

O-BANK CO., LTD.
HONG KONG BRANCH
(Incorporated in Taiwan with limited liability)

Interim Financial Disclosure Statement
For the Half Year Ended 30 June 2026

I. Profit and Loss Information

	For the period 1 Jan 2026 to 30 Jun 2026 HK\$'000	For the period 1 Jan 2025 to 30 Jun 2025 HK\$'000
Interest income	442,231	465,119
Interest expense	(271,909)	(292,443)
Other operating income		
- Gains less losses arising from trading in foreign currencies	32,415	54,520
- Gains less losses on securities held for trading purposes	652	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income	22,102	22,770
- <i>Fees and commission income</i>	22,948	23,465
- <i>Fees and commission expenses</i>	(846)	(695)
- Others	8,345	2,183
Total operating income	233,836	252,149
Operating expenses		
- Rental expenses	(7,224)	(7,751)
- Staff expenses	(34,629)	(34,805)
- Other operating expenses	(37,124)	(32,963)
Total operating expenses	(78,977)	(75,519)
Impairment losses and provisions for impaired loans and receivables	(24,600)	(43,349)
Gains less losses from the disposal of property, plant and equipment and investment properties	-	155
Profit before taxation	130,259	133,436
Tax expense	(19,663)	(28,646)
Profit after taxation	110,596	104,790

II. Balance Sheet Information

	As at 30 June 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
Assets		
Cash and balances with banks	2,512,318	2,348,881
Amount due from Exchange Fund repayable or callable within one month	30,479	41,133
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	588,192	-
Amount due from overseas offices	4,346,491	3,322,326
Trade bills	-	-
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables and other accounts	11,482,343	10,988,673
Investment securities	2,368,585	2,019,145
Other investments	-	-
Property, plant and equipment	10,703	11,833
Right-of-use assets, net	14,324	18,804
Total assets	21,353,435	18,750,795
Equity and liabilities		
Deposit and balances from banks	150,000	-
Deposit from customers	19,998,124	18,111,305
- Demand deposit and current accounts	461,373	504,352
- Savings deposits	2,720,484	1,608,589
- Time, call and notice deposits	16,816,267	15,998,364
Amounts due to overseas offices	290,756	288,579
Certificates of deposit issued	-	-
Issued debt securities	-	-
Lease liabilities	14,535	19,018
Other liabilities	829,181	173,471
Total liabilities	21,282,596	18,592,373
Reserves	70,839	158,422
Total Equity and Liabilities	21,353,435	18,750,795

III. Additional Balance Sheet Information

(i) Loans and receivables and other accounts

	As at 30 Jun 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
- Loans and advances to customers	11,000,506	11,046,573
- Loans and advances to banks	-	-
- Accrued interests and other accounts	620,678	89,935
	<u>11,621,184</u>	<u>11,136,508</u>
Less: - Collective impairment allowances	(114,761)	(114,968)
<i>Loans and advances to customers</i>	(112,436)	(112,765)
<i>Loans and advances to banks</i>	-	-
<i>Accrued interests and other accounts</i>	(2,325)	(2,203)
- Individual impairment allowances	(24,080)	(32,867)
<i>Loans and advances to customers</i>	(24,080)	(32,867)
<i>Loans and advances to banks</i>	-	-
<i>Accrued interests and other accounts</i>	-	-
	<u>(138,841)</u>	<u>(147,835)</u>
	<u>11,482,343</u>	<u>10,988,673</u>

(ii) Analysis of gross amount of loans and advances to customers by industry

	As at 30 Jun 2026		As at 31 Dec 2025	
	Outstanding Balance HK\$'000	Covered by Collateral or other security HK\$'000	Outstanding Balance HK\$'000	Covered by Collateral or other security HK\$'000
Loans and advances for use in Hong Kong				
<i>Industrial, commercial and financial sectors:</i>				
- Property development	928,373	663,873	1,346,911	961,297
- Property investment	286,964	285,136	242,164	240,336
- Financial concerns	4,562,732	3,921,724	3,767,228	3,192,586
- Stockbrokers	155,000	-	-	-
- Wholesale and retail trade	1,184,631	970,634	1,169,593	935,339
- Manufacturing	492,887	157,549	448,045	289,740
- Transport and transport equipment	92,500	92,500	116,853	116,853
- Recreational activities	-	-	-	-
- Information technology	96,960	90,960	104,960	95,960
- Others	1,663,593	1,287,497	1,861,176	1,590,841
<i>Individuals:</i>				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-	-	-
- Loans for the purchase of other residential properties	-	-	-	-
- Credit card advances	-	-	-	-
- Others	-	-	-	-
Trade finance	39,451	18,846	39,566	20,691
Loans and advances for use outside Hong Kong	1,497,415	790,569	1,950,077	1,236,324
Total	11,000,506	8,279,288	11,046,573	8,679,967

(iii) Analysis of gross amount of loans and advances to customers by geographical segments

(a) Gross amount of loans and advances to customers by major countries or geographical areas

The following geographical analysis of gross loans and advances to customers is classified in accordance with the location of the counterparties after taking into account the transfer of risk in respect of such loans and advances where appropriate. In general, such transfer of risk takes place if the loans or advances of a customer are guaranteed by a party in a country, which is different from that of the customer. A country or geographical segment, to which not less than 10% of the Branch's total amount of loans and advances to customers are attributable after taking into account any recognized risk transfer, is disclosed below:

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
Hong Kong	10,766,527	10,435,186

(b) Impaired loans and advance to customers by countries or geographical area

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
Hong Kong	296,630	341,922

(c) Gross amount of overdue loans and advance to customers by countries or geographical area

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
Hong Kong	257,072	341,922

(iv) Individual impaired loans and advances to customers

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
- Individual impaired loans and advances	296,630	341,922
- Individual impairment allowances	24,080	32,867
- Collateral value- covered portion	296,630	324,840
- Percentage to total loans and advances to customers	2.70%	3.10%

(v) Overdue loans and advances to customers

	Outstanding balance HK\$'000	% to total loans and advances to customers HK\$'000	Individual impairment allowances HK\$'000	Collateral value HK\$'000	Covered portion HK\$'000	Uncovered portion HK\$'000
<u>As at</u> <u>30 Jun 2026</u>						
-More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
-More than 6 months but not more than one year	148,032	1.35%	8,334	173,701	148,032	-
-More than one year	109,040	0.99%	10,904	121,897	109,040	-
Total	257,072	2.34%	19,238	295,598	257,072	-

	Outstanding balance HK\$'000	% to total loans and advances to customers HK\$'000	Individual impairment allowances HK\$'000	Collateral value HK\$'000	Covered portion HK\$'000	Uncovered portion HK\$'000
As at 31 Dec 2025						
-More than 3 months but not more than 6 months	181,087	1.64%	20,927	208,419	164,005	17,082
-More than 6 months but not more than one year	109,040	0.99%	10,904	121,897	109,040	-
-More than one year	-	0.00%	-	-	-	-
Total	290,127	2.63%	31,831	330,316	273,045	17,082

There were no overdue loans and advances to banks and financial institutions as at 30 June 2026 and 31 December 2025.

(vi) Rescheduled loans and advances to customers

	As at 30 Jun 2026		As at 31 Dec 2025	
	Gross amount HK\$'000	% to total loans and advances to customers HK\$'000	Gross amount HK\$'000	% to total loans and advances to customers HK\$'000
-Rescheduled loans and advances to customers	-	0.00%	-	0.00%
Total	-	0.00%	-	0.00%

There were no rescheduled loans and advances to banks and financial institutions as at 30 June 2026 and 31 December 2025.

(vii) Other advances

	As at 30 Jun 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
Gross trade bills:		
- Overdue more than 3 months but not more than 6 months	-	-
- Overdue more than 6 months but not more than 1 year	-	-
- Overdue more than 1 year	-	-
Total	-	-

	As at 30 Jun 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
Gross debt securities:		
- Overdue more than 3 months but not more than 6 months	-	-
- Overdue more than 6 months but not more than 1 year	-	-
- Overdue more than 1 year	-	-
Total	-	-

(viii) Repossessed assets

There were no repossessed assets held by Hong Kong Branch as at 30 June 2026 and 31 December 2025.

(ix) International claims

International claims by country or geographical segment is based on the physical location of the counterparty in which not less than 10% of total international claims (including Hong Kong) after taking into account the transfer of risks. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country, which is different from that of the counterparty, or if the claims are on an overseas branch of a bank whose head office is located in another country.

	Banks	Official sector	Non-bank financial institutions	Non-bank private sector Non- financial private sector	Others	Total
	HK\$ million					
<u>As at 30 June 2026</u>						
Offshore centres						
- Hong Kong SAR	361	78	198	1,666	-	2,303
Developing Asia and Pacific						
- Taiwan	6,995	-	-	104	-	7,099
<u>As at 31 December 2025</u>						
Offshore centres						
- Hong Kong SAR	148	77	196	1,128	-	1,549
Developing Asia and Pacific						
- Taiwan	5,476	-	-	163	-	5,639

(x) Currency risk

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	Others	Total
	HK\$ million									
<u>As at 30 June 2026</u>										
Spot assets	10,306	6	7	32	43	-	8	669	-	11,071
Spot liabilities	(11,386)	(94)	(1,077)	(130)	(470)	-	(8)	(278)	(1)	(13,444)
Forward purchases	11,388	1,240	2,827	710	513	-	989	127	32	17,826
Forward sales	(9,981)	(1,152)	(1,756)	(611)	(85)	-	(989)	(517)	(47)	(15,138)
Net options position	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	327	-	1	1	1	-	-	1	(16)	315
Net structural position	-	-	-	-	-	-	-	-	-	-
<u>As at 31 December 2025</u>										
Spot assets	7,153	314	440	34	106	1	-	706	-	8,754
Spot liabilities	(10,816)	(197)	(53)	(17)	(534)	(1)	-	(216)	(1)	(11,835)
Forward purchases	12,312	366	3,018	275	639	-	-	78	1	16,689
Forward sales	(7,227)	(483)	(3,406)	(292)	(220)	-	-	(565)	-	(12,193)
Net options position	-	-	-	-	-	-	-	-	-	-
Net long / (short) position	1,422	-	(1)	-	(9)	-	-	3	-	1,415
Net structural position	-	-	-	-	-	-	-	-	-	-

(xi) Non-bank Mainland exposures

	On-balance sheet exposure HK\$'000	Off-balance sheet exposure HK'000	Total exposure HK'000
<u>As at 30 June 2026</u>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,092	148,309	149,401
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,051,483	191,847	1,243,330
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	67,709	22,200	89,909
Total	1,120,284	362,356	1,482,640
Total assets after provision	21,353,435		
On-balance sheet exposures as percentage of total assets	5.25%		

As at 31 December 2025

1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	896	101,320	102,216
4. Other entities of central government not reported in item 1 above	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	1,157,805	114,206	1,272,011
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	69,670	25,000	94,670
Total	1,228,371	240,526	1,468,897
Total assets after provision	18,750,795		
On-balance sheet exposures as percentage of total assets	6.55%		

IV. Off-balance Sheet Exposures (other than derivative transaction)

	As at 30 Jun 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
<i>Total contractual or notional amounts</i>		
Direct credit substitutes	96,699	100,645
Transaction-related contingencies	12,777	11,932
Trade-related contingencies	59,295	48,044
Note issuance and revolving underwriting facilities	-	-
Other commitments	610,375	929,857
Others	141,166	-
	<u>920,312</u>	<u>1,090,478</u>

V. Derivative Transactions

	As at 30 Jun 2026 HK\$'000	As at 31 Dec 2025 HK\$'000
<i>Total contractual or notional amounts</i>		
Exchange rate-related derivative contracts	22,149,157	19,944,819
Interest rate derivative contracts	-	-
Others	-	-
	<u>22,149,157</u>	<u>19,944,819</u>
<i>Total fair value asset</i>		
Exchange rate-related derivative contracts	62,721	38,379
Interest rate derivative contracts	-	-
Others	-	-
	<u>62,721</u>	<u>38,379</u>
<i>Total fair value liability</i>		
Exchange rate-related derivative contracts	56,401	25,456
Interest rate derivative contracts	-	-
Others	-	-
	<u>56,401</u>	<u>25,456</u>

None of the above derivatives contracts are subject to the bilateral netting arrangements.

VI. Liquidity

The Branch has adopted the liquidity maintenance ratio (LMR) requirement in accordance with Banking (Liquidity) Rules starting 1 January 2015 onwards and complies with the minimum requirement of 25% as stipulated by the Hong Kong Monetary Authority (HKMA).

Average LMR is calculated as the simple average of each month's average liquidity maintenance ratio for the financial year.

	For the period 1 Apr 2026 to 30 Jun 2026 ¹	For the period 1 Apr 2025 to 30 Jun 2025 ²
Average Liquidity Maintenance Ratio	58.25%	51.15%

¹ The average LMR of financial year 2026 is calculated as the simple average of each month's average liquidity maintenance ratio of the second quarter of the financial year 2026.

² The average LMR of financial year 2025 is calculated as the simple average of each month's average liquidity maintenance ratio of the second quarter of the financial year 2025.

HK Branch's ALCO is responsible for supervising the overall monitoring and control of the Branch's liquidity. Its members include Chief Executive, Head of Treasury Section, Head of Corporate Banking Section, Head of Operation Section, Head of Risk Management Section from Hong Kong Branch, as well as Head of Treasury Department, Head of Finance & Accounting Department, Head of Risk Management Division and Head of Market Risk Management Section from Head Office. The management of liquidity is in compliance with the Branch's Liquidity Management Policy to ensure compliance with local regulatory requirements and limits set by Board of Directors.

On daily basis, Finance team calculates the liquidity maintenance ratio, in accordance with the Banking Ordinance, and reports to Treasury Department and Risk Management Department. Liquidity risk is managed on a weekly basis by establishing liquidity risk management indicators and limits to identify, measure, monitor and control the liquidity risk. The Branch also performs cash flow projections and stress testing to identify liquidity risk exposures and possible impact on monthly basis.

VII. IFRS 16 “Lease”

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 “Leases”, IFRIC 4 “Determining whether an Arrangement contains a Lease”, and a number of related interpretations.

Definition of a lease

Upon initial application of IFRS 16, the Group will elect to apply IFRS 16 only to contracts entered into (or changed) on or after January 1, 2019 in order to determine whether those contracts are, or contain, a lease. Contracts identified as containing a lease under IAS 17 and IFRIC 4 will not be reassessed and will be accounted for in accordance with the transitional provisions under IFRS 16.

The Bank as lessee

Upon initial application of IFRS 16, the Bank will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the balance sheets except for those whose payments under low-value and short-term leases will be recognized as expenses on a straight-line basis. On the statements of comprehensive income, the Bank will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the statements of cash flows. Leased assets and finance lease payables are recognized for contracts classified as finance leases.

The Bank anticipates applying IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

The Bank expects to apply the following practical expedients:

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate on January 1, 2019. All right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. Which is applied, the Bank applies IAS 36 to all right-of-use assets.

- a) The Bank will apply a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Bank will account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

For leases currently classified as finance leases under IAS 17, the carrying amounts of right-of-use assets and lease liabilities on January 1, 2019 will be determined as at the carrying amounts of the respective leased assets and finance lease payables as of December 31, 2018.

Right-of-use assets

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
<i>Carrying amount of Right-of-use assets</i>		
Buildings	28,936	29,842
<i>Depreciation charges for right-of-use assets</i>		
Buildings	(14,612)	(11,038)

Lease liabilities

	As at 30 Jun 2026	As at 31 Dec 2025
	HK\$'000	HK\$'000
Carrying amount of lease liabilities	14,535	19,018

VIII. Consolidated Bank Information

	As at 30 Jun 2026 ¹ (Audited) NT\$'000	As at 31 Dec 2025 ² (Audited) NT\$'000
(i) Capital and Capital adequacy		
Consolidated Amount of Shareholders funds	65,892,801	64,811,836
Consolidated Capital Adequacy Ratio*	14.06%	14.05%
(ii) Other Financial Information		
Total assets	738,762,815	701,299,097
Total liabilities	672,870,014	636,487,261
Total loans and advances	268,530,665	259,183,311
Total customer deposits	342,198,371	328,825,447
	For the period 1 Jan 2026 to 30 Jun 2026 ¹ (Audited) NT\$'000	For the period 1 Jan 2025 to 30 Jun 2025 ³ (Audited) NT\$'000
Pre-tax Profit	3,237,113	2,255,176

¹ The interim figures for the period ended 30 June 2026 are extracted from the audited Consolidated Financial Statements of the Bank.

² The figures for the year ended 31 December 2025 are extracted from the audited Consolidated Financial Statements of the Bank.

³ The interim figures for the period ended 30 June 2025 are extracted from the audited Consolidated Financial Statements of the Bank.

* The consolidated capital adequacy ratio is calculated in accordance Basel requirements.

IX. Disclosure of Remuneration Policy

In respect to the disclosure requirement under the HKMA's Supervisory Policy Manual (CG-5) Guideline on Sound Remuneration System. For Hong Kong branch, the remuneration information of the senior management and key personnel are listed as below:

	Senior management	Key personnel
	HK\$'000	HK\$'000
<u>As at 30 June 2026</u>		
Number of employees	5	5
Fixed remuneration	2,380	1,903
Number of employees	5	5
Variable remuneration	1,122	774
Total remuneration	<u>3,502</u>	<u>2,677</u>

	Senior management	Key personnel
	HK\$'000	HK\$'000
<u>As at 30 June 2025</u>		
Number of employees	4	6
Fixed remuneration	2,304	1,210
Number of employees	4	6
Variable remuneration	2,074	1,115
Total remuneration	<u>4,378</u>	<u>2,325</u>

X. Statement of Compliance

This 2026 Interim Financial Disclosure Statement contains all disclosures required by the Banking (Disclosure) Rules and the Supervisory Policy Manual: Guideline on the Application of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

This information contained in the disclosure statement is not false or misleading in any respect, and that the operations of the Bank are clearly explained.



LI Jian Hua
Chief Executive
O-Bank Co., Ltd. Hong Kong Branch
(incorporated in Taiwan with limited liability)

