in Hong Kong’s long-term growth initiatives.

The retail banking division achieved strong growth compared to the same period last year. Net fee and commission income on retail products saw significant improvements to HK\$382 million, up 42% over same period of last year. This expansion was helped by triple-digit growth in life insurance and a 57.1% increase in wealth management. Retail lending also grew by 15% compared to 2025 year-end, driven primarily by an increase in residential mortgages.

Our Integrated Relationship Management Model is a cornerstone of our value proposition, to serve two distinct yet equally important customer groups: small-to-medium enterprises and individual clients. Far from being a mere convenience, this approach is key strategic differentiator of the Bank. By maintaining a single point of contact, our relationship managers seamlessly understand the nuances of both business and personal financial needs. This enhances operational efficiency, accelerates decision-making, and delivers on our core values of simplicity, reliability and unwavering partnership – all from one trusted source.

With respect to our Treasury business, the Group demonstrated strong resilience amidst 2026’s geopolitical tensions, trade frictions, optimism surrounding AI-driven growth and market volatility. Foreign exchange income continued to excel, with expertise in Asian currencies driving robust foreign exchange income for the fifth consecutive year. The bond investment portfolio continued to prioritize liquidity and capital preservation while enhancing returns through strategic diversification by investing in high-rated sovereign, quasi-government, and corporate securities, and utilizing FX funding swaps to hedge currency risks and capture wider yield spreads. We have achieved a significant milestone by gaining regulatory approval to access the China Foreign Exchange Trade System (CFETS). This achievement strengthens our onshore funding capabilities and broadens our counterparty base in the Mainland China money market. Looking ahead, we will continue expanding our treasury product suite to support clients’ investment, hedging, and risk management needs in this evolving landscape.

Guided by an unwavering commitment to empower SMEs through FinTech, we continued to leverage data and artificial intelligence to accelerate their global expansion. We are actively participating in the HKMA’s CargoX Pilot Programme, using alternative trade data to streamline KYC onboarding and strengthen credit underwriting for SMEs. We have also built on last year’s success with the Smart Working Capital Solution pilot for logistics SMEs by broadening the program to support a wider range of credit-facility applications. Our dedication to digital innovation and SME support has been recognized, which earned us multiple accolades at the Asian Banking & Finance Awards 2026, Finance Asia Awards 2026 and TAB Global Excellence Awards 2026. To further elevate the banking experience, we have deployed a comprehensive Interbank Analytics Platform – powered by the HKMA’s Interbank Account Data Sharing (“IADS”) – to deliver holistic financial insights to our SME clients. In addition, our retail and SME customers can now monitor the status of international payments in real time through our online banking portal, drastically improving the cross-border transaction experience. Looking ahead, we will continue to develop cutting-edge solutions for our clients, with a strategic focus on emerging technologies such as tokenization and artificial intelligence to drive the next wave of value in digital transformation.

The Bank has addressed the credit pressures by tightening underwriting standards, enforcing strict single-group concentration ceilings relative to our capital, and enhancing our credit early-warning systems to detect potential risks at an early stage. The Group continues to rely on its robust “Three Lines of Defense” risk governance framework to maintain a resilient risk profile. Risk control and compliance functions dynamically monitored risk appetite indicators, updated credit assessment guidelines, and optimized stress-testing practices in pursuance of the latest regulatory requirements. These internal controls are regularly reviewed by internal audit to ensure their ongoing effectiveness. The control functions not only safeguard the Bank, but also the customers by aligning with regulators’ and law enforcement agencies’ initiatives to protect against potential scams and fraud. The Bank has ensured prompt compliance with regulator-issued guidelines and circulars, such as the “Money Safe” deposit protection, “Suspicious Account Alert” through Scameter integration, and the “Internet Banking Safety ABCD” framework. Guided by the AI Risk Management Policy and Framework, the Bank has deployed smart process automation and enhanced screening tools to optimize transaction monitoring and fraud detection across our digital channels. By strengthening our cybersecurity defenses, automating key compliance reporting, and continuously updating our business continuity plans, the Bank remains well-positioned to protect client assets and ensure stability in a digitalized banking landscape.

REVIEW OF OPERATIONS

Sustainability

The Group is committed to embedding sustainability across our business strategy, operations, and culture. In close alignment with the HKMA Sustainable Finance Action Agenda, we maintain a strong focus on decarbonizing both our operational practices and investment portfolio. In 2025, the Board approved the “Business Strategy Towards Carbon-intensive Sectors” and reviewed and enhanced our Decarbonization Plan, setting more explicit action items and targets to achieve net-zero emissions in our own operations by 2030 and across our financed emissions by 2050.

In the first half of 2026, we made significant strides in our Green and Sustainable Banking (GSB) initiatives. We formally established our “Green and Sustainable Finance Product Framework” to support our GSB business development. Furthermore, we are actively participating in the HKEX Core Climate Pioneer Programme to support cross-boundary carbon trade settlements and the development of GBA carbon markets, in line with the Policy Address and China’s dual carbon targets.

Concurrently, we have accelerated digital transformation and leveraged technology to enhance green banking solutions. We have also strengthened the integrity of our internal ESG data systems to robustly monitor both operational and financed emissions, and formally integrated these initiatives into our transition plan. Additionally, we continue to advance responsible lending practices and implement our Sustainability Disclosure Plan to ensure full compliance with “the Roadmap on Sustainability Disclosure in Hong Kong”, as well as evolving regulatory reporting requirements.

Bank Culture

The Bank has refreshed its Vision statement and Core Values – Accountability, Integrity, Innovation, and Teamwork – for shaping a more focused and desired behavioral framework. Continued efforts are dedicated to strengthen the innovation-driven change momentum, adoption of AI-driven financial technologies, ESG commitment and actions, and appreciation culture. The senior management has also set the tone from the top to remind the importance of compliance culture. Initiatives for encouraging ongoing workflow streamlining and operational efficiency have been organized which would benefit both the Bank and the staff in terms of enhanced professional knowledge, increased work efficiency and productivity as well as stronger teamwork. To promote sustainability awareness, an ESG Carnival for staff was held to showcase the diversity of green and socially responsible practices in a fun way. We’d endeavor to refresh all levels of staff’s mindset of acting responsibly with integrity and the importance of giving feedback for constructive enhancements of the Bank.

Looking Ahead

The Bank is unswerving in transcending challenges and capturing opportunities. The Five-Year Plan for 2026 to 2030 sets the course for navigating strategic realms of digital innovation, sustainability, risk resilience and Greater Bay Area development, creating sustainable value to the Group and stakeholders as a whole. The Bank remains committed to achieving net-zero operations as part of our Decarbonization Plan. We stay focused on the provision of customer-centric services and all-round one-stop banking solutions for our customers, particularly corporates and SMEs. The Group continues to pursue steady development across all business lines, while upholding sturdy regulatory compliance and governance standards.

STATEMENT OF COMPLIANCE

In preparing the Group Interim Financial Disclosure Statement, the Bank complies with the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance.

Stephen Ching Yen LEE
Chairman

Sunny Yiu Tong CHEUNG
Chief Executive

Hong Kong, 19 August 2026

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF SHANGHAI COMMERCIAL BANK LIMITED

(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 1 to 41, which comprises the condensed consolidated statement of financial position of Shanghai Commercial Bank Limited (the “Bank”) and its subsidiaries (together, the “Group”) as at 30 June 2026 and the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising material accounting policy information and other explanatory information. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Our responsibility is to express a conclusion on this interim financial information based on our review 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” as issued by the HKICPA. A review of interim financial information consists of making inquiries, 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 information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the HKICPA.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 August 2026