



***MASHREQ BANK - PUBLIC SHAREHOLDING COMPANY
(KNOWN AS MASHREQBANK PSC)
- HONG KONG BRANCH***

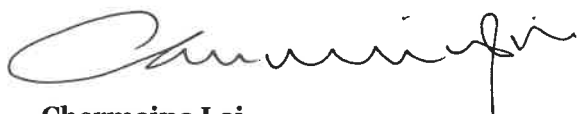
Financial Disclosure Statements
As at 31 December 2024

Mashreqbank psc Hong Kong Branch

Financial disclosure statements as at 31 December 2024

DECLARATION BY CHIEF EXECUTIVE

It is hereby certified that the information disclosed in this statement is prepared in compliance with Part 8 of the Banking (Disclosure) Rules and to the best of my knowledge and belief, it is not false or misleading in any material respect.



Chermaine Lai
CHIEF EXECUTIVE
(MASHREQBANK PSC - HONG KONG BRANCH)
April 2025

Mashreqbank psc Hong Kong Branch

31 December 2024

Financial Information

STATEMENT OF PROFIT AND LOSS

	For the year ended 31-12-2024 HK\$'000	For the year ended 31-12-2023 HK\$'000
Interest income	1,030,793	837,125
Interest expense	(872,335)	(654,264)
Net interest income	158,458	182,861
Fee and commission income	78,836	68,538
Fee and commission expense	(50,245)	(32,032)
Net fee and commission income	28,591	36,506
Gains less losses arising from other trading activities	(1,426)	4,999
Other income	864	2,212
Operating income	186,487	226,578
Staff and rental expenses	(38,455)	(32,579)
Other expenses	(63,020)	(50,345)
Operating profit before impairment	85,012	143,654
Reversal/(Provision) of impairment allowances	6,411	(10,051)
Profit before taxation	91,423	133,603
Income tax expense	(19,411)	(20,169)
Profit after taxation	72,012	113,434

Mashreqbank psc Hong Kong Branch

31 December 2024

Financial Information

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Assets			
Cash and balances with banks	1	58,717	18,139
Placements with banks	1	155,466	392,296
Due from exchange fund		83,498	63,189
Due from overseas offices		11,505	3,019
Trade bills		11,628,526	11,363,568
Loans and receivables	2	6,942,663	3,563,161
Securities measured at amortised cost		771,081	-
Property, plant and equipment		1,089	2,177
Other assets		196,785	123,915
Less: General provisions for other claims		(568)	(616)
Total Assets		19,848,762	15,528,848
Liabilities			
Deposits and balances from banks		13,102,507	10,515,342
Due to overseas offices		228,802	463,524
Customer deposits	8	542,435	2,773
Certificates of deposit issued		5,237,288	3,902,640
Other liabilities		737,730	644,569
Total Liabilities		19,848,762	15,528,848

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

1. CASH AND CASH EQUIVALENTS

	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Cash and balances with banks	58,955	18,151
Placements with banks	155,291	390,377
Accrued interest	175	1,919
Less:		
General Provisions	(238)	(12)
Specific Provisions	-	-
Total cash and cash equivalents	214,183	410,435

2. LOANS AND RECEIVABLES

	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Loans and advances to customers	6,923,394	3,555,611
Accrued interest	26,979	12,547
Less:		
General Provisions	(7,710)	(4,997)
Specific Provisions	-	-
Total loans and receivables	6,942,663	3,563,161

3. IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

Impairment allowances are booked in Hong Kong Branch, and determined based on the expected credit loss provision requirement of IFRS9. Booking of expected credit loss allowances are based on assessment completed by the Head Office in the UAE.

Impaired loans and advances are classified as "substandard", "doubtful" and "loss" under the classification of loan quality. There were no impaired loans and advances to customers as at 31 December 2024 and 30 June 2024.

4. OVERDUE AND RESCHEDULED ASSETS

There were no assets which have been overdue for more than 3 months and no rescheduled assets as at 31 December 2024 and 30 June 2024.

5. REPOSSESSED ASSETS

There were no repossessed assets as at 31 December 2024 and 30 June 2024.

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

6. LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL AREA

The following are loans and advances to customers by geographical areas which are classified according to the location of the counterparties after taking into account any recognized risk transfer. Countries to which not less than 10% of total loans and advances to customers are shown as follows:

	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
British Virgin Islands	1,163,201	-
China	1,575,070	697,586
Hong Kong	3,540,760	1,548,833
Switzerland	400,170	1,122,009
Other	244,193	187,183
Total	6,923,394	3,555,611

7. LOANS AND ADVANCES TO CUSTOMERS BY MAJOR SECTORS

	As at 31-12-2024 HK\$'000	% covered by collateral or other security	As at 30-06-2024 HK\$'000	% covered by collateral or other security
Industrial, commercial and financial:				
Manufacturing	1,046,951	-	1,151,872	-
Electricity and gas	43,107	-	-	-
Information technology	2,035,996	-	938,526	-
Wholesale and retail trade	1,622,706	-	-	-
Transport and transport equipment	1,050,726	100%	-	-
Total Loans and advances for use in Hong Kong	5,799,486	18.12%	2,090,398	-
Loans and advances for use outside Hong Kong	1,123,908	-	1,465,213	-
Total	6,923,394	15.18%	3,555,611	-

8. CUSTOMER DEPOSITS

	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Demand deposits and current accounts	1,435	2,773
Saving deposits	-	-
Time, call and notice deposits	541,000	-
Total customer deposits	542,435	2,773

9. NON-BANK MAINLAND CHINA 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.

	Items in the HKMA return	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposure HK\$'000
As at 31-12-2024				
Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	1	2,154,403	699,327	2,853,730
Local governments, local government-owned entities and their subsidiaries and JVs	2	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	3,984,882	273,834	4,258,716
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	102,854	-	102,854
Total	8	6,242,139	973,161	7,215,300
Total assets after provision	9	19,848,762		
On-balance sheet exposures as percentage of total assets	10	31.45%		

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

9. NON-BANK MAINLAND CHINA EXPOSURES (CONTINUED)

	Items in the HKMA return	On-balance sheet exposures HK\$'000	Off-balance sheet exposures HK\$'000	Total exposure HK\$'000
<u>As at 30-06-2024</u>				
Central government, central government-owned entities and their subsidiaries and joint ventures ("JVs")	1	1,493,376	607,363	2,100,739
Local governments, local government-owned entities and their subsidiaries and JVs	2	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3	333,551	-	333,551
Other entities of central government not reported in item 1 above	4	-	-	-
Other entities of local governments not reported in item 2 above	5	-	-	-
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6	-	-	-
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7	<u>1,098,593</u>	<u>677,637</u>	<u>1,776,230</u>
Total	8	<u>2,925,520</u>	<u>1,285,000</u>	<u>4,210,520</u>
Total assets after provision	9	<u>15,528,848</u>		
On-balance sheet exposures as percentage of total assets	10	<u>18.84%</u>		

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

10. INTERNATIONAL CLAIMS

The country-risk exposures in the table below are prepared in accordance with the HKMA Return of the International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk.

Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

in HKD Million						
As at 31-12-2024	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Offshore Centres	201	83	-	3,886	-	4,170
- Hong Kong SAR	186	83	-	2,661	-	2,930
Developing Africa and Middle East	1,291	-	-	-	-	1,291
Developing Asia and Pacific	9,480	-	-	1,583	-	11,063
- Vietnam	4,884	-	-	-	-	4,884
- India	1,941	-	-	-	-	1,941

in HKD Million						
As at 30-06-2024	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	Total
Developing Africa and Middle East	2,447	-	-	-	-	2,447
- Egypt	1,690	-	-	-	-	1,690
Developing Asia and Pacific	8,839	-	-	700	-	9,539
- Vietnam	5,092	-	-	-	-	5,092
- Bangladesh	2,477	-	-	-	-	2,477

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

11. CURRENCY RISK

The net positions of the foreign currencies, which individually constitutes not less than 10% for both Dec 2024 and Jun 2024 position of the branch's total net position in all foreign currencies, are disclosed as follow:

in HKD Million			
As at 31-12-2024	US Dollars	Euro	Total
Spot assets	15,755	1,640	17,395
Spot liabilities	(16,396)	(1,253)	(17,649)
Forward purchases	2,008	107	2,115
Forward sales	(1,432)	(490)	(1,922)
Net long/ (short) position	(65)	4	(61)

in HKD Million			
As at 30-06-2024	US Dollars	Euro	Total
Spot assets	14,340	621	14,961
Spot liabilities	(15,299)	(55)	(15,354)
Forward purchases	984	16	1,000
Forward sales	(16)	(576)	(592)
Net long/ (short) position	9	6	15

There is neither structured position nor option position held as at 31 December 2024 and 30 June 2024.

Mashreqbank psc Hong Kong Branch

31 December 2024

Additional Information

12. OFF BALANCE SHEET EXPOSURES (OTHER THAN DERIVATIVE TRANSACTIONS)

	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Transaction-related contingent items	11,336	11,399
Trade-related contingent items	576,227	881,679
Other commitments	2,041,906	1,555,834
Total	2,629,469	2,448,912

13. DERIVATIVES

Notional amount:	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Exchange rate contracts	3,335,314	999,526

Fair value assets:	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Exchange rate contracts	-	21,025

Fair value liabilities:	As at 31-12-2024 HK\$'000	As at 30-06-2024 HK\$'000
Exchange rate contracts	71,647	-

No bilateral netting agreement for derivative transaction has been made as at 31 December 2024 and 30 June 2024.

Additional Information

14. LIQUIDITY INFORMATION

Quarterly Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the three months of the quarter completed in accordance with Banking (Liquidity) Rules.

	Q4 2024	Q4 2023
Average Liquidity Maintenance Ratio for the period	81.50%	60.88%

Liquidity Risk Management

Liquidity Risk Management is a component of Mashreqbank psc Hong Kong Branch's Asset and Liability management framework.

The Liquidity Risk Management frame comprises of the following:

- Roles and responsibilities, organizational structure for oversight
- Operational liquidity risk management
- Periodic reporting of liquidity positions
- Managing funding sources
- Liquidity Contingency Plan that establishes indicators to alert senior management to potential liquidity and funding problems

The Hong Kong Asset and Liability Committee ("ALCO") comprising key members from local management and Treasury, conducts meeting on a regular basis to review the liquidity reports and deliberate important liquidity risk management matters.

- (a) **Liquidity Monitoring:** Branch manages the operational liquidity by cash flow mismatch analysis under defined business scenarios. Short term liquidity stress tests are performed based on institution specific, general market crisis and a combined scenario. The results of the stress tests are used to adjust liquidity risk management strategies, policies and positions.

The Branch follows the applicable guidance set forth by the HKMA in Supervisory Policy Manual LM-2 "Sound systems and controls for liquidity risk management".

- (b) **Liquidity Reporting:** In house systems and procedures are in place to meet the various reporting requirements. Daily cash flow mismatch reports are produced by using contractual cash flows in the balance sheet and placing them into appropriate time buckets. The regulatory reports for Liquidity Maintenance Ratio are prepared in accordance with the relevant reporting requirements.
- (c) **Funding Strategy:** The liquidity and funding positions of the Branch is centrally managed at Hong Kong branch. The Branch maintains a diverse range of funding sources. The Branch also maintains an appropriate duration of funding to avoid any significant tenor mismatch.

15. DISCLOSURE ON REMENERATION

Pursuant to section 3.1.2 of Supervisory Policy Manual CG-5 “Guideline on a Sound Remuneration System” issued by HKMA, Mashreqbank psc Hong Kong Branch, as an overseas-incorporated Authorized Institution, is not required to make separate disclosures in relation to its own remuneration system. The relevant disclosures are made by Mashreqbank Group in its Annual Report.

Mashreqbank psc Hong Kong Branch

31 December 2024

Group Information (Consolidated basis)

1. CAPITAL AND CAPITAL ADEQUACY

1. Capital Ratio

	As at 31-12-2024	As at 30-06-2024
Total capital ratio	17.49%	19.45%
Tier 1 capital ratio	15.99%	17.31%
Common equity tier 1 capital ratio	14.45%	15.66%

The capital ratios are calculated in accordance with the Basel III capital requirements of the Central Bank of the UAE.

2. Shareholders' funds

	As at 31-12-2024 AED'000	As at 30-06-2024 AED'000
Aggregate Amount	37,780,194	33,254,574

2. OTHER FINANCIAL INFORMATION

	As at 31-12-2024 AED'000	As at 30-06-2024 AED'000
Total assets	267,453,158	253,467,353
Total liabilities	229,672,964	220,212,779
Total loans and advances	124,758,397	113,827,241
Total customer deposits	160,939,694	153,964,060

	For the year ended 31-12-2024 AED'000	For the year ended 31-12-2023 AED'000
Pre-tax profit	9,885,904	8,830,006