

**Barclays Bank PLC**  
**Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 30 Jun 2019**



# Barclays Bank PLC

## Hong Kong Branch

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

#### Income statement

For the period ended 30 Jun 2019

	Notes	30 Jun 2019 HKD million	30 Jun 2018 HKD million
Interest Income		207	121
Interest expense		(133)	(70)
Net Interest income		<u>74</u>	<u>51</u>
Other operating income	1	282	233
Net fees and commission income	2	685	671
Operating expenses	3	(887)	(926)
Credit impairment charges		<u>-</u>	<u>(1)</u>
Profit before taxation		154	28
Tax expense		<u>(21)</u>	<u>(4)</u>
Profit after taxation for the period		<u><u>133</u></u>	<u><u>24</u></u>

#### Balance sheet

As at 30 Jun 2019

		30 Jun 2019 HKD million	31 Dec 2018 HKD million
<b>Assets</b>			
Cash and balances with banks		302	364
Amount due from Exchange Fund		8	1
Amount due from overseas offices		5,396	6,993
Investment securities	4	5,700	5,469
Loans and receivables	5	301	214
Other accounts		141	238
Deferred tax assets		418	439
Property, plant and equipment and investment properties		<u>41</u>	<u>47</u>
Total Assets		<u><u>12,307</u></u>	<u><u>13,765</u></u>
<b>Liabilities</b>			
Deposits from customers	6	972	992
Amount due to Exchange Fund		-	6,000
Amount due to overseas offices		9,398	3,980
Amount payable under repos	4	1,429	2,010
Other liabilities	7	<u>508</u>	<u>783</u>
Total Liabilities		<u><u>12,307</u></u>	<u><u>13,765</u></u>

# Barclays Bank PLC

## Hong Kong Branch

### Off-balance sheet and liquidity information As at 30 Jun 2019

	30 Jun 2019 HKD million	31 Dec 2018 HKD million
<b>Contingent liabilities and commitments</b>		
Trade-related contingencies	425	389
Other commitments	162	64

#### Derivatives instruments

	30 Jun 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	50	167	39,649

	31 Dec 2018 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	88	74	32,922

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 2019	For the quarter ended 30 Jun 2018
Average Liquidity Maintenance Ratio for the relevant quarter	144.84%	191.18%

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 average value of the Hong Kong Branch's ("the Branch") LMR in each calendar month within the relevant quarter, as reported in the liquidity position returns submitted to the HKMA.

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**Notes to the Financial Statements**

1 Other operating income	Notes	30 Jun 2019 HKD million	30 Jun 2018 HKD million
Income from foreign currency related activities			
- Transfer pricing income		63	59
- Trading gains less losses from foreign currency trading		14	5
Income from securities-related activities			
- Transfer pricing income		138	111
Income from derivatives-related activities			
- Transfer pricing income		67	58
		<u>282</u>	<u>233</u>
<b>2 Net fees and commission income</b>		<b>30 Jun 2019 HKD million</b>	<b>30 Jun 2018 HKD million</b>
Gross fees and commission income		718	721
Gross fees and commission expenses		<u>(33)</u>	<u>(50)</u>
		<u>685</u>	<u>671</u>
<b>3 Operating expenses</b>		<b>30 Jun 2019 HKD million</b>	<b>30 Jun 2018 HKD million</b>
Management fee recharged from related companies		(827)	(913)
Depreciation		(11)	(13)
Others		<u>(49)</u>	<u>-</u>
		<u>(887)</u>	<u>(926)</u>
<b>4 Investment securities</b>		<b>30 Jun 2019 HKD million</b>	<b>31 Dec 2018 HKD million</b>
Financial Assets at fair value through other comprehensive income		<u>5,700</u>	<u>5,469</u>
<p>As at 30 Jun 2019, the Branch has sold investment securities of HKD 1,435 million (31 Dec 2018: HKD 2,017 million ) subject to commitments to repurchase them. The considerations received are accounted for as financial liabilities at amortised cost and disclosed as "Amount payable under repos". The securities sold are encumbered assets and are retained on the balance sheet as the Branch retains substantially all the risks and rewards of ownership.</p>			
<b>5 Loans and receivables</b>		<b>30 Jun 2019 HKD million</b>	<b>31 Dec 2018 HKD million</b>
Loans and advances to customers	8 , 9, 10, 11	17	114
Other receivables			
- Accrued interest		18	1
- Other receivables		267	100
Credit impairment charges		<u>(1)</u>	<u>(1)</u>
		<u>301</u>	<u>214</u>

**Barclays Bank PLC**  
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**Notes to the Financial Statements (continued)**

**5 Loans and receivables (continued)**

Barclays Group has adopted International Financial Reporting Standard No. 9 Financial Instruments (IFRS 9) effective from 1 January 2018 which quantifies impairment allowances based on the expected credit losses (ECLs) methodology.

The calculation of impairment under ECL is based on unbiased forward-looking information for all financial assets at amortised cost and takes into account the drawn and undrawn counterparty exposures. At the reporting date, an allowance (or provision for loan commitments) is required for the 12 month 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 charges and other provisions made as at 30 Jun 2019 and 31 Dec 2018 represent the Stage 1 ECL provision on loans and advances to customers and loan commitments.

<b>6 Deposits from customers</b>	30 Jun 2019	31 Dec 2018
	HKD million	HKD million

Demand deposits and current accounts	48	42
Time, call and notice deposits	924	950
	<u>972</u>	<u>992</u>

<b>7 Other liabilities</b>	30 Jun 2019	31 Dec 2018
	HKD million	HKD million

Accrued interest	15	15
Other liabilities	493	768
	<u>508</u>	<u>783</u>

**8 Analysis of loans and advances to customers by industry sector**

	30 Jun 2019		
	HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	17	17
Total loans and advances to customers	<u>-</u>	<u>17</u>	<u>17</u>

	31 Dec 2018		
	HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	114	114
Total loans and advances to customers	<u>-</u>	<u>114</u>	<u>114</u>

# Barclays Bank PLC

## Hong Kong Branch

### Notes to the Financial Statements (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 2019 and 31 Dec 2018.

The Branch did not have any impaired loans and advances to customers and banks as at 30 Jun 2019 and 31 Dec 2018.

#### 10 Repossessed assets

The Branch did not have any repossessed assets as at 30 Jun 2019 and 31 Dec 2018.

#### 11 Loans and advances to customers by country or geographical segment

	30 Jun 2019 HKD million	31 Dec 2018 HKD million
Macau	<u>17</u>	<u>114</u>
	<u>17</u>	<u>114</u>

Loans and advances to customer by country or geographical segment are classified according to the location of the counterparties after taking into account 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 2019 HKD million			
	<u>Banks</u>	<u>Official sector</u>	<u>Non-financial private sector</u>	<u>Total</u>
Developed countries	5,729	-	1	5,730
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	5,729	-	1	5,730
Developing Asia and Pacific	-	2,693	-	2,693
<i>of which</i> China	-	2,693	-	2,693
	31 Dec 2018 HKD million			
	<u>Banks</u>	<u>Official sector</u>	<u>Non-financial private sector</u>	<u>Total</u>
Developed countries	7,160	-	21	7,181
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	7,160	-	21	7,181
Developing Asia and Pacific	-	-	-	-
<i>of which</i> China	-	-	-	-

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 and geographical segments constituting 10% or more of total international claims are disclosed.

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

**13 Non-bank Mainland exposures**

	30 Jun 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	21	1	22
<b>Total</b>	<b>21</b>	<b>1</b>	<b>22</b>
Total assets after provision	12,307		
On-balance sheet exposure as percentage of total assets	0.17%		

The Branch did not have any Mainland exposures to non-bank counterparties as of 31 Dec 2018.

**14 Currency Risk**

	30 Jun 2019 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	357	3,601	14	3,972
Spot liabilities	(7,267)	(72)	(14)	(7,353)
Forward purchases	27,021	11,987	89	39,097
Forward sales	(20,089)	(15,530)	(89)	(35,708)
Net options position	-	-	-	-
Net long/(short) position	<u>22</u>	<u>(14)</u>	<u>-</u>	<u>8</u>

  

	31 Dec 2018 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	2,344	257	21	2,622
Spot liabilities	(415)	(25)	(21)	(461)
Forward purchases	16,765	9,850	-	26,615
Forward sales	(18,655)	(10,104)	-	(28,759)
Net options position	-	-	-	-
Net long/(short) position	<u>39</u>	<u>(22)</u>	<u>-</u>	<u>17</u>

The Branch has no structural positions in any particular foreign currency as at 30 Jun 2019 and 31 Dec 2018.

# Barclays Bank PLC

## Hong Kong Branch

### SECTION B - Barclays PLC Consolidated Financial Information As at 30 Jun 2019

Capital ratio (Note 1)	30 Jun 2019	31 Dec 2018
Total Regulatory Capital	21.4%	20.7%
Common Equity Tier 1 (CET1)	13.4%	13.2%

Total Shareholders' equity (excluding non-controlling interests)	30 Jun 2019 GBP million	31 Dec 2018 GBP million
	67,576	62,556

### Other financial information

	30 Jun 2019 GBP million	31 Dec 2018 GBP million
<b>Balance sheet</b>		
Total assets	1,232,822	1,133,283
Total liabilities	1,164,025	1,069,504
Total loans and advance at amortised cost	339,319	326,406
Total deposits at amortised cost (Note 2)	413,596	394,838

	30 Jun 2019 GBP million	30 Jun 2018 GBP million
<b>Profit and Loss</b>		
Pre-tax profit for the financial period	3,014	1,659

### 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 PRA.
- The capital ratios are calculated by applying the transitional arrangements of the Capital Requirements Regulation (CRR) issued by the European Union as amended by CRR II applicable as at the reporting date. 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 Prudential Regulation Authority's (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 HKMA, Barclays Bank PLC Hong Kong Branch complies with the requirements by publishing annually both qualitative and quantitative disclosures. The qualitative remuneration disclosures for 2018 are set out in the remuneration report in the Barclays PLC Annual Report 2018. A report on the quantitative remuneration disclosures for Barclays Bank PLC Hong Kong Branch for 2018 which supplements the qualitative remuneration disclosures for 2018 is now available for public access at 41/F, Cheung Kong Center.



# Barclays Bank PLC Hong Kong Branch

## SECTION B - Barclays PLC Consolidated Financial Information (continued) As at 30 Jun 2019

### Notes (continued)

- (4) Further details regarding Barclays PLC can be obtained from the 2019 Barclays PLC Interim Results Announcement 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 "Guideline on the Application of the Banking (Disclosure) Rules" issued by the HKMA is not false or misleading.



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