



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

Interim Financial Disclosure Statements  
As at 30 June 2023

**Mashreqbank psc Hong Kong Branch**  
Interim Financial disclosure statements as at 30 June 2023

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**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)  
15 Sep 2023

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Financial Information

### STATEMENT OF PROFIT AND LOSS

|  | For the<br>half-year ended<br>30-06-2023<br>HK\$'000 | For the<br>half-year ended<br>30-06-2022<br>HK\$'000 |
|--|--|--|
| Interest income  | 372,270  | 120,769  |
| Interest expense   | (275,243)  | (50,963)   |
| <b>Net interest income</b>                                     | <b>97,027</b>  | <b>69,806</b>  |
| Fee and commission income                                      | 30,184   | 39,051   |
| Fee and commission expense                                     | (16,492)   | (13,551)   |
| <b>Net fee and commission income</b>                           | <b>13,692</b>  | <b>25,500</b>  |
| Net gains/ (losses) arising from trading in foreign currencies | 5,494  | (2,377)  |
| Other income   | 3,014  | 534  |
| <b>Operating income</b>  | <b>119,227</b>                                       | <b>93,463</b>  |
| Staff and rental expenses                                      | (19,107)   | (13,188)   |
| Other expenses   | (23,948)   | (16,591)   |
| <b>Operating profit before impairment</b>                      | <b>76,172</b>  | <b>63,684</b>  |
| Net charge of impairment allowances                            | (24,063)   | (3,331)  |
| <b>Profit before taxation</b>                                  | <b>52,109</b>  | <b>60,353</b>  |
| Income tax expense   | (8,512)  | (9,557)  |
| <b>Profit after taxation</b>                                   | <b>43,597</b>  | <b>50,796</b>  |

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Financial Information

### STATEMENT OF FINANCIAL POSITION

|   | <b>Notes</b> | <b>As at<br/>30-06-2023<br/>HK\$'000</b> | <b>As at<br/>31-12-2022<br/>HK\$'000</b> |
|---|--------------|--|--|
| <b>Assets</b>                             |              |  |  |
| Cash and balances with banks              |              | 368,828                                  | 31,158                                   |
| Due from Exchange fund                    |              | 373,913                                  | 865                                      |
| Due from overseas offices                 |              | 446,422                                  | 383,658                                  |
| Trade bills                               |              | 10,118,498                               | 8,622,143                                |
| Loans and receivables                     | 1            | 2,230,572                                | 2,336,949                                |
| Property, plant and equipment             |              | 4,153                                    | 1,689                                    |
| Other assets                              |              | 88,735                                   | 68,040                                   |
| Less: General provisions for other claims |              | (1,254)                                  | (329)                                    |
| <b>Total Assets</b>                       |              | <b>13,629,867</b>                        | <b>11,444,173</b>                        |
| <b>Liabilities</b>                        |              |  |  |
| Deposits and balances from banks          |              | 10,282,600                               | 7,829,304                                |
| Due to overseas offices                   |              | 33,918                                   | 733,062                                  |
| Customer deposits                         | 7            | 2,130                                    | 22,024                                   |
| Certificates of deposit issued            |              | 2,225,272                                | 1,811,162                                |
| Other liabilities                         |              | 1,085,947                                | 1,048,621                                |
| <b>Total Liabilities</b>                  |              | <b>13,629,867</b>                        | <b>11,444,173</b>                        |

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

### 1. LOANS AND RECEIVABLES

|                                    | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|------------------------------------|---------------------------------|---------------------------------|
| Loans and advances to customers    | 2,219,342                       | 2,335,826                       |
| Accrued interest                   | 15,971                          | 4,637                           |
| Less:                              |                                 |                                 |
| General Provisions                 | (4,741)                         | (3,514)                         |
| Specific Provisions                | -                               | -                               |
| <b>Total loans and receivables</b> | <b>2,230,572</b>                | <b>2,336,949</b>                |

### 2. IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

Impaired loans and advances which have been classified as "substandard", "doubtful" and "loss" under the classification of loan quality. There were no impaired loans and advances to customers as at 30 June 2023 and 31 December 2022.

### 3. OVERDUE AND RESCHDULED ASSETS

There were no assets which have been overdue for more than 3 months and no rescheduled assets as at 30 June 2023 and 31 December 2022.

### 4. REPOSSESSED ASSETS

There were no repossessed assets as at 30 June 2023 and 31 December 2022.

### 5. 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<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|--------------|---------------------------------|---------------------------------|
| China        | 548,618                         | 545,766                         |
| Hong Kong    | 938,656                         | 1,051,048                       |
| Singapore    | -                               | 320,503                         |
| Switzerland  | 626,986                         | 233,900                         |
| Other        | 105,082                         | 184,609                         |
| <b>Total</b> | <b>2,219,342</b>                | <b>2,335,826</b>                |

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

### 6. LOANS AND ADVANCES TO CUSTOMERS BY MAJOR SECTORS

|  | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|--|---------------------------------|---------------------------------|
| <b>Industrial, commercial and financial:</b>         |                                 |                                 |
| Manufacturing  | 548,618                         | 779,666                         |
| Information technology                               | 715,290                         | 583,249                         |
| <b>Total Loans and advances for use in Hong Kong</b> | <b>1,263,908</b>                | <b>1,362,915</b>                |
| Loans and advances for use outside Hong Kong         | 955,434                         | 972,911                         |
| <b>Total</b>   | <b>2,219,342</b>                | <b>2,335,826</b>                |

The loans and advances above are not covered by collateral or other security.

### 7. CUSTOMER DEPOSITS

|                                      | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|--------------------------------------|---------------------------------|---------------------------------|
| Demand deposits and current accounts | 2,130                           | 22,024                          |
| Saving deposits                      | -                               | -                               |
| Time, call and notice deposits       | -                               | -                               |
| <b>Total customer deposits</b>       | <b>2,130</b>                    | <b>22,024</b>                   |

### 8. MAINLAND ACTIVITIES

There was no mainland exposure to non-bank counterparties as at 30 June 2023 and 31 December 2022.

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

### 9. 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 30-06-2023            |  | Banks          | Official sector | Non-bank financial institutions | Non-financial private sector | Others | Total |
| Offshore Centres            |  | 82             | -               | -                               | 1,339                        | -      | 1,421 |
| - Hong Kong SAR             |  | 72             | -               | -                               | 1,339                        | -      | 1,411 |
| Developing Asia and Pacific |  | 8,591          | -               | -                               | 552                          | -      | 9,143 |
| - Bangladesh                |  | 4,855          | -               | -                               | -                            | -      | 4,855 |
| - Vietnam                   |  | 3,065          | -               | -                               | -                            | -      | 3,065 |

|                                   |  | in HKD Million |                 |                                 |                              |        |       |
|-----------------------------------|--|----------------|-----------------|---------------------------------|------------------------------|--------|-------|
| As at 31-12-2022                  |  | Banks          | Official sector | Non-bank financial institutions | Non-financial private sector | Others | Total |
| Developing Africa and Middle East |  | 1,976          | -               | -                               | 50                           | -      | 2,026 |
| Developing Asia and Pacific       |  | 6,914          | -               | -                               | -                            | -      | 6,914 |
| - Bangladesh                      |  | 4,716          | -               | -                               | -                            | -      | 4,716 |
| - Vietnam                         |  | 1,101          | -               | -                               | -                            | -      | 1,101 |

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

### 10. CURRENCY RISK

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

| As at 30-06-2023           | in HKD Million |       |                  |          |
|----------------------------|----------------|-------|------------------|----------|
|                            | US Dollars     | Euro  | Chinese Renminbi | Total    |
| Spot assets                | 12,387         | 418   | 177              | 12,982   |
| Spot liabilities           | (13,170)       | (107) | (97)             | (13,374) |
| Forward purchases          | 865            | 85    | -                | 950      |
| Forward sales              | (86)           | (395) | (75)             | (556)    |
| Net long/ (short) position | (4)            | 1     | 5                | 2        |

| As at 31-12-2022           | in HKD Million |       |                  |          |
|----------------------------|----------------|-------|------------------|----------|
|                            | US Dollars     | Euro  | Chinese Renminbi | Total    |
| Spot assets                | 10,631         | 544   | 304              | 11,479   |
| Spot liabilities           | (11,008)       | (203) | (274)            | (11,485) |
| Forward purchases          | 380            | 6     | -                | 386      |
| Forward sales              | (6)            | (344) | (25)             | (375)    |
| Net long/ (short) position | (3)            | 3     | 5                | 5        |

There is neither structured position nor option position held as at 30 June 2023 and 31 December 2022.



# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

### 11. OFF BALANCE SHEET EXPOSURES (OTHER THAN DERIVATIVE TRANSACTIONS)

|                                      | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|--------------------------------------|---------------------------------|---------------------------------|
| Transaction-related contingent items | 18,825                          | 34,012                          |
| Trade-related contingent items       | 855,015                         | 1,054,747                       |
| Other commitments                    | 1,170,333                       | 880,292                         |
| Total                                | 2,044,173                       | 1,969,051                       |

### 12. DERIVATIVES

| Notional amount:        | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|-------------------------|---------------------------------|---------------------------------|
| Exchange rate contracts | 950,613                         | 385,734                         |

| Fair value assets:      | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|-------------------------|---------------------------------|---------------------------------|
| Exchange rate contracts | 14,450                          | 11,279                          |

| Fair value liabilities: | As at<br>30-06-2023<br>HK\$'000 | As at<br>31-12-2022<br>HK\$'000 |
|-------------------------|---------------------------------|---------------------------------|
| Exchange rate contracts | 7,548                           | 6,569                           |

No bilateral netting agreement for derivative transaction has been made as at 30 June 2023 and 31 December 2022.

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Additional Information

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### 13. 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.

|  | Q2 2023       | Q2 2022 |
|--|---------------|---------|
| Average Liquidity Maintenance Ratio for the period | <b>86.89%</b> | 56.82%  |

# Mashreqbank psc Hong Kong Branch

30 June 2023

## Group Information (Consolidated basis)

### I. CAPITAL AND CAPITAL ADEQUACY

#### 1. Capital Ratio

|                                    | As at<br>30-06-2023 | As at<br>31-12-2022 |
|------------------------------------|---------------------|---------------------|
| Total capital ratio                | 18.00%              | 16.02%              |
| Tier 1 capital ratio               | 15.71%              | 13.71%              |
| Common equity tier 1 capital ratio | 15.01%              | 13.01%              |

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<br>30-06-2023<br>AED'000 | As at<br>31-12-2022<br>(Restated)<br>AED'000 |
|------------------|--------------------------------|--|
| Aggregate Amount | 26,211,671                     | 24,508,879                                   |

### II. OTHER FINANCIAL INFORMATION

|                          | As at<br>30-06-2023<br>AED'000 | As at<br>31-12-2022<br>(Restated)<br>AED'000 |
|--------------------------|--------------------------------|--|
| Total assets             | 210,963,694                    | 197,245,400                                  |
| Total liabilities        | 184,752,023                    | 172,736,521                                  |
| Total loans and advances | 94,956,188                     | 90,303,241                                   |
| Total customer deposits  | 126,778,463                    | 113,806,263                                  |

|                | For the<br>half-year ended<br>30-06-2023<br>AED'000 | For the<br>half-year ended<br>30-06-2022<br>(Restated)<br>AED'000 |
|----------------|---|---|
| Pre-tax profit | 3,622,047   | 1,518,681   |