

**Hang Seng Bank Limited**  
**Macau Branch**

*Financial disclosure*  
*(unaudited)*

*for the half-year ended 30 June 2024*

**Statement of financial position**  
**At period-end**

	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
<b>Assets</b>		
Cash and balances with banks	2,972,942	3,224,434
Deposits with AMCM	113,025	175,969
Loans and advances to customers	7,948,162	10,961,518
Other assets	33,529	27,618
Tangible fixed assets	10,380	13,689
	<u>11,078,038</u>	<u>14,403,228</u>
<b>Liabilities</b>		
Deposits from customers	1,989,755	2,205,765
Deposits and balances from banks	7,145,949	10,265,233
Other liabilities	82,114	94,206
Current income tax liabilities	14,019	11,350
	<u>9,231,837</u>	<u>12,576,554</u>
<b>Net Assets</b>	<u>1,846,201</u>	<u>1,826,674</u>
<b>Represented by</b>		
Head Office account		
General regulatory reserves	80,538	116,189
Specific regulatory reserves	-	-
Retained profits	1,765,663	1,710,485
	<u>1,846,201</u>	<u>1,826,674</u>

**Statement of comprehensive income  
For the half year ended**

	30 June 2024 MOP'000	30 June 2023 MOP'000
Interest income	306,072	328,435
Interest expense	<u>(239,495)</u>	<u>(245,615)</u>
<b>Net interest income</b>	<b>66,577</b>	<b>82,820</b>
Other operating income	<u>4,547</u>	<u>4,714</u>
<b>Operating income</b>	<b>71,124</b>	<b>87,534</b>
Operating expenses	<u>(32,106)</u>	<u>(36,969)</u>
<b>Operating profit before change in expected credit losses</b>	<b>39,018</b>	<b>50,565</b>
Change in expected credit losses	<u>(16,357)</u>	<u>3,596</u>
<b>Profit before income tax</b>	<b>22,661</b>	<b>54,161</b>
Taxation	<u>(3,134)</u>	<u>(6,431)</u>
<b>Profit and total comprehensive income for the period</b>	<b><u>19,527</u></b>	<b><u>47,730</u></b>

## Statement of changes in Head Office Account

	General Regulatory reserves MOP '000	Retained profits MOP '000	Total MOP '000
<b>Head Office account at 1 January 2024</b>	116,189	1,710,485	1,826,674
Profit and total comprehensive income for the period	-	19,527	19,527
Change in Regulatory Reserve	(35,651)	35,651	-
	<hr/>	<hr/>	<hr/>
<b>Head Office account at 30 June 2024</b>	<u>80,538</u>	<u>1,765,663</u>	<u>1,846,201</u>
<b>Head Office account at 1 January 2023</b>	138,775	1,604,506	1,743,281
Profit and total comprehensive income for the period	-	83,393	83,393
Change in Regulatory Reserve	(22,586)	22,586	-
	<hr/>	<hr/>	<hr/>
<b>Head Office account at 31 December 2023</b>	<u>116,189</u>	<u>1,710,485</u>	<u>1,826,674</u>

**Cash flow statement**  
**For the half-year ended**

	30 June 2024 MOP'000	30 June 2023 MOP'000
<b>Cash flows from operating activities</b>		
Profit before income tax	22,661	54,161
Depreciation	3,581	3,855
Change in loan impairment	16,357	(3,596)
Interest income	(306,072)	(328,435)
Interest expense	239,495	245,615
Interest received	318,506	328,372
Interest paid	(250,503)	(238,551)
Change in minimum deposits with AMCM	2,310	4,928
Change in gross loans and advances to customers	2,986,689	1,943,114
Change in other assets	(218)	(916)
Change in balances with banks with original maturity more than three months	(350,128)	436,516
Change in deposits from customers	(216,009)	(359,049)
Change in deposits and balances from banks	(3,119,285)	(3,403,716)
Change in other liabilities	(589)	18,133
	<hr/>	<hr/>
Cash outflow from operating activities before taxation	(653,205)	(1,299,569)
Macau complementary tax paid	(465)	-
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Cash outflow from operating activities	(653,670)	(1,299,569)
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<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(271)	(214)
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Cash outflow from investing activities	(271)	(214)
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<b>Change in cash and cash equivalents</b>	(653,941)	(1,299,783)
Cash and cash equivalents at 1 January	2,503,654	4,848,531
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<b>Cash and cash equivalents at 30 June</b>	1,849,713	3,548,748
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### Cash flow statement (continued)

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	30 June 2024 MOP'000	30 June 2023 MOP'000
Cash and balances with banks	1,740,601	3,449,183
Deposits with AMCM in excess of minimum statutory requirement	84,460	86,112
Items in course of collection from other banks	30,170	17,984
Items in course of transmission to other banks	(5,518)	(4,531)
	<u>1,849,713</u>	<u>3,548,748</u>

## Off-balance sheet exposures

### (a) Contingent liabilities and commitments

	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
Bank guarantees	127,875	359,987
Trade-related contingencies	122,152	288,586
Acceptance on trade bills	151,822	298,038
Undrawn formal stand by facilities, credit lines and other commitments to lend	4,959,685	4,976,985
	<u>5,233,659</u>	<u>5,563,609</u>
	<u>5,361,534</u>	<u>5,923,596</u>

### (b) Lease commitments

The Branch leases a number of properties under operating leases. The leases typically run for a period of one to three years, with an option to renew the leases when all terms are renegotiated. None of the leases includes contingent rentals.

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are as follows:

	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
Not later than one year	5,038	7,588
Later than one year and not later than five years	30	1,266
	<u>5,068</u>	<u>8,854</u>

## Off-balance sheet exposures (continued)

### (c) Derivative transactions

The following table gives the notional contract amounts, marked to market value of assets and liabilities, credit equivalent amounts and risk-weighted amounts as at 30 June 2024.

	Contract Amount MOP '000	Derivative assets MOP '000	Derivative liabilities MOP '000	Credit equivalent Amounts MOP '000	Risk- weighted amounts MOP '000
Exchange rate contracts					
- Forward contracts	9,426	-	-	94	57
Interest rate contracts	-	-	-	-	-
Equities contracts	-	-	-	-	-
Commodities contracts	-	-	-	-	-
Others	-	-	-	-	-

There were no derivative transactions at 31 December 2023.



## Material related-party transactions

### (a) Transactions with Head Office, a subsidiary of Head Office and other related companies

The aggregate amount of income and expenses arising from these transactions during the half-year ended at 30 June 2024 and 30 June 2023 are as follows:

	Half-year ended 30 June 2024 MOP'000	Half-year ended 30 June 2023 MOP'000
Interest income from Head Office and a subsidiary of Head Office	45,892	38,106
Insurance commission from other related companies	16	-
Interest expenses to Head Office	(212,937)	(228,400)
Fee and commission paid to Head Office and a subsidiary of Head Office	(1,385)	(1,305)
Management fee paid to Head Office	(1,734)	(6,032)
Operating (expenses to) / income from other related companies	(1,774)	40

### (b) The balances with Head Office, a subsidiary of Head Office and other related companies at 30 June 2024 and 31 December 2023 are as follows:

#### (i) Assets

	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
Cash and balances with banks		
- Demand deposits	92,612	125,215
- Placement	1,836,665	1,917,410
Other assets		
- Accrued interest	18,967	18,265
- Prepaid expenses	27	-
- Accounts receivable	232	-

#### (ii) Liabilities

	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
Deposits and balances from banks		
- Demand and placements from banks	7,145,949	10,265,233
Other liabilities		
- Interest payable	38,471	50,857
- Accrued expenses	709	-

## Material related-party transactions (continued)

### (c) Key management personnel's remuneration

During the first six-month period at 30 June 2024 and 30 June 2023, the remuneration of key management personnel, which is included in "staff cost", is as follows:

	Half-year ended 30 June 2024 MOP'000	Half-year ended 30 June 2023 MOP'000
Executive officers	<u>1,760</u>	<u>1,785</u>

### (d) Material transactions with key management personnel

During the first six-month period at 30 June 2024 and year ended 31 December 2023, the Branch did not provide credit facilities to key management personnel of the Branch and its Head Office, their close family members and companies controlled or significantly influenced by them.

## Credit risk

### (a) Geographic distribution of exposure

As at 30 June 2024

	Total exposures MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000	Total ECL MOP '000
<i>Loans and advances to customers</i>					
- Macau	6,705,291	(536)	(1,154)	(14,649)	(16,339)
- Hong Kong	1,193,660	(487)	(19)	-	(506)
- Others	66,057	-	(1)	-	(1)
	<u>7,965,008</u>	<u>(1,023)</u>	<u>(1,174)</u>	<u>(14,649)</u>	<u>(16,846)</u>
<i>Financial guarantees, loan commitments and other credit related contingent liabilities</i>					
- Macau	5,313,509	(95)	(67)	(2,086)	(2,248)
- Hong Kong	48,025	(5)	(1)	-	(6)
- Others	-	-	-	-	-
	<u>5,361,534</u>	<u>(100)</u>	<u>(68)</u>	<u>(2,086)</u>	<u>(2,254)</u>
<i>Financial Derivatives</i>					
- Macau	4,713	-	-	-	-
- Hong Kong	4,713	-	-	-	-
- Others	-	-	-	-	-
	<u>9,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

All other financial assets held by the Branch only have Macau exposures.

There is no customer grouped under banks, governments and/or public sector entities.

## Credit risk (continued)

### (a) Geographic distribution of exposure (continued)

As at 31 December 2023

	Total exposures MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000	Total ECL MOP '000
<i>Loans and advances to customers</i>					
- Macau	9,644,879	(637)	(1,443)	-	(2,080)
- Hong Kong	1,248,716	(116)	(456)	-	(572)
- Others	70,577	(2)	-	-	(2)
	<u>10,964,172</u>	<u>(755)</u>	<u>(1,899)</u>	<u>-</u>	<u>(2,654)</u>
<i>Financial guarantees, loan commitments and other credit related contingent liabilities</i>					
- Macau	5,877,247	(86)	(1)	-	(87)
- Hong Kong	46,349	(3)	-	-	(3)
- Others	-	-	-	-	-
	<u>5,923,596</u>	<u>(89)</u>	<u>(1)</u>	<u>-</u>	<u>(90)</u>
<i>Financial Derivatives</i>					
- Macau	-	-	-	-	-
- Hong Kong	-	-	-	-	-
- Others	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

All other financial assets held by the Branch only have Macau exposures.

There is no customer grouped under banks, governments and/or public sector entities.

Credit risk (continued)

*(b) Industry distribution of exposures of loans and advances*

As at 30 June 2024

	Gross loans and advances MOP '000	Individually impaired loans and advances MOP '000	Overdue loans and advances# MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000
Agriculture and fisheries	-	-	-	-	-	-
Mining industries	-	-	-	-	-	-
Manufacturing industries	-	-	-	-	-	-
Electricity, gas and water	-	-	-	-	-	-
Construction and public works	237,469	39,346	-	(50)	-	-
Wholesale and retail trade	1,702,741	28,180	-	(82)	(326)	(14,649)
Restaurants, hotels and similar	-	-	-	-	-	-
Transport, warehousing and communications	-	-	-	-	-	-
Non-monetary financial institutions	16,490	-	-	-	-	-
Gaming	-	-	-	-	-	-
Exhibition and conference	-	-	-	-	-	-
Education	-	-	-	-	-	-
Information technology	-	-	-	-	-	-
Individuals for house purchases	3,036,594	-	-	(10)	(47)	-
Individuals for other purposes	134,713	-	-	(44)	(2)	-
Others	2,837,001	23,149	-	(837)	(799)	-
	<u>7,965,008</u>	<u>90,675</u>	<u>-</u>	<u>(1,023)</u>	<u>(1,174)</u>	<u>(14,649)</u>

# Loans and advances which have been overdue with respect to either principal or interest for periods of more than three months.

**Credit risk (continued)**

*(b) Industry distribution of exposures of loans and advances (continued)*

As at 31 December 2023

	Gross loans and advances MOP '000	Individually impaired loans and advances MOP '000	Overdue loans and advances# MOP '000	Stage 1 ECL MOP '000	Stage 2 ECL MOP '000	Stage 3 ECL MOP '000
Agriculture and fisheries	-	-	-	-	-	-
Mining industries	-	-	-	-	-	-
Manufacturing industries	-	-	-	-	-	-
Electricity, gas and water	-	-	-	-	-	-
Construction and public works	200,687	-	-	(28)	(106)	-
Wholesale and retail trade	2,589,648	-	-	(112)	(81)	-
Restaurants, hotels and similar	-	-	-	-	-	-
Transport, warehousing and communications	-	-	-	-	-	-
Non-monetary financial institutions	17,939	-	-	-	-	-
Gaming	-	-	-	-	-	-
Exhibition and conference	-	-	-	-	-	-
Education	-	-	-	-	-	-
Information technology	-	-	-	-	-	-
Individuals for house purchases	3,070,684	-	-	(15)	(9)	-
Individuals for other purposes	135,766	-	-	(30)	(1)	-
Others	4,949,448	24,208	-	(570)	(1,702)	-
	<u>10,964,172</u>	<u>24,028</u>	<u>-</u>	<u>(755)</u>	<u>(1,899)</u>	<u>-</u>

# Loans and advances which have been overdue with respect to either principal or interest for periods of more than three months.

## Credit risk (continued)

### (c) Overdue loans and advances to banks

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

### (d) Overdue loans and advances to non-banks customers

As at 30 June 2024

	Gross loans and advances MOP'000	% of total loans and advances to non-bank customers MOP'000	Collateral value MOP'000	Individually impaired allowances MOP'000
Loans and advances to non-bank customers which have been overdue with respect to either principal or interest for periods of:				
- more than three months but not more than six months	-	-	-	-
- more than six months but not more than one year	-	-	-	-
- more than one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2023

	Gross loans and advances MOP'000	% of total loans and advances to non-bank customers MOP'000	Collateral value MOP'000	Individually impaired allowances MOP'000
Loans and advances to non-bank customers which have been overdue with respect to either principal or interest for periods of:				
- more than three months but not more than six months	-	-	-	-
- more than six months but not more than one year	-	-	-	-
- more than one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### (e) Overdue other assets

There were no overdue other assets as at 30 June 2024 and 31 December 2023.

**Credit risk (continued)**

*(f) Credit quality of financial instruments*

	30 June 2024						
	Pass MOP '000	Special Mention MOP '000	Sub- Standard MOP '000	Doubtful MOP '000	Loss MOP '000	Expected Credit Loss MOP '000	Net Exposure MOP'000
<b>Cash and balances with banks</b>							
- Stage 1	2,972,947	-	-	-	-	(5)	2,972,942
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
	<u>2,972,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>2,972,942</u>
<b>Deposits with AMCM</b>							
- Stage 1	113,025	-	-	-	-	-	113,025
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
	<u>113,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,025</u>
<b>Loans and advances to customers</b>							
- Stage 1	6,060,407	-	-	-	-	(1,023)	6,059,384
- Stage 2	977,062	26,819	-	-	-	(1,174)	1,002,707
- Stage 3	-	810,045	90,675	-	-	(14,649)	886,071
	<u>7,037,469</u>	<u>836,864</u>	<u>90,675</u>	<u>-</u>	<u>-</u>	<u>(16,846)</u>	<u>7,948,162</u>
-Value of Collateral*	19,272,793	2,318,406	132,561	-	-	-	-



**Credit risk (continued)**

*(f) Credit quality of financial instruments (continued)*

	30 June 2024						
	Pass	Special	Sub-Standard	Doubtful	Loss	Expected	Net
	MOP '000	Mention	MOP '000	MOP '000	MOP '000	Credit Loss	Exposure
	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP'000
Financial guarantees, loan commitments and other credit related contingent liabilities							
- Stage 1	5,341,814	-	-	-	-	(100)	5,341,714
- Stage 2	17,000	-	-	-	-	(68)	16,932
- Stage 3	-	-	2,720	-	-	(2,086)	634
	<u>5,358,814</u>	<u>-</u>	<u>2,720</u>	<u>-</u>	<u>-</u>	<u>(2,254)</u>	<u>5,359,280</u>
-Value of Collateral*	148,663	-	-	-	-	-	-

\* For those customers within same group who share the same collateral, if the group customers have both [Loans and advances] and [Financial guarantees, loan commitments and other credit related contingent liabilities], the collateral value is reported under [Loans and advances to customers]

Credit risk (continued)

(f) Credit quality of financial instruments (continued)

	31 December 2023						
	Pass	Special	Sub-	Doubtful	Loss	Expected	Net
	MOP '000	Mention	Standard	MOP '000	MOP '000	Credit Loss	Exposure
		MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP'000
Cash and balances with banks							
- Stage 1	3,224,439	-	-	-	-	(5)	3,224,434
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
	<u>3,224,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>3,224,434</u>
Deposits with AMCM							
- Stage 1	175,969	-	-	-	-	-	175,969
- Stage 2	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-
	<u>175,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,969</u>
Loans and advances to customers							
- Stage 1	9,387,472	1,337	-	-	-	(755)	9,388,054
- Stage 2	1,482,171	69,164	-	-	-	(1,899)	1,549,436
- Stage 3	-	-	24,028	-	-	-	24,028
	<u>10,869,643</u>	<u>70,501</u>	<u>24,028</u>	<u>-</u>	<u>-</u>	<u>(2,654)</u>	<u>10,961,518</u>
-Value of Collateral*	26,572,642	105,678	40,788	-	-	-	-

Credit risk (continued)

(f) Credit quality of financial instruments (continued)

	31 December 2023						
	Pass	Special	Sub-	Doubtful	Loss	Expected	Net
	MOP '000	Mention	Standard	MOP '000	MOP '000	Credit Loss	Exposure
		MOP '000	MOP '000	MOP '000	MOP '000	MOP '000	MOP'000
Financial guarantees, loan commitments and other credit related contingent liabilities							
- Stage 1	5,896,157	-	-	-	-	(89)	5,896,068
- Stage 2	22,999	4,440	-	-	-	(1)	27,438
- Stage 3	-	-	-	-	-	-	-
	<u>5,919,156</u>	<u>4,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(90)</u>	<u>5,923,506</u>
- Value of Collateral*	157,627	-	-	-	-	-	-

\* For those customers within the same group who share the same collateral, if the group customers have both [Loans and advances] and [Financial guarantees, loan commitments and other credit related contingent liabilities], the collateral value is reported under [Loans and advances to customers]

## Foreign exchange risk

Net long or net short positions in foreign currencies are as follows:

As at 30 June 2024

	Spot assets MOP'000	Spot liabilities MOP'000	Forward purchases MOP'000	Forward sales MOP'000	Net options position MOP'000	Net long (or net short) position MOP'000
Chinese renminbi	30,298	(27,630)	-	-	-	2,668
Hong Kong dollars	8,652,541	(8,657,440)	4,713	(4,713)	-	(4,899)
US dollars	294,709	(295,791)	4,713	(4,713)	-	(1,082)
Other foreign currencies	14,121	(13,929)	-	-	-	192
	<u>8,991,669</u>	<u>(8,994,790)</u>	<u>9,426</u>	<u>(9,426)</u>	<u>-</u>	<u>(3,121)</u>

As at 31 December 2023

	Spot assets MOP'000	Spot liabilities MOP'000	Forward purchases MOP'000	Forward sales MOP'000	Net options position MOP'000	Net long (or net short) position MOP'000
Chinese renminbi	32,986	(32,312)	-	-	-	674
Hong Kong dollars	11,802,882	(11,807,304)	-	-	-	(4,422)
US dollars	443,141	(442,471)	-	-	-	670
Other foreign currencies	18,173	(18,105)	-	-	-	68
	<u>12,297,182</u>	<u>(12,300,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,010)</u>

## Liquidity risk

### Maturity analysis on assets and liabilities

As at 30 June 2024

	Repayable on demand MOP'000	1 month or less but not repayable on demand MOP'000	3 months or less but over 1 month MOP'000	1 year or less but over 3 months MOP'000	3 years or less but over 1 year MOP'000	After 3 years MOP'000	Indefinite period MOP'000	Total MOP'000
<b>Assets</b>								
Loans and advances to customers	77,752	1,690,499	978,420	856,561	1,525,316	2,819,614	-	7,948,162
Cash and balances with and loans and advances to banks	1,199,805	548,560	621,349	716,253	-	-	-	3,085,967
Certificates of deposits held	-	-	-	-	-	-	-	-
Securities issued by Macau SAR Government and/or AMCM	-	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	-	-	-
<b>Liabilities</b>								
Deposits and balances of banks and financial institutions	591,493	1,695,554	1,014,429	3,844,473	-	-	-	7,145,949
Deposits from public sector entities	-	-	-	-	-	-	-	-
Deposits from holding and associated companies	-	-	-	-	-	-	-	-
Deposits from non-bank customers	582,186	266,523	436,287	704,759	-	-	-	1,989,755
Certificates of deposits issued	-	-	-	-	-	-	-	-
Other securities issued	-	-	-	-	-	-	-	-

## Liquidity risk (continued)

Maturity analysis on assets and liabilities (continued)

As at 31 December 2023

	Repayable on demand MOP'000	1 month or less but not repayable on demand MOP'000	3 months or less but over 1 month MOP'000	1 year or less but over 3 months MOP'000	3 years or less but over 1 year MOP'000	After 3 years MOP'000	Indefinite period MOP'000	Total MOP'000
<b>Assets</b>								
Loans and advances to customers	440,123	2,162,652	2,079,307	1,236,757	2,167,627	2,875,052	-	10,961,518
Cash and balances with and loans and advances to banks	1,431,225	929,892	547,778	491,508	-	-	-	3,400,403
Certificates of deposits held	-	-	-	-	-	-	-	-
Securities issued by Macau SAR Government and/or AMCM	-	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	-	-	-
<b>Liabilities</b>								
Deposits and balances of banks and financial institutions	1,242,182	2,013,103	2,084,406	4,925,542	-	-	-	10,265,233
Deposits from public sector entities	-	-	-	-	-	-	-	-
Deposits from holding and associated companies	-	-	-	-	-	-	-	-
Deposits from non-bank customers	720,016	641,823	397,041	446,885	-	-	-	2,205,765
Certificates of deposits issued	-	-	-	-	-	-	-	-
Other securities issued	-	-	-	-	-	-	-	-

## Liquidity risk (continued)

During the reporting period of:	At 30 June 2024 MOP'000	At 31 December 2023 MOP'000
The arithmetic mean of the minimum weekly amount of cash in hand that is required to be held	28,814	28,348
The arithmetic mean of the average weekly amount of cash in hand	164,249	203,418
The arithmetic mean of the specified liquid assets at the end of each month	1,531,252	1,745,572
The average ratio of specified liquid assets to total basic liabilities at the end of each month	77%	97%
The arithmetic mean of one-month liquidity ratio in the last week of each month	99%	102%
The arithmetic mean of three-month liquidity ratio in the last week of each month	102%	105%

List of the shareholders with qualifying holdings

## **Hang Seng Bank Limited**

### **Substantial Interests in Share Capital**

The register maintained by the Bank pursuant to section 336 of the Securities and Futures Ordinance ('SFO') recorded that, as at 30 June 2024, the following corporations had interests or short positions of 5% or more in the shares or underlying shares (as defined in the SFO) in the Bank set opposite their respective names:

<u>Name of Corporation</u>	<u>Capacity in which Ordinary Shares were held</u>	<u>Number of Ordinary Shares Interested (Percentage of total) <sup>(2)</sup></u>
The Hongkong and Shanghai Banking Corporation Limited	Beneficial owner / Custodian	1,191,484,902 <sup>(1)</sup> (62.83%)
HSBC Asia Holdings Limited	Interest of controlled corporations	1,191,484,902 <sup>(1)</sup> (62.83%)
HSBC Holdings plc	Interest of controlled corporations	1,195,511,509 <sup>(1)</sup> (63.04%)

Notes:

(1) The Hongkong and Shanghai Banking Corporation Limited is a wholly-owned subsidiary of HSBC Asia Holdings Limited, which in turn is a wholly-owned subsidiary of HSBC Holdings plc. Accordingly, HSBC Asia Holdings Limited and HSBC Holdings plc were deemed to be interested in the ordinary shares in which The Hongkong and Shanghai Banking Corporation Limited was shown to be interested.

(2) The percentage represents the number of the Bank's ordinary shares interested divided by the total number of the Bank's issued ordinary shares as at 30 June 2024 (i.e. 1,896,154,036 ordinary shares).

All the interests stated above represented long positions. As at 30 June 2024, no short positions were recorded in the Register of Interests in Shares and Short Positions required to be kept under section 336 of the SFO.



Names of the members of the company boards

## **Hang Seng Bank Limited**

### **List of Directors**

On 31 July 2024, the members of the board of Directors of Hang Seng Bank Limited are set out below.

#### **Independent Non-Executive Chairman**

Irene LEE Yun Lien

#### **Executive Directors**

Diana Ferreira CESAR (Chief Executive)

SAW Say Pin

#### **Non-executive Directors**

Kathleen GAN Chieh Huey

David LIAO Yi Chien

#### **Independent Non-Executive Directors**

Cordelia CHUNG

Clement KWOK King Man

Patricia LAM Sze Wan

LIN Huey Ru

WANG Xiao Bin

## Consolidated capital ratios

### **Hang Seng Bank Limited**

The following tables show the capital base, risk-weighted assets and capital ratios on a consolidated basis that is specified by the HKMA under the requirements of section 3C(1) of the Banking (Capital) Rules.

The Group uses the advanced internal ratings-based ('IRB') approach to calculate its credit risk for the majority of its non-securitisation exposures. For collective investment scheme exposures, the Group uses the look-through approach to calculate the risk-weighted amount. For counterparty credit risks, the Group uses the standardised (counterparty credit risk) approach to calculate its default risk exposures for derivatives, and the comprehensive approach for securities financing transactions. For market risk, the Group uses an internal models approach to calculate its general market risk for the risk categories of interest rate and foreign exchange (including gold) exposures and the standardised (market risk) approach for calculating other market risk positions. For operational risk, the Group uses the standardised (operational risk) approach to calculate its operational risk.

The basis of consolidation for the calculation of capital ratios under the Banking (Capital) Rules follows the basis of consolidation for financial reporting with the exclusion of subsidiaries which are 'regulated financial entities' (e.g. insurance and securities companies) as defined by the Banking (Capital) Rules. The investment cost of these unconsolidated regulated financial entities is deducted from the capital base subject to certain thresholds as determined in accordance with Part 3 of the Banking (Capital) Rules.

Consolidated capital ratios (continued)

**Capital base**

(Figures in HK\$ million)

	<b>At 30 June 2024</b>	<b>At 31 December 2023</b>
<b>Common Equity Tier 1 ('CET1') Capital</b>		
Shareholders' equity	149,659	151,744
- Shareholders' equity per balance sheet	166,320	168,131
- Additional Tier 1 ('AT1') perpetual capital instruments	(11,731)	(11,744)
- Unconsolidated subsidiaries	(4,930)	(4,643)
Non-controlling interests	-	-
- Non-controlling interests per balance sheet	47	53
- Non-controlling interests in unconsolidated subsidiaries	(47)	(53)
Regulatory deductions to CET1 capital	(33,423)	(29,485)
- Cash flow hedge reserve	84	37
- Changes in own credit risk on fair valued liabilities	(1)	(4)
- Property revaluation reserves <sup>1</sup>	(24,177)	(24,570)
- Regulatory reserve	(437)	-
- Intangible assets	(3,413)	(3,388)
- Defined benefit pension fund assets	(128)	-
- Deferred tax assets net of deferred tax liabilities	(407)	(481)
- Valuation adjustments	(160)	(153)
- Excess of total expected loss amount over total eligible provisions under the IRB approach	(4,784)	(926)
<b>Total CET1 Capital</b>	<b>116,236</b>	<b>122,259</b>
<b>AT1 Capital</b>		
Total AT1 capital before and after regulatory deductions	11,731	11,744
- Perpetual capital instruments	11,731	11,744
<b>Total AT1 Capital</b>	<b>11,731</b>	<b>11,744</b>
<b>Total Tier 1 ('T1') Capital</b>	<b>127,967</b>	<b>134,003</b>
<b>Tier 2 ('T2') Capital</b>		
Total T2 capital before regulatory deductions	11,077	11,275
- Property revaluation reserves <sup>1</sup>	10,880	11,056
- Impairment allowances and regulatory reserve eligible for inclusion in T2 capital	197	219
Regulatory deductions to T2 capital	(1,045)	(1,045)
- Significant capital investments in unconsolidated financial sector entities	(1,045)	(1,045)
<b>Total T2 Capital</b>	<b>10,032</b>	<b>10,230</b>
<b>Total Capital</b>	<b>137,999</b>	<b>144,233</b>

<sup>1</sup> Includes the revaluation surplus on investment properties which is reported as part of retained profits and related adjustments made in accordance with the Banking (Capital) Rules issued by the HKMA.

Consolidated capital ratios (continued)

*(Figures in HK\$ million)*

	<b>At 30 June 2024</b>	<b>At 31 December 2023</b>
<b>Risk-weighted assets</b>	701,271	674,269
<b>Capital ratios</b>		
CET1 capital ratio	16.6%	18.1%
Tier 1 capital ratio	18.2%	19.9%
Total capital ratio	19.7%	21.4%

Consolidated assets, liabilities and profits positions

**Hang Seng Bank Limited**

*(Figures in HK\$ million)*

	<b>At 30 June 2024</b>	<b>At 31 December 2023</b>
Total assets	1,708,453	1,692,094
Total liabilities	1,542,086	1,523,910
Total loans and advances	849,601	860,406
Total customer deposits, including structured deposits	1,204,774	1,180,611
	<b>Half-year ended 30 June 2024</b>	<b>Half-year ended 30 June 2023</b>
Pre-tax profit	11,307	10,961