

**Barclays Bank Plc  
Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 31 December 2015**



# Barclays Bank PLC

## Hong Kong Branch

### SECTION A - Branch Information (Hong Kong office only)

#### Income statement For the year ended 31 December 2015

	Notes	31 Dec 2015 HKD million	31 Dec 2014 HKD million
Interest Income		343	375
Interest expense		(265)	(220)
Net Interest income		<u>78</u>	<u>155</u>
Other operating income	1	1,676	611
Net fees and commission income	2	1,882	1,954
Operating expenses	3	<u>(3,221)</u>	<u>(3,854)</u>
Profit / (loss) before taxation		<u>415</u>	<u>(1,134)</u>
Tax (expense) / credit		<u>(81)</u>	<u>189</u>
Profit / (loss) after taxation		<u><u>334</u></u>	<u><u>(945)</u></u>

#### Balance sheet As at 31 December 2015

		31 Dec 2015 HKD million	30 Jun 2015 HKD million
<b>Assets</b>			
Cash and balances with banks		1,499	1,248
Amount due from Exchange Fund		222	16
Amount due from overseas offices		20,258	24,519
Securities held for trading purposes		280	523
Investment securities		64	21
Loans and receivables	4	7,788	22,755
Deferred tax assets		337	385
Property, plant and equipment and investment properties		<u>170</u>	<u>220</u>
Total Assets		<u><u>30,618</u></u>	<u><u>49,687</u></u>
<b>Liabilities</b>			
Deposits and balances from banks		-	413
Deposits from customers	5	11,476	9,286
Amount due to overseas offices		18,269	24,141
Other liabilities	6	<u>873</u>	<u>15,847</u>
Total Liabilities		<u><u>30,618</u></u>	<u><u>49,687</u></u>

# Barclays Bank PLC

## Hong Kong Branch

### Off-balance sheet and Liquidity Information As at 31 December 2015

	31 Dec 2015 HKD million	30 Jun 2015 HKD million
<b>Contingent liabilities and commitments</b>		
Direct credit substitutes	1,333	1,333
Trade-related contingencies	709	657
Other commitments	553	1,263
Others	816	1,403

#### Derivatives instruments

	31 Dec 2015 HKD million		
	Fair Value Assets	Fair Value Liabilities	Total Notional Amount
Exchange rate-related derivative contracts (Note)	519	464	69,471
Interest rate derivative contracts	-	-	77
Others	130	130	968
	<u>649</u>	<u>594</u>	<u>70,516</u>
	30 Jun 2015 HKD million		
	Fair Value Assets	Fair Value Liabilities	Total Notional Amount
Exchange rate-related derivative contracts (Note)	143	147	57,450
Interest rate derivative contracts	-	-	-
Others	86	86	1,518
	<u>229</u>	<u>233</u>	<u>58,968</u>

#### Note

The amounts exclude forward foreign exchange contracts arising from swap deposit arrangements.

<b>Liquidity Maintenance Ratio ("LMR")</b>	31 Dec 2015
Average LMR for the financial period	88.1%
<b>Liquidity Ratio</b>	31 Dec 2014
Average liquidity ratio for the financial period	162.3%

Effective from 1 January 2015, the MA(BS)1E return (Return of Liquidity Position) has been revised. The Branch is required to report its liquidity position using the Liquidity Maintenance Ratio (LMR) instead of the Liquidity Ratio. The LMR and the Liquidity Ratio are calculated on a different basis and are thus not directly comparable.

**Barclays Bank PLC**  
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Notes to the Financial Statements

	Notes	31 Dec 2015 HKD million	31 Dec 2014 HKD million
<b>1 Other operating income</b>			
Income from foreign currency related activities			
- Transfer pricing income		193	86
- Trading gains less losses from foreign currency trading		16	7
Income from securities-related activities			
- Transfer pricing income		1,073	245
- Trading gains less losses from securities trading		8	95
Income from derivatives-related activities			
- Transfer pricing income		386	123
- Trading gains less losses from derivatives trading		-	55
		<u>1,676</u>	<u>611</u>
<b>2 Net fees and commission income</b>			
Gross fees and commission income		2,144	2,175
Gross fees and commission expenses		(262)	(221)
		<u>1,882</u>	<u>1,954</u>
<b>3 Operating expenses</b>			
Management fee recharge expense to related companies		(3,120)	(3,776)
Depreciation		(76)	(74)
Others		(25)	(4)
		<u>(3,221)</u>	<u>(3,854)</u>
		31 Dec 2015 HKD million	30 Jun 2015 HKD million
<b>4 Loans and receivables</b>			
Loans and advances to customers	7, 8, 10	6,367	6,498
Other receivables			
- Equity and debt securities settlement balances		20	14,662
- Accrued interest and other receivables		1,401	1,595
		<u>7,788</u>	<u>22,755</u>
Impairment allowances for loans and receivables booked at Head Office			
- collective impairment allowances		(9)	(2)
		<u>(9)</u>	<u>(2)</u>
<b>5 Deposits from customers</b>			
Demand deposits and current accounts		2,562	2,199
Time, call and notice deposits		8,914	7,087
		<u>11,476</u>	<u>9,286</u>
<b>6 Other liabilities</b>			
Equity and debt securities settlement balances		-	14,629
Accrued interest and other liabilities		873	1,218
		<u>873</u>	<u>15,847</u>

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**Notes to the Financial Statements (continued)**

**7 Analysis of advances to customers by industry sector**

	31 Dec 2015		30 Jun 2015		Total
	Secured	Unsecured	Secured	Unsecured	
Loans and advances for use in Hong Kong					
Industrial, commercial and financial					
- Property investment	56	-	62	-	62
- Financial concerns	2,795	775	3,030	468	3,498
Individuals					
- Loans for the purchase of other residential properties	64	-	64	-	64
- Others	1,730	-	1,885	19	1,904
Loans and advances for use outside Hong Kong	-	947	-	970	970
<b>Total loans and advances to customers</b>	<b>4,645</b>	<b>1,722</b>	<b>5,041</b>	<b>1,457</b>	<b>6,498</b>

**8 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 31 Dec 2015 and 30 Jun 2015.

The branch did not have impaired loans and advances to customers and banks as at 31 Dec 2015 and 30 Jun 2015.

**9 Repossessed assets**

The branch did not have any repossessed assets as at 31 Dec 2015 and 30 Jun 2015.

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Notes to the Financial Statements (continued)

**10 Loans and advances to customers by geography**

	31 Dec 2015 HKD million	30 Jun 2015 HKD million
Hong Kong	3,390	3,560
Singapore	760	917
Macau	746	475
China	725	831
Others	746	715
	<u>6,367</u>	<u>6,498</u>

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

**11 International claims**

	31 Dec 2015 HKD million			Total
	Banks	Non-bank financial institutions	Non-financial private sector	
<u>Developed countries</u>				
United Kingdom (excludes Guernsey, Isle of Man and Jersey)	20,337	-	191	20,528
	30 Jun 2015 HKD million			Total
	Banks	Non-bank financial	Non-financial private sector	
<u>Developed countries</u>				
United Kingdom (excludes Guernsey, Isle of Man and Jersey)	24,876	6,925	122	31,923

International claims information discloses exposures in relation to all cross-border claims and local claims in foreign currencies after taking into account 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 constituting 10% or more of total international claims are disclosed.

**12 Non-bank Mainland exposures**

	31 Dec 2015 HKD million	30 Jun 2015 HKD million
Central government, central government-owned entities and their subsidiaries and joint ventures		
- On balance sheet exposures	-	465
- Off balance sheet exposures	-	310
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures		
- On balance sheet exposures	230	209
- Off balance sheet exposures	5	4
Other entities incorporated outside Mainland China and minority-owned by the central government		
- On balance sheet exposures	-	386
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China		
- On balance sheet exposures	192	88
- Off balance sheet exposures	129	258
Other counterparties where the exposures are considered to be non-bank Mainland China exposures		
- On balance sheet exposures	429	556
- Off balance sheet exposures	1	1
Total	<u>986</u>	<u>2,277</u>

**13 Currency Risk**

	31 Dec 2015 HKD million					Total
	USD	GBP	RMB	INR	Others	
Spot assets	10,852	859	1,078	-	2,239	15,028
Spot liabilities	(9,403)	(856)	(803)	-	(2,475)	(13,537)
Forward purchases	23,491	56	7,278	481	1,547	32,853
Forward sales	(24,941)	(57)	(7,557)	(481)	(1,311)	(34,347)
Net options position	-	-	-	-	-	-
Net long (short) position	<u>(1)</u>	<u>2</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(3)</u>
	30 Jun 2015 HKD million					Total
	USD	GBP	RMB	INR	Others	
Spot assets	7,746	785	4,151	-	2,073	14,755
Spot liabilities	(17,350)	(784)	(2,658)	2	(2,051)	(22,841)
Forward purchases	30,709	104	2,017	255	1,732	34,817
Forward sales	(21,096)	(104)	(3,533)	(255)	(1,754)	(26,742)
Net options position	-	-	-	-	-	-
Net long (short) position	<u>9</u>	<u>1</u>	<u>(23)</u>	<u>2</u>	<u>-</u>	<u>(11)</u>

# Barclays Bank PLC

## Hong Kong Branch

### SECTION B - Barclays PLC

#### Consolidated Financial Information

#### As at 31 December 2015

	31 Dec 2015	30 Jun 2015
<b>Capital ratio (Note 1)</b>		
PRA Transitional Total Capital	18.6%	17.4%
Fully Loaded Common Equity Tier 1	11.4%	11.1%
	31 Dec 2015	30 Jun 2015
	GBP million	GBP million
<b>Total Shareholders' equity (excluding non-controlling interests)</b>	59,810	59,281
<b>Other financial information</b>		
<b>Balance sheet</b>		
Total assets	1,120,012	1,196,719
Total liabilities	1,054,148	1,131,144
Total loans and advances	440,566	475,267
Total customer deposits	418,242	438,270
	31 Dec 2015	31 Dec 2014
	GBP million	GBP million
<b>Profit and Loss</b>		
Pre-tax profit for the financial period	2,073	2,256

#### Note

(1) The Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) implemented Basel III within the European Union (collectively known as CRD IV) on 1 January 2014. The rules are supplemented by Regulatory Technical Standards and by the Prudential Regulation Authority's (PRA) rulebook, including the implementation of transitional rules. The capital ratios are calculated based on Barclays' interpretation of the current rules.

The Transitional Total Capital is computed after the application of the transitional provisions set out in Part Ten of the CRD IV.

The fully Loaded Common Equity Tier 1 ratio is an estimated risk based ratio calculated as CRD IV Common Equity Tier 1 capital divided by CRD IV Risk Weighted Assets, before the application of the transitional provisions set out in the CRD IV and interpretive guidance published by the PRA.

- (2) Barclays Group monitors compliance with guidelines issued by the Basel Committee of Banking Supervisors for Liquidity Risk Management. All branches of Barclays Bank Plc are required to adhere to requirements issued by the Barclays Group.
- (3) The Hong Kong Branch of Barclays Bank Plc adopts a Remuneration Policy set by Barclays Group.
- (4) Comparative figures have been restated where necessary to conform with the current year's presentation.
- (5) Further details regarding Barclays Plc can be obtained from the 2015 Barclays PLC Annual Report at [www.barclays.com](http://www.barclays.com).

#### 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 is not false or misleading.



Edward Weeks, Chief Executive  
Barclays Bank Plc, Hong Kong