

The Hongkong and Shanghai Banking
Corporation Limited
Macau Branch

Disclosure of Financial Information
30 June 2023

(The disclosure of financial information is unaudited)

Statement of financial position
as at 30 June 2023
(Expressed in thousands of Macau Patacas)

	30 Jun 2023 MOP'000	31 Dec 2022 MOP'000
Assets		
Cash and current balances with banks	590,381	1,546,833
Balances with Autoridade Monetária de Macau ("AMCM")	374,615	435,346
Monetary bills issued by AMCM	3,928,463	2,283,226
Items in the course of collection from other banks	47,511	50,088
Loans and advances to banks	5,559,734	5,969,488
Loans and advances to customers	16,888,846	14,977,434
Equity securities	250	250
Property, plant and equipment	36,084	36,160
Other assets	809,438	891,997
Assets held for sale	74,900	74,900
Total Assets	28,310,222	26,265,722
Liabilities		
Deposits by banks	8,353,121	7,676,258
Customer accounts	18,180,533	16,735,657
Items in the course of transmission to other banks	63,818	147,650
Current taxation	76,853	48,304
Deferred tax liabilities	4,500	6,335
Other liabilities	973,912	1,072,259
Total Liabilities	27,652,737	25,686,463
Net Assets	657,485	579,259

Statement of financial position
as at 30 June 2023 (continued)
(Expressed in thousands of Macau Patacas)

	<i>30 Jun 2023</i> MOP'000	<i>31 Dec 2022</i> MOP'000
HEAD OFFICE ACCOUNT AND RESERVES		
Financial assets at FVOCI reserves	(2,708)	(5,027)
Share-based payment reserve	12,450	12,480
Property revaluation reserve	81,646	81,706
Head office account	369,392	306,307
General regulatory reserve	196,705	183,793
Specific regulatory reserve	-	-
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	657,485	579,259
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Statement of profit or loss for the half-year ended 30 June 2023

(Expressed in thousands of Macau Patacas)

	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>
Interest income	509,754	191,765
Interest expense	(268,805)	(21,047)
Net interest income	240,949	170,718
Fee and commission income	45,153	46,093
Fee and commission expense	(4,053)	(3,922)
Net fee and commission income	41,100	42,171
Net trading income	64,025	52,391
Other operating income	6,150	4,387
Operating expenses	(133,292)	(131,560)
Change in expected credit losses	(14,110)	62,685
Profit before taxation	204,822	200,792
Tax expense	(25,014)	(25,139)
Profit for the period	179,808	175,653

**Statement of comprehensive income
for the half-year ended 30 June 2023**
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>
Profit for the period	179,808	175,653
Items that will not be reclassified subsequently to profit or loss:		
Realisation of revaluation surplus, net of tax	(60)	(18)
Remeasurement of defined benefit plans	489	(592)
Changes in fair value of share-based payment liability to HSBC Holdings plc	(30)	(153)
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Debt instruments at fair value through other comprehensive income ("FVOCI")		
– fair value gains/(losses) on financial assets	2,319	(6,534)
Other comprehensive income/(loss) for the period	2,718	(7,297)
Total comprehensive income for the period	182,526	168,356

Statement of cash flows for the half-year ended 30 June 2023

(Expressed in thousands of Macau Patacas)

	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>
Operating activities		
Profit before taxation	204,822	200,792
Adjustments for:		
Depreciation	3,344	3,935
Change in expected credit losses	14,110	(62,685)
Interest income	(509,754)	(191,765)
Interest expense	268,805	21,047
Interest received	464,269	185,381
Interest paid	(221,674)	(16,620)
Operating cash flows before changes in working capital	223,922	140,085
Change in balances with AMCM for the purpose of fulfilling minimum liquidity requirement	(22,620)	28,762
Change in monetary bills issued by AMCM with original maturity of more than three months	50,520	508,830
Change in loans and advances to banks with original maturity of more than three months	609,877	(193,667)
Change in gross loans and advances to customers	(1,810,218)	(506,266)
Change in items in the course of collection from other banks	2,577	7,774
Change in other assets	82,559	6,250
Change in deposits by banks	676,863	(88,675)
Change in customer accounts	1,444,876	(466,903)
Change in items in the course of transmission to other banks	(83,832)	(3,431)
Change in other liabilities	(231,566)	40,470
Cash generated from operations	942,958	(526,771)

Statement of cash flows
for the half-year ended 30 June 2023 (continued)
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> <i>30 Jun 2023</i> MOP'000	<i>Half-year ended</i> <i>30 Jun 2022</i> MOP'000
Taxation paid	-	-
Net cash generated from operating activities	942,958	(526,771)
Investing activity		
Purchase of property, plant and equipment	(3,267)	(835)
Net cash used in investing activity	(3,267)	(835)
Financing activity		
Profit remitted to head office	(103,416)	-
Net cash used in financing activity	(103,416)	-
Net increase in cash and cash equivalents	836,275	(527,606)
Cash and cash equivalents at 1 January	6,636,353	4,924,175
Cash and cash equivalents at 30 June	7,472,628	4,396,569

Statement of cash flows
for the half-year ended 30 June 2023 (continued)
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> <i>30 Jun 2023</i> <i>MOP'000</i>	<i>Half-year ended</i> <i>30 Jun 2022</i> <i>MOP'000</i>
Analysis of balances of cash and cash equivalents		
Cash and current balances with banks	590,381	759,639
Balances with AMCM	374,615	379,030
Monetary bills issued by AMCM	3,928,463	2,637,720
Loans and advances to banks	5,559,734	2,377,125
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Amount shown in the statement of financial position	10,453,193	6,153,514
Less:		
- Balances with AMCM for the purpose of fulfilling minimum liquidity requirement	(319,189)	(282,697)
- Monetary bills issued by AMCM with original maturity over three months	(637,355)	(989,244)
- Loans and advances to banks with original maturity over three months	(2,024,021)	(485,004)
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Cash and cash equivalents in the cash flow statement	<hr/> <hr/> 7,472,628	<hr/> <hr/> 4,396,569

Off-balance-sheet exposures
as at 30 June 2023
(Expressed in thousands of Macau Patacas)

(a) Contingent liabilities and commitments

	<i>Contractual amounts At 30 Jun 2023 MOP'000</i>	<i>Contractual amounts At 31 Dec 2022 MOP'000</i>
Financial guarantees	<u>11,605</u>	<u>10,856</u>
Performance guarantees	<u>2,607,408</u>	<u>2,612,899</u>
Documentary credits and trade related contingencies	<u>1,541,321</u>	<u>1,697,850</u>
Other commitments	<u>9,508,880</u>	<u>11,843,930</u>

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

Off-balance-sheet exposures as at 30 June 2023 (continued) *(Expressed in thousands of Macau Patacas)*

(b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivatives:

	<i>At 30 Jun 2023</i> MOP'000	<i>At 31 Dec 2022</i> MOP'000
Exchange rate contracts	<u>4,690,328</u>	<u>3,676,041</u>

Derivatives arise from forward transactions undertaken in the foreign exchange market. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

The fair values and credit risk weighted amounts of the aforesaid off-balance sheet exposures are as follows:

	<i>At 30 Jun 2023</i> MOP'000	<i>At 31 Dec 2022</i> MOP'000
Fair value		
- Exchange rate contracts		
Assets	63,507	15,801
Liabilities	<u>49,042</u>	<u>58,327</u>

	<i>At 30 Jun 2023</i> MOP'000	<i>At 31 Dec 2022</i> MOP'000
Credit risk weighted amounts		
- Exchange rate contracts	<u>21,991</u>	<u>21,665</u>

Significant related party transactions

(Expressed in thousands of Macau Patacas)

The Branch entered into the following material related party transactions.

(a) *Transactions with group companies*

During the first half year, the Branch entered into transactions with related parties in the ordinary course of its banking business including lending and placement of inter-bank deposits, correspondent banking transactions and off-balance sheet transactions. The transactions were priced at the relevant market rates at the time of each transaction.

The amount of related-party transactions during the first half year and outstanding balances at 30 June 2023 and 31 December 2022 are set out below:

	<i>Associates, other branches, subsidiaries and fellow subsidiaries</i>		<i>The Hongkong and Shanghai Banking Corporation, Hong Kong Branch</i>	
	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>
Interest income	2,745	39	74,957	3,281
Interest expense	(332)	(111)	(135,025)	(13,625)
Fee and commission income	2,963	2,018	163	645
Fee and commission expense	(501)	(608)	(269)	(259)
Other operating income	4,574	4,374	1,555	-
Operating expenses	(21,621)	(17,764)	(27,602)	(32,285)
For the half-year ended 30 June	(12,172)	(12,052)	(86,221)	(42,243)

Significant related party transactions (continued)

(Expressed in thousands of Macau Patacas)

(a) Transactions with group companies (continued)

	<i>Associates, other branches, subsidiaries and fellow subsidiaries</i>		<i>The Hongkong and Shanghai Banking Corporation, Hong Kong Branch</i>	
	<i>at 30 Jun 2023</i>	<i>at 31 Dec 2022</i>	<i>at 30 Jun 2023</i>	<i>at 31 Dec 2022</i>
	<i>MOP'000</i>	<i>MOP'000</i>	<i>MOP'000</i>	<i>MOP'000</i>
Cash and current balances with banks	177,119	812,847	88,676	298,589
Loans and advances to banks	1,016,458	1,150,434	1,974,250	3,729,593
Other assets	2,662	3,989	63,456	18,333
	<u>1,196,239</u>	<u>1,967,270</u>	<u>2,126,382</u>	<u>4,046,515</u>
Deposits by banks	17,153	4,353	8,228,448	7,352,789
Customer accounts	44,463	39,671	-	-
Other liabilities	4,014	4,208	69,927	83,733
	<u>65,630</u>	<u>48,232</u>	<u>8,298,375</u>	<u>7,436,522</u>

The Branch's immediate parent is The Hongkong and Shanghai Banking Corporation Limited, which is incorporated in Hong Kong and the Branch's ultimate parent is HSBC Holdings plc, which is incorporated in the United Kingdom. Both the immediate and ultimate parent companies produce consolidated financial statements for public use.

(b) Key management personnel

The remuneration of key management personnel, which is included in the staff cost, is as follows:

	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2022 MOP'000</i>
Executive officers	<u>2,370</u>	<u>2,288</u>

Credit risk management

(Expressed in thousands of Macau Patacas)

(a) *Geographical distribution of credit risk exposures*

The geographical distribution is based on the countries where the counterparties were operated or located after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

Exposures to individual countries or jurisdiction, groups of countries or regions within countries amounting to 10% or more of the relevant major types of credit exposures at balance sheet date are shown as follows:

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(a) Geographical distribution of credit risk exposures (continued)

As at 30 June 2023

	<i>Banks</i>	<i>Governments</i>	<i>Public sector entities</i>	<i>Others</i>	<i>Total exposures</i>	<i>Stage 1 ECL</i>	<i>Stage 2 ECL</i>	<i>Stage 3 ECL</i>	<i>Total ECL</i>
	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000
Loans and advances to customers									
– Macau	-	-	-	15,764,875	15,764,875	2,320	3,932	269,360	275,612
– Hong Kong	-	-	-	734,845	734,845	97	79	54	230
– Others	-	-	-	665,182	665,182	200	14	-	214
	-	-	-	17,164,902	17,164,902	2,617	4,025	269,414	276,056
Undrawn commitments									
– Macau	-	-	-	9,508,880	9,508,880	-	-	-	-
– Hong Kong	-	-	-	-	-	-	-	-	-
– Others	-	-	-	-	-	-	-	-	-
	-	-	-	9,508,880	9,508,880	-	-	-	-
Loans and advances to banks									
– Macau	2,941,381	-	-	-	2,941,381	144	-	-	144
– Hong Kong	2,005,668	-	-	-	2,005,668	20	-	-	20
– Others	612,851	-	-	-	612,851	2	-	-	2
	5,559,900	-	-	-	5,559,900	166	-	-	166

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(a) Geographical distribution of credit risk exposures (continued)

As at 31 December 2022

	Banks	Governments	Public sector entities	Others	Total exposures	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000
Loans and advances to customers									
– Macau	-	-	-	13,678,187	13,678,187	3,369	4,564	319,514	327,447
– Hong Kong	-	-	-	949,260	949,260	419	261	-	680
– Others	-	-	-	678,662	678,662	509	39	-	548
	-	-	-	15,306,109	15,306,109	4,297	4,864	319,514	328,675
Undrawn commitments									
– Macau	-	-	-	11,784,561	11,784,561	105	44	-	149
– Hong Kong	-	-	-	59,369	59,369	1	-	-	1
– Others	-	-	-	-	-	-	-	-	-
	-	-	-	11,843,930	11,843,930	106	44	-	150
Loans and advances to banks									
– Macau	1,330,826	-	-	-	1,330,826	407	-	-	407
– Hong Kong	3,729,593	-	-	-	3,729,593	27	-	-	27
– Others	909,510	-	-	-	909,510	7	-	-	7
	5,969,929	-	-	-	5,969,929	441	-	-	441

Credit risk management

(Expressed in thousands of Macau Patacas)

(a) Geographical distribution of credit risk exposures (continued)

Geographic region with higher than or equal to 10% of the total loans and advances to customers are shown as follows:

	<i>At 30 Jun 2023</i>	<i>At 31 Dec 2022</i>
	MOP'000	MOP'000
Macau		
Gross loans and advances to customers	15,764,875	13,678,187
Impaired loans	1,390,634	855,349
Expected credit losses	<u>275,612</u>	<u>306,257</u>

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(b) Loans and advances to customers analysed by industry sector

	At 30 Jun 2023				
	Gross loans and advances to customers MOP'000	Impaired MOP'000	ECL Stage 1 MOP'000	ECL Stage 2 MOP'000	ECL Stage 3 MOP'000
Agriculture and fisheries	-	-	-	-	-
Mining industries	-	-	-	-	-
Manufacturing industries	456,996	-	3	-	-
Electricity, gas and water	21,087	-	8	-	-
Construction and public works	1,638,780	351,630	105	2	123,329
Wholesale and retail trade	6,414,651	435,687	248	453	119,464
Restaurants, hotels and similar	10,149	-	5	-	-
Transport, warehousing and communications	-	-	-	-	-
Non-monetary financial institutions	-	-	-	-	-
Gaming	-	-	-	-	-
Exhibition and conference	-	-	-	-	-
Education	-	-	-	-	-
Information technology	-	-	-	-	-
Other industries	2,620,562	465,852	534	134	23,085
Personal loans	6,002,677	163,539	1,714	3,436	3,536
	17,164,902	1,416,708	2,617	4,025	269,414

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(b) Loans and advances to customers analysed by industry sector (continued)

	<i>At 31 Dec 2022</i>				
	<i>Gross loans and advances to customers</i>	<i>Impaired</i>	<i>ECL Stage 1</i>	<i>ECL Stage 2</i>	<i>ECL Stage 3</i>
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Agriculture and fisheries	-	-	-	-	-
Mining industries	-	-	-	-	-
Manufacturing industries	579,445	-	52	13	-
Electricity, gas and water	-	-	-	-	-
Construction and public works	846,536	387,882	187	6	118,780
Wholesale and retail trade	5,114,130	196,877	850	814	184,387
Restaurants, hotels and similar	10,468	-	10	3	-
Transport, warehousing and communications	-	-	-	-	-
Non-monetary financial institutions	-	-	-	-	-
Gaming	-	-	-	-	-
Exhibition and conference	-	-	-	-	-
Education	-	-	-	-	-
Information technology	29	-	-	-	-
Other industries	2,511,107	140,880	1,641	367	-
Personal loans	6,244,394	130,135	1,557	3,661	16,347
	<u>15,306,109</u>	<u>855,774</u>	<u>4,297</u>	<u>4,864</u>	<u>319,514</u>

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(c) Analysis on assets and liabilities by remaining maturity

At 30 Jun 2023								
	within 1 month (except those repayable on demand)	within a period of more than 1 month but not more than 3 months	within a period of more than 1 month but not more than 1 year	within a period of more than 3 months but not more than 1 year	within a period of more than 1 year but not more than 3 years	within a period of more than 3 years	within an indefinite period	Total
	MOP'000	MOP'000		MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets								
Loans and advances to customers	298,902	3,925,998	1,900,444	3,132,917	2,215,657	5,414,928	-	16,888,846
Cash and balances with and loans and advances to banks	621,822	1,825,566	2,096,675	1,606,052	-	-	-	6,150,115
Monetary bills issued by AMCM	-	2,347,665	1,191,361	389,437	-	-	-	3,928,463
Other securities	-	63,507	-	-	-	-	250	63,757
Liabilities								
Deposits by banks	1,412,079	-	-	1,100,942	5,840,100	-	-	8,353,121
Deposits from holding and associated companies	1,349,022	-	-	1,100,942	5,840,100	-	-	8,290,064
Customer accounts	9,831,973	1,800,363	2,905,943	3,630,118	12,136	-	-	18,180,533
Other securities issued	-	49,043	-	-	-	-	-	49,043

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(c) Analysis on assets and liabilities by remaining maturity (continued)

	At 31 Dec 2022							Total
	on demand	within 1 month (except those repayable on demand)	within a period of more than 1 month but not more than 3 months	within a period of more than 3 months but not more than 1 year	within a period of more than 1 year but not more than 3 years	within a period of more than 3 years	within an indefinite period	
	MOP'000	MOP'000		MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Assets								
Loans and advances to customers	434,730	2,835,234	1,433,870	2,402,458	2,148,391	5,722,751	-	14,977,434
Cash and balances with and loans and advances to banks	1,546,833	3,596,864	948,820	1,423,804	-	-	-	7,516,321
Monetary bills issued by AMCM	-	1,049,264	745,038	488,924	-	-	-	2,283,226
Other securities	15,801	-	-	-	-	-	250	16,051
Liabilities								
Deposits by banks	260,258	10,844	813,156	-	6,592,000	-	-	7,676,258
Deposits from holding and associated companies	282,945	6,868	515,000	-	6,592,000	-	-	7,396,813
Customer accounts	11,222,118	1,114,074	1,503,207	2,726,215	170,043	-	-	16,735,657
Other securities issued	-	-	52,824	5,503	-	-	-	58,327

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(d) Ageing analysis on accounting past due exposures

The ageing analysis of loans and advances to customers that are past due is as follows:

	<i>At 30 Jun 2023</i> MOP'000	<i>At 31 Dec 2022</i> MOP'000
Gross loans and advances to customers that are past due		
- more than 3 months but less than 6 months	593,661	116,001
- more than 6 months but less than 1 year	5,960	421,273
- more than 1 year	685,404	235,568
	<u>1,285,025</u>	<u>772,842</u>
Value of collateral on past due loans and advances to customers		
- more than 3 months but less than 6 months	596,763	124,202
- more than 6 months but less than 1 year	9,033	271,071
- more than 1 year	494,684	82,914
	<u>1,100,481</u>	<u>478,187</u>
Amount of expected credit losses made on past due loans and advance to customers		
- more than 3 months but less than 6 months	73	43,301
- more than 6 months but less than 1 year	149	80,431
- more than 1 year	266,910	193,980
	<u>267,132</u>	<u>317,712</u>

As at 30 June 2023, there were no other assets that have been past due for bank and nonbank customers.

As at 30 June 2023, all the past due loans and advances to customers more than 3 months were considered to be impaired.

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(e) **Credit quality analysis under regulatory asset classification**

At 30 June 2023						
	Gross exposure MOP '000	Value of collateral MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000	Net exposure MOP '000
Balances with AMCM						
Pass	374,615	-	-	-	-	374,615
Loans and advances to banks						
Pass	5,559,900	-	166	-	-	5,559,734
Loans and advances to customers						
Pass	15,465,377	17,590,913	2,464	2,916		-
Special mention	278,864	317,784	-	483		-
Substandard	685,423	809,176	-	215	1,607	-
Doubtful	45,068	126,082	153	411	802	-
Loss	690,170	500,535	-	-	276,005	-
	17,164,902	19,344,490	2,617	4,025	269,414	-

Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

(e) **Credit quality analysis under regulatory asset classification (continued)**

At 31 December 2022						
	Gross exposure MOP '000	Value of collateral MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000	Net exposure MOP '000
Balances with AMCM						
Pass	435,346	-	-	-	-	435,346
Loans and advances to banks						
Pass	5,969,929	-	441	-	-	5,969,488
Loans and advances to customers						
Pass	13,642,487	17,828,074	3,922	3,327	-	-
Special mention	751,799	1,224,217	372	1,078	-	-
Substandard	99,434	240,517	-	354	1,563	-
Doubtful	558,709	520,729	3	105	123,552	-
Loss	253,680	103,124	-	-	194,399	-
	15,306,109	19,916,661	4,297	4,864	319,514	-

Foreign exchange risk management

(Expressed in thousands of Macau Patacas)

Foreign currency risk

Analysis on total net position in currencies other than MOP:

	At 30 Jun 2023			
	United States Dollars	Hong Kong Dollars	Other foreign currencies	Total
<i>In thousand of MOP equivalent</i>				
Spot assets	6,632,885	12,260,543	2,877,700	21,771,128
Spot liabilities	(7,235,900)	(12,640,397)	(2,268,416)	(22,144,713)
Forward purchase	2,569,373	198,022	1,922,608	4,690,003
Forward sales	(1,942,711)	(196,570)	(2,533,848)	(4,673,129)
Net long/(short) non-structural position	23,647	(378,402)	(1,956)	(356,711)

	<i>At 31 Dec 2022</i>			
	<i>United States Dollars</i>	<i>Hong Kong Dollars</i>	<i>Other foreign currencies</i>	<i>Total</i>
<i>In thousand of MOP equivalent</i>				
Spot assets	5,052,505	13,858,807	2,126,329	21,037,641
Spot liabilities	(6,994,330)	(13,008,483)	(1,216,994)	(21,219,807)
Forward purchase	2,537,669	35,061	1,103,311	3,676,041
Forward sales	(621,829)	(1,082,589)	(2,011,637)	(3,716,055)
Net long/(short) non-structural position	(25,985)	(197,204)	1,009	(222,180)

Liquidity risk management

(Expressed in thousands of Macau Patacas)

The following table summarizes the key quantitative indicators for liquidity risk:

	<i>Half-year ended</i> <i>30 Jun 2023</i>	<i>Half-year ended</i> <i>30 Jun 2022</i>
	MOP'000	MOP'000
(a) The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held	457,358	434,757
(b) The arithmetic mean of the average weekly amount of cash in hand	727,052	744,359
(c) The arithmetic mean of the specified liquid assets at the end of each month	10,610,212	9,749,336
(d) The average ratio of specified liquid assets to total basic liabilities at the end of the month	59.0%	65.2%
(e) The arithmetic mean of its one-month liquidity ratio in the last week of each month	344.4%	1082.0%
(f) The arithmetic mean of its three-month liquidity ratio in the last week of each month	149.5%	531.8%

The above ratios and figures calculations are computed based on the data extracted from the weekly and monthly returns submitted to AMCM.

Other information

(Expressed in thousands of Macau Patacas)

(a) Capital commitments

There were no capital commitments outstanding not provided for in the financial statements as at 30 June 2023 and 31 December 2022.

(b) Operating lease commitments

At 30 June 2023, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<i>At 30 Jun 2023</i> MOP'000	<i>At 31 Dec 2022</i> MOP'000
Within 1 year	15,466	5,086
After 1 year but within 5 years	12,333	421
	<u>27,799</u>	<u>5,507</u>

(c) Assets pledged as security

There were no assets that pledged as security for the liabilities of the Branch as at 30 June 2023 and 31 December 2022.

(d) Outstanding litigations

There were no outstanding litigations which may have a significant impact on the financial position of the Branch as at 30 June 2023 and 31 December 2022.

Other information in relation to positions of Head Office, The Hongkong and Shanghai Banking Corporation Limited

The Branch is one of the branches of The Hongkong and Shanghai Banking Corporation Limited (“the Bank”) and therefore it is not required to prepare consolidated accounts. Unless otherwise stated, all information disclosed below is extracted from the corresponding information in the most recently available interim consolidated financial statements of the Bank of which the Branch is a member.

The interim consolidated financial statements can be accessed through various channels, including its website (<http://www.hsbc.com.hk>). For more comprehensive understanding of the financial position and results of operations of HSBC, the information disclosed below should be read in conjunction with the interim consolidated financial statements.

(a) Consolidated capital adequacy ratio

	<i>At 30 Jun 2023</i>	<i>At 31 Dec 2022</i>
	%	%
Capital adequacy ratio		
Tier 1 capital ratio	17.5	16.9
Total capital ratio	19.6	18.8

The capital ratios were contained in the ‘Capital Adequacy Ratio’ return submitted to the Hong Kong Monetary Authority (“HKMA”) by The Hongkong and Shanghai Banking Corporation Limited on a consolidated basis that is specified by the HKMA under the requirements of section 3C(1) of the Banking (Capital) Rules.

Other information in relation to positions of Head Office, The Hongkong and Shanghai Banking Corporation Limited (continued)

(Expressed in Hong Kong dollars)

(b) Capital and reserves

	<i>At 30 Jun 2023</i> HKD million	<i>At 31 Dec 2022</i> HKD million
Share capital	180,181	180,181
Other equity instruments	52,465	52,386
Other reserves	96,339	108,837
Retained earnings	490,673	466,148
	<hr/>	<hr/>
Total shareholders' equity	819,658	807,552
Non-controlling interests	58,244	56,828
	<hr/>	<hr/>
Total equity	877,902	864,380
	<hr/>	<hr/>

(c) Consolidated assets, liabilities and profits position

	<i>At 30 Jun 2023</i> HKD million	<i>At 31 Dec 2022</i> HKD million
Total assets	10,412,875	10,917,843
Total liabilities	9,534,973	9,333,463
Loans and advances to customers	3,640,023	3,695,068
Deposits by banks	155,648	198,908
Customer accounts	6,075,996	6,113,709
	<hr/>	<hr/>
	<i>Half-year ended</i> <i>30 Jun 2023</i> HKD million	<i>Half-year ended</i> <i>30 Jun 2022</i> HKD million
Profit before taxation	83,210	42,772
	<hr/>	<hr/>

Other information in relation to positions of Head Office, The Hongkong and Shanghai Banking Corporation Limited (continued)

(d) *Shareholders with qualifying holdings*

The Branch is one the branches of The Hongkong and Shanghai Banking Corporation Limited ("the Bank"). The ultimate holding company of the Bank is HSBC Holdings plc, which is incorporated in the United Kingdom. There are no shareholders with major holdings in HSBC Holdings plc ordinary shares.

(e) *Board of Directors*

The Board of Directors of the Bank at 30 June 2023 comprises:

Peter Tung Shun WONG[#], GBS, JP (Chairman)
David Gordon ELDON[#], GBS, CBE, JP (Deputy Chairman)
David Yi Chien LIAO (Co-Chief Executive Officer)
Surendranath Ravi ROSHA (Co-Chief Executive Officer)
Paul Jeremy BROUGH*
Edward Wai Sun CHENG*, GBS, JP
Sonia Chi Man CHENG*
Yiu Kwan CHOI*
Andrea Lisa DELLA MATTEA*
Rajnish KUMAR*
Beau Khoon Chen KUOK*
Irene Yun-lien LEE*
Annabelle Yu LONG*
Kevin Anthony WESTLEY*, BBS

* independent non-executive Director

[#] non-executive Director