

The Hongkong and Shanghai Banking  
Corporation Limited  
Macau Branch

Disclosure of Financial Information  
30 June 2024

(The disclosure of financial information is unaudited)

## Statement of financial position as at 30 June 2024

(Expressed in thousands of Macau Patacas)

	30 Jun 2024 MOP'000	31 Dec 2023 MOP'000
<b>Assets</b>		
Cash and current balances with banks	665,861	993,561
Balances with Autoridade Monetária de Macau (“AMCM”)	468,480	460,603
Monetary bills issued by AMCM	3,818,772	3,696,736
Items in the course of collection from other banks	181,964	93,045
Loans and advances to banks	9,175,301	8,164,297
Loans and advances to customers	13,202,535	13,064,967
Equity securities	250	250
Property, plant and equipment	35,693	38,189
Other assets	258,908	516,084
	<u>27,807,764</u>	<u>27,027,732</u>
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<b>Liabilities</b>		
Deposits by banks	5,297,785	5,237,601
Customer accounts	21,107,285	20,255,934
Items in the course of transmission to other banks	90,018	129,534
Current taxation	61,341	42,785
Deferred tax liabilities	1,594	1,590
Other liabilities	485,648	730,974
	<u>27,043,671</u>	<u>26,398,418</u>
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<b>Net assets</b>	<u>764,093</u>	<u>629,314</u>
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<b>Head office account and reserves</b>		
Working capital	150,000	-
Head office account	433,941	441,966
Financial assets at FVOCI reserve	(1,166)	93
Share-based payment reserve	11,997	12,305
Property revaluation reserve	16,368	16,392
General regulatory reserve	152,953	158,558
Specific regulatory reserve	-	-
	<u>764,093</u>	<u>629,314</u>
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## Statement of profit or loss for the half-year ended 30 June 2024

(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> 30 Jun 2024 MOP'000	<i>Half-year ended</i> 30 Jun 2023 MOP'000
Interest income	593,849	509,754
Interest expense	(390,175)	(268,805)
<b>Net interest income</b>	<u>203,674</u>	<u>240,949</u>
Fee and commission income	43,501	45,153
Fee and commission expense	(5,425)	(4,053)
<b>Net fee and commission income</b>	<u>38,076</u>	<u>41,100</u>
Net trading income	67,710	64,025
Other operating income	7,185	6,150
Operating expenses	(143,159)	(133,292)
Change in expected credit losses	(19,377)	(14,110)
<b>Profit before taxation</b>	<u>154,109</u>	<u>204,822</u>
Tax expense	(18,617)	(25,014)
<b>Profit for the period</b>	<u><u>135,492</u></u>	<u><u>179,808</u></u>

Statement of comprehensive income  
for the half-year ended 30 June 2024  
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> 30 Jun 2024 MOP'000	<i>Half-year ended</i> 30 Jun 2023 MOP'000
<b>Profit for the period</b>	135,492	179,808
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<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Fair value losses on property revaluation	(24)	(60)
Remeasurement of defined benefit plans	846	489
Changes in fair value of share-based payment liability to HSBC Holdings plc	(308)	(30)
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>		
Debt instruments at fair value through other comprehensive income ("FVOCI")		
- fair value gains/(losses) on financial assets	(1,259)	2,319
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<b>Other comprehensive income/(loss) for the period</b>	(745)	2,718
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<b>Total comprehensive income for the period</b>	134,747	182,526
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Statement of changes in equity  
for the half-year ended 30 June 2024  
(Expressed in thousands of Macau Patacas)

	Working capital MOP'000	Head office account MOP'000	Financial assets at FVOCI reserve MOP'000	Share- based payment reserve MOP'000	Property revaluation reserve MOP'000	General regulatory reserve MOP'000	Specific regulatory reserve MOP'000	Total MOP'000
At 1 January 2024	-	441,966	93	12,305	16,392	158,558	-	629,314
Profit for the period	-	135,492	-	-	-	-	-	135,492
Working capital	150,000	(150,000)	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	(1,259)	-	-	-	-	(1,259)
Actuarial gains on defined benefits plans	-	846	-	-	-	-	-	846
Changes in fair value of share-based payment liability to HSBC Holdings plc	-	-	-	(308)	-	-	-	(308)
Property revaluation	-	-	-	-	(24)	-	-	(24)
Change in regulatory reserve	-	5,605	-	-	-	(5,605)	-	-
Other	-	32	-	-	-	-	-	32
At 30 June 2024	150,000	433,941	(1,166)	11,997	16,368	152,953	-	764,093

Statement of changes in equity (continued)  
for the half-year ended 30 June 2024  
(Expressed in thousands of Macau Patacas)

	Head office account MOP'000	Financial assets at FVOCI reserve MOP'000	Share- based payment reserve MOP'000	Property revaluation reserve MOP'000	General regulatory reserve MOP'000	Specific regulatory reserve MOP'000	Total MOP'000
At 1 January 2023	306,307	(5,027)	12,480	81,706	183,793	-	579,259
Profit for the year	277,520	-	-	-	-	-	277,520
Profit remitted to head office	(242,043)	-	-	-	-	-	(242,043)
Financial assets at fair value through other comprehensive income	-	5,120	-	-	-	-	5,120
Actuarial gains on defined benefits plans	(277)	-	-	-	-	-	(277)
Changes in fair value of share-based payment liability to HSBC Holdings plc	-	-	(175)	-	-	-	(175)
Transfer of revaluation surplus upon disposal of assets held for sale	65,574	-	-	(65,574)	-	-	-
Deferred tax impact transferred from profit and loss related to the disposal of assets held for sale	8,942	-	-	-	-	-	8,942
Property revaluation	-	-	-	260	-	-	260
Change in regulatory reserve	25,235	-	-	-	(25,235)	-	-
Other	708	-	-	-	-	-	708
At 31 December 2023	441,966	93	12,305	16,392	158,558	-	629,314

Statement of cash flows  
for the half-year ended 30 June 2024  
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> 30 Jun 2024 MOP'000	<i>Half-year ended</i> 30 Jun 2023 MOP'000
<b>Operating activities</b>		
Profit before taxation	154,109	204,822
Adjustments for:		
Depreciation	3,274	3,344
Change in expected credit losses	19,377	14,110
Interest income	(593,849)	(509,754)
Interest expense	390,175	268,805
Interest received	559,598	464,269
Interest paid	(332,897)	(221,674)
<b>Operating cash flows before changes in working capital</b>	199,787	223,922
Change in balances with AMCM for the purpose of fulfilling minimum liquidity requirement	(6,301)	(22,620)
Change in monetary bills with original maturity of more than three months	(594,382)	50,520
Change in loans and advances to banks with original maturity of more than three months	646,846	609,877
Change in gross loans and advances to customers	(104,994)	(1,810,218)
Change in items in the course of collection from other banks	(88,919)	2,577
Change in other assets	285,930	82,559
Change in deposits by banks	60,184	676,863
Change in customer accounts	851,351	1,444,876
Change in items in the course of transmission to other banks	(39,516)	(83,832)
Change in other liabilities	(322,948)	(231,566)
<b>Cash generated from operations</b>	887,038	942,958
Taxation paid	-	-
<b>Net cash generated from operating activities</b>	887,038	942,958

Statement of cash flows (continued)  
for the half-year ended 30 June 2024  
(Expressed in thousands of Macau Patacas)

	<i>Half-year ended</i> 30 Jun 2024 MOP'000	<i>Half-year ended</i> 30 Jun 2023 MOP'000
<b>Investing activities</b>		
Purchases of property, plant and equipment	(779)	(3,267)
Proceeds from disposals of property, plant and equipment	198	-
<b>Net cash used in investing activities</b>	<u>(581)</u>	<u>(3,267)</u>
<b>Financing activity</b>		
Profit remitted to head office	-	(103,416)
<b>Net cash used in financing activity</b>	<u>-</u>	<u>(103,416)</u>
<b>Net increase in cash and cash equivalents</b>	886,457	836,275
<b>Cash and cash equivalents as at 1 January</b>	<u>7,385,268</u>	<u>6,636,353</u>
<b>Cash and cash equivalent as at 30 June</b>	<u><u>8,271,725</u></u>	<u><u>7,472,628</u></u>
<b>Analysis of balances of cash and cash equivalents</b>		
	<i>Half-year ended</i> 30 Jun 2024 MOP'000	<i>Half-year ended</i> 30 Jun 2023 MOP'000
Cash and current balances with banks	665,861	590,381
Balances with AMCM	468,480	374,615
Monetary bills issued by AMCM	3,818,772	3,928,463
Loans and advances to banks	9,175,301	5,559,734
Amount shown in the balance sheet	<u>14,128,444</u>	<u>10,453,193</u>
Less:		
- Balance with AMCM for the purpose of fulfilling minimum liquidity requirement	(359,383)	(319,189)
- Monetary bills issued by AMCM with original maturity over three months	(1,713,708)	(637,355)
- Loans and advances to banks with original maturity over three months	(3,783,598)	(2,024,021)
<b>Cash and cash equivalents in the cash flow statement</b>	<u><u>8,271,725</u></u>	<u><u>7,472,628</u></u>

## Off-balance-sheet exposures as at 30 June 2024

(Expressed in thousands of Macau Patacas)

(a) *Contingent liabilities and commitments*

	<i>Contractual amounts At 30 Jun 2024 MOP'000</i>	<i>Contractual amounts At 31 Dec 2023 MOP'000</i>
Financial guarantees	11,994	11,994
Performance guarantees	3,046,458	2,925,014
Documentary credits and trade related contingencies	807,481	1,348,440
Other commitments		
- With an original maturity over 1 year	83,910	
- Which are unconditionally cancellable	10,180,167	11,205,058
	10,264,077	11,205,058

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 (continued)

as at 30 June 2024

(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 2024</i> MOP'000	<i>At 31 Dec 2023</i> MOP'000
Exchange rate contracts	12,959,498	3,488,075

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 2024</i> MOP'000	<i>At 31 Dec 2023</i> MOP'000
Fair value		
- Exchange rate contracts		
Assets	63,888	21,348
Liabilities	46,238	20,420

	<i>At 30 Jun 2024</i> MOP'000	<i>At 31 Dec 2023</i> MOP'000
Credit risk weighted amounts		
- Exchange rate contracts	38,229	9,340

## Significant related party transactions

*(Expressed in thousands of Macau Patacas)*

The Branch entered into the following significant 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 2024 and 31 December 2023 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 2024 MOP'000</i>	<i>Half-year ended 30 Jun 2023 MOP'000</i>	<i>Half-year ended 30 Jun 2024 MOP'000</i>	<i>Half-year ended 30 Jun 2023 MOP'000</i>
Interest income	2,826	2,745	122,059	74,957
Interest expense	(1,245)	(332)	(105,690)	(135,025)
Fee and commission income	3,186	2,963	301	163
Fee and commission expense	(446)	(501)	(306)	(269)
Other operating income	7,169	4,574	-	1,555
Operating expenses	(21,667)	(21,621)	(35,093)	(27,602)
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For the half-year ended 30 June	(10,177)	(12,172)	(18,729)	(86,221)
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## 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 2024</i>	<i>At 31 Dec 2023</i>	<i>At 30 Jun 2024</i>	<i>At 30 Dec 2023</i>
	<i>MOP'000</i>	<i>MOP'000</i>	<i>MOP'000</i>	<i>MOP'000</i>
Cash and current balances with banks	123,578	142,260	30,601	138,889
Loans and advances to banks	1,191,537	483,012	4,830,731	5,656,353
Other assets	6,279	4,547	33,822	55,050
	<u>1,321,394</u>	<u>629,819</u>	<u>4,895,154</u>	<u>5,850,292</u>
Deposits by banks	14,834	22,885	5,079,655	5,210,841
Customer accounts	43,437	56,148	-	-
Other liabilities	1,784	4,723	124,842	53,089
	<u>60,055</u>	<u>83,756</u>	<u>5,204,497</u>	<u>5,263,930</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 costs, is as follows:

	<i>Half-year ended 30 Jun 2024</i>	<i>Half-year ended 30 Jun 2023</i>
	<i>MOP'000</i>	<i>MOP'000</i>
Executive officers	<u>2,726</u>	<u>2,370</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 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 2024

	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									
- Macau	-	-	-	12,587,917	12,587,917	2,960	2,267	382,706	387,933
- Hong Kong	-	-	-	400,387	400,387	214	16	-	230
- British Virgin Islands	-	-	-	579,547	579,547	354	14	-	368
- Others	-	-	-	23,231	23,231	3	13	-	16
	-	-	-	13,591,082	13,591,082	3,531	2,310	382,706	388,547
Undrawn commitments									
- Macau	-	-	-	9,461,101	9,461,101	102	107	-	209
- Hong Kong	-	-	-	411,346	411,346	-	-	-	-
- Others	-	-	-	391,630	931,630	-	-	-	-
	-	-	-	10,264,077	10,264,077	102	107	-	209
Loans and advances to banks									
- Macau	3,541,283	-	-	-	3,541,283	633	-	-	633
- Hong Kong	4,845,402	-	-	-	4,845,402	140	-	-	140
- Others	789,389	-	-	-	789,389	-	-	-	-
	9,176,074	-	-	-	9,176,074	773	-	-	773

## Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

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

As at 31 December 2023

	Banks MOP'000	Governments MOP'000	Public sector entities MOP'000	Others MOP'000	Total exposures MOP'000	Stage 1 ECL MOP'000	Stage 2 ECL MOP'000	Stage 3 ECL MOP'000	Total ECL MOP'000
Loans and advances to									
- Macau	-	-	-	12,531,350	12,531,350	3,105	3,242	363,944	370,291
- Hong Kong	-	-	-	283,486	283,486	146	44	164	354
- British Virgin Islands	-	-	-	597,257	597,257	291	51	-	342
- Others	-	-	-	23,872	23,872	3	8	-	11
	-	-	-	13,435,965	13,435,965	3,545	3,345	364,108	370,998
Undrawn commitments									
- Macau	-	-	-	11,205,058	11,205,058	102	107	-	209
- Hong Kong	-	-	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-	-	-
	-	-	-	11,205,058	11,205,058	102	107	-	209
Loans and advances to banks									
- Macau	2,463,286	-	-	-	2,463,286	142	-	-	142
- Hong Kong	5,701,208	-	-	-	5,701,208	55	-	-	55
- Others	-	-	-	-	-	-	-	-	-
	8,164,494	-	-	-	8,164,494	197	-	-	197

## Credit risk management (continued)

(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 2024</i>	<i>At 31 Dec 2023</i>
	MOP'000	MOP'000
<b>Macau</b>		
Gross loans and advances to customers	12,587,917	12,531,350
Impaired loans	1,291,374	1,374,983
Expected credit loss	<u>382,706</u>	<u>363,943</u>

## Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

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

	<i>At 30 Jun 2024</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	MOP'000
Agriculture and fisheries	-	-	-	-	-
Mining industries	-	-	-	-	-
Manufacturing industries	104,210	-	11	2	-
Electricity, gas and water	101,175	-	-	-	-
Construction and public works	1,488,594	319,484	46	-	183,110
Wholesale and retail trade	4,277,913	434,148	361	207	141,022
Restaurants, hotels and similar	9,499	-	7	-	-
Transport, warehousing and communications	-	-	-	-	-
Non-monetary financial institutions	8,008	-	1	-	-
Gaming	-	-	-	-	-
Exhibition and conference	-	-	-	-	-
Education	-	-	-	-	-
Information technology	-	-	-	-	-
Other industries	1,972,285	419,163	744	63	54,540
Personal loans	5,629,398	118,579	2,361	2,038	4,034
	<u>13,591,082</u>	<u>1,291,374</u>	<u>3,531</u>	<u>2,310</u>	<u>382,706</u>

## 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 2023</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	MOP'000
Agriculture and fisheries	-	-	-	-	-
Mining industries	-	-	-	-	-
Manufacturing industries	51,804	-	4	-	-
Electricity, gas and water	100,589	-	7	-	-
Construction and public works	1,748,165	341,960	117	3	193,690
Wholesale and retail trade	3,725,873	443,350	579	271	137,152
Restaurants, hotels and similar	9,808	-	4	1	-
Transport, warehousing and communications	-	-	-	-	-
Non-monetary financial institutions	4,854	-	-	-	-
Gaming	-	-	-	-	-
Exhibition and conference	-	-	-	-	-
Education	-	-	-	-	-
Information technology	10,059	-	-	-	-
Other industries	1,995,591	462,789	632	150	28,804
Personal loans	5,789,222	130,230	2,202	2,920	4,462
	<u>13,435,965</u>	<u>1,378,329</u>	<u>3,545</u>	<u>3,545</u>	<u>364,108</u>

## Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

### (c) Ageing analysis on accounting past due exposures

#### Overdue loans and advances to banks

There were no overdue loans and advances to banks as at 30 June 2024 and 31 December 2023.

#### Overdue loans and advances to non-banks customers

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

As at 30 June 2024

	Gross loans and advances to customers MOP'000	% of total loans and advances to customers MOP'000	Collateral Value MOP'000	Amount of expected credit loss MOP'000
Loans and advances to customers that are past due for periods of:				
– more than 3 months but less than 6 months	9,663	0.07%	29,664	306
– more than 6 months but less than 1 year	1,335	0.01%	5,047	103
– more than 1 year	1,204,143	8.86%	1,573,922	380,692
	<u>1,215,141</u>	<u>8.94%</u>	<u>1,608,633</u>	<u>381,101</u>

As at 31 December 2023

	Gross loans and advances to customers MOP'000	% of total loans and advances to customers MOP'000	Collateral Value MOP'000	Amount of expected credit loss MOP'000
Loans and advances to customers that are past due for periods of:				
– more than 3 months but less than 6 months	4,789	0.04%	13,390	225
– more than 6 months but less than 1 year	614,992	4.58%	941,353	23,122
– more than 1 year	660,975	4.92%	563,076	338,364
	<u>1,280,756</u>	<u>9.53%</u>	<u>1,517,819</u>	<u>361,711</u>

As at 30 June 2024, there were no other assets that have been past due for bank and non-bank customers.

As at 30 June 2024, all the past due loans and advances to customers more than 3 months were considered to be impaired.

As at 30 June 2024, there was no management overlay of ECL on loans and advances to customers.

## Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

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

	<i>At 30 Jun 2024</i>					
	<i>Gross exposure MOP'000</i>	<i>Value of collateral MOP'000</i>	<i>Stage 1 ECL MOP'000</i>	<i>Stage 2 ECL MOP'000</i>	<i>Stage 3 ECL MOP'000</i>	<i>Net exposure MOP'000</i>
Deposits with AMCM						
Pass	468,480	-	-	-	-	468,480
Loans and advances to banks						
Pass	9,176,074	-	773	-	-	9,175,301
Loans and advances to customers						
Pass	11,726,279	12,937,247	3,392	1,477	-	11,721,410
Special mention	484,054	534,042	3	184	-	483,867
Substandard	52,916	117,672	-	74	1,230	51,612
Doubtful	34,140	89,095	136	575	680	32,749
Loss	1,293,693	1,401,866	-	-	380,796	912,897
	<u>13,591,082</u>	<u>15,097,922</u>	<u>3,531</u>	<u>2,310</u>	<u>382,706</u>	<u>13,202,535</u>

## Credit risk management (continued)

(Expressed in thousands of Macau Patacas)

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

	At 31 Dec 2023					
	<i>Gross exposure MOP'000</i>	<i>Value of collateral MOP'000</i>	<i>Stage 1 ECL MOP'000</i>	<i>Stage 2 ECL MOP'000</i>	<i>Stage 3 ECL MOP'000</i>	<i>Net exposure MOP'000</i>
Deposits with AMCM						
Pass	460,603	-	-	-	-	460,603
Loans and advances to banks						
Pass	8,164,494	-	197	-	-	8,164,297
Loans and advances to customers						
Pass	11,940,033	16,364,277	3,102	2,064	-	11,934,867
Special mention	116,075	159,531	43	297	-	115,735
Substandard	59,283	127,408	-	242	1,204	57,837
Doubtful	654,024	1,053,776	401	741	24,313	628,569
Loss	666,550	576,466	-	-	338,591	327,959
	<u>13,435,965</u>	<u>18,281,458</u>	<u>3,546</u>	<u>3,344</u>	<u>364,108</u>	<u>13,064,967</u>

## Foreign exchange risk management

### *Foreign currency risk*

Analysis on total net position in currencies other than MOP:

<i>In thousands of MOP equivalent</i>	<i>At 30 Jun 2024</i>			
	<i>United States Dollars</i>	<i>Hong Kong Dollars</i>	<i>Other foreign currencies</i>	<i>Total</i>
Spot assets	6,647,209	11,248,163	3,412,993	21,308,365
Spot liabilities	(9,014,632)	(10,002,906)	(2,627,680)	(21,645,218)
Forward purchase	7,627,422	3,254,737	1,974,239	12,856,398
Forward sales	(5,236,869)	(4,939,258)	(2,759,516)	(12,935,643)
Net long/(short) non-structural position	<u>23,130</u>	<u>(439,264)</u>	<u>36</u>	<u>(416,098)</u>
<i>In thousands of MOP equivalent</i>	<i>At 31 Dec 2023</i>			
	<i>United States Dollars</i>	<i>Hong Kong Dollars</i>	<i>Other foreign currencies</i>	<i>Total</i>
Spot assets	7,553,533	10,467,427	2,562,778	20,583,738
Spot liabilities	(7,541,730)	(10,949,063)	(2,565,607)	(21,056,400)
Forward purchase	1,723,314	14,989	1,749,772	3,488,075
Forward sales	(1,723,994)	(14,978)	(1,748,163)	(3,487,135)
Net long/(short) non-structural position	<u>11,123</u>	<u>(481,625)</u>	<u>(1,220)</u>	<u>(471,722)</u>

## Liquidity risk management

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

	<i>Half-year ended</i> <i>30 Jun 2024</i> MOP'000	<i>Year ended</i> <i>31 Dec 2023</i> MOP'000
(a) The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held	496,761	474,639
(b) The arithmetic mean of the average weekly amount of cash in hand	730,623	738,535
(c) The arithmetic mean of the specified liquid assets at the end of each month	12,757,730	11,969,033
(d) The average ratio of specified liquid assets to total basic liabilities at the end of the month	59.4%	61.5%
(e) The arithmetic mean of its one-month liquidity ratio in the last week of each month	143.2%	250.7%
(f) The arithmetic mean of its three-month liquidity ratio in the last week of each month	67.7%	127.3%

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

## Liquidity risk management (continued)

(Expressed in thousands of Macau Patacas)

### Analysis on assets and liabilities by remaining maturity

	At 30 Jun 2024							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	MOP'000
<b>Assets</b>								
Loans and advances to customers	447,365	2,347,031	949,263	3,072,985	1,508,514	4,877,377	-	13,202,535
Cash and balances with and loans and advances to banks	665,861	4,868,366	805,076	3,501,859	-	-	-	9,841,162
Monetary bills issued by AMCM	-	1,658,351	944,117	1,216,304	-	-	-	3,818,772
Other securities	-	-	-	-	-	-	250	250
<b>Liabilities</b>								
Deposits by banks	1,055,501	-	-	4,242,284	-	-	-	5,297,785
Deposits from holding and associated companies	-	-	-	-	-	-	-	-
Customer accounts	8,703,476	3,352,020	4,937,168	4,109,085	5,536	-	-	21,107,285
Other securities issued	-	-	-	-	-	-	-	-

## Liquidity risk management (continued)

(Expressed in thousands of Macau Patacas)

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

	At 31 Dec 2023							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	MOP'000
<b>Assets</b>								
Loans and advances to customers	106,108	1,513,673	992,169	3,303,075	2,057,092	5,092,850	-	13,064,967
Cash and balances with and loans and advances to banks	993,561	4,142,768	1,366,293	2,655,236	-	-	-	9,157,858
Monetary bills issued by AMCM	-	1,519,102	1,257,272	920,362	-	-	-	3,696,736
Other securities	-	-	-	-	-	-	250	250
<b>Liabilities</b>								
Deposits by banks	53,433	-	-	1,970,568	3,213,600	-	-	5,237,601
Deposits from holding and associated companies	-	-	-	-	-	-	-	-
Customer accounts	9,052,714	3,250,457	3,882,215	4,050,320	20,228	-	-	20,255,934
Other securities issued	-	-	-	-	-	-	-	-

## 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 2024 and 31 December 2023.

**(b) Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<i>At 30 Jun 2024</i>	<i>At 31 Dec 2023</i>
	MOP'000	MOP'000
Within 1 year	10,879	15,978
After 1 year but within 5 years	3,967	6,729
	14,846	22,707

**(c) Assets pledged as security**

There were no assets that pledged as security for the liabilities of the Branch as at 30 June 2024 and 31 December 2023.

**(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 2024 and 31 December 2023.

## 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 2024</i>	<i>At 31 Dec 2023</i>
	%	%
Capital adequacy ratio		
Tier 1 capital ratio	17.4	17.5
Total capital ratio	19.4	19.7

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 2024</i>	<i>At 31 Dec 2023</i>
	HKD million	HKD million
Share capital	180,181	180,181
Other equity instruments	52,422	52,465
Other reserves	104,421	117,214
Retained earnings	474,253	462,866
	<hr/>	<hr/>
Total shareholders' equity	811,277	812,726
Non-controlling interests	58,617	59,860
	<hr/>	<hr/>
Total equity	<u>869,894</u>	<u>872,586</u>

**(c) Consolidated assets, liabilities and profits position**

	<i>At 30 Jun 2024</i>	<i>At 31 Dec 2023</i>
	HKD million	HKD million
Total assets	10,650,089	10,500,393
Total liabilities	9,780,195	9,627,807
Loans and advances to customers	3,542,605	3,557,076
Deposits by banks	210,365	182,146
Customer accounts	6,240,261	6,261,051
	<hr/>	<hr/>
	<i>Half-year ended</i>	<i>Half-year ended</i>
	<i>30 Jun 2024</i>	<i>30 Jun 2023</i>
	HKD million	HKD million
Profit before taxation	<u>82,068</u>	<u>83,210</u>

## 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 of 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 2024 comprises:

Dr Peter Tung Shun WONG, GBS, JP (*Non-executive Chairman*)  
David Gordon ELDON, GBS, CBE, JP (*Non-executive Deputy Chairman*)  
David Yi Chien LIAO, JP (*Co-Chief Executive Officer*)  
Surendranath Ravi ROSHA (*Co-Chief Executive Officer*)  
Paul Jeremy BROUGH (*Independent non-executive Director*)  
Judy Lai Kun CHAU (*Independent non-executive Director*)  
Edward Wai Sun CHENG, GBS, JP (*Independent non-executive Director*)  
Sonia Chi Man CHENG (*Independent non-executive Director*)  
Yiu Kwan CHOI (*Independent non-executive Director*)  
Andrea Lisa DELLA MATTEA (*Independent non-executive Director*)  
Pam KAUR (*Non-executive Director*)  
Rajnish KUMAR (*Independent non-executive Director*)  
Beau Khoon Chen KUOK (*Independent non-executive Director*)  
Irene Yun-lien LEE (*Independent non-executive Director*)  
Annabelle Yu LONG (*Independent non-executive Director*)