

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

Interim Financial Disclosure Statement
For the Half Year Ended 30 June 2025

I. Profit and Loss Information

	For the period 1 Jan 2025 to 30 Jun 2025 HK\$'000	For the period 1 Jan 2024 to 30 Jun 2024 HK\$'000
Interest income	465,119	550,426
Interest expense	(292,443)	(365,240)
Other operating income		
- Gains less losses arising from trading in foreign currencies	54,520	45,586
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income	22,770	24,337
- <i>Fees and commission income</i>	23,465	24,946
- <i>Fees and commission expenses</i>	(695)	(609)
- Others	2,183	668
Total operating income	252,149	255,777
Operating expenses		
- Rental expenses	(7,751)	(7,835)
- Staff expenses	(34,805)	(31,900)
- Other operating expenses	(32,963)	(35,890)
Total operating expenses	(75,519)	(75,625)
Impairment losses and provisions for impaired loans and receivables	(43,349)	(29,606)
Gains less losses from the disposal of property, plant and equipment and investment properties	155	-
Profit before taxation	133,436	150,546
Tax expense	(28,646)	(28,874)
Profit after taxation	104,790	121,672

II. Balance Sheet Information

	As at 30 June 2025 HK\$'000	As at 31 Dec 2024 HK\$'000
Assets		
Cash and balances with banks	650,829	871,056
Amount due from Exchange Fund repayable or callable within one month	99,961	68,714
Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	-	100,938
Amount due from overseas offices	3,485,972	3,756,291
Trade bills	-	-
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables and other accounts	12,415,310	11,375,450
Investment securities	1,841,162	1,880,237
Other investments	-	-
Property, plant and equipment	12,374	11,963
Right-of-use assets, net	6,417	11,101
Total assets	18,512,025	18,075,750
Equity and liabilities		
Deposit and balances from banks	150,000	300,000
Deposit from customers	17,749,080	16,660,994
- Demand deposit and current accounts	420,643	422,775
- Savings deposits	1,548,031	1,514,416
- Time, call and notice deposits	15,780,406	14,723,803
Amounts due to overseas offices	291,134	287,861
Certificates of deposit issued	-	-
Issued debt securities	-	-
Lease liabilities	6,539	11,537
Other liabilities	251,439	673,266
Total liabilities	18,448,192	17,933,658
Reserves	63,833	142,092
Total Equity and Liabilities	18,512,025	18,075,750

III. Additional Balance Sheet Information

(i) Loans and receivables and other accounts

	As at 30 Jun 2025 HK\$'000	As at 31 Dec 2024 HK\$'000
- Loans and advances to customers	12,433,024	11,337,556
- Loans and advances to banks	-	-
- Accrued interests and other accounts	175,291	187,141
	<u>12,608,315</u>	<u>11,524,697</u>
Less: - Collective impairment allowances	(130,144)	(122,328)
<i>Loans and advances to customers</i>	(126,980)	(119,727)
<i>Loans and advances to banks</i>	-	-
<i>Accrued interests and other accounts</i>	(3,164)	(2,601)
- Individual impairment allowances	(62,861)	(26,919)
<i>Loans and advances to customers</i>	(62,861)	(26,919)
<i>Loans and advances to banks</i>	-	-
<i>Accrued interests and other accounts</i>	-	-
	<u>(193,005)</u>	<u>(149,247)</u>
	<u>12,415,310</u>	<u>11,375,450</u>

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

	As at 30 Jun 2025		As at 31 Dec 2024	
	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	1,568,297	1,222,228	1,241,852	921,938
- Property investment	243,364	243,364	307,399	307,399
- Financial concerns	5,544,688	4,939,440	3,843,283	3,236,084
- Stockbrokers	30,000	-	-	-
- Wholesale and retail trade	1,105,887	852,406	1,236,825	973,128
- Manufacturing	469,699	302,874	340,166	174,317
- Transport and transport equipment	112,775	112,775	163,958	163,958
- Recreational activities	-	-	-	-
- Information technology	107,770	107,770	107,770	107,770
- Others	1,406,446	1,076,180	1,349,753	995,007
<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	54,217	20,252	28,402	18,658
Loans and advances for use outside Hong Kong	1,789,881	1,006,487	2,718,148	1,748,149
Total	12,433,024	9,883,776	11,337,556	8,646,408

(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 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
Hong Kong	12,037,471	10,117,048

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

	As at 30 Jun 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
Hong Kong	312,031	394,640
Macau	36,383	36,383

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

	As at 30 Jun 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
Macau	36,383	36,383

(iv) Individual impaired loans and advances to customers

	As at 30 Jun 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
- Individual impaired loans and advances	348,414	431,023
- Individual impairment allowances	62,861	26,919
- Collateral value- covered portion	348,414	431,023
- Percentage to total loans and advances to customers	2.80%	3.80%

(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 2025</u>						
-More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
-More than 6 months but not more than one year	-	0.00%	-	-	-	-
-More than one year	36,383	0.29%	36,383	70,000	36,383	-
Total	36,383	0.29%	36,383	70,000	36,383	-

	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 2024						
-More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
-More than 6 months but not more than one year	-	0.00%	-	-	-	-
-More than one year	36,383	0.32%	18,191	70,000	36,383	-
Total	36,383	0.32%	18,191	70,000	36,383	-

There were no overdue loans and advances to banks and financial institutions as at 30 June 2025 and 31 December 2024.

(vi) Rescheduled loans and advances to customers

	As at 30 Jun 2025		As at 31 Dec 2024	
	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 2025 and 31 December 2024.

(vii) Other advances

	As at 30 Jun 2025	As at 31 Dec 2024
	HK\$'000	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 2025	As at 31 Dec 2024
	HK\$'000	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 2025 and 31 December 2024.

(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 financial private sector	Others	Total
	HK\$ million					
<u>As at 30 June 2025</u>						
Offshore centres						
- Hong Kong SAR	69	78	196	2,650	-	2,993
Developing Asia and Pacific						
- Taiwan	3,918	-	-	217	-	4,135
- China	-	-	-	-	-	-
<u>As at 31 December 2024</u>						
Offshore centres						
- Hong Kong SAR	109	65	184	631	-	989
Developing Asia and Pacific						
- Taiwan	4,352	-	-	241	-	4,593
- China	-	-	-	892	-	892

(x) Currency risk

	USD	GBP	JPY	EUR	CNY	CAD	AUD	Others	Total
	HK\$ million								
<u>As at 30 June 2025</u>									
Spot assets	6,973	4	594	37	69	2	752	-	8,431
Spot liabilities	(11,359)	(229)	(298)	(25)	(470)	(2)	(25)	(1)	(12,409)
Forward purchases	9,271	844	992	185	1,127	-	148	278	12,845
Forward sales	(3,874)	(640)	(1,288)	(197)	(727)	-	(873)	(277)	(7,876)
Net options position	-	-	-	-	-	-	-	-	-
Net long / (short) position	1,011	(21)	-	-	(1)	-	2	-	991
Net structural position	-	-	-	-	-	-	-	-	-
<u>As at 31 December 2024</u>									
Spot assets	5,934	4	652	46	53	-	1,174	-	7,863
Spot liabilities	(9,287)	(65)	(823)	(23)	(672)	-	(423)	(1)	(11,294)
Forward purchases	13,310	599	5,486	1	1,478	-	269	1	21,144
Forward sales	(8,816)	(535)	(5,311)	(24)	(827)	-	(999)	-	(16,512)
Net options position	-	-	-	-	-	-	-	-	-
Net long / (short) position	1,141	3	4	-	32	-	21	-	1,201
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 2025</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	1,875	148,873	150,748
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	1,239,189	330,342	1,569,531
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	77,037	18,000	95,037
Total	1,318,101	497,215	1,815,316
Total assets after provision	18,512,025		
On-balance sheet exposures as percentage of total assets	7.12%		

As at 31 December 2024

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	761,521	3,849,139	4,610,660
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	1,461,337	76,994	1,538,331
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	49,524	51,500	101,024
Total	2,272,382	3,977,633	6,250,015
Total assets after provision	18,075,750		
On-balance sheet exposures as percentage of total assets	12.57%		

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

	As at 30 Jun 2025 HK\$'000	As at 31 Dec 2024 HK\$'000
<i>Total contractual or notional amounts</i>		
Direct credit substitutes	117,242	146,904
Transaction-related contingencies	10,381	7,761
Trade-related contingencies	85,956	56,443
Note issuance and revolving underwriting facilities	-	-
Other commitments	846,173	873,070
Others	-	-
	<u>1,059,752</u>	<u>1,084,178</u>

V. Derivative Transactions

	As at 30 Jun 2025 HK\$'000	As at 31 Dec 2024 HK\$'000
<i>Total contractual or notional amounts</i>		
Exchange rate-related derivative contracts	14,301,355	22,799,650
Interest rate derivative contracts	-	-
Others	-	-
	<u>14,301,355</u>	<u>22,799,650</u>
<i>Total fair value asset</i>		
Exchange rate-related derivative contracts	66,235	79,675
Interest rate derivative contracts	-	-
Others	-	-
	<u>66,235</u>	<u>79,675</u>
<i>Total fair value liability</i>		
Exchange rate-related derivative contracts	53,499	81,945
Interest rate derivative contracts	-	-
Others	-	-
	<u>53,499</u>	<u>81,945</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 2025 to 30 Jun 2025 ¹	For the period 1 Apr 2024 to 30 Jun 2024 ²
Average Liquidity Maintenance Ratio	51.15%	54.28%

¹ 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.

² The average LMR of financial year 2024 is calculated as the simple average of each month's average liquidity maintenance ratio of the second quarter of the financial year 2024.

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 Department, Head of Risk Management Department and Head of Operation Department. 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 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
<i>Carrying amount of Right-of-use assets</i>		
Buildings	32,328	32,291
<i>Depreciation charges for right-of-use assets</i>		
Buildings	(25,911)	(21,190)

Lease liabilities

	As at 30 Jun 2025	As at 31 Dec 2024
	HK\$'000	HK\$'000
Carrying amount of lease liabilities	6,539	11,537

VIII. Consolidated Bank Information

	As at 30 Jun 2025 ¹ (Audited) NT\$'000	As at 31 Dec 2024 ² (Audited) NT\$'000
(i) Capital and Capital adequacy		
Consolidated Amount of Shareholders funds	61,418,600	61,520,393
Consolidated Capital Adequacy Ratio*	13.71%	13.69%
(ii) Other Financial Information		
Total assets	687,082,416	683,085,154
Total liabilities	625,663,816	621,564,761
Total loans and advances	253,853,580	247,488,056
Total customer deposits	312,979,972	331,170,002
	For the period 1 Jan 2025 to 30 Jun 2025 ¹ (Audited) NT\$'000	For the period 1 Jan 2024 to 30 Jun 2024 ³ (Audited) NT\$'000
Pre-tax Profit	2,255,176	2,668,567

¹ The interim figures for the period ended 30 June 2025 are extracted from the audited Consolidated Financial Statements of the Bank.

² The figures for the year ended 31 December 2024 are extracted from the audited Consolidated Financial Statements of the Bank.

³ The interim figures for the period ended 30 June 2024 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 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>
	Senior management	Key personnel
	HK\$'000	HK\$'000
<u>As at 30 June 2024</u>		
Number of employees	3	3
Fixed remuneration	1,511	1,311
Number of employees	3	3
Variable remuneration	1,192	1,071
Total remuneration	<u>2,703</u>	<u>2,382</u>

X. Statement of Compliance

This 2025 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.



CHEN Hsiung Jung
Chief Executive
O-Bank Co., Ltd. Hong Kong Branch
(incorporated in Taiwan with limited liability)

