

Barclays Bank PLC
Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 Jun 2020



Barclays Bank PLC
Hong Kong Branch

SECTION A - Branch Information (Hong Kong office only)

Income statement

For the period ended 30 Jun 2020

	Notes	30 Jun 2020 HKD million	30 Jun 2019 HKD million
Interest Income		151	207
Interest expense		(65)	(133)
Net Interest income		<u>86</u>	<u>74</u>
Other operating income	1	392	282
Net fees and commission income	2	653	685
Operating expenses	3	(781)	(887)
Credit impairment allowance		<u>(2)</u>	<u>-</u>
Profit before taxation for the period		348	154
Tax expense		<u>(52)</u>	<u>(21)</u>
Profit after taxation for the period		<u><u>296</u></u>	<u><u>133</u></u>

Balance sheet

As at 30 Jun 2020

		30 Jun 2020 HKD million	31 Dec 2019 HKD million
Assets			
Cash and balances with banks		377	3,245
Amount due from Exchange Fund		113	104
Amount due from overseas offices		3,717	2,584
Investment securities	4	2,444	5,929
Loans and receivables	5	379	429
Other accounts		125	183
Deferred tax assets		375	427
Property, plant and equipment and investment properties		<u>41</u>	<u>32</u>
Total Assets		<u><u>7,571</u></u>	<u><u>12,933</u></u>
Liabilities			
Deposits and balances from banks		775	-
Deposits from customers	6	909	1,071
Amount due to Exchange Fund		-	400
Amount due to overseas offices		5,445	11,101
Other liabilities	7	<u>442</u>	<u>361</u>
Total Liabilities		<u><u>7,571</u></u>	<u><u>12,933</u></u>

Barclays Bank PLC

Hong Kong Branch

Off-balance sheet and liquidity information As at 30 Jun 2020

	30 Jun 2020 HKD million	31 Dec 2019 HKD million
Contingent liabilities and commitments		
Trade-related contingencies	208	318
Other commitments	120	91

Derivatives instruments

	30 Jun 2020 HKD million		
	<u>Fair Value</u> <u>Assets</u>	<u>Fair Value</u> <u>Liabilities</u>	<u>Total Notional</u> <u>Amount</u>
Exchange rate-related derivative contracts	43	85	28,565
	<u>43</u>	<u>85</u>	<u>28,565</u>
	31 Dec 2019 HKD million		
	<u>Fair Value</u> <u>Assets</u>	<u>Fair Value</u> <u>Liabilities</u>	<u>Total Notional</u> <u>Amount</u>
Exchange rate-related derivative contracts	93	200	37,576
	<u>93</u>	<u>200</u>	<u>37,576</u>

The notional amounts of the above instruments indicate the volume of transactions outstanding as of the balance sheet date. They do not represent amounts at risk.

Liquidity information disclosure

	For the quarter ended 30 Jun 2020	For the quarter ended 30 Jun 2019
Average Liquidity Maintenance Ratio for the financial reporting period	174.67%	144.84%

The liquidity maintenance ratio ("LMR") is prepared in accordance with the Banking (Liquidity) Rules ("BLR") issued by the Hong Kong Monetary Authority ("HKMA"). The average LMR is calculated based on the arithmetic mean of the monthly LMR for each calendar month as reported in the Liquidity Position Return submitted to the HKMA for the abovementioned reporting periods.

Barclays Bank PLC
Hong Kong Branch
Notes to the Financial Information Disclosure Statement

1 Other operating income	Notes	30 Jun 2020 HKD million	30 Jun 2019 HKD million
Income from foreign currency related activities			
- Transfer pricing income		28	63
- Trading gains less losses from foreign currency trading		(1)	14
Income from securities-related activities			
- Transfer pricing income		58	138
Income from derivatives-related activities			
- Transfer pricing income		307	67
		<u>392</u>	<u>282</u>
2 Net fees and commission income		30 Jun 2020 HKD million	30 Jun 2019 HKD million
Gross fees and commission income		704	718
Gross fees and commission expenses		(51)	(33)
		<u>653</u>	<u>685</u>
3 Operating expenses		30 Jun 2020 HKD million	30 Jun 2019 HKD million
Management fee recharged from related companies		(766)	(827)
Depreciation		(9)	(11)
Others		(6)	(49)
		<u>(781)</u>	<u>(887)</u>
4 Investment securities		30 Jun 2020 HKD million	31 Dec 2019 HKD million
Financial Assets at fair value through other comprehensive income		<u>2,444</u>	<u>5,929</u>
There were no investment securities subject to sale and repurchase agreement as of 30 Jun 2020 and 31 Dec 2019. All investment securities held were free from encumbrances.			
5 Loans and receivables		30 Jun 2020 HKD million	31 Dec 2019 HKD million
Loans and advances to customers	8, 9, 10, 11	73	101
Other receivables			
- Accrued interest		17	29
- Other receivables		292	300
Credit impairment allowance		(3)	(1)
		<u>379</u>	<u>429</u>

Barclays Bank PLC
Hong Kong Branch
Notes to the Financial Information Disclosure Statement (continued)

5 Loans and receivables (continued)

Barclays Group is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost and loan commitments under IFRS 9 Financial Instruments (IFRS 9) effective from 1 Jan 2018.

At the reporting date, an allowance (or provision for loan commitments and trade-related contingent items) was recognised for the 12 month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of the ECL is calculated using three main components.

- (i) probability of default (PD)
- (ii) loss given default (LGD)
- (iii) exposure at default (EAD)

The credit impairment allowances made as at 30 Jun 2020 and 31 Dec 2019 are 12 month (Stage 1) ECLs for loans and advances to customers and loan commitments. These impairment allowances are assessed on a collective basis.

6 Deposits from customers	30 Jun 2020 HKD million	31 Dec 2019 HKD million
Demand deposits and current accounts	44	46
Time, call and notice deposits	<u>865</u>	<u>1,025</u>
	<u>909</u>	<u>1,071</u>

7 Other liabilities	30 Jun 2020 HKD million	31 Dec 2019 HKD million
Accrued interest	17	8
Other liabilities	<u>425</u>	<u>353</u>
	<u>442</u>	<u>361</u>

8 Analysis of advances to customers by industry sector

	30 Jun 2020 HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	<u>73</u>	<u>73</u>
Total loans and advances to customers	<u>-</u>	<u>73</u>	<u>73</u>
	31 Dec 2019 HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	<u>101</u>	<u>101</u>
Total loans and advances to customers	<u>-</u>	<u>101</u>	<u>101</u>

Barclays Bank PLC
Hong Kong Branch
Notes to the Financial Information Disclosure Statement (continued)

9 Overdue loans and advances to customers and banks

The Branch did not have any overdue or rescheduled loans and advances to customers and banks as at 30 Jun 2020 and 31 Dec 2019.

The Branch did not have any impaired loans and advances to customers and banks as at 30 Jun 2020 and 31 Dec 2019.

10 Repossessed assets

The Branch did not have any repossessed assets as at 30 Jun 2020 and 31 Dec 2019.

11 Loans and advances to customers by country or geographical segment

	30 Jun 2020 HKD million	31 Dec 2019 HKD million
Macau	73	101
	<u>73</u>	<u>101</u>

Loans and advances to customer by country or geographical segment are classified according to the location of the counterparties after taking into account of the transfer of risk. Countries or geographical segments constituting 10% or more of the aggregate amount of loans and advances to customers are disclosed.

12 International claims

	30 Jun 2020 HKD million				Total
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	
Developed countries	4,023	-	1	-	4,024
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	4,021	-	1	-	4,022
Developing Asia and Pacific	-	1,958	-	-	1,958
<i>of which</i> China	-	1,958	-	-	1,958
Offshore centres	374	-	-	74	448
<i>of which</i> Hong Kong SAR	374	-	-	-	374

	31 Dec 2019 HKD million				Total
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	
Developed countries	2,829	-	2	4	2,835
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	2,829	-	-	4	2,833
Developing Asia and Pacific	-	4,109	-	-	4,109
<i>of which</i> China	-	4,109	-	-	4,109
Offshore centres	3,245	-	-	101	3,346
<i>of which</i> Hong Kong SAR	3,245	-	-	-	3,245

International claims information discloses exposures in relation to all cross-border claims and local claims in foreign currencies after taking into account of the transfer of risk. The above information is prepared in accordance with the HKMA Return of International Banking Statistics MA(BS)21 completion instructions. Countries or geographical segments constituting 10% or more of total international claims are disclosed.

Barclays Bank PLC
Hong Kong Branch
Notes to the Financial Information Disclosure Statement (continued)

13 Non-bank Mainland exposures

	30 Jun 2020 HKD million		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
Central government, central government-owned entities and their subsidiaries and JVs	-	-	-
Total	-	-	-

Total assets after provision

7,571

On-balance sheet exposure as percentage of total assets

0.00%

	31 Dec 2019 HKD million		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
Central government, central government-owned entities and their subsidiaries and JVs	-	49	49
Total	-	49	49

Total assets after provision

12,933

On-balance sheet exposure as percentage of total assets

0.00%

14 Currency Risk

	30 Jun 2020 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	1,222	1,988	63	3,273
Spot liabilities	(4,016)	(480)	(63)	(4,559)
Forward purchases	21,140	8,604	-	29,744
Forward sales	(18,344)	(10,109)	-	(28,453)
Net options position	-	-	-	-
Net long/(short) position	2	3	-	5

	31 Dec 2019 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	3,282	4,203	14	7,499
Spot liabilities	(9,580)	(473)	(14)	(10,067)
Forward purchases	25,012	2,340	-	27,352
Forward sales	(18,661)	(6,125)	-	(24,786)
Net options position	-	-	-	-
Net long/(short) position	53	(55)	-	(2)

The Branch had no structural positions in any particular foreign currency as at 30 Jun 2020 and 31 Dec 2019.

Barclays Bank PLC

Hong Kong Branch

SECTION B - Barclays PLC Consolidated Financial Information As at 30 Jun 2020

	30 Jun 2020	31 Dec 2019
Capital ratio (Note 1)		
Total Regulatory Capital	21.7%	21.6%
Common Equity Tier 1 (CET1)	14.2%	13.8%
Total Shareholders' equity (excluding non-controlling interests)	30 Jun 2020	31 Dec 2019
	GBP million	GBP million
	68,304	64,429
Other financial information	30 Jun 2020	31 Dec 2019
	GBP million	GBP million
Balance sheet		
Total assets	1,385,117	1,140,229
Total liabilities	1,315,576	1,074,569
Total loans and advance at amortised cost	354,912	339,115
Total deposits at amortised cost (Note 2)	466,913	415,787
	30 Jun 2020	30 Jun 2019
	GBP million	GBP million
Profit and Loss		
Pre-tax profit for the financial period	1,272	3,014

Notes

(1) Total Regulatory Capital ratio is calculated as total regulatory capital divided by risk weighted assets.

The Common Equity Tier 1 ratio is a risk based ratio calculated as CRD IV Common Equity Tier 1 capital divided by CRD IV risk weighted assets, before the interpretive guidance published by the Prudential Regulation Authority (PRA).

The capital ratios are calculated by applying the transitional arrangements of the Capital Requirements Regulation (CRR) issued by the European Union. The regulation includes IFRS 9 transitional arrangements and the grandfathering of CRR non-compliant capital instruments. The rules are supplemented by Regulatory Technical Standards (RTS) and in the United Kingdom by the PRA rulebook, including the implementation of transitional rules.

(2) Total customer deposits are not separately disclosed in the Consolidated Financial Statements of Barclays PLC, hence total deposits including both deposits taken from banks and customers are disclosed.

(3) Barclays Bank PLC Hong Kong Branch adopts the remuneration systems of its Head Office, Barclays PLC. Pursuant to part 3 of the Supervisory Policy Manual (CG-5) "Guideline on a Sound Remuneration System" issued by the Hong Kong Monetary Authority, Barclays Bank PLC Hong Kong Branch complies with the requirements by publishing annually both qualitative and quantitative disclosures. The qualitative remuneration disclosures for 2019 are set out in the remuneration report in the Barclays PLC Annual Report 2019. A report on the quantitative remuneration disclosures for Barclays Bank PLC Hong Kong Branch for 2019 which supplements the qualitative remuneration disclosures for 2019 is now available for public access at 41/F Reception, Cheung Kong Center.

(4) Further details regarding Barclays PLC can be obtained from the 2020 Barclays PLC Interim Results Announcement at www.barclays.com.

Barclays Bank PLC Hong Kong Branch

Principal activities

Barclays Bank PLC Hong Kong Branch ("the Branch") is a branch of Barclays Bank PLC, a bank incorporated in the United Kingdom with limited liability. The Branch is a licensed bank authorised under the Hong Kong Banking Ordinance. The Branch's principal activities are lending, deposit taking, foreign currency trading, derivatives trading, securities trading and advising on corporate finance.

Chief Executive's Declaration of Compliance

I certify that the information disclosed above is in compliance with the Banking Ordinance Chapter 155M Banking (Disclosure) Rules and "Guideline on the Application of the Banking (Disclosure) Rules" issued by the HKMA is not false or misleading.



Anthony Miles Davies, Chief Executive
Barclays Bank PLC, Hong Kong Branch