中銀香港(控股)有限公司
BOC HONG KONG (HOLDINGS) LIMITED

2026 INTERIM REPORT

Stock Codes: 2388 (HKD counter) and 82388 (RMB counter)

CONTENTS

FINANCIAL HIGHLIGHTS

For the period	30 June 2026 HK$'m	30 June 2025 HK$'m
Net operating income before impairment allowances	**39,903**	40,137
Operating profit	**28,451**	28,403
Profit before taxation	**28,772**	27,284
Profit for the period	**24,356**	22,804
Profit attributable to equity holders of the Company	**23,739**	22,160
Per share	**HK$**	HK$
Basic earnings per share	**2.2453**	2.0959
Dividend per share	**0.8188**	0.5800
At period/year end	**30 June 2026 HK$'m**	31 December 2025 HK$'m
Total assets	**4,773,371**	4,495,238
Issued and fully paid up share capital	**52,864**	52,864
Capital and reserves attributable to equity holders of the Company	**360,366**	360,336
Financial ratios for the period	**30 June 2026 %**	30 June 2025 %
Return on average total assets[1]	**1.08**	1.05
Return on average shareholders' equity[2]	**13.18**	12.86
Cost to income ratio	**22.50**	20.97
Average value of liquidity coverage ratio[3]		
First quarter	**180.46**	231.50
Second quarter	**168.42**	185.34
Financial ratios at period/year end	**30 June 2026 %**	31 December 2025 %
Loan to deposit ratio[4]	**59.88**	58.32
Quarter-end value of net stable funding ratio[3]		
First quarter	**143.35**	140.67
Second quarter	**143.89**	139.34
Total capital ratio[5]	**25.71**	25.98

1. Return on average total assets = $\frac{\text{Profit for the period}}{\text{Daily average balance of total assets}}$

2. Return on average shareholders' equity

   $= \frac{\text{Profit attributable to equity holders of the Company}}{\text{Average of the beginning and ending balance of capital and reserves attributable to equity holders of the Company}}$

3. Liquidity coverage ratio and net stable funding ratio are computed on the consolidated basis which comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Liquidity) Rules.

4. Loan to deposit ratio is calculated as at period/year end. Loan represents gross advances to customers. Deposits from customers include structured deposits reported as "Financial liabilities at fair value through profit or loss".

5. Total capital ratio is computed on the consolidated basis for regulatory purposes that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules.

6. The Group has applied the merger accounting method in the preparation of financial statements for the combination with entity under common control in 2026. The comparative information for the year 2025 has been restated accordingly.

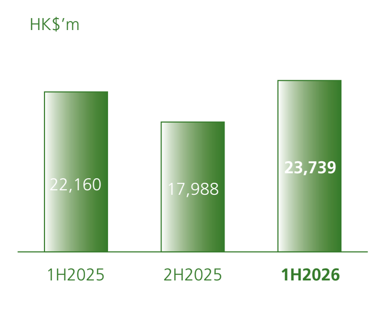
MANAGEMENT DISCUSSION AND ANALYSIS

Following the completion of the Group's acquisition of all the issued shares of Bank of China International Limited ("BOCI Private Bank") on 30 January 2026, the comparative information for 2025 has been restated accordingly.

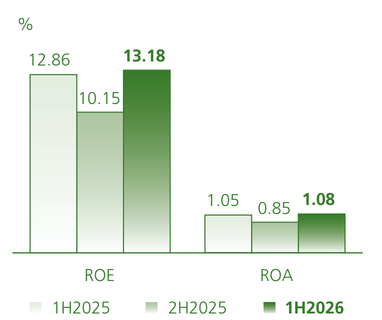
Financial Performance and Conditions at a Glance

The following table is a summary of the Group's key financial results for the first half of 2026 as compared with the previous two half-year periods of 2025.

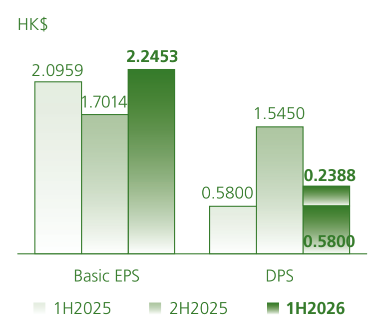
Profit attributable to equity holders



Return on Average Shareholders' Equity[1] ("ROE") and Return on Average Total Assets[1] ("ROA")



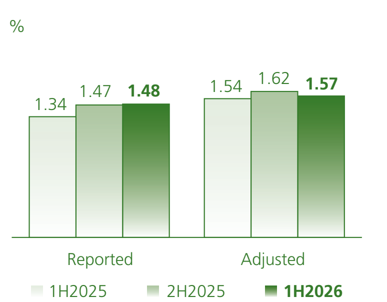
Basic Earnings Per Share ("Basic EPS") and Dividend Per Share ("DPS")



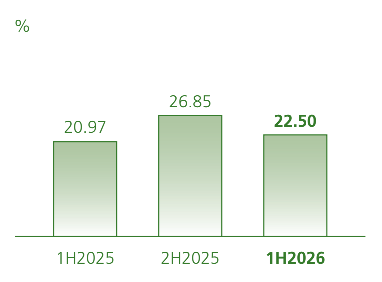
Profit attributable to equity holders

- In the first half of 2026, profit attributable to equity holders amounted to HK$23,739 million, representing an increase of 7.1% compared to the same period of the previous year, and an increase of 32.0% compared to the second half of 2025.
- ROE and ROA were 13.18% and 1.08% respectively.
- Basic EPS was HK$2.2453. Both the first and second interim dividends were HK$0.2900 per share, totalling HK$0.5800 per share in aggregate. The Board has approved the three-year shareholder return programme for 2026-2028, which includes an orderly increase in the regular dividend payout ratio within the established dividend payout range, and plans to deliver additional shareholder returns of no less than HK$10.5 billion over this three-year period. Under the programme, the Company will distribute a special dividend of HK$0.2388 per share for the year 2026.

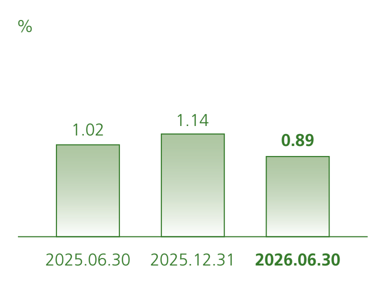
Net Interest Margin ("NIM")



Cost to Income Ratio



Impaired Loan Ratio



Proactively managed assets and liabilities, leading to a stable increase in NIM

- NIM was 1.48%. If the funding income or cost of foreign exchange swap contracts[2] were included, NIM would have been 1.57%, up 3 basis points year-on-year. The Group strengthened deposit pricing and tenor management while actively growing its CASA deposits to optimise its deposit mix, which led to year-on-year growth in NIM.

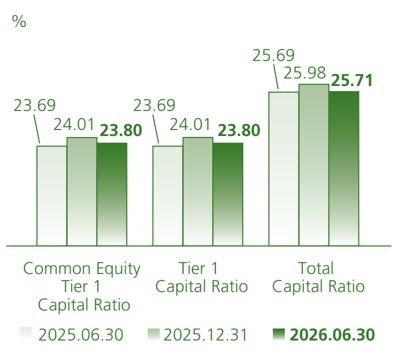
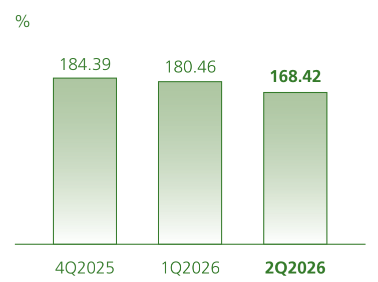
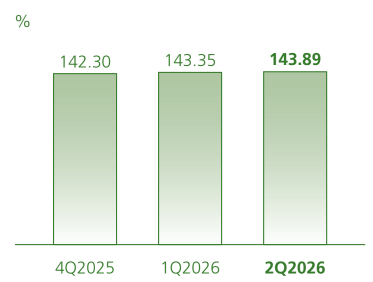
Maintained satisfactory operating efficiency by optimising cost management

- Cost to income ratio was 22.50%, remaining at a satisfactory level compared to local industry peers.

Maintained benign asset quality by optimising comprehensive risk management

- The impaired loan ratio was 0.89%, remaining below the market average.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Ratio	Average Value of Liquidity Coverage Ratio	Quarter-end Value of Net Stable Funding Ratio
		

Capital ratios remained solid

- The Group's total capital ratio was 25.71%, while the Tier 1 capital ratio and Common Equity Tier 1 capital ratio both stood at 23.80%.

Maintained ample liquidity

- The average value of the Group's liquidity coverage ratio and the quarter-end value of its net stable funding ratio in both the first and second quarter of 2026 met regulatory requirements.

1. Return on average shareholders' equity and return on average total assets as defined in "Financial Highlights".
2. Foreign exchange swap contracts are normally used for the Group's liquidity management and funding activities. In foreign exchange swap contracts, the Group exchanges one currency (original currency) for another (swapped currency) at the spot exchange rate (spot transaction) and commits to reverse the spot transaction by exchanging the same currency pair at a future maturity date at a predetermined rate (forward transaction). In this way, surplus funds in the original currency are swapped into another currency for liquidity and funding purposes with minimal foreign exchange risk. The exchange difference (funding income or cost) between the spot and forward contracts is recognised as a foreign exchange gain or loss (as included in "net trading gain"), while the corresponding interest differential between the surplus funds in the original currency and swapped currency is reflected in net interest income.

Operating Environment

In the first half of 2026, elevated and volatile energy prices again put upward pressure on global inflation and inflation expectations, prompting major central banks to adopt a tighter monetary policy stance. While investments in artificial intelligence ("AI") and advances in technology continued to enhance productivity, economic growth remained uneven across jurisdictions. The Chinese Mainland economy demonstrated steady growth, with production and supply expanding robustly, market demand stabilising with the help of stimulus policy measures, and foreign trade growing rapidly.

Hong Kong's economy maintained its expansionary growth momentum. Private consumption expenditure recorded a steady recovery, gross domestic fixed capital formation sustained a rapid growth, with external merchandise trade activities continued to grow at a high pace and the Composite Consumer Price Index remained within a moderate growth range.

Hong Kong's financial system remained sound. Total deposits of the Hong Kong banking sector continued to grow, while total loans showed an ongoing recovery. The Hong Kong dollar gradually weakened against the US dollar, while Hong Kong dollar interest rates remained relatively stable. In 2025, Hong Kong becomes the world's largest cross-border wealth management centre.

Trading and fundraising activity in the Hong Kong stock market remained brisk. The average daily turnover of the Hong Kong stock market rose by 17.8% year-on-year. The Initial Public Offerings ("IPOs") market remained strong, with total funds raised through IPOs and the number of newly listed companies growing by 92.1% and 97.7% year-on-year respectively.

The Hong Kong property market recovered steadily. The residential property market continued to strengthen with overall residential property prices rising year-on-year, transaction volumes increasing significantly and the residential rents reaching record highs. Commercial property market showed signs of stabilisation. Prices of private office saw a slight rebound after bottoming out with transaction volumes rising year-on-year, while rents stabilised following a period of decline.

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated Financial Review

Financial Highlights

HK$'m	**Half-year ended 30 June 2026**	(Restated) Half-year ended 31 December 2025	(Restated) Half-year ended 30 June 2025
Net operating income before impairment allowances	**39,903**	37,095	40,137
Operating expenses	**(8,980)**	(9,959)	(8,416)
Operating profit before impairment allowances	**30,923**	27,136	31,721
Operating profit after impairment allowances	**28,451**	22,160	28,403
Profit before taxation	**28,772**	21,321	27,284
Profit for the period	**24,356**	18,412	22,804
Profit attributable to equity holders of the Company	**23,739**	17,988	22,160

In the first half of 2026, profit attributable to equity holders of the Company was HK$23,739 million, an increase of HK$1,579 million or 7.1% year-on-year. During the period, the mark-to-market value of foreign exchange related products declined as a result of market volatility, causing net operating income before impairment allowances to decrease by 0.6% year-on-year to HK$39,903 million. If the funding income or cost of foreign exchange swap contracts were included, net interest income would have recorded a year-on-year increase, driven by growth in average interest-earning assets and an increase in net interest margin. The Group strengthened deposit pricing and tenor management while actively growing its CASA deposits to optimise its deposit mix, which contributed to the year-on-year increase in net interest margin. Net fee and commission income declined year-on-year, primarily due to lower commission income from insurance. However, commission income from securities brokerage, funds distribution and funds management showed year-on-year growth, driven by the robust expansion of the Group's wealth management business. There was also a significant growth in the sales volume of BOC Life's insurance products, which resulted in a year-on-year growth of insurance service result. Operating expenses increased, while operational efficiency remained satisfactory. Meanwhile, the Group recorded a year-on-year decrease in net charge of impairment allowances and recognised a net gain from fair value adjustments on investment properties, contributing to overall profit growth.

Compared with the second half of 2025, the Group's net operating income before impairment allowances increased by HK$2,808 million or 7.6%. This was mainly attributable to an increase in net fee and commission income and a rise in net trading gain, which more than offset a decline in net interest income, if the funding income or cost of foreign exchange swap contracts were included. At the same time, both operating expenses and net charge of impairment allowances decreased, while there was a net gain from fair value adjustments on investment properties. As a result, profit attributable to equity holders of the Company increased by HK$5,751 million or 32.0% compared to the second half of last year.

Income Statement Analysis

Net Interest Income and Net Interest Margin

HK$'m, except percentages	**Half-year ended 30 June 2026**	(Restated) Half-year ended 31 December 2025	(Restated) Half-year ended 30 June 2025
Interest income	**58,144**	58,383	62,179
Interest expense	**(29,962)**	(30,484)	(37,060)
Net interest income	**28,182**	27,899	25,119
Average interest-earning assets	**3,843,722**	3,762,168	3,790,681
Net interest spread	**1.20%**	1.18%	1.01%
Net interest margin	**1.48%**	1.47%	1.34%
Net interest margin (adjusted)[1]	**1.57%**	1.62%	1.54%

Net interest income amounted to HK$28,182 million in the first half of 2026. If the funding income or cost of foreign exchange swap contracts[2] were included, net interest income would have increased by 3.3% year-on-year to HK$29,934 million, due to growth in average interest-earning assets and net interest margin. Average interest-earning assets expanded by HK$53,041 million or 1.4% year-on-year. If the funding income or cost of foreign exchange swap contracts were included, net interest margin would have been 1.57%, up 3 basis points year-on-year. The Group strengthened deposit pricing and tenor management while actively growing its CASA deposits to optimise its deposit mix. These efforts partially mitigated the impact of a decline in asset yield driven by lower market interest rates.

Compared with the second half of 2025, net interest income would have decreased by 2.8% and net interest margin would have declined by 5 basis points if the funding income or cost of foreign exchange swap contracts were included, mainly due to a decline in asset yield driven by lower market interest rates. Growth in its CASA ratio partially offset the negative impact mentioned above.

1. Including the funding income or cost of foreign exchange swap contracts.
2. Foreign exchange swap contracts are normally used for the Group's liquidity management and funding activities. In foreign exchange swap contracts, the Group exchanges one currency (original currency) for another (swapped currency) at the spot exchange rate (spot transaction) and commits to reverse the spot transaction by exchanging the same currency pair at a future maturity date at a predetermined rate (forward transaction). In this way, surplus funds in the original currency are swapped into another currency for liquidity and funding purposes with minimal foreign exchange risk. The exchange difference (funding income or cost) between the spot and forward contracts is recognised as a foreign exchange gain or loss (as included in "net trading gain"), while the corresponding interest differential between the surplus funds in the original currency and swapped currency is reflected in net interest income.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below summarises the average balances and average interest rates of individual categories of assets and liabilities:

	Half-year ended 30 June 2026		(Restated) Half-year ended 31 December 2025		(Restated) Half-year ended 30 June 2025	
Assets	**Average balance HK$'m**	**Average yield %**	Average balance HK$'m	Average yield %	Average balance HK$'m	Average yield %
Balances and placements with banks and other financial institutions	**484,080**	**2.16**	447,009	2.20	635,043	2.14
Debt securities investments and other debt instruments	**1,599,319**	**3.10**	1,617,441	3.02	1,470,353	3.26
Advances to customers and other accounts	**1,725,899**	**3.27**	1,681,032	3.36	1,667,155	3.78
Other interest-earning assets	**34,424**	**2.13**	16,686	3.51	18,130	4.33
Total interest-earning assets	**3,843,722**	**3.05**	3,762,168	3.08	3,790,681	3.31
Non interest-earning assets	**659,163**	**–**	581,958	–	552,507	–
Total assets	**4,502,885**	**2.60**	4,344,126	2.67	4,343,188	2.89
Liabilities	**Average balance HK$'m**	**Average rate %**	Average balance HK$'m	Average rate %	Average balance HK$'m	Average rate %
Deposits and balances from banks and other financial institutions	**310,651**	**1.38**	249,198	1.22	275,486	1.55
Current, savings and time deposits	**2,726,722**	**1.89**	2,722,330	1.95	2,778,824	2.37
Subordinated liabilities	**77,875**	**2.16**	75,166	2.14	73,324	2.15
Other interest-bearing liabilities	**146,659**	**2.04**	130,267	2.14	116,560	2.60
Total interest-bearing liabilities	**3,261,907**	**1.85**	3,176,961	1.90	3,244,194	2.30
Shareholders' funds* and other non interest-bearing deposits and liabilities	**1,240,978**	**–**	1,167,165	–	1,098,994	–
Total liabilities	**4,502,885**	**1.34**	4,344,126	1.39	4,343,188	1.72

* Shareholders' funds represent capital and reserves attributable to the equity holders of the Company.

Net Fee and Commission Income

HK$'m	**Half-year ended 30 June 2026**	(Restated) Half-year ended 31 December 2025	(Restated) Half-year ended 30 June 2025
Securities brokerage	**1,610**	1,711	1,579
Credit card business	**1,474**	1,446	1,314
Loan commissions	**1,378**	513	1,355
Insurance	**691**	829	1,162
Funds distribution	**690**	512	445
Payment services	**401**	388	388
Trust and custody services	**397**	393	509
Currency exchange	**252**	256	247
Bills commissions	**246**	238	214
Safe deposit box	**143**	147	146
Funds management	**98**	93	55
Others	**622**	561	729
Fee and commission income	**8,002**	7,087	8,143
Fee and commission expense	**(2,023)**	(2,062)	(1,798)
Net fee and commission income	**5,979**	5,025	6,345

In the first half of 2026, net fee and commission income amounted to HK$5,979 million, a decrease of HK$366 million or 5.8% year-on-year, mainly due to year-on-year declines in commission income from insurance and trust and custody services of 40.5% and 22.0% respectively. Focusing on customer demand for inheritance-oriented whole life insurance, the Group enriched its insurance product offering with enhanced product promotion and complementary inheritance planning services. This resulted in significant growth in the sales volume of BOC Life's insurance products during the period, with the value of standard new premiums increasing by 27.9% year-on-year to HK$18,962 million and the balance of the Group's contractual service margin ("CSM") rising 23.6% compared to the end of last year. It continuously expanded its fund product range to meet customers' diverse needs in asset allocation and risk management, with commission income from funds distribution and management increasing by 55.1% and 78.2% year-on-year respectively. Meanwhile, the Group captured the opportunities arising from Hong Kong's retail sales recovery, with its credit card business recording steady year-on-year growth in total local retail spending and achieving a year-on-year increase of 12.2% in credit card commission income. Commission income from bills, payment services and currency exchange also increased. Fee and commission expenses grew, mainly driven by higher business volumes.

Compared with the second half of 2025, net fee and commission income increased by HK$954 million or 19.0%, which was mainly attributable to an increase in commission income from loans, funds distribution and management, credit card business and payment services. This was partly offset by a decline in commission income from securities brokerage and insurance.

Net Trading Gain

HK$'m	**Half-year ended 30 June 2026**	(Restated) Half-year ended 31 December 2025	(Restated) Half-year ended 30 June 2025
Net trading gain	**6,825**	4,573	12,237

In the first half of 2026, the Group's net trading gain amounted to HK$6,825 million, a decrease of HK$5,412 million or 44.2% year-on-year. This was primarily due to a decline in foreign exchange swap contract transactions which resulted from the Group's higher deployment of funding in local currency during the period, as well as a higher mark-to-market value of foreign exchange related products and interest rate instruments in the same period last year.

Compared with the second half of 2025, net trading gain increased by HK$2,252 million or 49.2%, mainly owing to an increase in the mark-to-market value of foreign exchange related products and interest rate instruments.

Net Gain on Other Financial Instruments at Fair Value through Profit or Loss

HK$'m	**Half-year ended 30 June 2026**	Half-year ended 31 December 2025	Half-year ended 30 June 2025
Net gain on other financial instruments at fair value through profit or loss	**2,404**	4,446	3,527

In the first half of 2026, the Group recorded a net gain of HK$2,404 million on other financial instruments at fair value through profit or loss, a decrease of HK$1,123 million or 31.8% year-on-year. The change was primarily due to a decline in the mark-to-market value of BOC Life's debt securities investments, caused by market interest rate movements. However, this change in the mark-to-market value of debt securities investments related to BOC Life's participating insurance business was offset by changes to its insurance contract liabilities, also caused by market interest rate movements, which have been reflected in changes in insurance finance expenses.

Compared with the second half of 2025, net gain on other financial instruments at fair value through profit or loss decreased by HK$2,042 million or 45.9%, which was mainly attributable to a decrease in the mark-to-market value of BOC Life's debt securities investments resulting from market interest rate movements.

Operating Expenses

HK$'m	**Half-year ended 30 June 2026**	(Restated) Half-year ended 31 December 2025	(Restated) Half-year ended 30 June 2025
Staff costs	**5,938**	6,638	5,546
Premises and equipment expenses (excluding depreciation and amortisation)	**864**	866	758
Depreciation and amortisation	**1,388**	1,367	1,374
Other operating expenses	**1,471**	1,752	1,298
Less: Costs directly attributable to insurance contracts	**(681)**	(664)	(560)
Operating expenses	**8,980**	9,959	8,416

	At 30 June 2026	At 31 December 2025	At 30 June 2025
Staff headcount measured in full-time equivalents	**15,469**	15,585	15,228

Focusing on its strategic growth initiatives, the Group allocated resources to key areas including digitalisation, regional development, business integration and talent cultivation, giving priority to supporting major projects and business development. Meanwhile, the Group enhanced resource utilisation and acquisition through resource reallocation to support its strategic development initiatives. It optimised its branch network by advancing branch transformation and asset-light business models, promoted business process automation and intelligent business capabilities by accelerated AI application and technological transformation, and achieved scale benefits through centralised operations by further integrating its regional operating platforms. In the first half of 2026, operating expenses amounted to HK$8,980 million, an increase of HK$564 million or 6.7% year-on-year. The cost to income ratio was 22.50%, remaining at a satisfactory level relative to local industry peers.

Staff costs increased by 7.1% year-on-year, mainly due to increased staff headcount and a rise in salary costs.

Premises and equipment expenses rose 14.0%, primarily due to increased investment in information technology and higher expenditures on construction projects for branches and office premises.

Depreciation and amortisation increased by 1.0%, mainly due to an increase in the amortisation of intangible assets and higher depreciation charges on certain computer equipment, partly offset by a decline in depreciation charges resulting from the downward revaluation of certain premises.

Other operating expenses increased by 13.3%, driven by an increase in marketing and promotion expenses, professional consultancy fees, insurance premium and charitable donations.

Compared with the second half of 2025, operating expenses decreased by HK$979 million or 9.8%. The decrease was mainly due to a reduction in staff costs, advertising and promotion expenses, professional consultancy fees and charitable donations.

Net Charge of Impairment Allowances on Advances and Other Accounts

HK$'m	**Half-year ended 30 June 2026**	Half-year ended 31 December 2025	Half-year ended 30 June 2025
Stage 1	**104**	250	643
Stage 2	**524**	2,754	763
Stage 3	**1,757**	1,980	1,858
Net charge of impairment allowances on advances and other accounts	**2,385**	4,984	3,264

In the first half of 2026, the Group's net charge of impairment allowances on advances and other accounts amounted to HK$2,385 million, a decrease of HK$879 million or 26.9% year-on-year. This was mainly due to a higher base for comparison resulting from impairment allowances made in relation to changes in the loan portfolio, downgrades to the internal ratings of certain customers in the real estate sector amid weakness in the commercial real estate market, and deteriorating business conditions or debt restructuring of certain non-performing customers in the same period last year. The annualised credit cost of advances to customers and other accounts was 0.27%, down 0.12 percentage points year-on-year. As at 30 June 2026, the Group's total loan impairment allowances as a percentage of advances to customers was 1.12%.

Compared with the second half of 2025, the Group's net charge of impairment allowances on advances and other accounts decreased by HK$2,599 million or 52.1%. This was mainly attributable to a higher base for comparison resulting from impairment allowances made in relation to downgrades to the internal ratings of certain customers in the real estate sector amid continued weakness in the commercial real estate market in the second half of 2025.

Analysis of Assets and Liabilities

The table below summarises the Group's asset composition. Please refer to Note 20 to the Interim Financial Information for the contract/notional amounts and fair values of the Group's derivative financial instruments. Please refer to Note 35 to the Interim Financial Information for the contractual amounts of each significant class of contingent liability and commitment, and the aggregate credit risk-weighted amount.

Asset Composition

HK$'m, except percentages	**At 30 June 2026** Balance	% of total	(Restated) At 31 December 2025 Balance	% of total
Cash and balances and placements with banks and other financial institutions	**570,298**	**11.9**	567,599	12.6
Hong Kong SAR Government certificates of indebtedness	**252,790**	**5.3**	243,190	5.4
Securities investments and other debt instruments[1]	**1,810,751**	**37.9**	1,735,905	38.6
Advances and other accounts	**1,808,518**	**37.9**	1,706,477	38.0
Properties, plant and equipment as well as investment properties	**46,344**	**1.0**	46,369	1.0
Other assets[2]	**284,670**	**6.0**	195,698	4.4
Total assets	**4,773,371**	**100.0**	4,495,238	100.0

1. Securities investments and other debt instruments comprise investment in securities and financial assets at fair value through profit or loss.
2. Other assets comprise derivative financial instruments, interests in associates and joint ventures, current tax assets and deferred tax assets, etc.

As at 30 June 2026, the total assets of the Group amounted to HK$4,773,371 million, an increase of HK$278,133 million or 6.2% from the end of last year. Advances and other accounts increased by HK$102,041 million or 6.0%, with advances to customers increasing by HK$101,526 million or 5.9%. Securities investments and other debt instruments increased by HK$74,846 million or 4.3%, mainly due to the Group's increased investment in banks and other financial institution bonds. Other assets increased by HK$88,972 million or 45.5%, mainly due to higher balances of accounts receivable.

Advances to Customers

HK$'m, except percentages	At 30 June 2026 Balance	At 30 June 2026 % of total	(Restated) At 31 December 2025 Balance	(Restated) At 31 December 2025 % of total
Loans for use in Hong Kong	**1,367,507**	**75.2**	1,300,808	75.8
Industrial, commercial and financial	**732,792**	**40.3**	689,368	40.2
Individuals	**634,715**	**34.9**	611,440	35.6
Trade financing	**49,755**	**2.7**	41,202	2.4
Loans for use outside Hong Kong	**401,356**	**22.1**	375,082	21.8
Total advances to customers	**1,818,618**	**100.0**	1,717,092	100.0

In the first half of 2026, the Group seized market opportunities and remained committed to serving the real economy. Leveraging its customer resources and professional service strengths, it focused on the Hong Kong, cross-border, Southeast Asian and other key overseas markets to drive steady growth in its loan business. Capitalising on business opportunities arising from the development of new quality productive forces and industrial chain relocation, the Group strengthened collaboration with BOC's entities in the Chinese Mainland as well as its Southeast Asian entities to support the needs of Chinese enterprises "Going Global", delivering integrated financial services through the service mechanism of "featuring global expertise and services accessible at any point of contact". It leveraged its strengths in RMB business to expand RMB application scenarios in trade and capital markets, meeting its corporate customers' diverse offshore RMB financing needs and promoting the international use of RMB. During the period, it remained the top mandated arranger in the Hong Kong-Macao syndicated loan market. It also enhanced the functionality of its "Home Expert" mobile app to provide customers with comprehensive property purchase planning and online mortgage application services alongside streamlined payment solutions, thus making property transactions more efficient. As a result, BOCHK maintained its leading market position in terms of the total number of new residential mortgage loans in Hong Kong. As at 30 June 2026, advances to customers amounted to HK$1,818,618 million, an increase of HK$101,526 million or 5.9% from the end of last year.

Loans for use in Hong Kong grew by HK$66,699 million or 5.1%.

- Lending to the industrial, commercial and financial sectors increased by HK$43,424 million or 6.3%, mainly driven by an increase in loans for use in manufacturing, transport and transport equipment, information technology and financial concerns which more than offset a decrease in loans for use in property investment and wholesale and retail trade.

- Lending to individuals increased by HK$23,275 million or 3.8%, mainly due to growth in loans for the purchase of flats in Home Ownership Scheme and other government-sponsored home purchase schemes, and loans for the purchase of other residential properties.

Trade financing increased by HK$8,553 million or 20.8%. Loans for use outside Hong Kong increased by HK$26,274 million or 7.0%, mainly due to an increase in loans for use in Southeast Asia.

Loan Quality

HK$'m, except percentages	**At 30 June 2026**	(Restated) At 31 December 2025
Advances to customers	**1,818,618**	1,717,092
Impaired loan ratio	**0.89%**	1.14%
Total impairment allowances[1]	**20,288**	18,759
Total impairment allowances as a percentage of advances to customers	**1.12%**	1.09%
Residential mortgage loans[2] – delinquency and rescheduled loan ratio[3]	**0.06%**	0.08%
Card advances – delinquency ratio[3]	**0.34%**	0.26%

	Half-year ended 30 June 2026	Half-year ended 30 June 2025
Card advances – charge-off ratio[4]	**1.95%**	1.94%

1. Total impairment allowances include those for advances at fair value through other comprehensive income.
2. Residential mortgage loans exclude those under the Home Ownership Scheme and other government-sponsored home purchasing schemes.
3. The delinquency ratio is the ratio of the total amount of overdue advances (more than three months) to total outstanding advances.
4. The charge-off ratio is the ratio of total write-offs made during the period to the average of the beginning and ending balance of card receivables.

The Group closely monitored market information and customer updates and enhanced its credit risk management mechanisms and measures, including strengthening its oversight of higher-risk credit portfolios and conducting timely reviews of customers' internal ratings, with a view to maintaining solid asset quality. As at 30 June 2026, the Group's impaired loan ratio was 0.89%, down 0.25 percentage points from the end of last year. Impaired loans decreased by HK$3,304 million from the prior year-end to HK$16,254 million, mainly due to write-offs following debt restructuring or loan repayment by certain non-performing customers. The delinquency and rescheduled loan ratio of the Group's residential mortgage loans was 0.06%. The charge-off ratio of card advances was 1.95%.

MANAGEMENT DISCUSSION AND ANALYSIS

*Deposits from Customers**

HK$'m, except percentages	At 30 June 2026 Balance	At 30 June 2026 % of total	(Restated) At 31 December 2025 Balance	(Restated) At 31 December 2025 % of total
Demand deposits and current accounts	**328,086**	**10.8**	291,926	9.9
Savings deposits	**1,305,669**	**43.0**	1,278,679	43.4
Time, call and notice deposits (excluding structured deposits)	**1,401,927**	**46.2**	1,366,622	46.5
	3,035,682	**100.0**	2,937,227	99.8
Structured deposits	**1,492**	**0.0**	6,961	0.2
Total deposits from customers	**3,037,174**	**100.0**	2,944,188	100.0

* Including structured deposits

In the first half of 2026, the Group developed its deposits business by offering diversified products and services to customers and continuously consolidating and expanding its high-quality customer base. It strengthened intra-group collaboration and deepened relationships with customers including large corporates, financial institutions, government authorities, and public entities, enabling the Group to understand and meet those clients' needs in settlement, custody and treasury services. Focusing on key customer segments including high-net-worth individuals, young customers and cross-border customers, the Group advanced its intelligent business capability in financial services to enhance customer experience and actively expanded its payroll, cash management, wealth management and IPO businesses to strengthen its deposit base. As at 30 June 2026, total deposits from customers amounted to HK$3,037,174 million, an increase of HK$92,986 million or 3.2% from the prior year-end. Demand deposits and current accounts increased by 12.4%. Savings deposits rose by 2.1%. Time, call and notice deposits (excluding structured deposits) increased by 2.6%. The CASA ratio was 53.8%, up 0.5 percentage points from the end of last year.

Capital and Reserves Attributable to Equity Holders of the Company

HK$'m	At 30 June 2026	(Restated) At 31 December 2025
Share capital	**52,864**	52,864
Premises revaluation reserve	**31,920**	31,984
Reserve for financial assets at fair value through other comprehensive income	**(3,691)**	1,157
Regulatory reserve	**2,272**	2,236
Translation reserve	**(2,104)**	(1,644)
Cash flow hedge reserve	**(6)**	71
Insurance finance reserve	**1,184**	1,008
Merger reserve	**–**	1,009
Retained earnings	**277,927**	271,651
Reserves	**307,502**	307,472
Capital and reserves attributable to equity holders of the Company	**360,366**	360,336

As at 30 June 2026, capital and reserves attributable to equity holders of the Company amounted to HK$360,366 million, broadly unchanged from the end of 2025. The reserve for financial assets at fair value through other comprehensive income shifted from a surplus to a deficit, primarily due to changes in market interest rates. The merger reserve as of 31 December 2025 arose from the Group's application of the merger accounting method in connection with its acquisition of all the issued shares of BOCI Private Bank. Retained earnings rose by HK$6,276 million or 2.3% from the end of 2025.

Capital Ratio

HK$'m, except percentages	**At 30 June 2026**	At 31 December 2025
Consolidated capital after deductions		
Common Equity Tier 1 capital	**311,629**	295,716
Tier 1 capital	**311,629**	295,716
Total capital	**336,536**	319,967
Total risk-weighted assets	**1,309,167**	1,231,680
Common Equity Tier 1 capital ratio	**23.80%**	24.01%
Tier 1 capital ratio	**23.80%**	24.01%
Total capital ratio	**25.71%**	25.98%

As at 30 June 2026, the Group's Common Equity Tier 1 ("CET1") capital increased by 5.4% from the end of 2025, primarily driven by profits recorded in the first half of 2026, which was partially offset by a decline in the reserve for financial assets at fair value through other comprehensive income as a result of market volatility during the period. Total capital increased by 5.2% from the previous year-end. Total risk-weighted assets ("RWAs") increased by 6.3% from the end of last year, mainly owing to RWA growth from business development. The CET1 capital ratio and Tier 1 capital ratio both stood at 23.80% while the total capital ratio was 25.71%. The Group dynamically optimised the allocation of its capital resources and prudently managed its RWAs to improve return on capital, with a view to meeting regulatory requirements, while ensuring sustainable business development and long-term, stable growth in shareholder returns.

Liquidity Coverage Ratio and Net Stable Funding Ratio

	2026	2025
Average value of liquidity coverage ratio		
First quarter	**180.46%**	231.50%
Second quarter	**168.42%**	185.34%
Third quarter	**N/A**	191.26%
Fourth quarter	**N/A**	184.39%

	2026	2025
Quarter-end value of net stable funding ratio		
First quarter	**143.35%**	140.67%
Second quarter	**143.89%**	139.34%
Third quarter	**N/A**	143.07%
Fourth quarter	**N/A**	142.30%

The Group's liquidity position remained sound, with the average value of its liquidity coverage ratio and the quarter-end value of its net stable funding ratio in both the first and second quarter of 2026 meeting regulatory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2026, the Group continued to deepen its presence in the Hong Kong market, further explored customer needs, and strengthened its wealth management business. Leveraging its cross-border synergies, the Group actively supported Chinese Mainland enterprises "Going Global" and maintained its leading position in RMB business. Strengthening its leading role as a regional headquarters, it optimised regional management and advanced integrated development in the Southeast Asian region. The Group continued to implement its sustainable development strategy, deepened digital and technological empowerment and enhanced its comprehensive service capabilities. Upholding the fundamental principles of risk management, the Group remained committed to improving the quality of its development and creating value for stakeholders.

Business Segment Performance

Profit before Taxation by Business Segment

HK$'m, except percentages	**Half-year ended 30 June 2026** Amount	% of total	(Restated) Half-year ended 30 June 2025 Amount	% of total
Personal Banking	**8,884**	**30.9**	8,437	30.9
Corporate Banking	**7,262**	**25.2**	6,699	24.6
Treasury	**8,926**	**31.0**	10,042	36.8
Insurance	**1,283**	**4.5**	1,098	4.0
Others	**2,417**	**8.4**	1,008	3.7
Total profit before taxation	**28,772**	**100.0**	27,284	100.0

Note: For additional segmental information, see Note 39 to the Interim Financial Information.

Personal Banking

Financial Results

Personal Banking achieved a profit before tax of HK$8,884 million in the first half of 2026, an increase of HK$447 million or 5.3% year-on-year. Net interest income increased by 8.4%, mainly driven by deposit growth. Net fee and commission income declined by 6.9%, primarily due to a decrease in commission income from insurance. Meanwhile, commission income from funds distribution showed year-on-year growth, driven by the robust expansion of the Group's wealth management business during the period. There was also a significant growth in the sales volume of BOC Life's insurance products, which resulted in a year-on-year growth of insurance service result. Operating expenses rose by 5.3%, mainly driven by higher staff costs and an increase in business-related expenses.

Business Operations

Enriching exclusive services for different customer segments and strengthening brand position in wealth management

The Group steadily enhanced both the scope and quality of its personal finance business by enriching exclusive products and services for different customer segments in order to build a distinctive wealth management brand. The Group was committed to meeting the comprehensive wealth and "Wealth+" needs of high-end customers by providing them with value-added services and unique offerings that extend beyond finance, including holistic family wealth management, physical and mental wellbeing support and bespoke lifestyle experiences, delivered through a dedicated team of professionals, personalised solutions, exclusive privileges and premium services. It also made concerted efforts to develop its premium "Private Wealth" brand. In response to high-end customers prioritising wealth inheritance and appreciation, the Group offered exclusive inheritance solutions and private banking-level investment products while continuously expanding its network of "Private Wealth Centres" with its flagship "Private Wealth Centre" officially opened in the prime location of Tsim Sha Tsui in July 2026. As at the end of June 2026, the customer base of the Group's high-end customer brands of "Private Wealth" and "Wealth Management" recorded steady growth, with the total relationship balance of high-end customers increasing by more than 10% year-on-year. To reinforce the market positioning of "FamilyMAX", its premier family finance brand, the Group launched various promotional offers targeting family accounts and organised a series of "Wealth+" events to deliver one-of-a-kind experiences. As at the end of June 2026, the number of "FamilyMAX" customers grew by nearly 10% year-on-year and total relationship balance of "FamilyMAX" customers grew by more than 10% year-on-year. Through its youth-focused brand "Banking TrendyToo", it provided digital wealth management experiences, accessible financial knowledge, entry-level investment products and exclusive offers to young customers to help them make an early start to wealth planning. This included launching the "Treat Day 22" and the "Three Treasures for New Account Opening" promotions exclusively for new customers via its mobile banking app to encourage more young customers to access wealth management services. The number of young customers has steadily increased since the launch of "Banking TrendyToo". BOCHK was awarded "Outstanding Wealth Management Brand for Young Segment" in the finance, banking and insurance categories at the "01 Gold Medal Awards" organised by "HK01" for the third consecutive year, further demonstrating the brand's popularity among young customers. As at the end of June 2026, the number of young customers increased by nearly 20% year-on-year. The Group also opened a new chapter in anti-fraud education by deepening its cooperation and collaboration with banks, regulators, police, and the government. It rolled out its "Anti-Fraud Education" and "Anti-Fraud Armor" promotion trucks and introduced "Trusty", BOCHK's anti-fraud ambassador, promoting anti-fraud and anti-money laundering information via an interactive approach to help the general public stay vigilant against fraud. During the period, BOCHK was awarded "Best Retail Bank in Hong Kong" at the TAB Global Excellence in Retail Financial Services Awards 2026 organised by *The Asian Banker*.

The Group's private banking business maintained steady growth by comprehensively addressing the core needs of high-net-worth clients. It enhanced collaboration with BOC, other business units and Southeast Asian entities within the Group to optimise its service chain and provide diversified and professional products and services to high-net-worth clients and family offices. In support of the HKSAR Government's policies to promote the development of family offices, it partnered with third-party experts to attract global family offices to establish a presence in Hong Kong. It organised a series of exclusive seminars and cultural activities for clients, constructed a family office ecosystem and cultivated a high-net-worth client community. The Group also provided clients with tailor-made, comprehensive wealth management services by optimising service models and enhancing digital platforms, delivering an outstanding customer experience while improving its competitiveness in wealth management business. During the period, the Group completed the acquisition of all the issued shares of BOCI Private Bank and advanced the integration process in an orderly manner, thus enhancing the overall competitiveness of its private banking services. As at the end of June 2026, assets under management of the Group's private banking business increased by 20% compared to the end of 2025, while operating income in the first half of 2026 maintained double-digit year-on-year growth, benefitting from the consolidating impact of the acquisition.

Capturing market trends and meeting customer needs with diversified products and services

In response to changes in market conditions and investor sentiment, the Group continuously expanded its fund product range to meet customers' diverse needs in asset allocation and risk management, including launching various market-focused thematic funds and extending private placement bond services to general retail customers. Capitalising on a buoyant Hong Kong stock market and a surge in IPO activity, it organised thematic ETF investment seminars and provided its "IPO Easy" service via mobile banking to enhance customers' investment experience. Focusing on customer demand for inheritance-oriented whole life insurance, it enriched related insurance product offerings with enhanced product promotion and complementary inheritance planning services to assist customers in managing risks as they enter early old age. At the same time, it provided one-stop, cross-regional, personalised and integrated pension financial services to customers, supporting the development of the silver economy. It also launched a HIBOR-based asset-pledged loan solution, offering more flexible and competitive pricing arrangements to customers seeking policy collateral loans, premium financing and wealth portfolio financing. In the first half of 2026, wealth management income in the Personal Banking segment rose by 14% year-on-year, with investment product distribution income increasing by 50% year-on-year. To promote customer use of BOC credit card services across a broader range of scenarios, the Group kept pace with market dynamics and enhanced its product competitiveness. This included launching the brand new "BOC Bliss Card", which focuses on online spending to better align with customers' online shopping habits, while expanding "Amazing Travel Rewards" and upgrading the cross-border spending promotions of "BOC GO Card", which created consumption scenarios in the Greater Bay Area. The Group extended its promotional campaigns for "Amazing Local Rewards" and "Amazing Global Rewards". "Amazing Local Rewards", which promotes local online spending, introduced two new scenarios for pet lifestyle and leisure & entertainment, while "Amazing Global Rewards", which promotes cross-border and overseas spending, enhanced customer acquisition and engagement through priority ticketing and spend-to-win ticket promotions, with priority concert ticketing is now extended to credit card holders in the Chinese Mainland and Macao, further reinforcing the Group's competitive advantages in cross-border services. In the first half of 2026, the Group's credit card business recorded steady year-on-year growth in both total local retail spending and merchant acquiring transaction volumes in Hong Kong.

Seizing opportunities from regional interconnectivity and steadily promoting cross-border business

The Group continued to leverage its advantages in cross-border financial services. Taking the New Capital Investment Entrant Scheme and various quality migrant admission schemes as entry points, it provided comprehensive and professional financial services to eligible individuals relocating to Hong Kong. This included meeting newcomers' needs in areas such as daily living, children's education, property purchase, retirement planning and pensions, thus helping them fully integrate into the city's life circle. Leveraging its synergies with BOC, the Group rolled out its "Global Integrated Services", which included the "Global Account Service" launched in tandem with BOC, the "Global Witness Account Opening" and "Global Mutual Recognition" services jointly provided with overseas branches of BOC, and the "Global Money Transfer" service available through BOCHK's mobile banking platform, providing customers with greater flexibility in wealth management while meeting their global asset allocation needs. The Group also enriched its cross-border wealth management product suite and actively launched qualified investment products to help customers capture cross-border wealth management opportunities. As at the end of June 2026, the number of cross-border customers increased steadily from the end of 2025, and the cumulative number of accounts opened and volume of funds remitted or transferred under Southbound and Northbound Cross-boundary Wealth Management Connect services maintained solid growth momentum. During the period, the sales volume of the Group's RMB fund distribution business rose by nearly 50% year-on-year. At the same time, it comprehensively rolled out its "RMB Remittance for Property Purchase in Mainland China" service, extending coverage to all cities across the Mainland and broadening the scope of eligible customers. This service enabled customers to remit funds to receiving banks in all Chinese Mainland cities to settle property purchase payments for both primary and secondary property sales, catering to the property purchasing needs of offshore individuals and improving the cross-border financial services ecosystem. In its Southeast Asian business, the Group continued to deepen digitalisation across the region, optimising mobile banking and cross-border digital payment features including UnionPay QR code, WeChat QR code and aggregated QR code. In the first half of 2026, the transaction volume of the Group's digital channels in Southeast Asia grew by over 30% year-on-year. It also actively strengthened its regional brand development by collaborating with external financial institutions and implementing an integrated branding and marketing strategy to enhance its "Wealth+" service capabilities, so as to promote its wealth management business in Southeast Asia and provide customers with cross-regional and personalised wealth management services.

Innovating and optimising digital products to provide multi-channel digital banking services

The Group actively pushed forward its development as a digital bank by leveraging innovative technologies to enhance its online service capacity, leading to a steady growth in the customer base of its digital platforms. As at the end of June 2026, over 80% of customers had activated digital platform services. This included a year-on-year increase of over 10% in mobile banking users. The cumulative number of financial transactions conducted through mobile banking also increased by 10% year-on-year. Adhering to a data-driven approach across all channels, the Group actively harnessed the power of AI to advance the optimisation of frontline operations and workflows while continuously enhancing the service capabilities of "Bonnie", its virtual assistant, and "BOCHK iService", its remote service platform. At the same time, it upgraded multiple mobile banking functions, including streamlining online investment procedures, optimising facial recognition authentication features and adding a brand new e-ticketing function. It also enhanced its "Home Expert" mobile app to provide customers with comprehensive property purchase planning and online mortgage application services. To promote the integration of business and technology, the Group has introduced a streamlined mortgage application process by leveraging account data shared between participating banks via the Interbank Account Data Sharing ("IADS") programme as a supplementary source of income verification for mortgage application assessments, and continued to expand its application scenarios in order to make its services more transparent and convenient. To strengthen its competitive advantages in mortgage services, the Group extended the scope of its "Payment Arrangements for Property Transactions" service to secondary sales transactions for private residential properties, further safeguarding the security of mortgage payments, enhancing efficiency in property transactions and advancing the digitalisation of its mortgage business. In the first half of 2026, BOCHK maintained its leading market position in terms of the total number of new residential mortgage loans in Hong Kong. Seizing opportunities in cross-border business, BOCHK launched the market-first "NFC-QRC all-in-one" service for payments with BOC UnionPay credit cards via the Samsung Wallet mobile app, making it the first card-issuing bank in Hong Kong to support this service. To enrich the application scenarios of BoC Pay+, the Group collaborated with UnionPay International to integrate UnionPay's real-time exchange rate system into BoC Pay+, offering Hong Kong users of BoC Pay+ with a one-stop, real-time cross-border RMB payment experience. In addition, BoC Pay+ payment functions are now supported on major platforms, such as "China Railway 12306", "Ctrip", "DiDi Chuxing" and "Qunar", so as to satisfy customer demand for more diverse payment options when travelling. As at the end of June 2026, the number of BoC Pay+ users increased by 8.1% year-on-year. Transaction volume for BoC Pay+ in the first half of 2026 increased by 2.9% year-on-year, with RMB-denominated transaction volume growing by 15.5%. The Group successfully acquired international brand merchants for BoC Bill and continued to expand BoC Bill's merchant acquiring business in the public sector, providing comprehensive payment support for the government, statutory bodies and the public transportation system. In the first half of 2026, the transaction volume of BoC Bill increased by 17.6% year-on-year.

Corporate Banking

Financial Results

Corporate Banking achieved a profit before tax of HK$7,262 million in the first half of 2026, an increase of HK$563 million or 8.4% year-on-year. Net operating income before impairment allowances decreased by HK$119 million or 1.0% year-on-year, mainly owing to a decrease in commission income from trust and custody services. The net charge of impairment allowances decreased by HK$834 million year-on-year, mainly due to a higher base for comparison resulting from impairment allowances made in relation to downgrades to the internal ratings of certain customers, as well as deteriorating business conditions or debt restructuring of certain non-performing customers in the same period last year.

Business Operations

Upholding a customer-centric approach to enhance integrated service capabilities

The Group continued to enhance its professional services and strengthened bank-enterprise partnerships with its corporate customers, providing integrated financial solutions to meet the demands of corporate customers from Hong Kong, the Chinese Mainland, Southeast Asia and other overseas countries. In the first half of 2026, it remained the top mandated arranger in the Hong Kong-Macao syndicated loan market and maintained its market leadership as an IPO main receiving bank in terms of total funds raised on the Main Board. The Group participated in a number of bond issuance projects with significant market influence, including assisting the Airport Authority Hong Kong in issuing the largest HKD-denominated public bond offering in Hong Kong to date and assisting Hong Kong Mortgage Corporation Limited in issuing digital bonds denominated in HKD and RMB. It continued to promote the development of key businesses such as trade finance and cash management, maintaining a leading position in cash pooling business. It deepened its cooperation with various types of financial institutions and maintained an extensive network of global correspondent banks, continuing to rank first in terms of the number of indirect participants in the Cross-Border Interbank Payment System ("CIPS"). The Group actively participated in the HKMA's RMB Business Facility ("RBF"). Leveraging its role as the Group's Southeast Asian regional headquarters, it strengthened cross-regional business collaboration to effectively meet the RMB financing needs of corporate clients overseas. In recognition of its excellence in professional services, BOCHK received multiple awards from *The Asian Banker*, including "Best Cash Management Bank in Hong Kong" for the 12th time, "Best Transaction Bank in Hong Kong" for the eighth time, "Best Corporate, Investment and Wholesale Bank in Hong Kong" for the second time, as well as "Best Regional Cash Management Bank in Asia Pacific" and "Best Trade and Supply Chain Finance Bank in Hong Kong" for the first time.

Strengthening synergy to consolidate competitive advantages in regional services

The Group gave full play to BOC Group's global service mechanism of "featuring global expertise and services accessible at any point of contact" by strengthening collaboration with BOC's entities in the Chinese Mainland and jointly developing work plans for key regions. The Group joined the "Northern Metropolis Financial Advisory Taskforce" established by the HKMA and The Hong Kong Association of Banks, leveraging its financial expertise in capital financing, technology and innovation development, investment promotion, and interconnectivity to fully support the accelerated construction of the Northern Metropolis. To meet the core financial needs of enterprises in Guangdong Province ("Guangdong enterprises") "Going Global", BOCHK launched the "BOC Guangdong Enterprise Treasury Centre Service Solution", which enables Guangdong enterprises to access worldwide cross-border financial services. The Group focused on developing technology finance, strengthening collaboration with BOC's entities in the Chinese Mainland and earnestly implementing the "BOC Sci-Tech Holistic Customer Cultivation Programme" to fully support the sustainable and high-quality development of technology enterprises. As at the end of June 2026, the innovative technology customer base of the Group grew steadily from the end of 2025. In its Southeast Asian business, the Group implemented a dual-track client strategy targeting Chinese enterprises "Going Global" and local corporates. Capitalising on business opportunities arising from industrial supply chain relocation, it delivered robust support for the Belt and Road initiative and provided comprehensive financial services for Chinese enterprises "Going Global", while targeting on leading local corporates in Southeast Asia to tap into the region's market potential. Deepening the Group's regional integrated development strategy, the Brunei Branch completed the Group's first Islamic syndicated financial project disbursement, while BOCHK and the Ho Chi Minh City Branch successfully acted as lead arrangers of a USD-denominated syndicated loan facility for a leading Vietnamese securities firm. The Group also progressively developed its custody network in Thailand, Malaysia and the Philippines to enhance the overall custody service capabilities of its Southeast Asian entities.

Advancing the development of global custody capabilities to enhance market competitiveness

The Group continuously enhanced the professionalism of its custody services and focused on expanding its business coverage. As at the end of June 2026, its assets under custody increased by 35% compared to the end of 2025. During the period, the Group successfully onboarded a number of portfolios from several key clients, consolidating its position as a leading Chinese custodian bank. BOCI-Prudential Trustee Limited was appointed as custodian and fund administrator for 15 new funds and it deepened the development of fund administration and services for international fund managers. It rolled out an advanced service model for international fund managers, setting up a dedicated liaison team to deliver professional services across-time zones, and liaising with multiple international fund managers for account opening, market entry and asset transition. The Group received several awards in recognition of its highly efficient custody services, including "Best Digital Asset Service Provider" and "Best Fund Administrator" at the AsianInvestor Asset Management Awards 2026, "Best Custodian Bank – Hong Kong SAR (Domestic Category)" at the FinanceAsia Awards 2026 and "Best Custodian Bank" at the Offshore China Fund Awards 2025 co-organised by Bloomberg and the Chinese Asset Management Association of Hong Kong.

Deepening cooperation with commercial and SME customers to promote the development of inclusive finance

The Group was fully committed to supporting the business development of commercial and SME customers by streamlining account opening procedures, significantly reducing account opening times and enhancing the efficiency of services such as loan approval and post-loan management through the application of digital tools, thereby improving customer experience for SMEs. It also actively supported the HKSAR Government's "SME Financing Guarantee Scheme" and the HKMA's "Banking Sector SME Lending Coordination Mechanism" by launching a range of support measures to help more SMEs obtain bank financing and accelerate their business upgrading and transformation. BOCHK's dedication to providing high-quality services to SMEs earned wide recognition from the market, including receiving the "Best SME's Partner Award" from the Hong Kong General Chamber of Small and Medium Business for the 19th consecutive year.

Integrating ESG concepts to promote sustainable development practices

The Group actively supported the implementation of the Hong Kong Taxonomy for Sustainable Finance (Phase 2A). It provided green loans to a leading petrochemical and energy group as well as to the largest franchised bus operator in Hong Kong, so as to contribute to the construction of Hong Kong's green infrastructure and the transition of public transportation towards carbon neutrality, thus driving forward green momentum in the society. As at the end of June 2026, the balance of the Group's green and sustainability-related loans to corporate customers increased by 5% compared to the end of 2025. Acting again as the joint lead manager, it assisted a supranational organisation in issuing HKD-denominated sustainable development bonds, which helped foster the development of Hong Kong's sustainable bond market. BOCHK's efforts to advance corporates' sustainable development were well received by the market, and was awarded "Excellent Brand of Green and Sustainable Corporate Banking Services" at the Hong Kong Leaders' Choice 2026 awards organised by Metro Finance.

Treasury

Financial Results

Treasury recorded a profit before tax of HK$8,926 million in the first half of 2026, a decline of HK$1,116 million or 11.1% year-on-year. This was primarily due to a decline in net trading gain, caused by a decrease in foreign exchange swap contract transactions resulted from higher deployment of funding in local currency during the period, as well as a higher mark-to-market value of foreign exchange related products and interest rate instruments in the same period last year. This was partly offset by an increase in net interest income of the banking book and a net gain from other financial instruments.

Business Operations

Enhancing treasury product and service capabilities to steadily develop global markets business

The Group continued to strengthen its treasury product infrastructure so as to enhance its treasury services and market-making capabilities, therefore maintaining its market-leading advantages across various mutual market access programmes. Seizing opportunities presented by enterprises "Going Global" and the HKSAR Government's "Action Plan to Promote Development of Corporate Treasury Centres", it launched a variety of foreign exchange and risk hedging products to provide diversified services for enterprises "Going Global" as well as financial institutions. Based on the four pillars and ten measures outlined in the "Roadmap for the Development of Fixed Income and Currency Markets" jointly released by the HKMA and the Securities and Futures Commission, it was committed to promoting Hong Kong as a global hub for fixed income and currency products. During the period, it successfully assisted an offshore issuer to launch the world's first HKD-denominated Shanghai Pilot Free Trade Zone offshore bond. Acting as secondary custodian for such bond issuance, it provided sub-custody services to offshore market investors via Shanghai Clearing House and offered professional services in issuance coordination, custody arrangements, transaction clearing and other aspects to support the issuer's HKD financing needs and the HKD asset allocation needs of offshore market participants, thereby contributing to the high-quality development of financial markets in the Chinese Mainland and Hong Kong. It once again assisted the Indonesian government and a South Korean policy bank in issuing offshore RMB bonds ("Dim Sum bonds") and HKD bonds ("Wonton bonds") respectively, and assisted an Australian commercial bank in issuing the first Wonton bonds in Oceania. This broadened product range and issuer diversity in the primary fixed income market while providing issuers and investors with complementary treasury products and services, therefore promoting the use of risk instruments and liquidity management in the secondary market and contributing to the vigorous development of the fixed income market. The Group consolidated and enhanced its precious metals storage capacity and physical transfer capability, and actively participated in the construction of Hong Kong's central clearing and settlement system for gold. BOCHK, as the settlement institution and a direct participant of Hong Kong's central clearing and settlement system for gold, as well as the designated vault of Hong Kong Precious Metals Central Clearing Company Limited, actively leveraged its expertise to fully support the HKSAR Government's initiative to establish Hong Kong as an international gold trading hub.

Adhering to a robust, risk-aware investment strategy while proactively managing risks and enhancing returns

The Group maintained a robust and cautious approach to managing its banking book investments. It closely monitored worldwide market interest rate adjustments and adopted a pre-emptive and proactive approach to managing risks, while seeking fixed-income investment opportunities to enhance returns. At the same time, the Group actively diversified its banking book investments, continuously optimising portfolio liquidity and strengthening its resilience against market volatility.

Continuously developing innovative products and services and achieving steady growth in asset management business

BOCHK Asset Management Limited ("BOCHK AM") strengthened its core investment capabilities while promoting the development of innovative products and services, thus achieving steady growth in assets under management. During the period, BOCHK AM launched the "BOCHK All Weather Global Investment Grade Bond Fund" to provide investors with new investment opportunities, and established a brand new venture capital fund to support the growth of Hong Kong innovation and technology enterprises with promising development potential. In addition, BOCHK AM was approved by the National Financial Regulatory Administration as an offshore investment manager for insurance funds, becoming a partner institution for the offshore investment business of Chinese Mainland insurers, creating strong impetus for business growth. Its professional expertise was widely recognised by the market. BOCHK AM was awarded "Best RMB Manager in Hong Kong", "Best China Asset Management Company in Hong Kong", "Best Cross-Border Strategy (Greater Bay Area) in Hong Kong" and "Best Climate Change Strategy in Hong Kong" at the 2026 Best of the Best Awards organised by *Asia Asset Management*.

Insurance

Financial Results

In the first half of 2026, the Group's insurance segment actively optimised its product structure and service offering. The value of standard new premiums increased by 27.9% year-on-year to HK$18,962 million. The value of new business grew by 55.7% year-on-year to HK$3,390 million. Profit before taxation was up 16.8% year-on-year to HK$1,283 million, mainly driven by business growth and an increase in investment income.

Business Operations

Enhancing multi-channel competitive advantages and committing to high-quality business development

BOC Life strengthened intra-group collaboration and focused on high-net-worth Personal Banking customers. It promoted life insurance business growth by launching promotional campaigns, such as incentives for re-enrolment upon policy maturity and sales offers with limited quotas, resulting in an increase in the sales volume of BOC Life's insurance products and contributing to the growth of 23.6% in the balance of the Group's CSM from the end of last year. Deepening its multi-channel competitive advantages, BOC Life delivered steady business growth by partnering with brokers with diversified backgrounds and collaborating with international banks to promote the development of premium financing business. It was also committed to building an elite tied-agency workforce comprising talents with regional experience, with a view to enhancing customer experience through premium products and services. BOC Life optimised its product and service offerings to meet the distinctive needs of different customer segments and distribution channels, thus enhancing its market competitiveness. Products such as "Glamorous Glow Global Whole Life Insurance Plan" and "Elite Generations Global Whole Life Insurance Plan" were well received by customers. In terms of BOCHK digital distribution channels, BOC Life raised the upper eligible age limit for its core product "iTarget 3 Years Savings Insurance Plan" to expand its senior customer base, added AUD, GBP and CAD as new policy currency options, and raised the maximum premium per policy in order to improve the overall customer experience. BOC Life launched the "Sage Diamond Whole Life Insurance Plan" through its brokers channel and the Group's private banking channel, offering high-net-worth customers a lump-sum premium payment option for USD-denominated policies. It also introduced the "Elite Generations Global Whole Life Insurance Plan" across its offline channels, providing mass-affluent customers with a policy featuring multi-currency options and 12 death-benefit settlement options under the "Prosperity Wealth" Advance Policy Instruction, catering to the protection and legacy planning needs of different customer segments. Furthermore, it launched the brand new BOC Life mobile app, which seamlessly integrates with BOCHK's mobile banking platform, offering services such as instant policy notifications, policy overview, self-service policy management, claims submission and help and support. The mobile app also integrates health management with premium rewards, creating a smart insurance ecosystem and delivering a secure and innovative insurance management experience.

Promoting business innovation in pension finance and meeting customers' diverse retirement needs

BOC Life actively promoted the development of the silver economy, helping customers to enjoy a high-quality lifestyle upon retirement. Leveraging the synergies of "Bank + Insurance" and the strengths of its "BOC Silver Age" pension finance branding strategy, it collaborated with BOCHK to launch "Redefine Retirement. Refine Life.", an integrated retirement financial service solution. Centring on the three core demands of "Wealth, Wellness, and Lifestyle", this service solution delivers a comprehensive "Wealth+" experience encompassing wealth management and value-added services. In alignment with national policies in pension finance and the integrated development of the Guangdong-Hong Kong-Macao Greater Bay Area, BOC Life partnered with a Chinese Mainland elderly care service provider to launch the "Peaceful Greater Bay Area, Healthy Senior Living: Immersive Wellness Experience Programme", which offered customers and their caregivers complimentary wellness experiences, thus facilitating the emerging trend of retirement living in the Chinese Mainland.

Upholding the principle of "Business with Purpose" and steadfastly promoting sustainable development

BOC Life remained committed to fostering an ESG-led corporate culture and advancing sustainable development. In support of climate action and green operations, it completed its first carbon audit and obtained independent third-party audit certifications on energy and carbon from TÜV Rheinland. In addition, it launched new green office initiatives and was awarded "Green Office" and "Eco-Healthy Workplace" awards labels under the "Green Office Awards Labelling Scheme" of the World Green Organisation for the fourth consecutive year. Leveraging its industry influence, BOC Life served as a strategic partner for the "Build4Asia Forum 2026", bringing together stakeholders from the government, commerce and community sectors to advance smart city development. Through a diverse range of flagship social welfare projects, BOC Life continued to create long-term value for Hong Kong's youth and underprivileged communities, including collaborating with the Faculty of Business and Economics of the University of Hong Kong to launch the "Future Leader Scholarship Programme", which nurtures academically outstanding and socially responsible young talent. To foster holistic development among the younger generation through sports, BOC Life title-sponsored the "BOC Life Hong Kong Premier League" and the "BOC Life Wild in the City Orienteering Challenge 2026". In addition, it supported the Hong Kong Guide Dogs Association's first "Charity Run for Little Q" to help raise awareness of the needs of people with visual impairments and promote community inclusion.

Southeast Asian Business

Leveraging synergies in the Southeast Asian region to promote the collaborative development of its globalised business

The Group remained focused on regional integrated development while adopting a differentiated management approach across its regional entities through the organic combination of "One Branch, One Policy" strategies, thus deepening and optimising its regional management model. It strengthened its leading role as a regional headquarters and enhanced its capacity to empower the business development of its Southeast Asian entities. The Group remained dedicated to strengthening its cross-border transaction and service network in the region. The Jakarta Branch acted as a primary dealer in the Indonesian market and a major appointed cross-currency dealer for the China-Indonesia Local Currency Transaction ("LCT") framework. It actively participated in and promoted the development of RMB business in Indonesia, and was appointed by the People's Bank of China ("PBOC") to act as the RMB Clearing Bank in Indonesia. During the period, the Phnom Penh Branch officially launched its RMB acquiring business, making it the first commercial bank outside Hong Kong to obtain regulatory approval and officially roll out RMB merchant acquiring services via point of sale ("POS") terminals. The Group actively promoted e-CNY product innovation in the Southeast Asia region, BOCHK was among the first direct participants to connect to the Cross-border e-CNY Transfer Services ("CBETS") platform operated by e-CNY Center International Co., Ltd. It also became the world's first offshore e-CNY custodian bank to provide liquidity transfer services to offshore direct participants for their e-CNY settlement wallets, with its first production verification case completed during the period. It also facilitated the participation of the Vientiane Branch and BOC Thailand as direct participants and the Jakarta Branch as an indirect participant in the CBETS platform, further promoting the international use of e-CNY. Furthermore, the Group enhanced the RMB outward remittance function of its intelligent Global Transaction Banking ("iGTB") platform in Southeast Asia, and became the first Chinese bank in the region to implement direct clearing between iGTB and CIPS, thereby delivering solid results in promoting the international use of RMB. The Group's regional brand influence continued to grow, with the Vientiane Branch awarded the "2024-2025 Special Award for Foreign Exchange Business in Laos" by the Bank of the Lao P.D.R, and BOC Thailand awarded "Best Bank for RMB Foreign Exchange Trading" by leading local magazine *BUSINESS+*.

The Group's Southeast Asian business recorded steady business growth. As at the end of June 2026, deposits and loans of its Southeast Asian-related businesses[1] increased by 4.0% and 9.6% respectively from the end of last year. Income from its Southeast Asian-related businesses[1] in the first half of 2026 increased by 1.0% year-on-year. As at the end of June 2026, the non-performing loan ratio of the Group's Southeast Asian entities[2] was 2.08%.

1. Referring to the Group's related businesses in Southeast Asia.
2. Referring to the nine Southeast Asian entities of BOC Thailand, BOC Malaysia, Ho Chi Minh City Branch, Manila Branch, Jakarta Branch, Phnom Penh Branch, Vientiane Branch, Brunei Branch and Yangon Branch. The non-performing loan ratio was calculated in accordance with local regulatory requirements.

Risk Management

Banking Group

Overview

The Group believes that sound risk management is crucial to the success of any organisation. In its daily operation, the Group attaches a high degree of importance to risk management and emphasises that a balance must be struck between risk control and business development. The principal types of risk inherent in the Group's businesses are credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputation risk, legal and compliance risk, and strategic risk. The Group's risk management objective is to enhance shareholder value by maintaining risk exposures within acceptable limits. The Group has a defined risk appetite statement approved by the Board, which is an expression of the types and level of risk that the Group is willing to take in a controllable way in order to achieve its business goals and to meet the expectations of its stakeholders.

Risk management governance structure

The Group's risk management governance structure is designed to cover all business processes and to ensure various risks are properly managed and controlled in the course of conducting business. The Group has a robust risk management organisational structure with a comprehensive set of policies and procedures to identify, measure, monitor and control various risks that may arise. These risk management policies and procedures are regularly reviewed and updated to reflect changes in markets and business strategies. Various groups of risk takers assume their respective responsibilities for risk management.

The Board of Directors, representing the interests of shareholders, is the highest decision-making authority of the Group and has the ultimate responsibility for risk management. The Board, with the assistance of its committees, has the primary responsibility for the formulation of overall risk management strategies, risk appetite and risk culture and ensuring that the Group has an effective risk management system to implement these strategies.

The Risk Committee ("RC"), a standing committee established by the Board of Directors, is responsible for overseeing the Group's comprehensive risk and various types of risks, including reviewing and approving of high level risk policies, overseeing their implementation; reviewing and approving the Group's risk data aggregation and risk reporting framework and requirements and ensuring that adequate resources are deployed; reviewing and approving significant or high risk exposures or transactions; determining its own risk reporting requirements and frequency and alerting the senior management when risk reports do not meet its requirements; and if necessary, requesting for relevant information that will allow it to fulfil its risk management mandate. The RC would refer any specific transaction to the Board if it is deemed so significant that the Board's approval is desirable. The Audit Committee assists the Board in fulfilling its role in overseeing the internal control system.

The senior management is responsible for the implementation of enterprise risk management and various types of risk management. The Chief Executive ("CE") is responsible for managing the Group's comprehensive and various types of risks, and approving material risk exposures or transactions within his authority delegated by the Board of Directors. The Deputy Chief Executives ("DCEs") assist the CE in fulfilling his responsibilities on the day-to-day management of various types of risk, and are responsible for approving material risk exposures or transactions within their authorities delegated by the CE. The Chief Risk Officer ("CRO") assists the CE in fulfilling his responsibilities on day-to-day management of various types of risks and internal control; responsible for initiating new risk management strategies, projects and measures in response to regulatory changes that will enable the Group to better manage and control any risks, whether arising from new businesses, products and operating environment, and reviewing material risk exposures or transactions within the delegated authority. In accordance with the principle of setting the hierarchy of risk management policies approved by the Board, senior management is responsible for approving the detailed risk management policies of their responsible areas, and promoting the identification, assessment and management of data quality risks as part of its overall risk management framework as well as implementation of the relevant regulatory requirements.

Various units of the Group have their respective risk management responsibilities. Business units act as the first line of defence while risk management units and supporting units, which are the second line of defence and are independent from the business units, are responsible for the day-to-day management of different kinds of risks. Various single risk type risk management units have the primary responsibility for drafting, reviewing and updating various risk management policies and procedures. Group audit acts as the third line of defence of risk management, which is responsible for conducting independent checking.

The Group's principal banking subsidiaries are subjected to risk management policies that are consistent with those of the Group. Moreover, the Group's non-banking subsidiaries, such as BOC Life, are subject to the Group's risk management requirements. These subsidiaries are required to formulate their respective risk management policies based on the characteristics of their own industries, perform daily risk management responsibilities and report to BOCHK on a regular basis. Risk management units of BOCHK monitor the risk management status of these subsidiaries.

Credit risk management

Credit risk is the risk of loss that a customer or counterparty is unable to or unwilling to meet its contractual obligations. Credit risk exists in the trading book and banking book, as well as from on- and off-balance sheet transactions of the Group. It arises principally from lending, trade finance and treasury businesses. The Chief Credit Officer, who reports directly to the CRO, takes charge of credit risk management and is also responsible for the control of credit risk exposures of subsidiaries in line with the credit risk management principles and requirements set by the Group.

For advances, different credit approval and control procedures are adopted according to the level of risk associated with the customer, counterparty or transaction. The Credit Risk Assessment Committee, comprising experts from credit and other functions, is responsible for making an independent assessment of material credit applications which require the approval of DCEs or above. Credit applications for non-retail exposures are independently reviewed and objectively assessed by risk management units. Obligor ratings (in terms of probability of default) and facility ratings (in terms of loss given default) are assigned to these portfolios to support credit approval. Retail internal rating systems are deployed in the risk assessment of retail credit transactions, including small business loans under retail exposures, residential mortgage loans, personal loans and credit cards, etc. Loan grades, obligor and facility ratings as well as loss estimates (if applicable) are used to support credit approval.

The Group also uses loan grades, obligor ratings and loss estimates (if applicable) to support credit monitoring, reporting and analysis of credit risk information. For non-retail exposures, more frequent rating review and closer monitoring are required for higher-risk customers. For retail exposures, monthly updated internal ratings and loss estimates are used for credit monitoring on a portfolio basis. More comprehensive review is required for obligors being identified under high-risk pools. The Group adopts loan grading criteria which divide credit assets into five categories with reference to the HKMA's guidelines. The Risk Management Department ("RMD") provides regular credit management information reports and ad hoc reports to the Management Committee ("MC"), the RC and Board of Directors to facilitate their continuous monitoring of credit risk. In addition, the Group identifies credit concentration risk by industry, geography, customer or counterparty. The Group monitors changes to every counterparties credit risk, quality of the credit portfolio and credit risk concentrations, and reports regularly to the Group's Management.

The Group employs an internal master rating scale that can be mapped to Standard & Poor's external credit ratings. The structure of internal master rating scale is in compliance with the requirement of the Banking (Capital) Rules under the Hong Kong Banking Ordinance.

The Group will write-off the financial asset when there is no realistic prospect of recovery or reasonable expectation of full recovery upon assessment. After realisation of the collateral of secured financial assets, the net value of the financial assets will be written-off if there is no prospect of recovery despite recovery efforts taken.

For investments in debt securities, the obligor ratings or external credit ratings and credit limits setting on customer/security issuer basis are used for managing credit risk associated with the investment. For derivatives, the Group sets customer limits to manage the credit risk involved and follows the same approval and control processes as applied for advances. On-going monitoring and stop-loss procedures are established.

For impairment assessment, an impairment model is introduced in compliance with HKFRS 9, it requires the recognition of Expected Credit Loss ("ECL") for financial instruments held at amortised cost and fair value through other comprehensive income. Under HKFRS 9, ECL is assessed in three stages and the financial assets, loan commitments and financial guarantees are classified in one of the three stages.

Stage 1: if the financial instruments are not credit-impaired during origination and their credit risk has not increased significantly since origination, and the impairment allowance is measured at an amount up to 12-month ECL;

Stage 2: if the financial instruments are not credit-impaired during origination but their credit risk has increased significantly since origination, and the impairment allowance is measured at an amount equal to the lifetime ECL;

Stage 3: if the financial instruments are credit-impaired and their future cash flows of that financial instruments are adversely affected by one or more events, and the impairment allowance is measured at an amount equal to the lifetime ECL.

The Group has established the significant credit deterioration criteria framework to determine the stage of the financial instruments. The framework incorporates both quantitative and qualitative assessment, taking into account of factors such as number of days past due, change in Internal Ratings-Based ("IRB") rating, low credit risk threshold and the watchlist.

The customer credit ratings in the internal model are classified into 27 grades. The lowest (27th) credit grading equates to defaulted customers while the others are assigned to non-defaulted customers. The quantitative and qualitative criteria considered in determining significant credit deterioration include:

Quantitative criteria

- Failure to make payments of principal or interest 30 days after the contractual due dates;

- At the reporting date, the credit risk is deemed to increase significantly when the remaining lifetime PD rises by more than a certain range from initial recognition, and reflected as a drop in customer's credit rating by corresponding level according to the different PD at initial recognition. On average, there is a significant increase in credit risk when the customer's credit rating drops by 5 grades.

Qualitative criteria

- Significant adverse change in debtor's operations or financial status;

- Customers with sign of credit deterioration are put into watchlist for staging review.

The Group leverages the parameters implemented under Basel IRB models and internal models where feasible and available to assess ECL. For the portfolios without models, all other reasonable and supportable information such as historical information, relevant loss experience or proxies are utilised. The measurement of ECL is the product of the financial instrument's probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") discounted at the effective interest rate to the reporting date.

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts four economic scenarios in the ECL measurement, including "Good", "Baseline", "Bad" and "Alternative" scenarios, to meet the requirements of HKFRS 9. The "Baseline" scenario represents a most likely outcome. "Good" and "Bad" scenarios represent the estimated deviations of the "Baseline" scenario, which are either more optimistic or more pessimistic as compared with "Baseline" scenario. The "Alternative" scenario represents a more pessimistic scenario than the "Bad" scenario, to reflect the Management's view on severe downside risks of the idiosyncratic events that may have severe impact on the performance and asset quality of the credit portfolio, when the Management considers the risk cannot be fully reflected in the three scenarios (i.e. "Good", "Baseline" and "Bad" scenarios) derived from forecasts and historical data.

The "Baseline" and "Alternative" scenarios are prepared by the Group's Economics & Strategic Planning Department. Historical data, economic trend, external economic forecast from governmental and non-governmental organisation, etc. are also used as reference benchmarks to ensure the "Baseline" scenario is reasonable and supportable. For the "Good" and "Bad" scenarios, the Group makes reference to the historical macroeconomics data for estimating the deviations. The "Alternative" scenario reflects the Management's review of the tail of the economic distribution, incorporating a number of risk events, including further escalation of geopolitical tensions coupled with other uncertainties, worsening of global supply chains, rising global inflation rate, the monetary tightening policy of Central Banks and interest rate hikes which eventually pose a significant pressure on economy.

The core macroeconomic factors in the major countries/regions where the Group operates such as Gross Domestic Product ("GDP") growth, and other key macroeconomic factors such as Consumer Price Index, Property Price Index and Unemployment Rate are applied in the economic scenarios. These macroeconomic factors are considered important to the Group's ECL in statistical analysis and business opinion.

The probability weight assigned for each scenario reflects the Group's view for the economic environment, following the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance. A higher probability weight is assigned to the "Baseline" scenario to reflect the most likely outcome and a lower probability weight is assigned to the "Good", "Bad" and "Alternative" scenarios to reflect the less likely outcomes. As of June 2026, the probability weight of the Group's "Baseline" scenario is higher than the sum of probability weight of "Good", "Bad" and "Alternative" scenarios.

The core macroeconomic factor used by the Group to assess ECL:

Macroeconomic Factor	Good Scenario	Baseline Scenario	Bad Scenario	Alternative Scenario
2026 Hong Kong GDP Growth	6.5%	3.0%	-0.5%	-6.0%

The calculation of ECL is affected by macroeconomic factors and economic scenarios. In principle, an increase in ECL would be resulted if more pessimistic macroeconomic factors are applied in ECL assessment or a higher probability weight is assigned to the "Bad" scenario. The Group reviews the macroeconomic factors used in the ECL model and the probability weight of economic scenarios on a quarterly basis according to the established mechanism.

RC is responsible for approving ECL methodology and the Management is responsible for the ECL model implementation. Credit Risk Management is responsible for the maintenance of ECL methodology including models review and parameters update on a regular basis. Independent Model Validation Team is responsible for the annual validation of ECL models. If there is any change in ECL methodology, the Group will follow the proper approval process.

As at 30 June 2026, the ECL will be increased by 1.69% (31 December 2025: 1.72%) if 5% of the probability weight is shifted from "Baseline" scenario to "Bad" scenario; and will be decreased by 0.96% (31 December 2025: 0.99%) if 5% of the probability weight is shifted from "Baseline" scenario to "Good" scenario.

Market risk management

Market risk refers to the risk of loss arising from movements in the value of foreign exchange, interest rate, equity and commodity positions held by the Group due to the volatility of financial market price (foreign exchange rate, interest rate, credit spreads, equity price, commodity price). The Group adopts a moderate market risk appetite to achieve a balance between risk and return. The Group's objective in managing market risk is to secure healthy growth of the treasury business, by the effective management of potential market risk in the Group's business, according to the Group's overall risk appetite and strategy of the treasury business on the basis of a well-established risk management regime and related management measures.

In accordance with the Group's corporate governance principles in respect of risk management, the Board and RC, senior management and functional departments/units perform their duties and responsibilities to manage the Group's market risk. The RMD is responsible for the Group's market risk management, assisting senior management to perform their day-to-day duties, independently monitoring the market risk profile and compliance of management policies and limits of the Group and BOCHK, and ensuring that the aggregate and individual market risks are within acceptable levels.

The Group's market risk management covers BOCHK and its subsidiaries. The Group establishes market risk management policies to regulate BOCHK's and its subsidiaries' market risk management; meanwhile, the Group sets up the Group's VaR and stress test limits, which are allocated and monitored across the Group according to the business requirements and risk tolerance levels. In line with the requirements set in the Group's policy, the subsidiaries formulate the detailed policies and procedures and are responsible for managing their daily market risk.

The Group sets up market risk indicators and limits to identify, measure, monitor and control market risk. Major risk indicators and limits include but are not limited to VaR, Stop Loss, Open Position, Stress Testing and Sensitivity Analysis (Basis Point Value, Greeks), etc. To meet management's requirements, major risk indicators and limits are classified into three levels, and are approved by the RC, senior management or the head of the respective business unit respectively. The treasury business units of BOCHK and subsidiaries (as for Group Limit) are required to conduct their business within approved market risk indicators and limits.

The Group uses the VaR to measure and report general market risks to the RC and senior management on a periodic basis. The Group adopts a uniformed VaR calculation model, using a historical simulation approach and two years of historical market data, to calculate the VaR of the Group and its subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VaR limit of the Group and its subsidiaries.

The Group adopts back-testing to measure the accuracy of VaR model results. The back-testing compares the calculated VaR figure of market risk positions of each business day with the actual and hypothetical gains or losses arising from those positions on the next business day. Generally speaking, the number of back-testing exceptions in a rolling 12-month period will not exceed four times, given a 99% confidence level.

Interest rate risk in the banking book management

Interest rate risk in the banking book ("IRRBB") means the risks of loss to a bank's earnings and economic value arising from movements in interest rate and term structures of the banking book asset and liability positions. The Group's IRRBB exposures are mainly from structural positions. The major types of IRRBB from structural positions are:

– Gap risk: mismatches in the maturity or repricing periods of assets and liabilities that may affect net interest income and economic value;

– Basis risk: different pricing basis for different transactions resulting that the yield on assets and cost of liabilities may change by different amounts within the same repricing period; and

– Option risk: exercise of the options embedded in assets, liabilities or off-balance sheet items that can cause a change in the cash flows of assets and liabilities.

The Group's risk management framework applies also to IRRBB management. The Asset and Liability Management Committee ("ALCO") exercises its oversight of IRRBB in accordance with the "Banking Book Interest Rate Risk Management Policy of BOCHK Group" approved by the RC. The RMD is responsible for the Group's IRRBB management. With the cooperation of the Financial Management Department and Investment Management, etc., RMD assists the ALCO to perform day-to-day IRRBB management. Its roles include, but are not limited to, the formulation of management policies, selection of methodologies, setting of risk indicators and limits, assessment of target balance sheet, monitoring of the compliance with policies and limits, and submission of IRRBB management reports to senior management and the RC, etc.

The Group sets out IRRBB indicators and limits to identify, measure, monitor and control IRRBB on a daily basis. The key indicators and limits include, but are not limited to, repricing gap, basis risk, duration, price value of a basis point ("PVBP"), net interest income sensitivity ratio ("NII"), economic value sensitivity ratio ("EVE"), etc. The key indicators and limits are classified into different levels, which are approved by the CFO, CRO, ALCO and RC accordingly. Risk-taking business units are required to conduct their business within the boundary of the IRRBB limits. Before launching a new product or business in the banking book, the relevant units are required to go through a risk assessment process, which includes the assessment of underlying IRRBB and consideration of the adequacy of current risk monitoring mechanism. Any material impact on the Group's IRRBB noted during the risk assessment process will be submitted to the RC for approval.

NII and EVE assess the impact of interest rate movement on the Group's net interest income and capital base. They are the Group's key IRRBB indicators. The former assesses the impact of interest rate movement on net interest income as a percentage to the projected net interest income for the year. The latter assesses the impact of interest rate movement on economic value (i.e. the net present value of expected cash flows of assets, liabilities and off-balance sheet items discounted using the market interest rate) as a percentage to the latest Tier 1 capital. Limits are set by the RC on these two indicators to monitor and control the Group's IRRBB.

The Group uses scenario analyses and stress tests to assess the IRRBB that the Group would face under adverse circumstances. Scenario analyses and stress tests are also used to assess the impact on net interest income and economic value arising from non-maturity deposits, the prepayment of mortgage loans and the early redemption of debt securities with embedded options, etc.

Liquidity risk management

Liquidity risk is the risk that banks may not be able to obtain sufficient and timely funding at a reasonable cost to meet their obligations as they fall due. The Group maintains a sound liquidity risk appetite to provide stable, reliable and adequate sources of cash to meet liquidity needs under normal circumstances and stressed scenarios.

In accordance with the Group's corporate governance principles in respect of risk management, the Board and the RC, senior management and functional departments/units perform their duties and responsibilities to manage the Group's liquidity risk. The RC is the decision-making authority of liquidity risk management, and assumes the ultimate responsibility of liquidity risk management. As authorised by the RC, ALCO exercises its oversight of liquidity risk and ensures the daily operations of the Group are in accordance with the risk appetite and policies as set by the RC. The RMD is responsible for the Group's liquidity risk management. It cooperates with the Financial Management Department and Investment Management, etc. to assist the ALCO to perform liquidity management functions according to their specific responsibilities.

The Group's liquidity risk management objective is to effectively manage the liquidity of on- and off-balance sheet items with a reasonable cost based on the liquidity risk appetite to achieve sound operation and sustainable profitability. Deposits from customers are the Group's primary source of funds. To ensure stable and sufficient sources of funds are in place, the Group actively attracts new deposits, keeps the core deposit and obtains supplementary funding from the interbank market and by issuing bills in the capital market. According to different term maturities and the results of funding needs estimated from stressed scenarios, the Group adjusts its asset structure (including loans, bonds investment, interbank placement, etc.) to maintain sufficient liquid assets which provides adequate funds in support of normal business needs and ensure its ability to raise funds at a reasonable cost to serve external claims in case of emergency. The Group is committed to diversify the sources, tenors and use of funding to avoid excessive concentration of assets and liabilities; and prevent triggering liquidity risk due to the break of funding strand resulting from over-concentration of sources and use of funding in a particular area where problems occur. In order to manage such risk, the Group sets concentration limits on collateral pools and sources of funding such as Tier 1 high-quality readily liquefiable assets to total high-quality readily liquefiable assets ratio, top ten depositors ratio and large depositors ratio. Whenever necessary, the Group could improve the liquidity position by taking mitigation actions including, but not limited to obtaining funding through interbank borrowings or repos in the money market, selling bonds or retaining existing and attracting new customer deposits. Apart from increasing the funding, the Group would maintain good communication with the counterparties, the parent bank and the regulators to enhance mutual confidence.

The Group has established intra-group liquidity risk management guidelines to manage the liquidity funding among different entities within the Group, and to restrict their reliance of funding on each other. The Group also pays attention to manage liquidity risk created by off-balance sheet activities, such as loan commitments, derivatives, options and other complex structured products. The Group has an overall liquidity risk management strategy to cover the liquidity management of foreign currency assets and liabilities, collateral, intra-day liquidity, intra-group liquidity, the liquidity risk arising from other risks, etc., and has formulated corresponding contingency plan.

The Group established liquidity risk management indicators and limits to identify, measure, monitor and control liquidity risk on a daily basis. These indicators and limits include, but are not limited to liquidity coverage ratio ("LCR"), net stable funding ratio ("NSFR"), loan-to-deposit ratio, Maximum Cumulative Cash Outflow ("MCO") and liquidity cushion. The Group applies a cash flow analysis to assess the Group's liquidity condition under normal conditions and also performs a liquidity stress test (including institution specific, general market crisis and combined crisis) and other methods at least on a monthly basis to assess the Group's capability to withstand various severe liquidity crises. Also, relevant management information systems such as the Assets and Liabilities Management System and the Basel Liquidity Ratio Management System are developed to provide data and to prepare for regular management reports to facilitate liquidity risk management duties.

In accordance with the requirements of Supervisory Policy Manual LM-2 "Sound Systems and Controls for Liquidity Risk Management" issued by the HKMA, the Group has implemented a behaviour model and assumptions of cash flow analysis and stress test to enhance the Group's cash flow analysis under both normal and stressed conditions. In cash flow analysis under normal circumstances, assumptions have been made relating to on-balance sheet items (such as deposits from customers) and off-balance sheet items (such as loan commitments). According to various characteristics of the assets, liabilities and off-balance sheet items, the Group forecasts the future cash flow based on the contractual maturity date and the assumptions of customer behaviour and balance sheet changes. The Group establishes the MCO indicator which predicts the future 30 days maximum cumulative net cash outflow in normal situations based on the above assumptions, to assess if the Group has sufficient financing capacity to meet the cash flow gap in order to achieve the objective of continuing operations.

In the liquidity stress test, institution specific, general market crisis and combined crisis scenarios have been set up, a combined crisis scenario is a combination of institution specific and general market crisis to assess the Group's capability to withstand a more severe liquidity crisis, with a more stringent set of assumptions being adopted. Stress test assumptions include the run-off rate of retail, wholesale and interbank deposits; the drawdown rate of loan commitments and trade-related contingent liabilities; the delinquency ratio and rollover rate of customer loans; and haircut of interbank placement and marketable securities. As at 30 June 2026, the Group was able to maintain a net cash inflow under the three stressed scenarios, indicating the Group has the ability to meet financing needs under stressed conditions. In addition, the Group has a policy in place to maintain a liquidity cushion which includes high quality or comparable quality marketable securities issued or guaranteed by sovereigns, central banks, public sector entities or multilateral development banks or marketable securities issued by non-financial corporates to ensure funding needs even under stressed scenarios. A contingency plan is being established which details the conditions to trigger the plan based on stress test results and early warning indicators, the action plans and relevant procedures and responsibility of relevant departments.

The Group, being classified as a category 1 authorised institution by the HKMA, is required to calculate the LCR and NSFR on a consolidated basis in accordance with the Banking (Liquidity) Rules. The Group is required to maintain a LCR and NSFR not less than 100%.

In certain derivative contracts, the counterparties have the right to request from the Group additional collateral if they have concerns about the Group's creditworthiness.

The Group's liquidity risk management also covers new products or business developments. Before launching a new product or business, the relevant units are required to go through a risk assessment process, which includes the assessment of underlying liquidity risk and consideration of the adequacy of the current risk management mechanism. Any material impact on liquidity risk noted during the risk assessment process will be reported to the RC for approval.

The Group has established a set of uniform liquidity risk management policies which serve as standards and guidance to all the Group's members for liquidity risk management. On the basis of the Group's uniform policies, each of the subsidiaries develops its own liquidity management policies according to its own characteristics, and assumes its own liquidity risk management responsibility. Subsidiaries are required to report their respective liquidity positions with relevant liquidity ratios on a regular basis to the RMD of BOCHK, which consolidates this information and evaluates group-wide liquidity risk to ensure relevant requirements are satisfied.

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system, or from external events. The risk is inherent in all banking products, activities, processes and systems and confronted by the Group in its day-to-day operational activities.

The Group has implemented the "Three Lines of Defence" system for its operational risk management. All departments as the first line of defence are the primary parties responsible for operational risk management, and carry out the duties and functions of risk management in the process of business operation through self assessment, self checking, self correction and self development. The Legal & Compliance and Operational Risk Management Department ("LCO"), together with certain specialist functional units in relation to operational risk management within the Group, including the Human Resources Department, Corporate Services Department, Financial Crime Compliance Department, Financial Management Department, Treasury and General Accounting & Accounting Policy Department (collectively known as "specialist functional units"), are the second line of defence. They are responsible for assessing and monitoring the operational risk conditions in the first line of defence, and providing them with guidance. LCO, being independent from the business units, is responsible for assisting the Management in managing the Group's operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, reviewing and contributing to the monitoring and reporting the overall operational risk profile to the Management and RC. Specialist functional units are required to carry out their designated managerial duties of the second line of defence with respect to some specific aspects of operational risk and its related issues. Apart from taking charge of operational risk management in their own units, these units are also required to provide other units with professional advice/training in respect of certain operational risk categories and to lead the group-wide operational risk management. Group Audit is the third line of defence which provides independent assessment to the effectiveness and adequacy of the operational risk management framework and is required to conduct risk-based review of the operational risk management activities of various departments within the Group regarding their compliance and effectiveness and to put forward recommendations for remedial actions.

The Group has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Group adheres to the fundamental principle of proper segregation of duties and authorisation. The Group adopts various operational risk management tools or methodologies such as key operational risk indicators, operational risk and control assessment, operational risk events management to identify, assess, monitor and control the risks inherent in business activities and products, as well as purchase of insurance, etc. on an as-needed basis to mitigate unforeseeable operational risks. In addition, each new product/service initiative and outsourcing arrangement is subject to a risk assessment and governance process, where risks are firstly identified and assessed by business unit, and reviewed and challenged by relevant second lines of defence, in accordance with the risk-based principle. Subsequent changes on the existing products, services and outsourcing arrangements are also subject to a similar process. Business continuity plans are established to support business operations in the event of an emergency or disaster. Adequate backup facilities are maintained and periodic drills are conducted.

Reputation risk management

Reputation risk is the risk that negative publicity about the Group's business practices, whether genuine or not, will cause a potential decline in the customer base, or lead to costly litigation or revenue decrease. Reputation risk is inherent in other types of risk and every aspect of business operation and covers a wide spectrum of issues.

In order to mitigate reputation risk, the Group has formulated and duly followed its Reputation Risk Management Policy. The policy aims to identify and prevent reputation risk proactively at an early stage when an incident occurs. Since reputation risk is often caused by various types of operational and strategic issues that negatively impact the trust and perception of the Group, all operational and key risks identified are assessed through the established Key Control Self-Assessment framework, including risk assessment tools, to evaluate the severity of their impact on the Group, including the damage to reputation.

In addition, the Group has put in place a comprehensive framework to continuously monitor reputation risk incidents in the financial industry. This continuous monitoring enables the Group to effectively manage, control and mitigate any potential adverse impact from an incident. The Group also adopts robust disclosure practices to keep our stakeholders informed at all times, which helps build confidence in the Group and establish a strong public image.

Legal and compliance risk management

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group. Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Group may suffer as a result of its failure to comply with applicable laws and regulations. Legal and compliance risks are managed by the LCO, while the risks related to money laundering, terrorist financing, fraud, bribery and corruption are managed and monitored by the Financial Crime Compliance Department ("FCC"). Both LCO and FCC report directly to the Chief Risk Officer. As part of the Group's corporate governance framework, the policies for the management of legal and compliance risks, and relevant financial crime compliance risks are approved by the RC as delegated by the Board or relevant committees according to their functions.

Strategic risk management

Strategic risk generally refers to the risks that may cause negative impacts on the earnings, capital, reputation or market position of the Group as a result of the failure of the Group to formulate, implement and adjust its strategies, including macro strategies and policies, as well as the formulation of specific plans, programmes and systems for the implementation of the strategies and policies. The Board reviews and approves the Strategic Risk Management Policy. Key strategic issues have to be fully evaluated and properly endorsed by the senior management and the Board.

The Group regularly reviews its business strategies to cope with the latest market situation and developments.

Capital management

The major objective of the Group's capital management is to maximise total shareholders' return while maintaining a capital adequacy position in relation to the Group's overall risk profile. The ALCO periodically reviews the Group's capital structure and adjusts the capital mix where appropriate to maintain an optimal balance among risk, return and capital adequacy.

To comply with the HKMA's requirements as stated in the Supervisory Policy Manual "Supervisory Review Process", the Group adopts the internal capital adequacy assessment process ("ICAAP") and reviews it annually. Based on the HKMA's guidelines on Pillar II, ICAAP has been initiated to assess the extra capital needed to cover the material risks not captured or not adequately captured under Pillar I, and therefore minimum Common Equity Tier 1 capital ratio, minimum Tier 1 capital ratio and minimum Total capital ratio are determined.

The HKMA has classified BOCHK as a material subsidiary of the BOC resolution group and required BOCHK to comply with the applicable internal loss-absorbing capacity requirements under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ("LAC Rules"), with compliance period starting from 1 January 2023.

Stress testing

The Group supplements the analysis of various types of risks with stress testing. Stress testing is a risk management tool for estimating risk exposures under stressed conditions arising from extreme but plausible market or macroeconomic movements. These tests are conducted on a regular basis by the Group's various risk management units in accordance with the principles stated in the Supervisory Policy Manual "Stress-testing" published by the HKMA. The ALCO monitors the results against the key risk limits approved by the RC. The Financial Management Department reports the combined stress test results of the Group to the Board and RC regularly.

BOC Life

BOC Life's principal business underwrites long-term insurance business in participating business, non-participating business, linked long term business, retirement scheme management and other businesses as defined under the Insurance Ordinance in Hong Kong. Major types of risk arising from BOC Life's insurance business are insurance risk, interest rate risk, liquidity risk, credit risk, equity and fund price risk, currency risk and compliance risk. BOC Life closely monitors these risks and reports to its Risk Management Committee on a regular basis. Furthermore, BOC Life has regular communication with the Group to ensure consistency with the Group's risk management strategy. The key risks of its insurance business and related risk control process are as follows:

Insurance risk management

BOC Life is in the business of insuring against the risk of mortality, morbidity, disability, critical illness, accidents and related risks. These risks are managed through the application of underwriting strategy, reinsurance arrangements and regular experience monitoring.

The underwriting strategy is intended to set premium pricing at an appropriate level that corresponds with the underlying exposure of the risks underwritten, and BOC Life's underwriting procedures include screening processes, such as the review of health condition and family medical history, to ensure alignment with the underwriting strategy.

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality, morbidity and persistency. In this regard, BOC Life has conducted relevant experience studies and researches regularly to identify emerging trends. Results would be taken into account in pricing and underwriting management.

For details of the Group's Insurance Risk Management, please refer to Note 3.4 to the Interim Financial Information.

Interest rate risk management

An increase in interest rates may result in the depreciation of the value of BOC Life's investment assets. A decrease in interest rates may result in an increase in insurance liability and customer dissatisfaction due to decrease in returns. BOC Life manages the matching of assets and liabilities of its portfolios within an asset liability management framework that has been developed to achieve investment returns that match its obligations under insurance contracts; and to manage the adverse impact due to interest rate movement.

Liquidity risk management

BOC Life's liquidity risk is the risk of not being able to meet payment obligations as they fall due. BOC Life's asset and liability management framework includes stress tests and cash flow management to preserve liquidity to fulfil policy payment obligations from time to time.

Credit risk management

BOC Life has exposure to credit risk that a customer, debtor or counterparty will be unable to or unwilling to meet a commitment that they have entered into. Key areas to which BOC Life's insurance business is exposed include:

- Default risk associated with financial instruments or counterparties
- Credit spread widening as a result of credit migration (downgrade)
- Reinsurers' share of unpaid insurance contract liabilities
- Amounts due from reinsurers in respect of claims already paid by BOC Life
- Amounts due from insurance contract holders
- Amounts due from insurance intermediaries

BOC Life manages credit risk by placing limits on its exposure to each investment counterparty or issuer. Such limits are subject to review by the Management at least once a year.

The reinsurance arrangement transfers the insurance risk associated with the insurance contracts to the third party. It does not, however, discharge BOC Life's liability as the primary insurer. If a reinsurer fails to pay a claim for any reasons, BOC Life remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered by reviewing the reinsurers' financial strength prior to finalisation of any reinsurance contract. Management of BOC Life directs its reinsurance placement policy and assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. BOC Life also monitors the reinsurance counterparty risk exposure on an ongoing basis.

Equity and fund price risk management

BOC Life's equity and fund price risk refers to the risk of loss due to volatility of market price in equity securities, investments on fund (including segregated unit-linked fund) and other alternative investments. For private investments where a readily available market price does not exist, valuation uncertainties may arise. BOC Life's asset and liability management framework includes managing the adverse impact due to volatility of values in equity securities, investments on fund (including segregated unit-linked fund) and other alternative investments through stress test and exposure limit.

Currency risk management

BOC Life's currency risk refers to the risk of loss due to volatility of exchange rate. BOC Life's asset and liability management framework includes managing the adverse impact due to exchange rate movement through stress test, exposure limit and risk limit.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	(Unaudited) Half-year ended 30 June 2026 HK$'m	(Restated) (Unaudited) Half-year ended 30 June 2025 HK$'m
Interest income		**58,144**	62,179
Interest income calculated using the effective interest method		***54,516***	*59,140*
Others		***3,628***	*3,039*
Interest expense		**(29,962)**	(37,060)
Net interest income	5	**28,182**	25,119
Fee and commission income		**8,002**	8,143
Fee and commission expense		**(2,023)**	(1,798)
Net fee and commission income	6	**5,979**	6,345
Insurance revenue		**2,159**	1,548
Insurance service expense		**(719)**	(564)
Net income from reinsurance contracts held		**193**	119
Insurance service result		**1,633**	1,103
Net trading gain	7	**6,825**	12,237
Net gain on other financial instruments at fair value through profit or loss	8	**2,404**	3,527
Net gain/(loss) on other financial instruments	9	**631**	(1,116)
Insurance finance expenses		**(6,083)**	(7,375)
Other operating income	10	**332**	297
Net operating income before impairment allowances		**39,903**	40,137
Net charge of impairment allowances	11	**(2,472)**	(3,318)
Net operating income		**37,431**	36,819
Operating expenses	12	**(8,980)**	(8,416)
Operating profit		**28,451**	28,403
Net gain/(loss) from disposal of/fair value adjustments on investment properties	13	**52**	(991)
Net gain/(loss) from properties, plant and equipment and other assets	14	**253**	(126)
Share of results after tax of associates and joint ventures		**16**	(2)
Profit before taxation		**28,772**	27,284
Taxation	15	**(4,416)**	(4,480)
Profit for the period		**24,356**	22,804
Profit attributable to:			
Equity holders of the Company		**23,739**	22,160
Non-controlling interests		**617**	644
		24,356	22,804
		HK$	HK$
Earnings per share			
Basic and diluted	17	**2.2453**	2.0959

The notes on pages 45 to 114 are an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	(Unaudited) Half-year ended 30 June 2026 HK$'m	(Restated) (Unaudited) Half-year ended 30 June 2025 HK$'m
Profit for the period		**24,356**	22,804
Items that will not be reclassified subsequently to income statement:			
Premises:			
Revaluation of premises		**(83)**	(2,204)
Related tax impact		**19**	431
		(64)	(1,773)
Equity instruments at fair value through other comprehensive income:			
Change in fair value		**(822)**	186
Related tax impact		**(3)**	(15)
		(825)	171
Actuarial (loss)/gain on retirement benefit plans		**(2)**	1
		(891)	(1,601)
Items that may be reclassified subsequently to income statement:			
Advances and other accounts at fair value through other comprehensive income:			
Change in impairment allowances credited to income statement	11	**(2)**	–
Debt instruments at fair value through other comprehensive income:			
Change in fair value		**(4,365)**	5,345
Change in impairment allowances charged to income statement	11	**31**	38
Release upon disposal/redemption reclassified to income statement	9	**(643)**	1,104
Amortisation of accumulated amount of fair value hedge adjustment reclassified to income statement		**(14)**	(66)
Related tax impact		**704**	(759)
		(4,287)	5,662
Cash flow hedges		**(77)**	135
Insurance contracts:			
Finance income/(expenses) from insurance contracts issued		**549**	(959)
Finance (expenses)/income from reinsurance contracts held		**(135)**	37
Related tax impact		**(68)**	153
		346	(769)
Share of other comprehensive income of associates and joint ventures		**(3)**	6
Currency translation difference		**(344)**	834
		(4,367)	5,868
Other comprehensive income for the period, net of tax		**(5,258)**	4,267
Total comprehensive income for the period		**19,098**	27,071
Total comprehensive income attributable to:			
Equity holders of the Company		**18,464**	26,430
Non-controlling interests		**634**	641
		19,098	27,071

The notes on pages 45 to 114 are an integral part of this interim financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	(Unaudited) At 30 June 2026 HK$'m	(Restated) (Audited) At 31 December 2025 HK$'m
ASSETS			
Cash and balances and placements with banks and other financial institutions	18	**570,298**	567,599
Financial assets at fair value through profit or loss	19	**324,744**	306,069
Derivative financial instruments	20	**73,620**	65,255
Hong Kong SAR Government certificates of indebtedness		**252,790**	243,190
Advances and other accounts	21	**1,808,518**	1,706,477
Investment in securities	22	**1,486,007**	1,429,836
Interests in associates and joint ventures		**857**	844
Investment properties	23	**12,585**	12,599
Properties, plant and equipment	24	**33,759**	33,770
Current tax assets		**2**	16
Deferred tax assets	30	**3,727**	3,136
Other assets	25	**206,464**	126,447
Total assets		**4,773,371**	4,495,238
LIABILITIES			
Hong Kong SAR currency notes in circulation		**252,790**	243,190
Deposits and balances from banks and other financial institutions		**427,622**	349,305
Financial liabilities at fair value through profit or loss	26	**68,839**	99,584
Derivative financial instruments	20	**59,886**	57,528
Deposits from customers	27	**3,035,682**	2,937,227
Debt securities and certificates of deposit in issue	28	**17,389**	11,251
Other accounts and provisions	29	**181,336**	113,081
Current tax liabilities		**10,365**	7,419
Deferred tax liabilities	30	**2,537**	3,266
Insurance contract liabilities	31	**271,736**	232,347
Subordinated liabilities	32	**79,372**	75,757
Total liabilities		**4,407,554**	4,129,955
EQUITY			
Share capital	33	**52,864**	52,864
Reserves		**307,502**	307,472
Capital and reserves attributable to equity holders of the Company		**360,366**	360,336
Non-controlling interests		**5,451**	4,947
Total equity		**365,817**	365,283
Total liabilities and equity		**4,773,371**	4,495,238

The notes on pages 45 to 114 are an integral part of this interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)											
	Attributable to equity holders of the Company											
		Reserves										
	Share capital HK$'m	Premises revaluation reserve HK$'m	Reserve for financial assets at FVOCI HK$'m	Regulatory reserve* HK$'m	Translation reserve HK$'m	Cash flow hedge reserve HK$'m	Insurance finance reserve HK$'m	Merger reserve** HK$'m	Retained earnings HK$'m	Total HK$'m	Non-controlling interests HK$'m	Total equity HK$'m
At 1 January 2025, as previously reported	52,864	34,853	(5,105)	6,028	(2,199)	–	1,132	–	251,143	338,716	3,514	342,230
Effect of merger of entity under common control	–	–	(5)	18	–	–	–	1,009	751	1,773	–	1,773
At 1 January 2025, as restated	52,864	34,853	(5,110)	6,046	(2,199)	–	1,132	1,009	251,894	340,489	3,514	344,003
Profit for the period	–	–	–	–	–	–	–	–	22,160	22,160	644	22,804
Other comprehensive income:												
Premises	–	(1,773)	–	–	–	–	–	–	–	(1,773)	–	(1,773)
Equity instruments at fair value through other comprehensive income	–	–	170	–	–	–	–	–	–	170	1	171
Actuarial gain on retirement benefit plans	–	–	–	–	–	–	–	–	1	1	–	1
Advances and other accounts at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
Debt instruments at fair value through other comprehensive income	–	–	5,289	–	–	–	–	–	–	5,289	373	5,662
Cash flow hedges	–	–	–	–	–	135	–	–	–	135	–	135
Insurance contracts	–	–	–	–	–	–	(392)	–	–	(392)	(377)	(769)
Share of other comprehensive income of associates and joint ventures	–	–	6	–	–	–	–	–	–	6	–	6
Currency translation difference	–	–	71	–	763	–	–	–	–	834	–	834
Total comprehensive income	–	(1,773)	5,536	–	763	135	(392)	–	22,161	26,430	641	27,071
Transfer to retained earnings	–	–	–	(1,026)	–	–	–	–	1,026	–	–	–
Dividends	–	–	–	–	–	–	–	–	(18,069)	(18,069)	(160)	(18,229)
At 30 June 2025	52,864	33,080	426	5,020	(1,436)	135	740	1,009	257,012	348,850	3,995	352,845
Profit for the period	–	–	–	–	–	–	–	–	17,988	17,988	424	18,412
Other comprehensive income:												
Premises	–	(1,096)	–	–	–	–	–	–	–	(1,096)	–	(1,096)
Equity instruments at fair value through other comprehensive income	–	–	213	–	–	–	–	–	–	213	1	214
Actuarial loss on retirement benefit plans	–	–	–	–	–	–	–	–	(1)	(1)	–	(1)
Advances and other accounts at fair value through other comprehensive income	–	–	6	–	–	–	–	–	–	6	–	6
Debt instruments at fair value through other comprehensive income	–	–	433	–	–	–	–	–	–	433	346	779
Cash flow hedges	–	–	–	–	–	(64)	–	–	–	(64)	–	(64)
Insurance contracts	–	–	–	–	–	–	268	–	–	268	258	526
Share of other comprehensive income of associates and joint ventures	–	–	(4)	–	–	–	–	–	–	(4)	–	(4)
Currency translation difference	–	–	83	–	(208)	–	–	–	–	(125)	–	(125)
Total comprehensive income	–	(1,096)	731	–	(208)	(64)	268	–	17,987	17,618	1,029	18,647
Transfer to retained earnings	–	–	–	(2,784)	–	–	–	–	2,784	–	–	–
Dividends	–	–	–	–	–	–	–	–	(6,132)	(6,132)	(77)	(6,209)
At 31 December 2025	52,864	31,984	1,157	2,236	(1,644)	71	1,008	1,009	271,651	360,336	4,947	365,283

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)											
	Attributable to equity holders of the Company											
		Reserves										
	Share capital HK$'m	Premises revaluation reserve HK$'m	Reserve for financial assets at FVOCI HK$'m	Regulatory reserve* HK$'m	Translation reserve HK$'m	Cash flow hedge reserve HK$'m	Insurance finance reserve HK$'m	Merger reserve** HK$'m	Retained earnings HK$'m	Total HK$'m	Non-controlling interests HK$'m	Total equity HK$'m
At 1 January 2026, as previously reported	52,864	31,984	1,154	2,223	(1,644)	71	1,008	–	270,868	358,528	4,947	363,475
Effect of merger of entity under common control	–	–	3	13	–	–	–	1,009	783	1,808	–	1,808
At 1 January 2026, as restated	52,864	31,984	1,157	2,236	(1,644)	71	1,008	1,009	271,651	360,336	4,947	365,283
Profit for the period	–	–	–	–	–	–	–	–	23,739	23,739	617	24,356
Other comprehensive income:												
Premises	–	(64)	–	–	–	–	–	–	–	(64)	–	(64)
Equity instruments at fair value through other comprehensive income	–	–	(825)	–	–	–	–	–	–	(825)	–	(825)
Actuarial loss on retirement benefit plans	–	–	–	–	–	–	–	–	(2)	(2)	–	(2)
Advances and other accounts at fair value through other comprehensive income	–	–	(2)	–	–	–	–	–	–	(2)	–	(2)
Debt instruments at fair value through other comprehensive income	–	–	(4,134)	–	–	–	–	–	–	(4,134)	(153)	(4,287)
Cash flow hedges	–	–	–	–	–	(77)	–	–	–	(77)	–	(77)
Insurance contracts	–	–	–	–	–	–	176	–	–	176	170	346
Share of other comprehensive income of associates and joint ventures	–	–	(3)	–	–	–	–	–	–	(3)	–	(3)
Currency translation difference	–	–	116	–	(460)	–	–	–	–	(344)	–	(344)
Total comprehensive income	–	(64)	(4,848)	–	(460)	(77)	176	–	23,737	18,464	634	19,098
Acquisition of entity under common control	–	–	–	–	–	–	–	(2,099)	–	(2,099)	–	(2,099)
Transfer from retained earnings	–	–	–	36	–	–	–	1,090	(1,126)	–	–	–
Dividends	–	–	–	–	–	–	–	–	(16,335)	(16,335)	(130)	(16,465)
At 30 June 2026	52,864	31,920	(3,691)	2,272	(2,104)	(6)	1,184	–	277,927	360,366	5,451	365,817

* In accordance with the requirements of the HKMA, the amounts are set aside for general banking risks, including future losses or other unforeseeable risks, in addition to the loan impairment allowances recognised under HKFRS 9.

** Merger reserve was arising on the application of merger accounting method in relation to the combination with entity under common control.

The notes on pages 45 to 114 are an integral part of this interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	(Unaudited) Half-year ended 30 June 2026 HK$'m	(Restated) (Unaudited) Half-year ended 30 June 2025 HK$'m
Cash flows from operating activities			
Operating cash inflow/(outflow) before taxation	34(a)	**118,927**	(54,771)
Hong Kong profits tax paid		**(1,687)**	(1,317)
Outside Hong Kong profits tax paid		**(426)**	(433)
Net cash inflow/(outflow) from operating activities		**116,814**	(56,521)
Cash flows from investing activities			
Additions of properties, plant and equipment		**(476)**	(184)
Proceeds from disposal of properties, plant and equipment		**1**	–
Additions of investment properties		**(5)**	(57)
Additions of intangible assets		**(821)**	(454)
Acquisition of entity under common control		**(2,099)**	–
Proceeds from disposal of subsidiary		**448**	–
Additions of associates and joint ventures		**–**	(15)
Net cash outflow from investing activities		**(2,952)**	(710)
Cash flows from financing activities			
Dividend paid to equity holders of the Company		**(3,066)**	(3,066)
Dividend paid to non-controlling interests		**(130)**	(160)
Payment of lease liabilities		**(288)**	(271)
Net cash outflow from financing activities		**(3,484)**	(3,497)
Increase/(decrease) in cash and cash equivalents		**110,378**	(60,728)
Cash and cash equivalents at 1 January		**550,142**	650,449
Effect of exchange rate changes on cash and cash equivalents		**8,057**	13,791
Cash and cash equivalents at 30 June	34(b)	**668,577**	603,512
Cash flows from operating activities included			
– interest received		**56,550**	60,962
– interest paid		**30,052**	39,222
– dividend received		**44**	57

The notes on pages 45 to 114 are an integral part of this interim financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Basis of preparation and material accounting policies

(a) Basis of preparation

The unaudited interim financial information has been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

(b) Material accounting policies

Except for the initial adoption of the below mentioned amendments, the accounting policies adopted and methods of computation used in the preparation of the unaudited interim financial information are consistent with those adopted and used in the Group's annual financial statements for the year ended 31 December 2025 and shall be read in conjunction with the Group's Annual Report for 2025.

Amendments that are relevant to the Group and are initially adopted for the financial year beginning on 1 January 2026

The Group has initially applied the following amendments for the financial year beginning on 1 January 2026:

- HKFRS 9 and HKFRS 7 (Amendments), "Amendments to the Classification and Measurement of Financial Instruments". The amendments to HKFRS 9 include:

  – Clarifications of the requirements for the timing of recognition and derecognition of financial assets and liabilities and introduction of an accounting policy choice for entities to derecognise financial liabilities that are settled through an electronic payment system before the settlement date if specific conditions are met.

  – Additional guidance on how the contractual cash flows for financial assets with contingent features that linked to the achievement of environmental, social and corporate governance targets or other similar contingent features should be assessed.

  – Clarifications on what constitute non-recourse features and characteristics of contractually linked instruments.

  The amendments to HKFRS 7 require entities to provide additional disclosures regarding financial instruments with contingent features and equity instruments designated at fair value through other comprehensive income.

  The application of these amendments does not have a material impact on the Group's financial statements.

- "Improvements to HKFRS Accounting Standards" contain a number of amendments to HKFRS Accounting Standards which the HKICPA considers not urgent but necessary. It comprises amendments that result in accounting changes for presentation, recognition or measurement purpose as well as terminology or editorial amendments related to a variety of individual HKFRS Accounting Standards. These improvements do not have a material impact on the Group's financial statements.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. Basis of preparation and material accounting policies (continued)

(c) Standards and amendments issued that are relevant to the Group but not yet mandatorily effective and have not been early adopted by the Group in 2026

Standards/Amendments	Content	Applicable for financial years beginning on/ after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 28 (2011) and HKFRS 10 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Please refer to Note 2.1(b) to the Financial Statements of the Group's Annual Report for 2025 for brief explanations of the above-mentioned standards and amendments.

2. Critical estimates and judgements in applying accounting policies

The nature and assumptions related to the Group's estimates and judgements in this reporting period are consistent with those used in the Group's financial statements for the year ended 31 December 2025.

3. Financial risk management

The Group is exposed to financial risks as a result of engaging in a variety of business activities. The principal financial risks are credit risk, market risk (including currency risk and interest rate risk in the banking book) and liquidity risk. This note summarises the Group's exposures to these risks.

A summary of the Group's objectives, risk management governance structure, policies and processes for managing and the methods used to measure these risks is set out in Note 4 to the Financial Statements of the Group's Annual Report for 2025.

3. Financial risk management (continued)

3.1 Credit risk

Financial instruments are considered to be in default when one or more events that have a detrimental impact on the estimated future cash flows occurred such as past due for more than 90 days or the borrower is unlikely to pay in full for its debt obligations to the Group.

Credit-impaired financial instruments are classified as Stage 3 and lifetime expected credit losses will be recognised. Evidence that a financial instrument is credit-impaired include observable data about the following events:

– Significant financial difficulty incurred by the borrower;

– A breach of contract, such as a default or delinquency in principal or interest payment;

– For economic or contractual reasons related to the borrower's financial difficulty, the Group has granted to the borrower a concession that it would not otherwise consider;

– Probable that the borrower will become bankrupt or undergo other financial reorganisation;

– The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses; or

– Other observable data indicating that there is a measurable decrease in the estimated future cash flows from such financial instruments.

(A) Advances and other accounts

Advances with a specific repayment date are classified as overdue when the principal or interest is past due and remains unpaid. Advances repayable by regular instalments are classified as overdue when an instalment payment is past due and remains unpaid. Advances repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instruction or when the advances have remained continuously to exceed the approved limit that was advised to the borrower.

Advances classified as Stage 3 may not necessarily result in impairment loss where the advances are fully collateralised.

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

Gross advances and other accounts before impairment allowances are analysed by internal credit grade and stage classification as follows:

	At 30 June 2026			
	Stage 1 HK$'m	Stage 2 HK$'m	Stage 3 HK$'m	Total HK$'m
Advances to customers				
Pass	1,736,387	27,166	–	1,763,553
Special mention	1,949	36,748	–	38,697
Substandard or below	–	–	16,254	16,254
	1,738,336	63,914	16,254	1,818,504
Trade bills				
Pass	2,284	–	–	2,284
Special mention	–	–	–	–
Substandard or below	–	–	–	–
	2,284	–	–	2,284
Advances to banks and other financial institutions				
Pass	7,912	–	–	7,912
Special mention	–	–	–	–
Substandard or below	–	–	–	–
	7,912	–	–	7,912
	1,748,532	63,914	16,254	1,828,700

	At 30 June 2026			
	Stage 1 HK$'m	Stage 2 HK$'m	Stage 3 HK$'m	Total HK$'m
Impairment allowances				
Advances and other accounts at amortised cost	(4,164)	(7,509)	(8,623)	(20,296)
Advances and other accounts at fair value through other comprehensive income	(10)	–	–	(10)

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

	At 31 December 2025			
	Stage 1 HK$'m	Stage 2 HK$'m	Stage 3 HK$'m	Total HK$'m
Advances to customers				
Pass	1,632,013	27,817	–	1,659,830
Special mention	1,870	35,811	–	37,681
Substandard or below	–	–	19,558	19,558
	1,633,883	63,628	19,558	1,717,069
Trade bills				
Pass	3,157	–	–	3,157
Special mention	–	–	–	–
Substandard or below	–	–	–	–
	3,157	–	–	3,157
Advances to banks and other financial institutions				
Pass	4,985	–	–	4,985
Special mention	–	–	–	–
Substandard or below	–	–	–	–
	4,985	–	–	4,985
	1,642,025	63,628	19,558	1,725,211

	At 31 December 2025			
	Stage 1 HK$'m	Stage 2 HK$'m	Stage 3 HK$'m	Total HK$'m
Impairment allowances				
Advances and other accounts at amortised cost	(4,023)	(7,081)	(7,653)	(18,757)
Advances and other accounts at fair value through other comprehensive income	(11)	–	(1)	(12)

As at 30 June 2026 and 31 December 2025, advances and other accounts by internal credit grade and stage classification did not include advances and other accounts mandatorily classified at fair value through profit or loss.

As at 30 June 2026, included in the Stage 3 advances and other accounts at fair value through other comprehensive income are purchased or originated credit-impaired ("POCI") amounted to HK$170 million (31 December 2025: HK$169 million) and no impairment allowances made in respect of such advances (31 December 2025: HK$1 million).

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

Reconciliation of impairment allowances for advances and other accounts is as follows:

	Half-year ended 30 June 2026			
	Stage 1 HK$'m	**Stage 2 HK$'m**	**Stage 3 HK$'m**	**Total HK$'m**
Impairment allowances				
At 1 January 2026	**4,023**	**7,081**	**7,653**	**18,757**
Transfer to Stage 1	**38**	**(36)**	**(2)**	**–**
Transfer to Stage 2	**(42)**	**46**	**(4)**	**–**
Transfer to Stage 3	**(3)**	**(82)**	**85**	**–**
Changes arising from transfer of stage	**(27)**	**48**	**438**	**459**
Charge for the period[(i)]	**1,531**	**2,238**	**2,080**	**5,849**
Reversal for the period[(ii)]	**(1,399)**	**(1,762)**	**(760)**	**(3,921)**
Write-offs	**–**	**–**	**(899)**	**(899)**
Recoveries	**–**	**–**	**48**	**48**
Exchange difference and others	**43**	**(24)**	**(16)**	**3**
At 30 June 2026	**4,164**	**7,509**	**8,623**	**20,296**
Charged to income statement (Note 11)				**2,387**

	Year ended 31 December 2025			
	Stage 1 HK$'m	Stage 2 HK$'m	Stage 3 HK$'m	Total HK$'m
Impairment allowances				
At 1 January 2025	5,459	1,551	7,950	14,960
Transfer to Stage 1	52	(49)	(3)	–
Transfer to Stage 2	(2,444)	2,448	(4)	–
Transfer to Stage 3	(7)	(384)	391	–
Changes arising from transfer of stage	(31)	3,018	1,364	4,351
Charge for the year[(i)]	3,263	898	3,032	7,193
Reversal for the year[(ii)]	(2,344)	(399)	(559)	(3,302)
Write-offs	–	–	(4,798)	(4,798)
Recoveries	–	–	151	151
Exchange difference and others	75	(2)	129	202
At 31 December 2025	4,023	7,081	7,653	18,757

(i) Charge for the period/year comprises the impairment losses attributable to new loans, remaining loans without stage transfers, and changes to risk parameters, etc.

(ii) Reversal for the period/year comprises reversal of impairment losses attributable to loan repaid, remaining loans without stage transfers, and changes to risk parameters, etc.

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(a) Impaired advances

Impaired advances to customers are analysed as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Gross impaired advances to customers	**16,254**	19,558
Percentage of gross advances to customers	**0.89%**	1.14%
Impairment allowances made in respect of such advances	**8,623**	7,653

The impairment allowances were made after taking into account the value of collateral in respect of the credit-impaired advances.

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Current market value of collateral held against the covered portion of such advances to customers	**11,721**	24,008
Covered portion of such advances to customers	**6,386**	11,103
Uncovered portion of such advances to customers	**9,868**	8,455

As at 30 June 2026, there were no impaired trade bills and advances to banks and other financial institutions (31 December 2025: Nil).

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(b) Advances overdue for more than three months

The gross amount of advances overdue for more than three months is analysed as follows:

	At 30 June 2026		At 31 December 2025	
	Amount HK$'m	**% of gross advances to customers**	Amount HK$'m	% of gross advances to customers
Gross advances to customers which have been overdue for:				
– six months or less but over three months	**368**	**0.02%**	4,213	0.24%
– one year or less but over six months	**3,519**	**0.19%**	2,711	0.16%
– over one year	**7,606**	**0.42%**	8,404	0.49%
Advances overdue for over three months	**11,493**	**0.63%**	15,328	0.89%
Impairment allowances made in respect of such advances – Stage 3	**7,148**		6,693	

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Current market value of collateral held against the covered portion of such advances to customers	**5,797**	13,705
Covered portion of such advances to customers	**4,771**	9,462
Uncovered portion of such advances to customers	**6,722**	5,866

Collateral held against overdue or impaired loans is principally represented by charges over business assets such as commercial and residential premises for corporate loans and mortgages over residential properties for personal loans.

As at 30 June 2026, there were no trade bills and advances to banks and other financial institutions overdue for more than three months (31 December 2025: Nil).

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(c) Rescheduled advances

	At 30 June 2026		At 31 December 2025	
	Amount HK$'m	**% of gross advances to customers**	Amount HK$'m	% of gross advances to customers
Rescheduled advances to customers net of amounts included in "Advances overdue for more than three months"	**243**	**0.01%**	328	0.02%

Rescheduled advances are those advances that have been restructured and renegotiated between the bank and borrowers because of deterioration in the financial position of the borrower or the inability of the borrower to meet the original repayment schedule, and the revised repayment terms, either of interest or the repayment period, are "non-commercial" to the Group. Rescheduled advances, which have been overdue for more than three months under the revised repayment terms, are included in "Advances overdue for more than three months".

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(d) Concentration of advances to customers

(i) Sectoral analysis of gross advances to customers

The following analysis of the gross advances to customers by industry sector is based on the categories with reference to the completion instructions for the HKMA return of loans and advances.

	At 30 June 2026					
	Gross advances to customers HK$'m	% covered by collateral or other security	Impaired HK$'m	Overdue HK$'m	Impairment allowances – Stage 3 HK$'m	Impairment allowances – Stages 1 and 2 HK$'m
Loans for use in Hong Kong						
Industrial, commercial and financial						
– Property development	156,874	23.04%	3,566	1,171	1,313	2,269
– Property investment	94,765	54.12%	4,254	3,983	1,925	1,355
– Financial concerns	33,667	0.86%	–	–	–	63
– Stockbrokers	4,283	68.72%	–	–	–	2
– Wholesale and retail trade	36,870	28.50%	413	386	121	124
– Manufacturing	70,005	4.72%	347	91	172	203
– Transport and transport equipment	76,257	9.99%	13	16	13	147
– Recreational activities	18	97.05%	–	–	–	–
– Information technology	41,228	0.46%	4	5	1	66
– Others	218,825	28.10%	3,252	3,869	2,834	704
Individuals						
– Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	73,060	99.89%	163	778	2	108
– Loans for purchase of other residential properties	414,227	99.81%	422	2,281	32	354
– Credit card advances	11,495	–	111	371	70	218
– Others	135,933	96.06%	243	1,149	70	128
Total loans for use in Hong Kong	1,367,507	57.83%	12,788	14,100	6,553	5,741
Trade financing	49,755	16.00%	638	624	489	63
Loans for use outside Hong Kong	401,356	4.50%	2,828	2,141	1,581	5,851
Gross advances to customers	1,818,618	44.91%	16,254	16,865	8,623	11,655

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(d) Concentration of advances to customers (continued)

(i) Sectoral analysis of gross advances to customers (continued)

	At 31 December 2025					
	Gross advances to customers HK$'m	% covered by collateral or other security	Impaired HK$'m	Overdue HK$'m	Impairment allowances – Stage 3 HK$'m	Impairment allowances – Stages 1 and 2 HK$'m
Loans for use in Hong Kong						
Industrial, commercial and financial						
– Property development	156,785	23.33%	4,321	2,092	798	2,297
– Property investment	95,904	59.17%	5,025	5,025	1,110	804
– Financial concerns	25,227	1.23%	50	–	16	45
– Stockbrokers	4,362	81.74%	–	–	–	2
– Wholesale and retail trade	41,831	26.37%	414	352	92	123
– Manufacturing	59,046	5.28%	369	105	156	182
– Transport and transport equipment	66,265	11.62%	16	28	11	124
– Recreational activities	17	96.96%	–	–	–	–
– Information technology	32,339	0.63%	3	6	1	57
– Others	207,592	29.11%	4,166	4,629	2,869	598
Individuals						
– Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	63,926	99.85%	166	665	2	105
– Loans for purchase of other residential properties	407,914	99.20%	454	2,366	58	377
– Credit card advances	13,035	–	100	437	61	236
– Others	126,565	95.67%	178	1,056	62	138
Total loans for use in Hong Kong	1,300,808	59.14%	15,262	16,761	5,236	5,088
Trade financing	41,202	18.13%	460	451	244	58
Loans for use outside Hong Kong	375,082	5.25%	3,836	3,125	2,173	5,948
Gross advances to customers	1,717,092	46.38%	19,558	20,337	7,653	11,094

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(d) Concentration of advances to customers (continued)

(ii) Geographical analysis of gross advances to customers

The following geographical analysis of advances to customers is based on the locations of the counterparties, after taking into account the transfer of risk. For an advance to customer guaranteed by a party situated in a location different from the customer, the risk will be transferred to the location of the guarantor.

Gross advances to customers

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Hong Kong, China	**1,534,437**	1,452,078
Chinese Mainland	**100,802**	90,606
Others	**183,379**	174,408
	1,818,618	1,717,092
Impairment allowances made in respect of the gross advances to customers – Stages 1 and 2		
Hong Kong, China	**8,752**	8,240
Chinese Mainland	**1,414**	1,370
Others	**1,489**	1,484
	11,655	11,094

Overdue advances

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Hong Kong, China	**14,558**	17,865
Chinese Mainland	**629**	463
Others	**1,678**	2,009
	16,865	20,337
Impairment allowances made in respect of the overdue advances – Stage 3		
Hong Kong, China	**6,268**	5,486
Chinese Mainland	**269**	202
Others	**963**	1,063
	7,500	6,751

3. Financial risk management (continued)

3.1 Credit risk (continued)

(A) Advances and other accounts (continued)

(d) Concentration of advances to customers (continued)

(ii) Geographical analysis of gross advances to customers (continued)

Impaired advances

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Hong Kong, China	**13,245**	17,020
Chinese Mainland	**1,051**	380
Others	**1,958**	2,158
	16,254	19,558
Impairment allowances made in respect of the impaired advances – Stage 3		
Hong Kong, China	**6,954**	6,057
Chinese Mainland	**461**	280
Others	**1,208**	1,316
	8,623	7,653

(B) Repossessed assets

The estimated market value of repossessed assets held by the Group as at 30 June 2026 amounted to HK$404 million (31 December 2025: HK$320 million). The repossessed assets mainly comprise securities and properties in respect of which the Group has acquired access or control (e.g. through court proceedings or voluntary actions by the proprietors concerned) and the carrying amount of the loan concerned is reduced correspondingly.

(C) Balances and placements with banks and other financial institutions

As at 30 June 2026, gross overdue or impaired balances and placements with banks and other financial institutions amounted to HK$30 million (31 December 2025: HK$30 million). The aforesaid balances and placements have been overdue for more than one year as at 30 June 2026 and 31 December 2025.

NOTES TO THE INTERIM FINANCIAL INFORMATION

3. Financial risk management (continued)

3.1 Credit risk (continued)

(D) Debt securities and certificates of deposit

The following tables present an analysis of the carrying value of debt securities and certificates of deposit by issue rating and stage classification. In the absence of such issue ratings, the ratings designated for the issuers are reported.

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Investment in securities at fair value through other comprehensive income		
– Stage 1		
Aaa	**179,296**	143,645
Aa1 to Aa3	**582,993**	612,251
A1 to A3	**508,554**	473,056
Lower than A3	**33,817**	27,233
Unrated	**4,374**	4,422
	1,309,034	1,260,607
– Stage 2	**–**	–
– Stage 3	**–**	–
	1,309,034	1,260,607
Of which: impairment allowances	**(304)**	(270)
Investment in securities at amortised cost		
– Stage 1		
Aaa	**78,932**	78,074
Aa1 to Aa3	**48,600**	43,827
A1 to A3	**25,023**	24,741
Lower than A3	**19,619**	8,422
Unrated	**325**	9,049
	172,499	164,113
– Stage 2	**–**	–
– Stage 3	**–**	–
	172,499	164,113
Impairment allowances	**(92)**	(55)
	172,407	164,058
Financial assets at fair value through profit or loss		
Aaa	**3,490**	3,327
Aa1 to Aa3	**119,304**	105,888
A1 to A3	**92,048**	109,960
Lower than A3	**12,530**	11,066
Unrated	**7,239**	2,377
	234,611	232,618

As at 30 June 2026, there were no overdue or impaired debt securities and certificates of deposit (31 December 2025: Nil).

3. Financial risk management (continued)

3.2 Market risk

(A) VaR

The Group uses the VaR to measure and report general market risks to the RC and senior management on a periodic basis. The Group adopts a uniformed VaR calculation model, using a historical simulation approach and two years of historical market data, to calculate the VaR of the Group and its subsidiaries over a one-day holding period with a 99% confidence level, and sets up the VaR limit of the Group and its subsidiaries.

The following table sets out the VaR for all general market risk exposures[1] of the Group.

	Year	At 30 June HK$'m	Minimum for the first half of year HK$'m	Maximum for the first half of year HK$'m	Average for the first half of year HK$'m
VaR for all market risk	**2026**	**138.7**	**107.7**	**164.4**	**130.9**
	2025	120.4	93.9	151.5	118.0
VaR for foreign exchange risk	**2026**	**48.3**	**19.8**	**67.4**	**44.3**
	2025	35.2	31.2	52.9	41.4
VaR for interest rate risk in the trading book	**2026**	**115.6**	**87.4**	**146.1**	**107.5**
	2025	121.7	99.6	134.3	113.4
VaR for equity risk in the trading book	**2026**	**2.3**	**2.3**	**18.4**	**10.3**
	2025	7.2	4.8	10.4	8.2
VaR for commodity risk	**2026**	**89.1**	**50.3**	**99.4**	**71.8**
	2025	39.9	0.0	39.9	12.1

Note:
1. Structural FX positions have been excluded.

Although there is a valuable guide to market risk, VaR should always be viewed in the context of its limitations. For example:

– the use of historical market data as a proxy for estimating future events may not encompass all potential events, particularly those which are extreme in nature;

– the use of a one-day holding period assumes that all positions can be liquidated or hedged in one day. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day holding period may be insufficient to liquidate or hedge all positions fully;

– the use of a 99% confidence level, by definition, does not take into account losses that might occur beyond this level of confidence; and

– VaR is calculated on the basis of exposures outstanding at the close of business and therefore does not necessarily reflect intra-day exposures.

3. Financial risk management (continued)

3.2 Market risk (continued)

(A) VaR (continued)

The Group recognises these limitations by formulating stress test indicators and limits to assess and manage the market risk uncovered by VaR. The stress testing programme of the market risk includes sensitivity testing on changes in risk factors with various degrees of severity, as well as scenario analysis on historical events including the 1987 Equity Market Crash, 1994 Bond Market Crash, 1997 Asian Financial Crisis, 2001 9-11 event and 2008 Financial Tsunami, etc.

(B) Currency risk

The Group's assets and liabilities are denominated in major currencies, particularly HK Dollar, US Dollar and Renminbi. To ensure the currency risk exposure of the Group is kept to an acceptable level, risk limits (e.g. Position and VaR limit) are used to serve as a monitoring tool. Moreover, the Group seeks to minimise the gap between assets and liabilities in the same currency. Foreign exchange contracts (e.g. FX swaps) are usually used to manage FX risk associated with foreign currency-denominated assets and liabilities.

The following is a summary of the Group's major foreign currency exposures arising from trading, non-trading and structural positions and is prepared with reference to the completion instructions for the HKMA return of foreign currency position. The net options position is calculated based on the basis of delta-weighted positions of all foreign exchange options contracts.

	At 30 June 2026							
	Equivalent in million of HK$							
	US Dollars	**Pound Sterling**	**Japanese Yen**	**Euro**	**Renminbi**	**Australian Dollars**	**Other foreign currencies**	**Total foreign currencies**
Spot assets	**1,461,939**	**35,187**	**174,276**	**85,554**	**753,566**	**36,293**	**150,483**	**2,697,298**
Spot liabilities	**(1,451,593)**	**(28,886)**	**(25,267)**	**(46,357)**	**(667,643)**	**(59,854)**	**(93,038)**	**(2,372,638)**
Forward purchases	**2,420,017**	**32,657**	**171,862**	**114,597**	**1,237,255**	**119,829**	**147,772**	**4,243,989**
Forward sales	**(2,396,012)**	**(38,785)**	**(314,715)**	**(152,906)**	**(1,321,244)**	**(96,078)**	**(204,413)**	**(4,524,153)**
Net options position	**2,185**	**(237)**	**(502)**	**(652)**	**196**	**(32)**	**(880)**	**78**
Net long/(short) position	**36,536**	**(64)**	**5,654**	**236**	**2,130**	**158**	**(76)**	**44,574**

	At 31 December 2025							
	Equivalent in million of HK$							
	US Dollars	Pound Sterling	Japanese Yen	Euro	Renminbi	Australian Dollars	Other foreign currencies	Total foreign currencies
Spot assets	1,344,473	32,036	186,568	84,101	742,143	38,934	122,151	2,550,406
Spot liabilities	(1,378,868)	(28,700)	(27,487)	(42,946)	(593,604)	(34,371)	(84,919)	(2,190,895)
Forward purchases	2,471,267	46,505	123,629	103,620	1,432,113	45,735	92,187	4,315,056
Forward sales	(2,409,504)	(49,776)	(278,462)	(144,399)	(1,578,794)	(50,475)	(129,671)	(4,641,081)
Net options position	(3,584)	(137)	956	(40)	(512)	68	482	(2,767)
Net long/(short) position	23,784	(72)	5,204	336	1,346	(109)	230	30,719

3. Financial risk management (continued)

3.2 Market risk (continued)

(B) Currency risk (continued)

	At 30 June 2026						
	Equivalent in million of HK$						
	US Dollars	**Baht**	**Malaysian Ringgit**	**Philippine Peso**	**Rupiah**	**Other foreign currencies**	**Total foreign currencies**
Net structural position	**9,474**	**3,792**	**5,007**	**2,225**	**4,869**	**2,357**	**27,724**

	At 31 December 2025						
	Equivalent in million of HK$						
	US Dollars	Baht	Malaysian Ringgit	Philippine Peso	Rupiah	Other foreign currencies	Total foreign currencies
Net structural position	9,149	3,732	4,769	2,234	4,765	2,293	26,942

(C) Interest rate risk in the banking book

Interest rate risk in the banking book ("IRRBB") means the risks of loss to a bank's earnings and economic value arising from movements in interest rate and term structures of the banking book asset and liability positions. The Group's IRRBB exposures are mainly from structural positions.

A summary of the Group's policies and processes for managing and the methods used to measure interest rate risk in the banking book is set out in Note 4.2(C) to the Financial Statements of the Group's Annual Report for 2025.

3. Financial risk management (continued)

3.3 Liquidity risk

(A) Liquidity coverage ratio and net stable funding ratio

	2026	2025
Average value of liquidity coverage ratio		
– First quarter	**180.46%**	231.50%
– Second quarter	**168.42%**	185.34%

Average value of liquidity coverage ratio is calculated based on the arithmetic mean of the liquidity coverage ratio as at the end of each working day in the quarter and the calculation methodology and instructions set out in the HKMA return of liquidity position.

	2026	2025
Quarter-end value of net stable funding ratio		
– First quarter	**143.35%**	140.67%
– Second quarter	**143.89%**	139.34%

Quarter-end value of net stable funding ratio is calculated based on the calculation methodology and instructions set out in the HKMA return of stable funding position.

Liquidity coverage ratio and net stable funding ratio are computed on the consolidated basis which comprise the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Liquidity) Rules.

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

(B) Maturity analysis

The following analysis of the Group's assets and liabilities into relevant maturity groupings is based on the remaining period at balance sheet date to the contractual maturity date.

	At 30 June 2026							
	On demand HK$'m	Up to 1 month HK$'m	1 to 3 months HK$'m	3 to 12 months HK$'m	1 to 5 years HK$'m	Over 5 years HK$'m	Indefinite HK$'m	Total HK$'m
Assets								
Cash and balances and placements with banks and other financial institutions	325,100	60,885	90,933	90,761	2,619	–	–	570,298
Financial assets at fair value through profit or loss	–	19,781	53,203	36,676	41,059	104,168	69,857	324,744
Derivative financial instruments	15,315	9,211	13,593	13,417	17,102	4,982	–	73,620
Hong Kong SAR Government certificates of indebtedness	252,790	–	–	–	–	–	–	252,790
Advances and other accounts	455,977	69,988	63,745	233,212	515,463	461,849	8,284	1,808,518
Investment in securities								
– At FVOCI	–	130,860	348,889	290,468	346,551	192,266	4,566	1,313,600
– At amortised cost	–	7,272	6,041	28,958	98,008	32,128	–	172,407
Interests in associates and joint ventures	–	–	–	–	–	–	857	857
Investment properties	–	–	–	–	–	–	12,585	12,585
Properties, plant and equipment	–	–	–	–	–	–	33,759	33,759
Other assets (including current and deferred tax assets)	104,228	62,333	1,675	9,203	18,931	10,858	2,965	210,193
Total assets	1,153,410	360,330	578,079	702,695	1,039,733	806,251	132,873	4,773,371
Liabilities								
Hong Kong SAR currency notes in circulation	252,790	–	–	–	–	–	–	252,790
Deposits and balances from banks and other financial institutions	269,902	138,771	10,956	7,993	–	–	–	427,622
Financial liabilities at fair value through profit or loss	–	38,721	12,837	12,485	433	4,363	–	68,839
Derivative financial instruments	12,256	7,326	7,098	11,843	16,663	4,700	–	59,886
Deposits from customers	1,634,629	682,985	497,755	214,468	5,845	–	–	3,035,682
Debt securities and certificates of deposit in issue	–	–	–	5,852	11,537	–	–	17,389
Other accounts and provisions (including current and deferred tax liabilities)	89,080	88,760	290	11,469	4,399	240	–	194,238
Insurance contract liabilities	–	1,221	3,647	7,989	37,463	194,350	–	244,670
Subordinated liabilities	–	–	–	1,088	45,377	32,907	–	79,372
Total liabilities	2,258,657	957,784	532,583	273,187	121,717	236,560	–	4,380,488
Net liquidity gap	(1,105,247)	(597,454)	45,496	429,508	918,016	569,691	132,873	392,883

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

(B) Maturity analysis (continued)

	At 31 December 2025							
	On demand HK$'m	Up to 1 month HK$'m	1 to 3 months HK$'m	3 to 12 months HK$'m	1 to 5 years HK$'m	Over 5 years HK$'m	Indefinite HK$'m	Total HK$'m
Assets								
Cash and balances and placements with banks and other financial institutions	321,249	66,907	40,429	136,326	2,688	–	–	567,599
Financial assets at fair value through profit or loss	–	30,945	44,113	27,530	59,012	89,761	54,708	306,069
Derivative financial instruments	16,619	7,773	9,435	14,262	13,257	3,909	–	65,255
Hong Kong SAR Government certificates of indebtedness	243,190	–	–	–	–	–	–	243,190
Advances and other accounts	387,586	69,839	67,029	189,246	534,834	445,902	12,041	1,706,477
Investment in securities								
– At FVOCI	–	183,931	268,641	324,208	314,057	169,770	5,171	1,265,778
– At amortised cost	–	10,809	11,586	22,148	83,709	35,806	–	164,058
Interests in associates and joint ventures	–	–	–	–	–	–	844	844
Investment properties	–	–	–	–	–	–	12,599	12,599
Properties, plant and equipment	–	–	–	–	–	–	33,770	33,770
Other assets (including current and deferred tax assets)	55,521	34,141	1,985	8,651	15,619	11,093	2,589	129,599
Total assets	1,024,165	404,345	443,218	722,371	1,023,176	756,241	121,722	4,495,238
Liabilities								
Hong Kong SAR currency notes in circulation	243,190	–	–	–	–	–	–	243,190
Deposits and balances from banks and other financial institutions	227,600	109,569	8,550	3,586	–	–	–	349,305
Financial liabilities at fair value through profit or loss	–	38,324	39,572	15,873	3,894	1,921	–	99,584
Derivative financial instruments	14,326	8,613	9,277	8,624	13,076	3,612	–	57,528
Deposits from customers	1,571,366	659,805	547,341	155,037	3,678	–	–	2,937,227
Debt securities and certificates of deposit in issue	–	–	56	5,630	5,565	–	–	11,251
Other accounts and provisions (including current and deferred tax liabilities)	74,697	35,057	2,949	6,390	4,411	262	–	123,766
Insurance contract liabilities	–	1,533	2,834	10,805	35,102	160,169	–	210,443
Subordinated liabilities	–	–	–	236	43,775	31,746	–	75,757
Total liabilities	2,131,179	852,901	610,579	206,181	109,501	197,710	–	4,108,051
Net liquidity gap	(1,107,014)	(448,556)	(167,361)	516,190	913,675	558,531	121,722	387,187

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

(B) Maturity analysis (continued)

The analysis of debt securities by remaining period to maturity is based on contractual maturity date. The disclosure does not imply that the securities will be held to maturity.

The above analysis in respect of insurance contract liabilities represents the estimated timing of net cash outflows resulting from recognised insurance contract liabilities on the balance sheet and excludes the contractual service margin and risk adjustment for non-financial risk.

3.4 Insurance risk

The Group is in the business of insuring against the risk of mortality, morbidity, disability, critical illness, accidents and related risks. The Group manages these risks through the application of its underwriting strategy, reinsurance arrangements and regular experience monitoring.

The underwriting strategy is intended to set premium pricing at an appropriate level that corresponds with the underlying exposure of the risks underwritten and the Group's underwriting procedures include screening processes, such as the review of health condition and family medical history to ensure alignment with the underwriting strategy.

Within the insurance process, concentrations of risk may arise where a particular event or a series of events could impact heavily on the Group's claim liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts, and relate to circumstances where significant claim liabilities could arise.

For the in-force insurance contracts, most of the underlying insurance liabilities are related to endowment, universal life, annuity, whole life and unit-linked insurance products. For most of the insurance policies issued, the Group has a retention limit on any single life insured. The Group cedes the excess of the insured benefit over the limit to reinsurer under an excess of loss reinsurance arrangement. For some of the insurance business, the Group has entered into reinsurance arrangements that reinsure most of the insurance risk.

Uncertainty in the estimation of future benefit payments and premium receipts for long-term insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality, morbidity and persistency. In this regard, the Group has conducted relevant experience studies and researches regularly to identify emerging trends. Results would be taken into account in pricing and underwriting management. The results of such studies are also considered in determining the assumptions used in the estimates of fulfilment cash flows.

Change in assumptions

The Group has updated the assumptions for acquisition expense and discount rates to reflect the changes in Group's experience and market conditions.

3. Financial risk management (continued)

3.5 Capital management

The HKMA supervises BOCHK and certain subsidiaries specified by the HKMA on a consolidated and solo basis and, as such, receives information on the capital adequacy of, and sets capital requirements for those companies as a whole. Individual overseas banking subsidiaries and branches are directly regulated by their local banking supervisors, who set and monitor their capital adequacy requirements. Certain non-banking financial subsidiaries are also subject to the supervision and capital requirements of local regulatory authorities.

The Group has adopted the foundation internal ratings-based ("FIRB") approach to calculate the credit risk capital charge for the majority of its non-securitisation exposures. Small residual credit exposures are remained under the standardised (credit risk) ("STC") approach. The Group has adopted the reduced basic credit valuation adjustment ("CVA") approach to calculate the capital charge for the CVA risk of the counterparty.

Effective from 1 January 2025, the Group has adopted the standardised approach to calculate market risk capital requirements in accordance with the HKMA's Supervisory Policy Manual MR-1 "Market Risk Capital Charge".

Effective from 1 January 2025, the Group has adopted the standardised approach under the Basel III final reform package to calculate the operational risk capital charge.

The HKMA has classified BOCHK as a material subsidiary of the BOC resolution group and required BOCHK to comply with the applicable internal loss-absorbing capacity requirements under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules ("LAC Rules"), with compliance period starting from 1 January 2023.

(A) Basis of regulatory consolidation

The consolidation basis for regulatory purposes comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules. For accounting purposes, subsidiaries are consolidated in accordance with HKFRS Accounting Standards.

The Company, its subsidiaries (BOC Group Life Assurance Company Limited and BOCHK Asset Management (Cayman) Limited (including their subsidiaries)) and certain subsidiaries of BOCHK are included within the accounting scope of consolidation but not included within the regulatory scope of consolidation.

3. Financial risk management (continued)

3.5 Capital management (continued)

(A) Basis of regulatory consolidation (continued)

The particulars of the above-mentioned subsidiaries of BOCHK are as follows:

	At 30 June 2026		At 31 December 2025	
Name	**Total assets HK$'m**	**Total equity HK$'m**	Total assets HK$'m	Total equity HK$'m
BOC Group Trustee Company Limited	**201**	**201**	201	201
BOCI-Prudential Trustee Limited	**556**	**429**	625	478
Bank of China (Hong Kong) Nominees Limited	**–**	**–**	–	–
Bank of China (Hong Kong) Trustees Limited[1]	**5**	**5**	5	5
BOC Digital Services (Nanning) Company Limited[2]	**N/A**	**N/A**	524	416
BOCHK Information Technology (Shenzhen) Co., Ltd.	**371**	**261**	361	255
Po Sang Financial Investment Services Company Limited	**347**	**347**	347	347
Po Sang Securities Limited[3]	**N/A**	**N/A**	589	395
Sin Hua Trustee Limited[1]	**4**	**4**	4	4
Billion Express Development Inc.	**–**	**–**	–	–
Billion Orient Holdings Ltd.	**–**	**–**	–	–
Elite Bond Investments Ltd.	**–**	**–**	–	–
Express Capital Enterprise Inc.	**–**	**–**	–	–
Express Charm Holdings Corp.	**–**	**–**	–	–
Express Shine Assets Holdings Corp.	**–**	**–**	–	–
Express Talent Investment Ltd.	**–**	**–**	–	–
Gold Medal Capital Inc.	**–**	**–**	–	–
Gold Tap Enterprises Inc.	**–**	**–**	–	–
Maxi Success Holdings Ltd.	**–**	**–**	–	–
Smart Linkage Holdings Inc.	**–**	**–**	–	–
Smart Union Capital Investments Ltd.	**–**	**–**	–	–
Success Trend Development Ltd.	**–**	**–**	–	–
Wise Key Enterprises Corp.	**–**	**–**	–	–

1. The winding-up petitions of Bank of China (Hong Kong) Trustee Limited and Sin Hua Trustees Limited were approved by the High Court of Hong Kong on 10 June 2026.

2. BOC Digital Services (Nanning) Company Limited is included within the regulatory scope of consolidation specified by the HKMA effective from 1 February 2026.

3. The disposal of Po Sang Securities Limited was completed on 30 January 2026.

3. Financial risk management (continued)

3.5 Capital management (continued)

(A) Basis of regulatory consolidation (continued)

The principal activities of the above subsidiaries are set out in "Appendix – Subsidiaries of the Company".

There were no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation as at 30 June 2026 (31 December 2025: Nil).

There were also no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation where the methods of consolidation differ as at 30 June 2026 (31 December 2025: Nil).

The Group operates subsidiaries in different countries/regions where capital is governed by local rules and there may be restrictions on the transfer of funds or regulatory capital between the members of the Group.

(B) Capital ratio

The capital ratios are analysed as follows:

	At 30 June 2026	At 31 December 2025
CET1 capital ratio	**23.80%**	24.01%
Tier 1 capital ratio	**23.80%**	24.01%
Total capital ratio	**25.71%**	25.98%

3. Financial risk management (continued)

3.5 Capital management (continued)

(B) Capital ratio (continued)

The consolidated capital base after deductions used in the calculation of the above capital ratios is analysed as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
CET1 capital: instruments and reserves		
Directly issued qualifying CET1 capital instruments	43,043	43,043
Retained earnings	279,957	258,432
Disclosed reserves	32,222	37,186
CET1 capital before regulatory deductions	355,222	338,661
CET1 capital: regulatory deductions		
Valuation adjustments	(71)	(47)
Other intangible assets (net of associated deferred tax liabilities)	(2,318)	(2,012)
Deferred tax assets (net of associated deferred tax liabilities)	(222)	(204)
Gains and losses due to changes in own credit risk on fair valued liabilities	(12)	(5)
Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties)	(37,603)	(37,382)
Regulatory reserve for general banking risks	(2,272)	(2,223)
Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions	(1,095)	(1,072)
Total regulatory deductions to CET1 capital	(43,593)	(42,945)
CET1 capital	311,629	295,716
AT1 capital: regulatory deductions		
Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation	(1,095)	(1,072)
Total regulatory deductions to AT1 capital	(1,095)	(1,072)
AT1 capital	–	–
Tier 1 capital	311,629	295,716
Tier 2 capital: instruments and provisions		
Collective provisions and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital	7,986	7,429
Tier 2 capital before regulatory deductions	7,986	7,429
Tier 2 capital: regulatory deductions		
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	16,921	16,822
Total regulatory adjustments to Tier 2 capital	16,921	16,822
Tier 2 capital	24,907	24,251
Total regulatory capital	336,536	319,967

3. Financial risk management (continued)

3.5 Capital management (continued)

(B) Capital ratio (continued)

The capital buffer ratios are analysed as follows:

	At 30 June 2026	At 31 December 2025
Capital conservation buffer ratio	**2.500%**	2.500%
Higher loss absorbency ratio	**1.500%**	1.500%
Countercyclical capital buffer ratio	**0.426%**	0.420%

(C) Leverage ratio

The leverage ratio is analysed as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Tier 1 capital	**311,629**	295,716
Leverage ratio exposure	**4,435,586**	4,136,373
Leverage ratio	**7.03%**	7.15%

4. Fair values of financial assets and liabilities

All financial instruments for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy as defined in HKFRS 13, "Fair value measurement". The categorisation are determined with reference to the observability and significance of the inputs used in the valuation methods and based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1: based on quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes equity securities listed on exchange, debt instruments issued by certain governments and certain exchange-traded derivative contracts.

– Level 2: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly. This category includes majority of the over-the-counter ("OTC") derivative contracts, debt securities and certificates of deposit with quote from pricing services vendors, issued structured deposits, advances and other accounts and other debt instruments. It also includes certain foreign exchange contracts with insignificant adjustments or calibrations made to observable market inputs.

– Level 3: based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This category includes equity investments, funds, advances and other accounts and other debt instruments with significant unobservable inputs.

For financial instruments that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.1 Financial instruments measured at fair value

The Group has an established governance structure and controls framework to ensure that fair values are either determined or validated by control units independent of the front offices. Control units have overall responsibility for independent verification of valuation results from front line businesses and all other significant fair value measurements. Other specific controls include verification of observable pricing inputs; review and approval for new models and changes to models; calibration and back-testing of models against observed market transactions; analysis and investigation of significant daily valuation movements; review of significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to senior management, Risk Committee and Audit Committee.

Generally, the unit of account for a financial instrument is the individual instrument. HKFRS 13 permits a portfolio exception, through an accounting policy election, to measure the fair value of a portfolio of financial assets and financial liabilities on the basis of the net open risk position when certain criteria are met. The Group applies valuation adjustments at an individual instrument level, consistent with that unit of account. According to its risk management policies and systems to manage derivative financial instruments, the fair value adjustments of certain derivative portfolios that meet those criteria are measured on the basis of the price to be received or paid for net open risk. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of its relative net risk exposure to the portfolio.

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

The Group uses valuation techniques or broker/dealer quotations to determine the fair value of financial instruments when unable to obtain the open market quotation in active markets.

The main parameters used in valuation techniques for financial instruments held by the Group include bond prices, interest rates, foreign exchange rates, equity and stock prices, commodity prices, volatilities and correlations, counterparty credit spreads and others, which are mostly observable and obtainable from open market.

The techniques used to calculate the fair value of the following financial instruments are as below:

Debt securities and certificates of deposit, advances and other accounts and other debt instruments

The fair values of these instruments are determined by obtaining quoted market prices from exchange, dealer or independent pricing service vendors or using discounted cash flow technique. Discounted cash flow model is a valuation technique that measures present value using estimated expected future cash flows from the instruments and then discounts these cash flows using a discount rate which may include a margin that reflects the credit spreads required by the market for instruments with similar risk. These inputs are observable or can be corroborated by observable or unobservable market data.

Mortgage backed securities

For this class of instruments, external prices are obtained from independent third parties. The valuation of these securities, depending on the nature of transaction, is estimated from market standard cash flow models with input parameters which include spreads to discount rates, default and recovery rates and prepayment rates that may be observable or compiled through matrix pricing for similar issues.

Derivatives

OTC derivative contracts include forward, swap and option contracts on foreign exchange, interest rate, equity, commodity or credit. The fair values of these contracts are mainly measured using valuation techniques such as discounted cash flow models, option pricing models and accrual method. The inputs can be observable or unobservable market data. Observable inputs include interest rate, foreign exchange rates, bond, equity and stock prices, commodity prices, credit default swap spreads, volatilities and correlations. Unobservable inputs may be used for less commonly traded option products which are embedded in structured deposits. For certain complex derivative contracts, the fair values are determined based on broker/dealer price quotations.

Credit valuation adjustments ("CVAs") and debit valuation adjustments ("DVAs") are applied to the Group's OTC derivatives. These adjustments reflect market factors movement, expectations of counterparty creditworthiness and the Group's own credit spread respectively. They are mainly determined for each counterparty and are dependent on expected future values of exposures, default probabilities and recovery rates.

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

(A) Fair value hierarchy

	At 30 June 2026			
	Level 1 HK$'m	Level 2 HK$'m	Level 3 HK$'m	Total HK$'m
Financial assets				
Trading assets (Note 19)				
– Debt securities and certificates of deposit	6,647	115,068	–	121,715
– Equity securities	75	–	–	75
– Funds	2	–	–	2
– Other debt instruments	–	4,399	–	4,399
Other financial assets mandatorily classified at fair value through profit or loss (Note 19)				
– Debt securities and certificates of deposit	–	42,345	–	42,345
– Equity securities	9,479	–	–	9,479
– Funds	12,385	15,815	31,752	59,952
Financial assets designated at fair value through profit or loss (Note 19)				
– Debt securities and certificates of deposit	11,120	59,431	–	70,551
– Other debt instruments	–	16,226	–	16,226
Derivative financial instruments (Note 20)	412	73,208	–	73,620
Advances and other accounts at fair value	–	4,711	284	4,995
Investment in securities at FVOCI (Note 22)				
– Debt securities and certificates of deposit	237,784	1,071,250	–	1,309,034
– Equity securities	1,068	457	3,041	4,566
Financial liabilities				
Financial liabilities at fair value through profit or loss (Note 26)				
– Trading liabilities	141	58,753	–	58,894
– Financial liabilities designated at fair value through profit or loss	–	9,945	–	9,945
Derivative financial instruments (Note 20)	30	59,856	–	59,886

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

(A) Fair value hierarchy (continued)

	At 31 December 2025			
	Level 1 HK$'m	Level 2 HK$'m	Level 3 HK$'m	Total HK$'m
Financial assets				
Trading assets (Note 19)				
– Debt securities and certificates of deposit	8,796	128,809	–	137,605
– Equity securities	21	–	–	21
– Funds	–	–	–	–
– Other debt instruments	–	3,812	–	3,812
Other financial assets mandatorily classified at fair value through profit or loss (Note 19)				
– Debt securities and certificates of deposit	–	37,580	–	37,580
– Equity securities	5,024	–	–	5,024
– Funds	13,175	12,726	23,462	49,363
Financial assets designated at fair value through profit or loss (Note 19)				
– Debt securities and certificates of deposit	7,807	49,626	–	57,433
– Other debt instruments	–	15,231	–	15,231
Derivative financial instruments (Note 20)	22	65,233	–	65,255
Advances and other accounts at fair value	–	5,109	192	5,301
Investment in securities at FVOCI (Note 22)				
– Debt securities and certificates of deposit	303,750	956,857	–	1,260,607
– Equity securities	1,135	293	3,743	5,171
Financial liabilities				
Financial liabilities at fair value through profit or loss (Note 26)				
– Trading liabilities	82	88,153	–	88,235
– Financial liabilities designated at fair value through profit or loss	–	11,349	–	11,349
Derivative financial instruments (Note 20)	21	57,507	–	57,528

There were no significant financial asset and liability transfers between level 1 and level 2 for the Group during the period (31 December 2025: Nil).

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

(B) Reconciliation of level 3 items

	Half-year ended 30 June 2026			
	Financial assets			
	Other financial assets mandatorily classified at FVPL		Advances and other accounts at fair value	Investment in securities at FVOCI
	Debt securities HK$'m	Funds HK$'m	HK$'m	Equity securities HK$'m
At 1 January 2026	–	23,462	192	3,743
Gains/(Losses)				
– Income statement				
– Net gain on other financial instruments at fair value through profit or loss	–	409	–	–
– Other comprehensive income				
– Change in fair value	–	–	–	(702)
Additions	–	7,882	91	–
Disposals, redemptions and maturity	–	(1)	–	–
Exchange difference	–	–	1	–
At 30 June 2026	–	31,752	284	3,041
Total unrealised gains for the period included in income statement for financial assets held as at 30 June 2026				
– Net gain on other financial instruments at fair value through profit or loss	–	409	–	–

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

(B) Reconciliation of level 3 items (continued)

	Year ended 31 December 2025			
	Financial assets			
	Other financial assets mandatorily classified at FVPL		Advances and other accounts at fair value	Investment in securities at FVOCI
	Debt securities HK$'m	Funds HK$'m	HK$'m	Equity securities HK$'m
At 1 January 2025	43	10,058	809	3,565
Gains				
– Income statement				
– Net gain on other financial instruments at fair value through profit or loss	–	429	–	–
– Other comprehensive income				
– Change in fair value	–	–	–	178
Additions	–	14,134	192	–
Disposals, redemptions and maturity	(43)	(1,159)	(809)	–
Exchange difference	–	–	–	–
At 31 December 2025	–	23,462	192	3,743
Total unrealised gains for the year included in income statement for financial assets held as at 31 December 2025				
– Net gain on other financial instruments at fair value through profit or loss	–	429	–	–

As at 30 June 2026 and 31 December 2025, financial instruments categorised as level 3 are mainly comprised of certain equity securities, funds, advances and other accounts and unlisted equity shares.

For certain illiquid funds, the fair values are determined with reference to net asset value, which may be based on unobservable inputs with significant impact on valuation. For certain equity securities, advances and other accounts, the multiples or credit spreads of comparable companies and discount rates used in valuation techniques are unobservable inputs with significant impact on valuation. Therefore, these instruments have been classified by the Group as level 3. The Group has established internal control procedures to control the Group's exposure to such financial instruments.

4. Fair values of financial assets and liabilities (continued)

4.1 Financial instruments measured at fair value (continued)

(B) Reconciliation of level 3 items (continued)

The fair values of unlisted FVOCI equity investments are determined with reference to (i) multiples of comparable listed companies, including average of the price/earnings ratios or average of the price/book values ratios of the comparables; or (ii) dividend discount model calculation of the underlying equity investments; or (iii) net asset value with fair value adjustments on certain assets or liabilities held (if applicable), if neither appropriate comparables nor dividend discount model calculation is available or applicable. The significant unobservable inputs and their range applied in the fair values measurement of the Group's unlisted equity investments includes price/earnings ratios of the comparables of 7.89x – 28.59x, price/book values ratios of the comparables of 0.52x – 0.74x, liquidity discount of 25% – 30%, dividend payout ratio of 23.44% – 88.38% and discount rate of 8.50% – 11.69%. The fair value is positively correlated to the price/earnings ratios and price/book value ratios of appropriate comparables, forecasted stream of future dividend payout or net asset values, and is negatively correlated to the liquidity discount used in the average of price/earnings ratios and price/book value ratios of comparables or discount rate used in dividend discount model and net asset values.

Had all of the significant unobservable inputs applied on the valuation techniques favourably changed/unfavourably changed by 5% (31 December 2025: 5%), the Group's other comprehensive income would have increased by HK$87 million and decreased by HK$90 million, respectively (31 December 2025: increased by HK$125 million and decreased by HK$124 million, respectively).

4.2 Financial instruments not measured at fair value

Fair value estimates are made at a specific point in time based on relevant market information and information about various financial instruments. The following methods and assumptions have been used to estimate the fair value of each class of financial instrument as far as practicable.

Balances with/from banks and other financial institutions and trade bills

Substantially all the financial assets and liabilities mature within one year from the balance sheet date and their carrying value approximates fair value.

Hong Kong SAR Government certificates of indebtedness and Hong Kong SAR currency notes in circulation

The carrying value of Hong Kong SAR Government certificates of indebtedness and Hong Kong SAR currency notes in circulation approximates their fair value.

Advances to customers and banks and other financial institutions

Substantially all the advances to customers and banks and other financial institutions are on floating rate terms, bear interest at prevailing market interest rates and their carrying value approximates fair value.

4. Fair values of financial assets and liabilities (continued)

4.2 Financial instruments not measured at fair value (continued)

Investment in securities at amortised cost

The fair value of securities at amortised cost is determined by using the same approach as those debt securities and certificates of deposit and mortgage backed securities measured at fair value as described in Note 4.1.

Deposits from customers

Substantially all the deposits from customers mature within one year from the balance sheet date and their carrying value approximates fair value.

Debt securities and certificates of deposit in issue

The fair value of these instruments is determined by using the same approach as those debt securities and certificates of deposit measured at fair value as described in Note 4.1.

Subordinated liabilities

The fair value of subordinated liabilities is determined by using the same approach as those debt securities and certificates of deposit measured at fair value as described in Note 4.1 and their carrying value approximates fair value.

The following tables set out the carrying values and fair values of the financial instruments not measured at fair value, except for the above with their carrying values being approximation of fair values.

	At 30 June 2026		At 31 December 2025	
	Carrying value HK$'m	**Fair value HK$'m**	Carrying value HK$'m	Fair value HK$'m
Financial assets				
Investment in securities at amortised cost (Note 22)	**172,407**	**171,155**	164,058	164,132
Financial liabilities				
Debt securities and certificates of deposit in issue (Note 28)	**17,389**	**17,437**	11,251	11,264

5. Net interest income

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Interest income		
Advances to customers, due from banks and other financial institutions	**33,171**	38,021
Investment in securities and financial assets at fair value through profit or loss	**24,610**	23,769
Others	**363**	389
	58,144	62,179
Interest expense		
Deposits from customers, due to banks and other financial institutions	**(27,642)**	(34,772)
Debt securities and certificates of deposit in issue	**(119)**	(59)
Subordinated liabilities	**(834)**	(783)
Lease liabilities	**(26)**	(24)
Others	**(1,341)**	(1,422)
	(29,962)	(37,060)
Net interest income	**28,182**	25,119

Included within interest income are HK$36,818 million (first half of 2025: HK$41,359 million) and HK$17,698 million (first half of 2025: HK$17,781 million) for financial assets measured at amortised cost and at fair value through other comprehensive income respectively.

Included within interest expense are HK$29,289 million (first half of 2025: HK$36,236 million) for financial liabilities that are not measured at fair value through profit or loss.

6. Net fee and commission income

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Fee and commission income		
Securities brokerage	**1,610**	1,579
Credit card business	**1,474**	1,314
Loan commissions	**1,378**	1,355
Insurance	**691**	1,162
Funds distribution	**690**	445
Payment services	**401**	388
Trust and custody services	**397**	509
Currency exchange	**252**	247
Bills commissions	**246**	214
Safe deposit box	**143**	146
Funds management	**98**	55
Others	**622**	729
	8,002	8,143
Fee and commission expense		
Credit card business	**(1,163)**	(999)
Securities brokerage	**(241)**	(230)
Others	**(619)**	(569)
	(2,023)	(1,798)
Net fee and commission income	**5,979**	6,345
Of which arise from:		
Financial assets or financial liabilities not at fair value through profit or loss		
– Fee and commission income	**1,519**	1,473
– Fee and commission expense	**(5)**	(6)
	1,514	1,467
Trust and other fiduciary activities		
– Fee and commission income	**488**	604
– Fee and commission expense	**(41)**	(28)
	447	576

7. Net trading gain

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net gain/(loss) from:		
Foreign exchange and foreign exchange products	**5,638**	11,359
Interest rate instruments and items under fair value hedge	**508**	769
Commodities	**775**	45
Equity instruments	**(96)**	64
	6,825	12,237

8. Net gain on other financial instruments at fair value through profit or loss

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net gain on other financial instruments mandatorily classified at fair value through profit or loss	**3,579**	3,109
Net (loss)/gain on financial instruments designated at fair value through profit or loss	**(1,175)**	418
	2,404	3,527

9. Net gain/(loss) on other financial instruments

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net gain/(loss) on disposal/redemption of investment in securities at FVOCI	**643**	(1,104)
Net loss on redemption of investment in securities at amortised cost	**(15)**	(12)
Others	**3**	–
	631	(1,116)

NOTES TO THE INTERIM FINANCIAL INFORMATION

10. Other operating income

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Dividend income		
– From investment in securities at FVOCI held at the end of the period	**44**	57
Gross rental income from investment properties	**209**	211
Less: Outgoings in respect of investment properties	**(34)**	(33)
Gain from disposal of subsidiary	**52**	–
Others	**61**	62
	332	297

Included in the "Outgoings in respect of investment properties" is HK$7 million (first half of 2025: HK$7 million) of direct operating expenses related to investment properties that were not let during the period.

11. Net charge of impairment allowances

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net reversal/(charge) of impairment allowances on:		
Advances and other accounts		
– At FVOCI	**2**	–
– At amortised cost	**(2,387)**	(3,264)
	(2,385)	(3,264)
Investment in securities		
– At FVOCI	**(31)**	(38)
– At amortised cost	**(34)**	(13)
	(65)	(51)
Others	**(22)**	(3)
Net charge of impairment allowances	**(2,472)**	(3,318)

12. Operating expenses

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Staff costs (including directors' emoluments)		
– Salaries and other costs	**5,611**	5,236
– Pension cost	**327**	310
	5,938	5,546
Premises and equipment expenses (excluding depreciation and amortisation)		
– Short-term leases, leases of low-value assets and variable lease payments	**16**	16
– Others	**848**	742
	864	758
Depreciation and amortisation	**1,388**	1,374
Auditor's remuneration		
– Audit services	**3**	3
– Non-audit services	**3**	1
Other operating expenses	**1,465**	1,294
	9,661	8,976
Less: Costs directly attributable to insurance contracts	**(681)**	(560)
	8,980	8,416

13. Net gain/(loss) from disposal of/fair value adjustments on investment properties

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net gain/(loss) from fair value adjustments on investment properties	**52**	(991)

14. Net gain/(loss) from properties, plant and equipment and other assets

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Net loss from disposal of equipment, fixtures and fittings	**(1)**	(2)
Net gain/(loss) from revaluation of premises	**256**	(124)
Net loss from disposal of intangible assets	**(2)**	–
	253	(126)

15. Taxation

Taxation in the income statement represents:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Current tax		
Hong Kong profits tax		
– Current period taxation	**4,693**	4,272
– Over-provision in prior periods	**(172)**	(3)
	4,521	4,269
Taxation outside Hong Kong		
– Current period taxation	**484**	563
– Over-provision in prior periods	**(1)**	(21)
	5,004	4,811
Deferred tax		
Origination and reversal of temporary differences and unused tax credits	**(698)**	(331)
Pillar Two top-up tax	**110**	–
	4,416	4,480

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong for the first half of 2026. Taxation on profits outside Hong Kong has been calculated on the estimated assessable profits for the first half of 2026 at the rates of taxation prevailing in the countries/regions in which the Group operates.

The taxation on the Group's profit before taxation that differs from the theoretical amount that would arise using the taxation rate of Hong Kong is as follows:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Profit before taxation	**28,772**	27,284
Calculated at a taxation rate of 16.5% (2025: 16.5%)	**4,747**	4,502
Effect of different taxation rates in other countries/regions	**106**	115
Income not subject to taxation	**(869)**	(922)
Expenses not deductible for taxation purposes	**431**	553
Over-provision in prior periods	**(173)**	(24)
Tax losses not recognised	**8**	67
Withholding tax outside Hong Kong	**51**	174
Others	**115**	15
Taxation charge	**4,416**	4,480
Effective tax rate	**15.3%**	16.4%

15. Taxation (continued)

Organisation for Economic Co-operation and Development's ("OECD") Global Minimum Tax ("Pillar Two") model rules

The Group is within the scope of the OECD's Pillar Two model rules. Pillar Two legislation was enacted in Vietnam, Hong Kong, Indonesia, Malaysia and Thailand, among the jurisdictions in which the Group operates and has become effective in Vietnam since 1 January 2024 and in Hong Kong, Indonesia, Malaysia and Thailand from 1 January 2025 respectively. Under the applicable rules of the Pillar Two legislation enacted in above-mentioned jurisdictions, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion ("GloBE") effective tax rate for the Group's operating jurisdictions, and the 15% minimum rate.

The Group has performed an assessment of Pillar Two top-up tax based on the related financial information for the current period, and assessed a related additional current income tax of approximately HK$110 million (first half of 2025: Nil).

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12 "Income Taxes" issued in July 2023.

16. Dividends

	Half-year ended 30 June 2026		Half-year ended 30 June 2025	
	Per share HK$	**Total HK$'m**	Per share HK$	Total HK$'m
Interim dividend	**0.5800**	**6,132**	0.5800	6,132
Special dividend	**0.2388**	**2,525**	–	–
	0.8188	**8,657**	0.5800	6,132

At a meeting held on 29 April 2026, the Board declared 2026 first interim dividend of HK$0.2900 per ordinary share amounting to approximately HK$3,066 million, and was paid on 28 May 2026.

At a meeting held on 28 August 2026, the Board declared 2026 second interim dividend of HK$0.2900 per ordinary share amounting to approximately HK$3,066 million and a special dividend of HK$0.2388 per ordinary share amounting to approximately HK$2,525 million. These declared dividends are not reflected as a dividend payable in this interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026.

The final dividend of HK$1.2550 per ordinary share for the year ended 31 December 2025 amounting to approximately HK$13,269 million was approved at the Annual General Meeting held on 25 June 2026 and was paid on 17 July 2026.

17. Earnings per share

The calculation of basic earnings per share for the first half of 2026 is based on the consolidated profit for the period attributable to equity holders of the Company of approximately HK$23,739 million (first half of 2025: HK$22,160 million) and on the ordinary shares in issue of 10,572,780,266 shares (2025: 10,572,780,266 ordinary shares).

There was no dilution of earnings per share as no potential ordinary shares were in issue for the first half of 2026 (first half of 2025: Nil).

18. Cash and balances and placements with banks and other financial institutions

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Cash	**13,046**	17,808
Balances with central banks	**205,810**	196,198
Placements with central banks maturing within one month	**4,587**	4,344
Placements with central banks maturing between one and twelve months	**20,247**	746
Placements with central banks maturing over one year	**1,195**	2,213
	231,839	203,501
Balances with other banks and other financial institutions	**106,282**	107,280
Placements with other banks and other financial institutions maturing within one month	**56,355**	62,604
Placements with other banks and other financial institutions maturing between one and twelve months	**161,492**	176,083
Placements with other banks and other financial institutions maturing over one year	**1,424**	475
	325,553	346,442
	570,438	567,751
Less: Impairment allowances		
– Stage 1	**(110)**	(122)
– Stage 2	**–**	–
– Stage 3	**(30)**	(30)
	570,298	567,599

19. Financial assets at fair value through profit or loss

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Securities		
Trading assets		
– Treasury bills	**53,507**	48,099
– Certificates of deposit	**11,960**	8,879
– Other debt securities	**56,248**	80,627
	121,715	137,605
– Equity securities	**75**	21
– Funds	**2**	–
	121,792	137,626
Other financial assets mandatorily classified at fair value through profit or loss		
– Certificates of deposit	**395**	405
– Other debt securities	**41,950**	37,175
	42,345	37,580
– Equity securities	**9,479**	5,024
– Funds	**59,952**	49,363
	111,776	91,967
Financial assets designated at fair value through profit or loss		
– Treasury bills	**1,455**	926
– Certificates of deposit	**806**	1,129
– Other debt securities	**68,290**	55,378
	70,551	57,433
Total securities	**304,119**	287,026
Other debt instruments		
Trading assets	**4,399**	3,812
Financial assets designated at fair value through profit or loss	**16,226**	15,231
Total other debt instruments	**20,625**	19,043
	324,744	306,069

19. Financial assets at fair value through profit or loss (continued)

Total securities are analysed by place of listing as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Debt securities and certificates of deposit		
– Listed in Hong Kong	**35,536**	37,495
– Listed outside Hong Kong	**77,944**	66,579
– Unlisted	**121,131**	128,544
	234,611	232,618
Equity securities		
– Listed in Hong Kong	**2,441**	4,299
– Listed outside Hong Kong	**7,113**	746
	9,554	5,045
Funds		
– Listed in Hong Kong	**5,531**	6,842
– Listed outside Hong Kong	**6,856**	6,333
– Unlisted	**47,567**	36,188
	59,954	49,363
Total securities	**304,119**	287,026

Total securities are analysed by type of issuer as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Sovereigns	**110,662**	119,920
Public sector entities	**10,874**	6,362
Banks and other financial institutions	**135,622**	118,921
Corporate entities	**46,961**	41,823
Total securities	**304,119**	287,026

20. Derivative financial instruments

The Group enters into foreign exchange rate, interest rate, commodity, equity and credit related derivative financial instrument contracts for trading and risk management purposes.

The contract/notional amounts and fair values of derivative financial instruments entered into by the Group are set out in the following tables. The contract/notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet dates and certain of them provide a basis for comparison with the fair values of instruments recognised on the balance sheet. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, commodity prices or equity prices relative to their terms. The aggregated fair values of derivative financial instruments can fluctuate significantly from time to time.

20. Derivative financial instruments (continued)

The following tables summarise the contract/notional amounts and fair values of each class of derivative financial instrument as at 30 June 2026 and 31 December 2025:

	At 30 June 2026		
	Contract/ notional amounts	**Fair values**	
		Assets	**Liabilities**
	HK$'m	**HK$'m**	**HK$'m**
Foreign exchange rate contracts			
Spot, forwards and futures	**325,259**	**15,386**	**(11,874)**
Swaps	**3,867,900**	**35,961**	**(28,356)**
Options	**95,005**	**363**	**(205)**
	4,288,164	**51,710**	**(40,435)**
Interest rate contracts			
Futures	**88,501**	**15**	**(23)**
Swaps	**4,717,637**	**16,204**	**(15,744)**
Options	**536**	**–**	**–**
	4,806,674	**16,219**	**(15,767)**
Commodity contracts	**95,971**	**5,678**	**(3,675)**
Equity contracts	**5,794**	**13**	**(9)**
Credit derivative contracts	**39**	**–**	**–**
	9,196,642	**73,620**	**(59,886)**

	At 31 December 2025		
	Contract/ notional amounts	Fair values	
		Assets	Liabilities
	HK$'m	HK$'m	HK$'m
Foreign exchange rate contracts			
Spot, forwards and futures	266,548	15,000	(11,628)
Swaps	4,080,086	31,549	(25,906)
Options	81,946	346	(236)
	4,428,580	46,895	(37,770)
Interest rate contracts			
Futures	123,177	18	(8)
Swaps	4,200,952	13,875	(13,809)
Options	832	–	–
	4,324,961	13,893	(13,817)
Commodity contracts	78,812	4,461	(5,934)
Equity contracts	933	6	(7)
Credit derivative contracts	–	–	–
	8,833,286	65,255	(57,528)

21. Advances and other accounts

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Personal loans and advances	**650,228**	624,450
Corporate loans and advances	**1,168,390**	1,092,642
Advances to customers	**1,818,618**	1,717,092
Less: Impairment allowances		
– Stage 1	**(4,146)**	(4,013)
– Stage 2	**(7,509)**	(7,081)
– Stage 3	**(8,623)**	(7,653)
	1,798,340	1,698,345
Trade bills	**2,284**	3,157
Less: Impairment allowances		
– Stage 1	**(1)**	(1)
– Stage 2	**–**	–
– Stage 3	**–**	–
	2,283	3,156
Advances to banks and other financial institutions	**7,912**	4,985
Less: Impairment allowances		
– Stage 1	**(17)**	(9)
– Stage 2	**–**	–
– Stage 3	**–**	–
	7,895	4,976
	1,808,518	1,706,477

As at 30 June 2026, advances to customers included accrued interest of HK$5,269 million (31 December 2025: HK$5,111 million).

As at 30 June 2026, advances and other accounts at fair value through other comprehensive income and mandatorily classified at fair value through profit or loss amounted to HK$4,881 million (31 December 2025: HK$5,278 million) and HK$114 million (31 December 2025: HK$23 million) respectively.

As at 30 June 2026, impairment allowance of advances and other accounts at fair value through other comprehensive income amounted to HK$10 million (31 December 2025: HK$12 million) and was credited to other comprehensive income.

22. Investment in securities

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Investment in securities at fair value through other comprehensive income		
– Treasury bills	**484,188**	518,575
– Certificates of deposit	**110,799**	73,885
– Other debt securities	**714,047**	668,147
	1,309,034	1,260,607
– Equity securities	**4,566**	5,171
	1,313,600	1,265,778
Investment in securities at amortised cost		
– Treasury bills	**13,397**	9,780
– Certificates of deposit	**434**	137
– Other debt securities	**158,668**	154,196
	172,499	164,113
Less: Impairment allowances		
– Stage 1	**(92)**	(55)
– Stage 2	**–**	–
– Stage 3	**–**	–
	172,407	164,058
	1,486,007	1,429,836

22. Investment in securities (continued)

Investment in securities is analysed by place of listing as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Investment in securities at fair value through other comprehensive income		
Debt securities and certificates of deposit		
– Listed in Hong Kong	**97,233**	104,186
– Listed outside Hong Kong	**329,339**	332,387
– Unlisted	**882,462**	824,034
	1,309,034	1,260,607
Equity securities		
– Listed in Hong Kong	**1,201**	1,266
– Listed outside Hong Kong	**161**	162
– Unlisted	**3,204**	3,743
	4,566	5,171
	1,313,600	1,265,778
Investment in securities at amortised cost		
Debt securities and certificates of deposit		
– Listed in Hong Kong	**19,584**	15,481
– Listed outside Hong Kong	**99,014**	100,033
– Unlisted	**53,809**	48,544
	172,407	164,058
	1,486,007	1,429,836
Market value of listed securities at amortised cost	**118,455**	116,478

Investment in securities is analysed by type of issuer as follows:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Sovereigns	**716,008**	768,047
Public sector entities	**249,030**	214,499
Banks and other financial institutions	**448,256**	369,236
Corporate entities	**72,713**	78,054
	1,486,007	1,429,836

23. Investment properties

	Half-year ended 30 June 2026 HK$'m	Year ended 31 December 2025 HK$'m
At 1 January	**12,599**	14,046
Additions	**5**	145
Fair value gain/(loss)	**52**	(1,607)
Reclassification (to)/from properties, plant and equipment (Note 24)	**(71)**	15
At period/year end	**12,585**	12,599

24. Properties, plant and equipment

	Premises HK$'m	**Equipment, fixtures and fittings HK$'m**	**Right-of-use assets* HK$'m**	**Total HK$'m**
Net book value at 1 January 2026	**31,086**	**1,075**	**1,609**	**33,770**
Additions	**152**	**338**	**233**	**723**
Disposals	**–**	**(2)**	**–**	**(2)**
Revaluation	**173**	**–**	**–**	**173**
Depreciation for the period	**(505)**	**(203)**	**(264)**	**(972)**
Reclassification from investment properties (Note 23)	**71**	**–**	**–**	**71**
Exchange difference	**–**	**(2)**	**(2)**	**(4)**
Net book value at 30 June 2026	**30,977**	**1,206**	**1,576**	**33,759**
At 30 June 2026				
Cost or valuation	**30,977**	**7,191**	**3,805**	**41,973**
Accumulated depreciation and impairment	**–**	**(5,985)**	**(2,229)**	**(8,214)**
Net book value at 30 June 2026	**30,977**	**1,206**	**1,576**	**33,759**
The analysis of cost or valuation of the above assets is as follows:				
At 30 June 2026				
At cost	**–**	**7,191**	**3,805**	**10,996**
At valuation	**30,977**	**–**	**–**	**30,977**
	30,977	**7,191**	**3,805**	**41,973**

24. Properties, plant and equipment (continued)

	Premises HK$'m	Equipment, fixtures and fittings HK$'m	Right-of-use assets* HK$'m	Total HK$'m
Net book value at 1 January 2025	35,903	908	1,431	38,242
Additions	155	534	702	1,391
Disposals	–	(4)	–	(4)
Revaluation	(3,889)	–	–	(3,889)
Depreciation for the year	(1,073)	(366)	(529)	(1,968)
Reclassification to investment properties (Note 23)	(15)	–	–	(15)
Exchange difference	5	3	5	13
Net book value at 31 December 2025	31,086	1,075	1,609	33,770
At 31 December 2025				
Cost or valuation	31,086	6,913	3,649	41,648
Accumulated depreciation and impairment	–	(5,838)	(2,040)	(7,878)
Net book value at 31 December 2025	31,086	1,075	1,609	33,770
The analysis of cost or valuation of the above assets is as follows:				
At 31 December 2025				
At cost	–	6,913	3,649	10,562
At valuation	31,086	–	–	31,086
	31,086	6,913	3,649	41,648

* The right-of-use assets of the Group are mainly related to lease of properties.

25. Other assets

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Precious metals	**53,331**	28,594
Intangible assets	**2,942**	2,557
Accounts receivable, prepayments and others	**114,514**	61,045
Insurance contract assets (Note 31)	**8**	2
Reinsurance contract assets	**35,669**	34,249
	206,464	126,447

26. Financial liabilities at fair value through profit or loss

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Trading liabilities		
– Short positions in securities	**58,894**	88,235
Financial liabilities designated at fair value through profit or loss		
– Repurchase agreements	**8,453**	4,388
– Structured deposits (Note 27)	**1,492**	6,961
	9,945	11,349
	68,839	99,584

As at 30 June 2026 and 31 December 2025, the difference between the carrying amount of financial liabilities designated at fair value through profit or loss and the amount that the Group would be contractually required to pay at maturity to the holders was not significant.

27. Deposits from customers

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Current, savings and other deposit accounts (per balance sheet)	**3,035,682**	2,937,227
Structured deposits reported as financial liabilities at fair value through profit or loss (Note 26)	**1,492**	6,961
	3,037,174	2,944,188
Analysed by:		
Demand deposits and current accounts		
– Corporate	**227,347**	195,594
– Personal	**100,739**	96,332
	328,086	291,926
Savings deposits		
– Corporate	**745,300**	708,119
– Personal	**560,369**	570,560
	1,305,669	1,278,679
Time, call and notice deposits		
– Corporate	**734,471**	743,280
– Personal	**668,948**	630,303
	1,403,419	1,373,583
	3,037,174	2,944,188

28. Debt securities and certificates of deposit in issue

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
At amortised cost		
– Certificates of deposit	**–**	56
– Renminbi bonds(i)	**5,840**	5,577
– Renminbi bonds(ii)	**5,773**	5,618
– Renminbi bonds(iii)	**5,776**	–
	17,389	11,251

(i) In November 2024, BOCHK issued RMB5 billion bonds, interest rate at 2% per annum payable annually, due in 2026.

(ii) In June 2025, BOCHK issued RMB5 billion bonds, interest rate at 1.79% per annum payable annually, due in 2028.

(iii) In May 2026, BOCHK issued RMB5 billion bonds, interest rate at 1.65% per annum payable annually, due in 2029.

29. Other accounts and provisions

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Dividend payable	**13,269**	–
Other accounts payable and provisions	**166,148**	111,151
Lease liabilities	**1,565**	1,594
Impairment allowances on loan commitments and financial guarantee contracts		
– Stage 1	**279**	248
– Stage 2	**28**	39
– Stage 3	**44**	43
Reinsurance contract liabilities	**3**	6
	181,336	113,081

30. Deferred taxation

Deferred tax is recognised in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in this interim financial information and unused tax credits in accordance with HKAS 12 "Income Taxes".

The major components of deferred tax (assets)/liabilities recorded in the balance sheet, and the movements during the first half of 2026 and the year ended 31 December 2025 are as follows:

	Half-year ended 30 June 2026					
	Accelerated tax depreciation HK$'m	**Property revaluation HK$'m**	**Losses HK$'m**	**Impairment allowances HK$'m**	**Others HK$'m**	**Total HK$'m**
At 1 January 2026, as previously reported	**899**	**4,451**	**(1,936)**	**(1,911)**	**(1,370)**	**133**
Effect of merger of entity under common control	**–**	**–**	**(3)**	**–**	**–**	**(3)**
At 1 January 2026, as restated	**899**	**4,451**	**(1,939)**	**(1,911)**	**(1,370)**	**130**
Charged/(credited) to income statement (Note 15)	**65**	**3**	**1,918**	**(119)**	**(2,565)**	**(698)**
Credited to other comprehensive income	**–**	**(19)**	**–**	**–**	**(609)**	**(628)**
Exchange difference	**–**	**–**	**–**	**4**	**2**	**6**
At 30 June 2026	**964**	**4,435**	**(21)**	**(2,026)**	**(4,542)**	**(1,190)**

	Year ended 31 December 2025					
	Accelerated tax depreciation HK$'m	Property revaluation HK$'m	Losses HK$'m	Impairment allowances HK$'m	Others HK$'m	Total HK$'m
At 1 January 2025, as previously reported	874	5,208	(998)	(1,263)	(1,832)	1,989
Effect of merger of entity under common control	–	–	(7)	–	(1)	(8)
At 1 January 2025, as restated	874	5,208	(1,005)	(1,263)	(1,833)	1,981
Charged/(credited) to income statement	25	(98)	(934)	(647)	(444)	(2,098)
(Credited)/charged to other comprehensive income	–	(659)	–	–	913	254
Exchange difference	–	–	–	(1)	(6)	(7)
At 31 December 2025	899	4,451	(1,939)	(1,911)	(1,370)	130

30. Deferred taxation (continued)

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Deferred tax assets	**(3,727)**	(3,136)
Deferred tax liabilities	**2,537**	3,266
	(1,190)	130

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Deferred tax assets to be recovered after more than twelve months	**(3,722)**	(3,078)
Deferred tax liabilities to be settled after more than twelve months	**3,444**	3,501
	(278)	423

As at 30 June 2026, the Group has not recognised deferred tax assets in respect of tax losses amounting to HK$442 million (31 December 2025: HK$390 million). All of the amount for the Group has no expiry date under the current tax legislation in different countries/regions.

31. Insurance contracts

(a) Analysis of remaining coverage and incurred claims for insurance contracts issued

	At 30 June 2026			
	Liabilities for remaining coverage			
	Excluding loss component HK$'m	**Loss component HK$'m**	**Liabilities for incurred claims HK$'m**	**Total HK$'m**
Insurance contract liabilities	**269,836**	**1,618**	**282**	**271,736**
Insurance contract assets (Note 25)	**(16)**	**–**	**8**	**(8)**
	269,820	**1,618**	**290**	**271,728**

	At 31 December 2025			
	Liabilities for remaining coverage			
	Excluding loss component HK$'m	Loss component HK$'m	Liabilities for incurred claims HK$'m	Total HK$'m
Insurance contract liabilities	230,682	1,402	263	232,347
Insurance contract assets (Note 25)	(2)	–	–	(2)
	230,680	1,402	263	232,345

31. Insurance contracts (continued)

(b) Analysis of the measurement components of insurance contracts not measured under the premium allocation approach

	At 30 June 2026			
		Contractual service margin		
	Present value of future cash flows and risk adjustment for non-financial risk HK$'m	Contracts recognised after transition date HK$'m	Contracts measured under the fair value approach at transition HK$'m	Total HK$'m
Insurance contract liabilities	**245,400**	**21,576**	**4,760**	**271,736**
Insurance contract assets	**(1)**	**–**	**–**	**(1)**
	245,399	**21,576**	**4,760**	**271,735**

	At 31 December 2025			
		Contractual service margin		
	Present value of future cash flows and risk adjustment for non-financial risk HK$'m	Contracts recognised after transition date HK$'m	Contracts measured under the fair value approach at transition HK$'m	Total HK$'m
Insurance contract liabilities	211,043	16,192	5,111	232,346
Insurance contract assets	(1)	–	–	(1)
	211,042	16,192	5,111	232,345

32. Subordinated liabilities

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Subordinated loans, at amortised cost		
RMB7.5 billion(i)	**8,781**	8,380
RMB7.5 billion(ii)	**8,777**	8,379
RMB17.0 billion(iii)	**19,897**	18,981
RMB7.3 billion(iv)	**8,535**	8,149
RMB28.5 billion(v)	**33,382**	31,868
	79,372	75,757

In compliance with the applicable internal loss-absorbing capacity requirements under LAC rules, BOCHK early repaid RMB28.5 billion non-capital loss-absorbing capacity debt instrument in 2025. On the same day, BOC has granted RMB28.5 billion this instrument to BOCHK.

(i) Interest rate at 2.19% per annum payable annually, due in 2028 with early repayment option.

(ii) Interest rate at 2.13% per annum payable annually, due in 2028 with early repayment option.

(iii) Interest rate at 2.28% per annum payable annually, due in 2030 with early repayment option.

(iv) Interest rate at 2.10% per annum payable annually, due in 2030 with early repayment option.

(v) Interest rate at 2.13% per annum payable annually, due in 2031 with early repayment option.

33. Share capital

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Issued and fully paid:		
10,572,780,266 ordinary shares	**52,864**	52,864

34. Notes to condensed consolidated cash flow statement

(a) Reconciliation of operating profit to operating cash inflow/(outflow) before taxation

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Operating profit	**28,451**	28,403
Depreciation and amortisation	**1,388**	1,374
Gain from disposal of subsidiary	**(52)**	–
Net charge of impairment allowances	**2,472**	3,318
Unwind of discount on impairment allowances	**(13)**	(45)
Advances written off net of recoveries	**(851)**	(3,496)
Net movements in cash flow hedge reserve	**(92)**	132
Interest expense on lease liabilities	**26**	24
Change in subordinated liabilities	**3,615**	3,348
Change in balances and placements with banks and other financial institutions with original maturity over three months	**6,243**	20,587
Change in financial assets at fair value through profit or loss	**(11,041)**	(57,541)
Change in derivative financial instruments	**(6,007)**	19,308
Change in advances and other accounts	**(103,580)**	(35,327)
Change in investment in securities	**39,464**	(173,959)
Change in other assets	**(78,733)**	(11,251)
Change in deposits and balances from banks and other financial institutions	**78,317**	(19,217)
Change in financial liabilities at fair value through profit or loss	**(30,745)**	(3,746)
Change in deposits from customers	**98,455**	155,592
Change in debt securities and certificates of deposit in issue	**6,138**	5,777
Change in other accounts and provisions	**55,485**	(1,768)
Change in insurance and reinsurance contract assets/liabilities	**38,374**	26,563
Effect of changes in exchange rates	**(8,387)**	(12,847)
Operating cash inflow/(outflow) before taxation	**118,927**	(54,771)

(b) Analysis of the balances of cash and cash equivalents

	At 30 June 2026 HK$'m	At 30 June 2025 HK$'m
Cash and balances and placements with banks and other financial institutions with original maturity within three months	**411,739**	386,231
Treasury bills, certificates of deposit and other debt instruments with original maturity within three months		
– financial assets at fair value through profit or loss	**41,551**	16,179
– investment in securities	**215,287**	201,102
	668,577	603,512

35. Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment and the aggregate credit risk-weighted amount and is prepared with reference to the completion instructions for the HKMA return of capital adequacy ratio:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Direct credit substitutes	**3,479**	3,130
Transaction-related contingencies	**36,108**	32,110
Trade-related contingencies	**13,084**	14,343
Commitments that are unconditionally cancellable without prior notice	**640,838**	629,356
Other commitments with an original maturity of		
– up to one year	**18,421**	22,252
– over one year	**143,468**	158,253
Others	**1,190**	2,218
	856,588	861,662
Credit risk-weighted amount	**71,014**	69,933

The credit risk-weighted amount is calculated in accordance with the Banking (Capital) Rules. The amount is dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

As of 30 June 2026, there is a litigation involving the handling of customer fund transfer instructions for which legal proceedings are ongoing. This matter is disclosed as a contingent liability in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets", please refer to Note 38 for details.

36. Capital commitments

The Group has the following outstanding capital commitments not provided for in this interim financial information:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Authorised and contracted for but not provided for	**767**	795
Authorised but not contracted for	**143**	154
	910	949

The above capital commitments mainly relate to commitments to purchase computer equipment and software, and to renovate the Group's premises.

37. Operating lease commitments

As lessor

The Group has contracted with tenants for the following future minimum lease receivables under non-cancellable operating leases:

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Properties and equipment		
– Not later than one year	**357**	357
– One to two years	**235**	239
– Two to three years	**76**	106
– Three to four years	**6**	–
– Four to five years	**–**	–
	674	702

The Group leases its investment properties under operating lease arrangements, with leases typically for a period from one to three 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 upon the lease renewal.

38. Litigation

The Group has been served a number of claims and counterclaims by various independent parties. These claims and counterclaims are in relation to the normal commercial activities of the Group.

As of 30 June 2026, based on the assessment of potential liabilities related to the aforementioned matters and the advice provided by legal counsel, no material provision was made against these claims and counterclaims because the Management believes that the Group has meritorious defences against the claimants or these claims and counterclaims are still at an early stage of litigation or arbitration process that the estimation of ultimate outcomes involves significant uncertainties. Among these matters, there is a litigation involving the handling of customer fund transfer instructions for which legal proceedings are ongoing, and the trial is scheduled to take place after the issuance of the interim financial information. This matter is disclosed as a contingent liability in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and it is not practicable at this time for the Group to predict the resolution of the matter. Should the ultimate outcomes of these matters differ from the initial estimation, such differences will impact the profit or loss in the period during which such a determination is made.

39. Segmental reporting

The Group manages the business mainly from a business segment perspective and over 90% of the Group's revenues, profits before tax and assets are derived from Hong Kong. Currently, four operating segments are identified: Personal Banking, Corporate Banking, Treasury and Insurance. The classification of the Group's operating segments is based on customer segment and product type, which is aligned with the RPC (relationship, product and channel) management model of the Group.

Both Personal Banking and Corporate Banking provide general banking services including various deposit products, overdrafts, loans, credit cards, trade related products and other credit facilities, investment and insurance products, and foreign currency and derivative products. Personal Banking mainly serves retail customers and small enterprises, while Corporate Banking mainly deals with corporate customers. Treasury manages the funding and liquidity, and the interest rate and foreign exchange positions of the Group in addition to proprietary trades. The Insurance segment represents business mainly relating to life insurance products, including individual life insurance and group life insurance products. "Others" mainly represents the Group's holdings of premises, investment properties, equity investments, certain interests in associates and joint ventures and the businesses of the Southeast Asian entities.

Measurement of segment assets, liabilities, income, expenses, results and capital expenditure is based on the Group's accounting policies. The segment information includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment funding is charged according to the internal funds transfer pricing mechanism of the Group, which is primarily based on market rates with the consideration of specific features of the product.

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. Under the same consideration, insurance service result is also presented on a net basis.

Several products/businesses have been reclassified among operating segments in accordance with the latest management model of the Group. Comparative amounts have been restated to conform with current period presentation.

39. Segmental reporting (continued)

	Personal Banking HK$'m	Corporate Banking HK$'m	Treasury HK$'m	Insurance HK$'m	Others HK$'m	Subtotal HK$'m	Eliminations HK$'m	Consolidated HK$'m
Half-year ended 30 June 2026								
Net interest (expense)/income								
– External	(1,431)	2,988	21,982	2,885	1,758	28,182	–	28,182
– Inter-segment	11,248	5,573	(16,902)	(8)	89	–	–	–
	9,817	8,561	5,080	2,877	1,847	28,182	–	28,182
Net fee and commission income/(expense)								
– External	6,229	2,132	175	(2,759)	202	5,979	–	5,979
– Inter-segment	(2,697)	4	81	2,754	375	517	(517)	–
	3,532	2,136	256	(5)	577	6,496	(517)	5,979
Insurance service result	355	–	–	1,173	–	1,528	105	1,633
Net trading gain	563	892	3,887	910	564	6,816	9	6,825
Net (loss)/gain on other financial instruments at fair value through profit or loss	(14)	(1)	6	2,412	–	2,403	1	2,404
Net gain on other financial instruments	–	3	610	14	4	631	–	631
Insurance finance expenses	(20)	–	–	(6,063)	–	(6,083)	–	(6,083)
Other operating income	2	–	16	12	829	859	(527)	332
Net operating income before impairment allowances	14,235	11,591	9,855	1,330	3,821	40,832	(929)	39,903
Net charge of impairment allowances	(102)	(2,246)	–	(1)	(123)	(2,472)	–	(2,472)
Net operating income	14,133	9,345	9,855	1,329	3,698	38,360	(929)	37,431
Operating expenses	(5,250)	(2,083)	(929)	(46)	(1,601)	(9,909)	929	(8,980)
Operating profit	8,883	7,262	8,926	1,283	2,097	28,451	–	28,451
Net gain from disposal of/fair value adjustments on investment properties	–	–	–	–	52	52	–	52
Net (loss)/gain from properties, plant and equipment and other assets	(1)	–	–	–	254	253	–	253
Share of results after tax of associates and joint ventures	2	–	–	–	14	16	–	16
Profit before taxation	8,884	7,262	8,926	1,283	2,417	28,772	–	28,772
At 30 June 2026								
ASSETS								
Segment assets	693,544	1,086,765	2,541,386	279,249	230,983	4,831,927	(59,413)	4,772,514
Interests in associates and joint ventures	108	–	4	–	745	857	–	857
	693,652	1,086,765	2,541,390	279,249	231,728	4,832,784	(59,413)	4,773,371
LIABILITIES								
Segment liabilities	1,503,821	1,503,886	1,012,867	268,637	177,756	4,466,967	(59,413)	4,407,554
Half-year ended 30 June 2026								
Other information								
Capital expenditure	27	12	1	46	1,463	1,549	–	1,549
Depreciation and amortisation	576	177	87	43	532	1,415	(27)	1,388

39. Segmental reporting (continued)

	Personal Banking HK$'m	Corporate Banking HK$'m	Treasury HK$'m	Insurance HK$'m	Others HK$'m	Subtotal HK$'m	Eliminations HK$'m	Consolidated HK$'m
Half-year ended 30 June 2025								
Net interest (expense)/income								
– External	(4,655)	2,206	23,129	2,622	1,817	25,119	–	25,119
– Inter-segment	13,714	6,293	(20,005)	(61)	59	–	–	–
	9,059	8,499	3,124	2,561	1,876	25,119	–	25,119
Net fee and commission income/(expense)								
– External	5,526	2,184	111	(1,770)	294	6,345	–	6,345
– Inter-segment	(1,734)	2	70	1,768	330	436	(436)	–
	3,792	2,186	181	(2)	624	6,781	(436)	6,345
Insurance service result	247	–	–	775	–	1,022	81	1,103
Net trading gain	476	1,024	8,906	1,470	351	12,227	10	12,237
Net gain/(loss) on other financial instruments at fair value through profit or loss	29	–	(305)	3,802	–	3,526	1	3,527
Net gain/(loss) on other financial instruments	–	1	(1,001)	(116)	–	(1,116)	–	(1,116)
Insurance finance expenses	–	–	–	(7,375)	–	(7,375)	–	(7,375)
Other operating income	6	–	10	9	871	896	(599)	297
Net operating income before impairment allowances	13,609	11,710	10,915	1,124	3,722	41,080	(943)	40,137
Net (charge)/reversal of impairment allowances	(194)	(3,080)	(29)	8	(23)	(3,318)	–	(3,318)
Net operating income	13,415	8,630	10,886	1,132	3,699	37,762	(943)	36,819
Operating expenses	(4,984)	(1,931)	(844)	(44)	(1,556)	(9,359)	943	(8,416)
Operating profit	8,431	6,699	10,042	1,088	2,143	28,403	–	28,403
Net loss from disposal of/fair value adjustments on investment properties	–	–	–	–	(991)	(991)	–	(991)
Net loss from properties, plant and equipment and other assets	(2)	–	–	–	(124)	(126)	–	(126)
Share of results after tax of associates and joint ventures	8	–	–	10	(20)	(2)	–	(2)
Profit before taxation	8,437	6,699	10,042	1,098	1,008	27,284	–	27,284
At 31 December 2025								
ASSETS								
Segment assets	662,300	1,018,033	2,417,462	240,200	215,630	4,553,625	(59,231)	4,494,394
Interests in associates and joint ventures	106	–	4	–	734	844	–	844
	662,406	1,018,033	2,417,466	240,200	216,364	4,554,469	(59,231)	4,495,238
LIABILITIES								
Segment liabilities	1,463,092	1,455,978	890,466	230,673	148,977	4,189,186	(59,231)	4,129,955
Half-year ended 30 June 2025								
Other information								
Capital expenditure	28	3	–	32	877	940	–	940
Depreciation and amortisation	546	163	79	44	563	1,395	(21)	1,374

40. Assets pledged as security

As at 30 June 2026, the liabilities of the Group amounting to HK$29,357 million (31 December 2025: HK$58,002 million) were secured by assets deposited with central depositories to facilitate settlement operations. In addition, the liabilities of the Group amounting to HK$127,324 million (31 December 2025: HK$85,300 million) were secured by debt securities related to sale and repurchase arrangements. The amount of assets pledged by the Group to secure these liabilities was HK$155,447 million (31 December 2025: HK$143,839 million) mainly included in "Financial assets at fair value through profit or loss" and "Investment in securities".

In addition, the Group pledges securities amounting to HK$5,694 million (31 December 2025: HK$5,644 million) as margin for derivative transactions and for securities borrowing arrangements.

41. Significant related party transactions

The Group is subject to the control of the State Council of the PRC Government through China Investment Corporation ("CIC"), its wholly-owned subsidiary Central Huijin Investment Ltd. ("Central Huijin"), and BOC in which Central Huijin has controlling equity interests.

(a) *Transactions with the parent companies and the other companies controlled by the parent companies*

General information of the parent companies:

The Group is controlled by BOC. Central Huijin is the controlling entity of BOC, and it is a wholly-owned subsidiary of CIC which is a wholly state-owned company engaging in foreign currency investment management.

Central Huijin has controlling equity interests in certain other entities in the PRC.

The Group enters into banking and other transactions with these entities in the normal course of business which include loans, investment securities, money market and reinsurance transactions.

The majority of transactions with BOC arise from money market activities and are summarised as below:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Income statement items		
– Interest income	**1,721**	1,451
– Interest expense	**1,223**	1,160

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Balance sheet items		
– Cash and balances and placements with banks and other financial institutions	**163,821**	140,086
– Other assets	**5,929**	8,381
– Investment in securities	**6,872**	9,234
– Deposits and balances from banks and other financial institutions	**91,573**	89,401

41. Significant related party transactions (continued)

(a) Transactions with the parent companies and the other companies controlled by the parent companies (continued)

Related party transactions with subsidiaries of BOC are summarised as below:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Income statement item		
– Fee and commission expense	**1,540**	880

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Balance sheet items		
– Cash and balances and placements with banks and other financial institutions	**455**	1,198
– Advances and other accounts	**9,543**	9,813
– Deposits and balances from banks and other financial institutions	**7,019**	9,030

The acquisition of Bank of China International Limited and disposal of Po Sang Securities Limited took place on 30 January 2026. These transactions with subsidiary of BOC constitute related party transactions as well as connected transactions as defined in Chapter 14A of the Listing Rules. Announcement had been made by the Company on 24 January 2025 and 28 January 2026.

For details of POCI advances and other accounts purchased from BOC, please refer to Note 3.1.

For details of subordinated liabilities granted by BOC, please refer to Note 32.

Except as disclosed above, other transactions with BOC and with companies controlled by BOC are not considered significant.

41. Significant related party transactions (continued)

(b) Transactions with government authorities, agencies, affiliates and other state controlled entities

The Group is subject to the control of the State Council of the PRC Government through CIC and Central Huijin, which also directly or indirectly controls a significant number of entities through its government authorities, agencies, affiliates and other state controlled entities. The Group enters into banking transactions with government authorities, agencies, affiliates and other state controlled entities in the normal course of business at commercial terms.

These transactions include, but are not limited to, the following:

– lending, provision of credits and guarantees, and deposit taking;

– inter-bank balance taking and placing;

– sales, purchases, underwriting and redemption of bonds issued by other state controlled entities;

– rendering of foreign exchange, remittance and investment related services;

– provision of fiduciary activities; and

– purchase of utilities, transport, telecommunication and postage services.

(c) Summary of transactions entered into during the ordinary course of business with associates, joint ventures and other related parties

The Group enters into banking and other transactions with associates, joint ventures and other related parties which include but are not limited to loans, investment securities and money market transactions. The aggregate income/expenses and balances arising from related party transactions with these entities are summarised as follows:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Income statement item		
Associates and joint ventures		
– Fee and commission income	**12**	7

	At 30 June 2026 HK$'m	At 31 December 2025 HK$'m
Balance sheet items		
Associates and joint ventures		
– Investment in securities	**1,095**	1,072
– Deposits and balances from banks and other financial institutions	**70**	75

Except as disclosed above, other transactions with associates, joint ventures and other related parties of the Group are not considered significant.

41. Significant related party transactions (continued)

(d) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and senior management. The Group accepts deposits from and grants loans and credit facilities to key management personnel in the ordinary course of business. During both the current and prior periods, no significant transaction was conducted with key management personnel of the Company and its holding companies, as well as parties related to them.

The compensation of key management personnel is detailed as follows:

	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m
Salaries and other short-term employee benefits	**15**	15

42. International claims

The below analysis is prepared with reference to the completion instructions for the HKMA return of international banking statistics. International claims are exposures to counterparties on which the ultimate risk lies based on the locations of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies. For a claim guaranteed by a party situated in a location different from the counterparty, the risk will be transferred to the location of the guarantor. For a claim on an overseas branch of a bank whose head office is located in another location, the risk will be transferred to the location where its head office is located.

Claims on individual countries/regions, after risk transfer, amounting to 10% or more of the aggregate international claims of the Group in either period/year end are shown as follows:

	At 30 June 2026				
			Non-bank private sector		
	Banks HK$'m	**Official sector HK$'m**	**Non-bank financial institutions HK$'m**	**Non-financial private sector HK$'m**	**Total HK$'m**
Chinese Mainland	**381,443**	**295,914**	**22,730**	**82,971**	**783,058**
Hong Kong, China	**17,343**	**26,159**	**41,370**	**457,896**	**542,768**
United States	**28,117**	**89,457**	**104,784**	**11,112**	**233,470**

	At 31 December 2025				
			Non-bank private sector		
	Banks HK$'m	Official sector HK$'m	Non-bank financial institutions HK$'m	Non-financial private sector HK$'m	Total HK$'m
Chinese Mainland	334,238	314,391	16,186	83,715	748,530
Hong Kong, China	16,792	27,749	35,321	386,615	466,477
United States	34,025	174,526	92,433	11,053	312,037

43. Non-bank Mainland exposures

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the types of direct exposures with reference to the completion instructions for the HKMA return of Mainland activities, which includes the Mainland exposures extended by BOCHK's Hong Kong office only.

		At 30 June 2026		
	Items in the HKMA return	On-balance sheet exposure HK$'m	Off-balance sheet exposure HK$'m	Total exposure HK$'m
Central government, central government-owned entities and their subsidiaries and joint ventures	1	**390,482**	**21,302**	**411,784**
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	**70,974**	**4,987**	**75,961**
PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures	3	**118,625**	**13,011**	**131,636**
Other entities of central government not reported in item 1 above	4	**41,854**	**9,628**	**51,482**
Other entities of local governments not reported in item 2 above	5	**–**	**44**	**44**
PRC nationals residing outside Mainland or entities incorporated outside Mainland where the credit is granted for use in Mainland	6	**44,214**	**8,001**	**52,215**
Other counterparties where the exposures are considered to be non-bank Mainland exposures	7	**1,652**	**–**	**1,652**
Total	8	**667,801**	**56,973**	**724,774**
Total assets after provision	9	**4,377,324**		
On-balance sheet exposures as percentage of total assets	10	**15.26%**		

43. Non-bank Mainland exposures (continued)

		At 31 December 2025		
	Items in the HKMA return	On-balance sheet exposure HK$'m	Off-balance sheet exposure HK$'m	Total exposure HK$'m
Central government, central government-owned entities and their subsidiaries and joint ventures	1	366,846	27,270	394,116
Local governments, local government-owned entities and their subsidiaries and joint ventures	2	69,807	6,297	76,104
PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures	3	102,842	31,258	134,100
Other entities of central government not reported in item 1 above	4	34,478	6,517	40,995
Other entities of local governments not reported in item 2 above	5	–	42	42
PRC nationals residing outside Mainland or entities incorporated outside Mainland where the credit is granted for use in Mainland	6	44,284	10,543	54,827
Other counterparties where the exposures are considered to be non-bank Mainland exposures	7	1,376	–	1,376
Total	8	619,633	81,927	701,560
Total assets after provision	9	4,150,235		
On-balance sheet exposures as percentage of total assets	10	14.93%		

44. Application of merger accounting

On 30 January 2026, BOCHK acquired all the issued shares of Bank of China International Limited for a total consideration of HK$2,099 million in cash, which becomes an indirect wholly-owned subsidiary of the Company. Bank of China International Limited and BOCHK are both under the common control of BOC before and after the combination. The Group has applied the merger accounting method in accordance with the Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA in the preparation of financial statements. The comparative amounts for the year 2025 have been restated accordingly as if the combination had occurred for the year 2025.

The statements of the adjustments to the consolidated equity as at 30 June 2026 and 31 December 2025 are as follows:

	At 30 June 2026			
	Before combination HK$'m	**Entity under common control HK$'m**	**Adjustment HK$'m**	**After combination HK$'m**
Share capital	**52,864**	**1,000**	**(1,000)**	**52,864**
Merger reserve	**–**	**–**	**(1,090)**	**(1,090)**
Retained earnings and other reserves	**307,824**	**777**	**(9)**	**308,592**
	360,688	**1,777**	**(2,099)**	**360,366**
Non-controlling interests	**5,451**	**–**	**–**	**5,451**
	366,139	**1,777**	**(2,099)**	**365,817**

	At 31 December 2025			
	Before combination HK$'m	Entity under common control HK$'m	Adjustment HK$'m	After combination HK$'m
Share capital	52,864	1,000	(1,000)	52,864
Merger reserve	–	–	1,009	1,009
Retained earnings and other reserves	305,664	808	(9)	306,463
	358,528	1,808	–	360,336
Non-controlling interests	4,947	–	–	4,947
	363,475	1,808	–	365,283

45. Compliance with HKAS 34

The unaudited interim financial information for the first half of 2026 complies with HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

46. Statutory accounts

The financial information relating to the year ended 31 December 2025 that is included in this Interim Report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company 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.

The Company'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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Corporate information

Board of Directors

Chairman
GE Haijiao#

Vice Chairmen
ZHANG Hui#
SUN Yu

Directors
CAI Zhao#
CHOI Koon Shum*
FUNG Yuen Mei Anita*
LAW Yee Kwan Quinn*
LEE Sunny Wai Kwong*
LIAO Cheung Kong Martin*
LIP Sai Wo*
MA Si Hang Frederick*

\# Non-executive Directors
* Independent Non-executive Directors

Senior Management

Chief Executive
SUN Yu

Deputy Chief Executives
XING Guiwei
WANG Huabin
CHAN Man
LI Tong

Chief Risk Officer
WANG Chunfei

Chief Financial Officer
LIU Chang

Company Secretary

HUANG Xuefei

Registered Office

53rd Floor
Bank of China Tower
1 Garden Road
Hong Kong

Share Registrar

Computershare Hong Kong Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

ADR Depositary Bank

Citibank, N.A.
388 Greenwich Street
26th Floor
New York, NY 10013
United States of America

Credit Ratings (Long Term)

Standard & Poor's	A+
Moody's Investors Service	Aa3
Fitch Ratings	A+

Index Constituent

The Company is a constituent of the following indices:
Hang Seng Index Series
Hang Seng Corporate Sustainability Index Series
Hang Seng High Dividend Yield Index Series
HSI ESG Index
MSCI Index Series
FTSE Index Series

Stock Codes

Ordinary shares:

The Stock Exchange of Hong Kong Limited	2388 (HKD Counter) 82388 (RMB Counter)
Reuters	2388.HK (HKD Counter) 82388.HK (RMB Counter)
Bloomberg	2388 HK (HKD Counter) 82388 HK (RMB Counter)

Level 1 ADR Programme:

CUSIP No.	096813209
OTC Symbol	BHKLY

Website

www.bochk.com

2. Second interim dividend, special dividend and closure of register of members

The Board has declared a second interim dividend of HK$0.2900 per share (2025: HK$0.2900) and a special dividend of HK$0.2388 per share (2025: Nil), payable on Friday, 25 September 2026 to shareholders whose names appear on the Register of Members of the Company on Friday, 18 September 2026.

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the second interim dividend and the special dividend, from Monday, 14 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the second interim dividend and the special dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 11 September 2026. Shares of the Company will be traded ex-dividend as from Thursday, 10 September 2026.

3. Interest of substantial shareholders

The register maintained by the Company pursuant to section 336 of the SFO recorded that, as at 30 June 2026, the following parties had the following interests (as defined in the SFO) in the Company set opposite their respective names:

Name of Corporation	Number of shares held in the Company	Approximate % of the total issued shares
Central Huijin	6,984,274,213	66.06%
BOC	6,984,274,213	66.06%
BOCHKG	6,984,175,056	66.06%
BOC (BVI)	6,984,175,056	66.06%

Notes:

1. Following the reorganisation of BOC in August 2004, Central Huijin holds the controlling equity capital of BOC on behalf of the State. Accordingly, for the purpose of the SFO, Central Huijin is deemed to have the same interests in the Company as BOC.

2. BOC holds the entire issued shares of BOCHKG, which in turn holds the entire issued shares of BOC (BVI). Accordingly, BOC and BOCHKG are deemed to have the same interests in the Company as BOC (BVI) for the purpose of the SFO. BOC (BVI) beneficially held 6,984,175,056 shares of the Company.

3. BOC holds the entire issued shares of BOCI, which in turn holds the entire issued shares of BOCI Asia Limited and BOCI Financial Products Limited. Accordingly, BOC is deemed to have the same interests in the Company as BOCI Asia Limited and BOCI Financial Products Limited for the purpose of the SFO. BOCI Asia Limited had an interest in 24,479 shares of the Company and an interest in 72,000 shares held under physically settled equity derivatives while BOCI Financial Products Limited had an interest in 2,678 shares of the Company.

All the interests stated above represented long positions. Apart from the disclosure above, according to the register maintained by the Company pursuant to section 336 of the SFO, BOCI Financial Products Limited had an interest in 143,522 shares which represented short positions. BOC and Central Huijin are deemed to be interested in such number of shares for the purpose of the SFO. Save as disclosed, no other interests or short positions were recorded in the register maintained by the Company under section 336 of the SFO as at 30 June 2026.

4. Directors' and Chief Executive's interests in shares, underlying shares and debentures

As at 30 June 2026, the interests and short positions of the Directors, Chief Executive and their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") are set out below:

Associated corporation of the Company:
Bank of China Limited (H Shares)

Name of Director	Number of shares/underlying shares held				Approximate % of the total issued H shares
	Personal interests	Family interests	Corporate interests	Total	
SUN Yu	10,000	–	–	10,000	0.00%[1]
CHOI Koon Shum	4,000,000	40,000[2]	1,120,000[3]	5,160,000	0.01%
FUNG Yuen Mei Anita	550,000	–	–	550,000	0.00%[4]
LIP Sai Wo	201,000	–	–	201,000	0.00%[5]

Notes:

1. Such shares held by Mr SUN Yu represent approximately 0.00001% of the total issued H shares of BOC.

2. Such shares are held by the spouse of Dr CHOI Koon Shum.

3. Dr CHOI Koon Shum is deemed to be interested in the 1,120,000 shares held through Choi Koon Shum Charitable Foundation Limited by virtue of the SFO.

4. Such shares held by Mdm FUNG Yuen Mei Anita represent approximately 0.0007% of the total issued H shares of BOC.

5. Such shares held by Mr LIP Sai Wo represent approximately 0.0002% of the total issued H shares of BOC.

All the interests stated above represented long positions. Save as disclosed above, as at 30 June 2026, none of the Directors, Chief Executive or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

5. Changes of information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, save as disclosed in the 2025 Annual Report, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules from 1 January 2026 to 28 August 2026 (being the approval date of this Interim Report) are set out below:

(a) Mr ZHANG Hui, Vice Chairman and Non-executive Director of the Company, has been appointed as Chief Compliance Officer of BOC with effect from 13 February 2026.

(b) Mdm CHENG Eva retired as Independent Non-executive Director, and ceased to be Chairlady of Sustainability Committee and member of each of Audit Committee as well as Strategy and Budget Committee of the Company and BOCHK with immediate effect from the conclusion of the respective annual general meetings held on 25 June 2026.

(c) Prof LEE Sunny Wai Kwong, Independent Non-executive Director of the Company, has been appointed as Chairman of Sustainability Committee of the Company and BOCHK with immediate effect from the conclusion of the respective annual general meetings held on 25 June 2026. He ceased to be Council Member of Hong Kong Professionals and Senior Executives Association Limited with effect from 24 March 2026 and has been appointed as Professor of Practice of City University of Hong Kong ("CityUHK") and ceased to be Adjunct Professor of CityUHK, both with effect from 1 July 2026.

The biographies of Directors are available under the section headed "About Us" on the Company's website at www.bochk.com.

6. Purchase, sale or redemption of the Company's shares

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

7. Audit Committee

The Audit Committee consists of Independent Non-executive Directors only. It is chaired by Mr LIP Sai Wo. Other members include Mdm CHENG Eva (retired on 25 June 2026), Mdm FUNG Yuen Mei Anita, Mr LAW Yee Kwan Quinn and Prof LEE Sunny Wai Kwong.

Based on the principle of independence, the Audit Committee assists the Board in monitoring the financial reports, internal control, internal audit and external audit of the Group.

At the request of the Audit Committee of the Company, the Group's external auditor has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The Audit Committee has reviewed with the Management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim reports.

8. Compliance with the "Corporate Governance Code"

The Company is committed to embracing and enhancing good corporate governance principles and practices. During the period under review, the Company has been in full compliance with all code provisions as set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules (the "Corporate Governance Code"). The Company has also complied with nearly all the recommended best practices set out in the Corporate Governance Code throughout the period. For further details, please refer to the section titled "Corporate Governance" contained in the Annual Report 2025 of the Company.

9. Compliance with the Codes for Securities Transactions by Directors

The Company has established and implemented the Code for Securities Transactions by Directors (the "Company's Code") to govern the Directors' dealings in securities transactions of the Company. Terms of the Company's Code are more stringent than the mandatory standards set out in the Model Code. Apart from the Directors' dealings in the securities of the Company, the Company's Code has also been applied to the Directors' dealings in the securities of BOC and its listed close associates. Upon specific enquiry by the Company, all Directors confirmed that they had strictly complied with the provisions as set out in both the Company's Code and the Model Code throughout the period under review.

10. Compliance with the Banking (Disclosure) Rules and the Listing Rules

This unaudited Interim Report complies with the applicable requirements set out in the Banking (Disclosure) Rules under the Banking Ordinance and the applicable financial disclosure provisions of the Listing Rules.

11. Interim Report

This Interim Report is available in both English and Chinese. A copy prepared in the language different from that in which you have received is available by writing to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or email to bochk.ecom@computershare.com.hk.

This Interim Report is also available (in both English and Chinese) on the Company's website at www.bochk.com and the Stock Exchange's website at www.hkexnews.hk. You are encouraged to access the Interim Report and other corporate communications of the Company through these websites in lieu of receiving printed copies to help protect the environment. We believe that it is also the most efficient and convenient method of communication with our shareholders.

If you have any queries about how to obtain copies of this Interim Report or how to access those corporate communications on the Company's website, please call the Company's hotline at (852) 2846 2700.

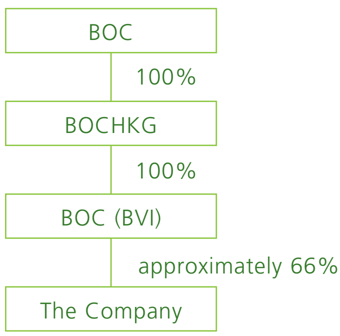
CORPORATE GOVERNANCE AND OTHER INFORMATION

12. Reconciliation between HKFRS Accounting Standards vs IFRS Accounting Standards/CASs

The Company understands that BOC, an intermediate holding company as well as controlling shareholder of the Company, will prepare and disclose consolidated financial information in accordance with IFRS Accounting Standards and CASs for which the Company and its subsidiaries will form part of the interim financial information. The requirements of CASs have substantially converged with HKFRS Accounting Standards and IFRS Accounting Standards.

The consolidated financial information of "BOC Hong Kong Group" for the periods disclosed by BOC in its interim financial information is not the same as the interim consolidated financial information of the Group for the periods published by the Company pursuant to applicable laws and regulations in Hong Kong. There are two reasons for this.

First, the definitions of "BOC Hong Kong Group" (as adopted by BOC for the purpose of its own financial disclosure) and "Group" (as adopted by the Company in preparing and presenting its consolidated financial information) are different: "BOC Hong Kong Group" refers to BOCHKG and its subsidiaries, whereas "Group" refers to the Company and its subsidiaries (see the below organisation chart). Though there is difference in definitions between "BOC Hong Kong Group" and "Group", their financial results for the periods presented are substantially the same. This is because BOCHKG and BOC (BVI) are holding companies only and have no substantive operations of their own.



Second, the Group has prepared its interim financial information in accordance with HKFRS Accounting Standards; whereas the consolidated financial information reported to BOC is prepared in accordance with IFRS Accounting Standards and CASs respectively. There is a difference in the election of subsequent measurement basis of bank premises by the Group and by BOC respectively.

The Board considers that the best way to ensure that shareholders and the investing public understand the material differences between the interim consolidated financial information of the Group published by the Company on the one hand, and the consolidated financial information of BOC Hong Kong Group disclosed by BOC in its interim financial information on the other hand, is to present reconciliations of the profit after tax/net assets of the Group prepared under HKFRS Accounting Standards to the profit after tax/net assets of the Group prepared under IFRS Accounting Standards/CASs respectively for the periods presented.

12. Reconciliation between HKFRS Accounting Standards vs IFRS Accounting Standards/CASs (continued)

The major differences which arise from the difference in measurement basis relate to the following:

(a) Restatement of carrying value of bank premises

The Company has elected for a revaluation model rather than cost model to account for bank premises under HKFRS Accounting Standards. On the contrary, BOC has elected for the cost model for bank premises under IFRS Accounting Standards and CASs. Therefore, adjustments have been made to the carrying value of bank premises as well as to re-calculate the depreciation charge and disposal gain/loss under IFRS Accounting Standards and CASs.

(b) Deferred tax adjustments

These represent the deferred tax effect of the aforesaid adjustments.

Profit after tax/net assets reconciliation

HKFRS Accounting Standards vs IFRS Accounting Standards/CASs

	Profit after tax		Net assets	
	Half-year ended 30 June 2026 HK$'m	Half-year ended 30 June 2025 HK$'m	**At 30 June 2026 HK$'m**	At 31 December 2025 HK$'m
Profit after tax/net assets of BOC Hong Kong (Holdings) Limited prepared under HKFRS Accounting Standards	**24,356**	22,804	**365,817**	365,283
Add: IFRS Accounting Standards/CASs adjustments				
Restatement of carrying value of bank premises	**64**	489	**(17,838)**	(20,117)
Deferred tax adjustments	**9**	(41)	**3,064**	3,401
Profit after tax/net assets of BOC Hong Kong (Holdings) Limited prepared under IFRS Accounting Standards/CASs	**24,429**	23,252	**351,043**	348,567

13. Regulatory Disclosures

The Regulatory Disclosures, together with the disclosures in this Interim Report, contained all the disclosures required by the Banking (Disclosure) Rules and Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules issued by the HKMA. The Regulatory Disclosures is available under the section "Regulatory Disclosures" on BOCHK's website at www.bochk.com.

INDEPENDENT REVIEW REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

To the Board of Directors of BOC Hong Kong (Holdings) Limited
(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 39 to 114, which comprises the condensed consolidated balance sheet of BOC Hong Kong (Holdings) Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2026 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Ernst & Young
Certified Public Accountants
Hong Kong
28 August 2026

APPENDIX

Subsidiaries of the Company

The particulars of subsidiaries are as follows:

Name	Place and date of incorporation/ operation	Issued share capital	Interest held	Principal activities
Directly held:				
Bank of China (Hong Kong) Limited	Hong Kong, China 16 October 1964	HK$43,042,840,858	100.00%	Banking business
BOC Group Life Assurance Company Limited	Hong Kong, China 12 March 1997	HK$3,538,000,000	51.00%	Life insurance business
BOCHK Asset Management (Cayman) Limited	Cayman Islands 7 October 2010	HK$383,000,000	100.00%	Investment holding
Indirectly held:				
BOC Credit Card (International) Limited	Hong Kong, China 9 September 1980	HK$565,000,000	100.00%	Credit card services
BOC Group Trustee Company Limited	Hong Kong, China 1 December 1997	HK$200,000,000	66.00%	Investment holding
BOCI-Prudential Trustee Limited	Hong Kong, China 11 October 1999	HK$300,000,000	42.24%*	Trustee services
Bank of China (Malaysia) Berhad	Malaysia 14 April 2000	RM814,734,790	100.00%	Banking business
BOC Nominees (Asing) Sdn. Bhd.	Malaysia 30 March 2026	RM1	100.00%	Nominee services
BOC Nominees (Tempatan) Sdn. Bhd.	Malaysia 30 March 2026	RM1	100.00%	Nominee services
Bank of China (Thai) Public Company Limited	Thailand 1 April 2014	Baht10,000,000,000	100.00%	Banking business
Bank of China International Limited	Hong Kong, China 2 March 1979	HK$1,000,000,000	100.00%	Banking business
Bank of China (Hong Kong) Nominees Limited	Hong Kong, China 1 October 1985	HK$2	100.00%	Nominee services
Bank of China (Hong Kong) Trustees Limited	Hong Kong, China 6 November 1987	HK$3,000,000	100.00%	Trustee and agency services

Subsidiaries of the Company (continued)

Name	Place and date of incorporation/ operation	Issued share capital	Interest held	Principal activities
BOC Digital Services (Nanning) Company Limited**	Nanning, China 19 February 2019	Registered capital HK$60,000,000	100.00%	Financial operational and information technology services
BOCHK Information Technology (Shenzhen) Co., Ltd.**	Shenzhen, China 16 April 1990	Registered capital HK$70,000,000	100.00%	Property holding
Po Sang Financial Investment Services Company Limited	Hong Kong, China 23 September 1980	HK$335,000,000	100.00%	Gold trading and investment holding
Sin Hua Trustee Limited	Hong Kong, China 27 October 1978	HK$3,000,000	100.00%	Trustee services
Billion Express Development Inc.	British Virgin Islands 7 February 2014	US$1	100.00%	Investment holding
Billion Orient Holdings Ltd.	British Virgin Islands 3 February 2014	US$1	100.00%	Investment holding
Elite Bond Investments Ltd.	British Virgin Islands 7 February 2014	US$1	100.00%	Investment holding
Express Capital Enterprise Inc.	British Virgin Islands 3 February 2014	US$1	100.00%	Investment holding
Express Charm Holdings Corp.	British Virgin Islands 7 February 2014	US$1	100.00%	Investment holding
Express Shine Assets Holdings Corp.	British Virgin Islands 3 January 2014	US$1	100.00%	Investment holding
Express Talent Investment Ltd.	British Virgin Islands 13 February 2014	US$1	100.00%	Investment holding
Gold Medal Capital Inc.	British Virgin Islands 3 January 2014	US$1	100.00%	Investment holding
Gold Tap Enterprises Inc.	British Virgin Islands 13 February 2014	US$1	100.00%	Investment holding
Maxi Success Holdings Ltd.	British Virgin Islands 7 February 2014	US$1	100.00%	Investment holding
Smart Linkage Holdings Inc.	British Virgin Islands 13 February 2014	US$1	100.00%	Investment holding

Subsidiaries of the Company (continued)

Name	Place and date of incorporation/ operation	Issued share capital	Interest held	Principal activities
Smart Union Capital Investments Ltd.	British Virgin Islands 3 January 2014	US$1	100.00%	Investment holding
Success Trend Development Ltd.	British Virgin Islands 18 February 2014	US$1	100.00%	Investment holding
Wise Key Enterprises Corp.	British Virgin Islands 18 February 2014	US$1	100.00%	Investment holding
BOCHK Asset Management Limited	Hong Kong, China 28 October 2010	HK$372,500,000	100.00%	Asset management
Greater Bay Area Investment (GP) Limited	Hong Kong, China 4 February 2021	HK$1	100.00%	Investment holding

* BOCI-Prudential Trustee Limited is a subsidiary of a non-wholly-owned subsidiary of the Company and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

** It is registered as limited liability company in China.

The disposal of Po Sang Securities Limited was completed on 30 January 2026.

The acquisition of Bank of China International Limited was completed on 30 January 2026.

The winding-up petitions of Bank of China (Hong Kong) Trustee Limited and Sin Hua Trustees Limited were approved by the High Court of Hong Kong on 10 June 2026.

DEFINITIONS

In this Interim Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Terms	Meanings
"ADR"	American Depositary Receipt
"ADS(s)"	American Depositary Share(s)
"ALCO"	the Asset and Liability Management Committee
"AT1"	Additional Tier 1
"Associates"	has the meaning ascribed to "associates" in the Listing Rules
"BOC"	Bank of China Limited, a joint stock commercial bank with limited liability established under the laws of the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
"BOC (BVI)"	BOC Hong Kong (BVI) Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of BOCHKG
"BOCG Insurance"	Bank of China Group Insurance Company Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCHKG"	BOC Hong Kong (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCHK" or "the Bank"	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company
"BOCI"	BOC International Holdings Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC
"BOCI-Prudential Trustee"	BOCI-Prudential Trustee Limited, a company incorporated under the laws of Hong Kong, in which BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited hold equity interests of 64% and 36% respectively
"BOC Life"	BOC Group Life Assurance Company Limited, a company incorporated under the laws of Hong Kong, in which the Group and BOCG Insurance hold equity interests of 51% and 49% respectively
"BOC Malaysia"	Bank of China (Malaysia) Berhad, a wholly-owned subsidiary of BOCHK
"BOC Thailand"	Bank of China (Thai) Public Company Limited, a wholly-owned subsidiary of BOCHK
"Board" or "Board of Directors"	the Board of Directors of the Company
"CAS"	Chinese Accounting Standard for Business Enterprises
"CE"	Chief Executive
"CET1"	Common Equity Tier 1

DEFINITIONS

Terms	Meanings
"CFO"	Chief Financial Officer
"CIC"	China Investment Corporation
"CRO"	Chief Risk Officer
"CVA"	Credit Valuation Adjustment
"Central Huijin"	Central Huijin Investment Ltd.
"DCE"	Deputy Chief Executive
"DVA"	Debit Valuation Adjustment
"ECL"	Expected Credit Loss
"EVE"	Economic Value Sensitivity Ratio
"FCC"	the Financial Crime Compliance Department
"FIRB"	Foundation Internal Ratings-based
"Fitch"	Fitch Ratings
"FVOCI"	Fair value through other comprehensive income
"FVPL"	Fair value through profit or loss
"GDP"	Gross Domestic Product
"HIBOR"	Hong Kong Interbank Offered Rate
"HKAS"	Hong Kong Accounting Standard
"HKFRS"	Hong Kong Financial Reporting Standard
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HKMA"	Hong Kong Monetary Authority
"Hong Kong" or "Hong Kong SAR" or "HKSAR" or "Hong Kong, China"	Hong Kong Special Administrative Region of the PRC
"ICAAP"	Internal Capital Adequacy Assessment Process
"IFRS"	International Financial Reporting Standard
"IT"	Information Technology
"LCO"	the Legal & Compliance and Operational Risk Management Department

DEFINITIONS

Terms	Meanings
"LCR"	Liquidity Coverage Ratio
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MC"	the Management Committee
"MCO"	Maximum Cumulative Cash Outflow
"MPF"	Mandatory Provident Fund
"Moody's"	Moody's Investors Service
"N/A"	Not applicable
"NII"	Net Interest Income Sensitivity Ratio
"NSFR"	Net Stable Funding Ratio
"ORSO schemes"	the Occupational Retirement Schemes under Occupational Retirement Schemes Ordinance, Chapter 426 of the Laws of Hong Kong
"OTC"	Over-the-counter
"PRC" or "China"	the People's Republic of China
"PVBP"	Price Value of a Basis Point
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"RC"	the Risk Committee
"RMD"	the Risk Management Department
"RWAs"	Risk-weighted Assets
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"SME"	Small and Medium-sized Enterprise
"STC"	Standardised (Credit Risk)
"Standard & Poor's"	Standard & Poor's Ratings Services
"Stock Exchange" or "Hong Kong Stock Exchange" or "Stock Exchange of Hong Kong"	The Stock Exchange of Hong Kong Limited
"the Company"	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong
"the Group"	the Company and its subsidiaries collectively referred as the Group
"US"	the United States of America
"VaR"	Value at Risk

中銀香港(控股)有限公司
BOC HONG KONG (HOLDINGS) LIMITED

53/F Bank of China Tower, 1 Garden Road, Hong Kong
Website: www.bochk.com

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