

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

**Key Financial Information Disclosure Statement**

**As at 31 Dec 2019**



# Barclays Bank PLC

## Hong Kong Branch

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

#### Income statement

For the year ended 31 Dec 2019

|  | Notes | 31 Dec 2019<br>HKD million | 31 Dec 2018<br>HKD million |
|--|-------|----------------------------|----------------------------|
| Interest Income  |       | 438                        | 318                        |
| Interest expense   |       | (271)                      | (197)                      |
| Net Interest income  |       | <u>167</u>                 | <u>121</u>                 |
| Other operating income   | 1     | 581                        | 280                        |
| Net fees and commission income   | 2     | 1,112                      | 1,305                      |
| Operating expenses   | 3     | (1,714)                    | (1,790)                    |
| Gains less losses from disposal of property, plant and equipment and investment properties |       | <u>(1)</u>                 | <u>-</u>                   |
| Credit impairment charges and other provisions   |       | <u>-</u>                   | <u>1</u>                   |
| Profit/(loss) before taxation  |       | 145                        | (83)                       |
| Tax (expense)/credit   |       | <u>(12)</u>                | <u>16</u>                  |
| Profit/(loss) after taxation for the period  |       | <u><u>133</u></u>          | <u><u>(67)</u></u>         |

#### Balance sheet

As at 31 Dec 2019

|   |   | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
|---|---|----------------------------|----------------------------|
| <b>Assets</b>   |   |                            |                            |
| Cash and balances with banks                            |   | 3,245                      | 302                        |
| Amount due from Exchange Fund                           |   | 104                        | 8                          |
| Amount due from overseas offices                        |   | 2,584                      | 5,396                      |
| Investment securities                                   | 4 | 5,929                      | 5,700                      |
| Loans and receivables                                   | 5 | 429                        | 301                        |
| Other accounts  |   | 183                        | 141                        |
| Deferred tax assets                                     |   | 427                        | 418                        |
| Property, plant and equipment and investment properties |   | <u>32</u>                  | <u>41</u>                  |
| Total Assets  |   | <u><u>12,933</u></u>       | <u><u>12,307</u></u>       |
| <b>Liabilities</b>                                      |   |                            |                            |
| Deposits from customers                                 | 6 | 1,071                      | 972                        |
| Amount due to Exchange Fund                             |   | 400                        | -                          |
| Amount due to overseas offices                          |   | 11,101                     | 9,398                      |
| Amount payable under repos                              | 4 | -                          | 1,429                      |
| Other liabilities                                       | 7 | <u>361</u>                 | <u>508</u>                 |
| Total Liabilities                                       |   | <u><u>12,933</u></u>       | <u><u>12,307</u></u>       |

# Barclays Bank PLC

## Hong Kong Branch

### Off-balance sheet and liquidity information As at 31 Dec 2019

|   | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
|---|----------------------------|----------------------------|
| <b>Contingent liabilities and commitments</b> |                            |                            |
| Trade-related contingencies                   | 318                        | 425                        |
| Other commitments                             | 91                         | 162                        |

#### Derivatives instruments

|  | 31 Dec 2019<br>HKD million   |                                   |                                  |
|--|------------------------------|-----------------------------------|----------------------------------|
|  | <u>Fair Value<br/>Assets</u> | <u>Fair Value<br/>Liabilities</u> | <u>Total Notional<br/>Amount</u> |
| Exchange rate-related derivative contracts | 93                           | 200                               | 37,576                           |
|  | <u>93</u>                    | <u>200</u>                        | <u>37,576</u>                    |
|  |                              |                                   |                                  |
|  | 30 Jun 2019<br>HKD million   |                                   |                                  |
|  | <u>Fair Value<br/>Assets</u> | <u>Fair Value<br/>Liabilities</u> | <u>Total Notional<br/>Amount</u> |
| Exchange rate-related derivative contracts | 50                           | 167                               | 39,649                           |
|  | <u>50</u>                    | <u>167</u>                        | <u>39,649</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<br>ended<br>31 Dec 2019 | For the quarter<br>ended<br>31 Dec 2018 |
|--|---|---|
| Average Liquidity Maintenance Ratio for the financial reporting period | 112.60%                                 | 194.02%                                 |

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

### Liquidity Information Disclosure (continued)

#### Liquidity framework

Barclays PLC ("the Group") has a comprehensive liquidity risk control framework to manage liquidity risk exposures under BAU and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the Liquidity Risk Appetite (LRA) expressed by the Barclays PLC Board.

The Liquidity Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

#### Structure and responsibilities of liquidity risk management

The Regional Funding and Liquidity Risk Management Departments approve the LRA of the branch which is then reviewed and challenged by the Hong Kong Asset and Liabilities Management Committee ("ALCO"). The ALCO additionally reviews the liquidity and funding risk management strategies, key metrics and limits structure, and the assets and liabilities maturity profile.

The Hong Kong and the Regional Treasury Departments are responsible for day-to-day monitoring of the liquidity stress test, the liquidity maintenance ratio report and other liquidity risk management reports produced by various financial and risk reporting functions, and exercise relevant controls to ensure compliance with the internal and regulatory requirements. The Regional Funding and Liquidity Risk Departments are responsible for setting the quantitative and qualitative liquidity risk management measures, limits and constraints. The Internal Audit Department conducts regular audits to provide assurance on the effectiveness of the liquidity risk management governance and the related risk management controls.

#### Liquidity risk appetite

Pursuant to the Group LRA, the Branch defines its risk appetite and tolerance based on the amount of liquidity resources required to meet modelled and prescribed liquidity stress outflows over a period of time. This is the level of liquidity risk the Branch chooses to take and tolerate in pursuit of its business objectives and in meeting its regulatory obligations. A set of liquidity risk limits are developed under the LRA which define the constraints within which the business lines must operate.

#### Stress testing and internal liquidity reporting

The Branch runs three short term liquidity stress test scenarios, aligned to the Group and the PRA's prescribed stresses:

- 90-day market-wide stress event
- 30-day Barclays specific stress event
- combined 30-day market-wide and Barclays specific stress event.

# Barclays Bank PLC

## Hong Kong Branch

### Liquidity Information Disclosure (continued)

#### Stress testing and internal liquidity reporting (continued)

The Branch identifies its liquidity exposures based on the anticipated net stressed outflows under each of these stress scenarios and manages its eligible liquid asset pool to be at least 100% of the anticipated net stressed outflows.

In addition, the Branch also establishes internal limits and monitoring procedures to ensure compliance with the LMR required under the Banking (Liquidity) Rules. A daily report on the LMR is produced with results communicated to the abovementioned departments for monitoring and risk management purposes.

The stress test report is also produced on a daily basis with the results communicated to the abovementioned departments for funding and liquidity risk management purposes.

#### Liquidity risk management and funding strategies

The key objective of the Branch's liquidity risk management and funding strategies are to maintain liquidity surpluses over the designated horizon under each stress scenario in order to mitigate liquidity risk. If there is any funding gap in a particular currency above the LRA and specific currency limits revealed by the stress test, the Treasury Department arranges the required financing from its Head Office, and/or other Barclays branches with surplus funding in that currency.

As at 31 Dec 2019 and 31 Dec 2018, the Branch held eligible liquid assets well in excess of 100% of net stress outflows for the 30-day Barclays specific and the combined market-wide and Barclays specific scenarios as well as the 90-day market wide stress scenario.

|   | 30-day Barclays<br>specific stress<br>requirements<br>HKD million | 90-day Market-<br>wide stress<br>requirements<br>HKD million |
|---|---|--|
| As at 31 Dec 2019   |   |  |
| Eligible liquid assets  | 5,935   | 5,935  |
| Net stress outflows   | (5,385)   | (3,937)  |
| Surplus   | 550   | 1,998  |
| Liquidity pool as a percentage of anticipated net stress outflows as at 31 Dec 2019 | 110%  | 151%   |

|   | 30-day Barclays<br>specific stress<br>requirements<br>HKD million | 90-day Market-<br>wide stress<br>requirements<br>HKD million |
|---|---|--|
| As at 31 Dec 2018   |   |  |
| Eligible liquid assets  | 2,862   | 2,862  |
| Net stress inflows/(outflows)   | 405   | (779)  |
| Surplus   | 3,267   | 2,083  |
| Liquidity pool as a percentage of anticipated net stress outflows as at 31 Dec 2018 | -   | 367%   |

The contractual maturity profile of the Branch's on and off-balance items is reviewed regularly by the HK ALCO. In practice, the behavioural maturity of these items may differ from contractual maturity. The maturity profile of the sources and uses of funding is monitored to maintain sufficient liquidity surplus over the designated horizon under each stress test.



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**Liquidity Information Disclosure (continued)**

**Liquidity risk management and funding strategies (continued)**

The contractual maturity profile and related liquidity surplus/gaps as at 31 Dec 2019 and 31 Dec 2018 extracted from the Return of Liquidity Monitoring Tools submitted by the Branch to the HKMA are set out in the table below:

| As at 31 Dec 2019  |               |                   | > 1<br>month      | >3<br>months      | >6<br>months   | > 1 year         | Over 5<br>years | Balancing<br>amount |
|--|---------------|-------------------|-------------------|-------------------|----------------|------------------|-----------------|---------------------|
| HKD million  | Total         | Within 1<br>month | up to 3<br>months | up to 6<br>months | to 1 year      | up to 5<br>years | Over 5<br>years |                     |
| <b>On-balance sheet liabilities</b>                                    |               |                   |                   |                   |                |                  |                 |                     |
| Demand and saving deposits from non-bank customers                     | 46            | 46                | -                 | -                 | -              | -                | -               | -                   |
| Term, call and notice deposits from non-bank customers                 | 1,028         | 717               | 301               | -                 | 10             | -                | -               | -                   |
| Derivative instruments   | 200           | 4,098             | 7,286             | 6,313             | 8,942          | -                | -               | -                   |
| Due to HKMA for account of Exchange Fund                               | 400           | 400               | -                 | -                 | -              | -                | -               | -                   |
| Due to banks   | 11,106        | 10,047            | 1,005             | 4                 | -              | -                | 50              | -                   |
| Other liabilities  | 88            | 81                | -                 | -                 | -              | -                | -               | 7                   |
| Reserves   | 65            | -                 | 65                | -                 | -              | -                | -               | -                   |
| <b>Total</b>   | <b>12,933</b> | <b>15,389</b>     | <b>8,657</b>      | <b>6,317</b>      | <b>8,952</b>   | <b>-</b>         | <b>50</b>       | <b>7</b>            |
| <b>Off-balance sheet obligations</b>                                   |               |                   |                   |                   |                |                  |                 |                     |
| Irrevocable loan commitments   | 91            | 91                | -                 | -                 | -              | -                | -               | -                   |
| Contractual obligations arising from securities financing transactions | -             | -                 | -                 | -                 | -              | -                | -               | -                   |
| Other off-balance sheet obligations                                    |               |                   |                   |                   |                |                  |                 |                     |
| - with dates and amounts of payment ascertained                        | 271           | 44                | 23                | 4                 | 200            | -                | -               | -                   |
| - Others   | 247           | 247               | -                 | -                 | -              | -                | -               | -                   |
| <b>Total</b>   | <b>609</b>    | <b>382</b>        | <b>23</b>         | <b>4</b>          | <b>200</b>     | <b>-</b>         | <b>-</b>        | <b>-</b>            |
| <b>On-balance sheet assets</b>   |               |                   |                   |                   |                |                  |                 |                     |
| Derivative instruments   | 93            | 4,086             | 7,307             | 6,268             | 8,849          | -                | -               | -                   |
| Due from HKMA for account of Exchange Fund                             | 104           | 104               | -                 | -                 | -              | -                | -               | -                   |
| Due from banks   | 5,830         | 5,830             | -                 | -                 | -              | -                | -               | -                   |
| Debt securities (Exchange Fund Bills)                                  | 5,958         | 5,958             | -                 | -                 | -              | -                | -               | -                   |
| Loan and advances to customers   | 101           | -                 | -                 | -                 | -              | 101              | -               | -                   |
| Other assets   | 847           | 206               | 104               | -                 | -              | -                | -               | 537                 |
| <b>Total</b>   | <b>12,933</b> | <b>16,184</b>     | <b>7,411</b>      | <b>6,268</b>      | <b>8,849</b>   | <b>101</b>       | <b>-</b>        | <b>537</b>          |
| <b>Off-balance sheet claims</b>  | <b>200</b>    | <b>200</b>        | <b>-</b>          | <b>-</b>          | <b>-</b>       | <b>-</b>         | <b>-</b>        | <b>-</b>            |
| <b>Contractual maturity mismatch</b>                                   |               | <b>613</b>        | <b>(1,269)</b>    | <b>(53)</b>       | <b>(303)</b>   | <b>101</b>       | <b>(50)</b>     |                     |
| <b>Cumulative contractual maturity mismatch</b>                        |               | <b>613</b>        | <b>(656)</b>      | <b>(709)</b>      | <b>(1,012)</b> | <b>(911)</b>     | <b>(961)</b>    |                     |

# Barclays Bank PLC

## Hong Kong Branch

### Liquidity Information Disclosure (continued)

#### Liquidity risk management and funding strategies (continued)

| As at 31 Dec 2018  |               |               | > 1            | >3             | >6             | > 1 year     |              |            |
|--|---------------|---------------|----------------|----------------|----------------|--------------|--------------|------------|
| HKD million  | Total         | Within 1      | month          | months         | months         | up to 5      | Over 5       | Balancing  |
|  |               | month         | up to 3        | up to 6        | to 1 year      | years        | years        | amount     |
| <b>On-balance sheet liabilities</b>                                    |               |               |                |                |                |              |              |            |
| Demand and saving deposits from non-bank customers                     | 42            | 42            | -              | -              | -              | -            | -            | -          |
| Term, call and notice deposits from non-bank customers                 | 951           | 586           | 355            | -              | 10             | -            | -            | -          |
| Derivative instruments   | 74            | 13,363        | 1,485          | 6,024          | 14,564         | -            | -            | -          |
| Due to HKMA for account of Exchange Fund                               | 6,001         | 6,001         | -              | -              | -              | -            | -            | -          |
| Due to banks   | 3,993         | 430           | 1,007          | 2,506          | -              | -            | 50           | -          |
| Other liabilities  | 701           | 680           | -              | -              | -              | -            | -            | 21         |
| Reserves   | (7)           | -             | (7)            | -              | -              | -            | -            | -          |
| <b>Total</b>   | <b>11,755</b> | <b>21,102</b> | <b>2,840</b>   | <b>8,530</b>   | <b>14,574</b>  | <b>-</b>     | <b>50</b>    | <b>21</b>  |
| <b>Off-balance sheet obligations</b>                                   |               |               |                |                |                |              |              |            |
| Irrevocable loan commitments   | 64            | 64            | -              | -              | -              | -            | -            | -          |
| Contractual obligations arising from securities financing transactions | 2010          | 2010          | -              | -              | -              | -            | -            | -          |
| Other off-balance sheet obligations                                    |               |               |                |                |                |              |              |            |
| - with dates and amounts of payment ascertained                        | 92            | 65            | 26             | 1              | -              | -            | -            | -          |
| - Others   | 297           | 297           | -              | -              | -              | -            | -            | -          |
| <b>Total</b>   | <b>2,463</b>  | <b>2,436</b>  | <b>26</b>      | <b>1</b>       | <b>-</b>       | <b>-</b>     | <b>-</b>     | <b>-</b>   |
| <b>On-balance sheet assets</b>   |               |               |                |                |                |              |              |            |
| Derivative instruments   | 88            | 13,423        | 1,487          | 6,045          | 14,497         | -            | -            | -          |
| Due from HKMA for account of Exchange Fund                             | 1             | 1             | -              | -              | -              | -            | -            | -          |
| Due from banks   | 7,358         | 7,358         | -              | -              | -              | -            | -            | -          |
| Debt securities (Exchange Fund Bills)                                  | 3,453         | 3,453         | -              | -              | -              | -            | -            | -          |
| Loan and advances to customers   | 114           | -             | -              | -              | -              | 114          | -            | -          |
| Other assets   | 735           | 150           | 21             | -              | -              | -            | -            | 564        |
| <b>Total</b>   | <b>11,749</b> | <b>24,385</b> | <b>1,508</b>   | <b>6,045</b>   | <b>14,497</b>  | <b>114</b>   | <b>-</b>     | <b>564</b> |
| <b>Off-balance sheet claims</b>  | <b>2,017</b>  | <b>2,017</b>  | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>     | <b>-</b>     | <b>-</b>   |
| <b>Contractual maturity mismatch</b>                                   |               | <b>2,864</b>  | <b>(1,358)</b> | <b>(2,486)</b> | <b>(77)</b>    | <b>114</b>   | <b>(50)</b>  |            |
| <b>Cumulative contractual maturity mismatch</b>                        |               | <b>2,864</b>  | <b>1,506</b>   | <b>(980)</b>   | <b>(1,057)</b> | <b>(943)</b> | <b>(993)</b> |            |

#### Remarks:

(1) The Branch only holds highly liquid assets in its liquidity pool, which mainly comprises balances with the central bank, exchange fund bills and notes as shown in the above maturity profile analysis. As these assets are all eligible to meet the local and the Group's liquidity requirements, there is no concentration limit set on individual type of assets in the local liquidity pool.

(2) The funding source diversification is achieved at the level of the Head Office or other branches of Barclays Bank Plc which run the centralised funding pool for the designated currencies. The Branch obtains fundings in various currencies mainly from its Head office or other branches of Barclays Bank Plc.

#### Contingency funding plan

The Branch adopts and conforms to the Group's Asia Contingent Funding Plan, which outlines the liquidity early warning indicators, the escalation and invocation process, and the sources of emergency funding applicable to each branch of Barclays in Asia. The Branch also establishes its own recovery plan which covers the contingency funding options for managing local liquidity stresses. These plans are reviewed regularly by the Hong Kong Treasurer, the relevant Asia Treasury and Risk Departments, and the Hong Kong ALCO.

# Barclays Bank PLC

## Hong Kong Branch

### Notes to the Financial Statements

| 1 Other operating income   | Notes        | 31 Dec 2019<br>HKD million | 31 Dec 2018<br>HKD million |
|--|--------------|----------------------------|----------------------------|
| Income from foreign currency related activities  |              |                            |                            |
| - Transfer pricing income  |              | 44                         | 173                        |
| - Trading gains less losses from foreign currency trading  |              | 6                          | (23)                       |
| Income from securities-related activities  |              |                            |                            |
| - Transfer pricing income  |              | 355                        | 131                        |
| Income/(loss) from derivatives-related activities  |              |                            |                            |
| - Transfer pricing income/(expense)  |              | 176                        | (1)                        |
|  |              | <u>581</u>                 | <u>280</u>                 |
| <br>   |              |                            |                            |
| 2 Net fees and commission income   |              | 31 Dec 2019<br>HKD million | 31 Dec 2018<br>HKD million |
| Gross fees and commission income   |              | 1,198                      | 1,429                      |
| Gross fees and commission expenses   |              | (86)                       | (124)                      |
|  |              | <u>1,112</u>               | <u>1,305</u>               |
| <br>   |              |                            |                            |
| 3 Operating expenses   |              | 31 Dec 2019<br>HKD million | 31 Dec 2018<br>HKD million |
| Management fee recharged from related companies  |              | (1,645)                    | (1,753)                    |
| Depreciation   |              | (20)                       | (29)                       |
| Others   |              | (49)                       | (8)                        |
|  |              | <u>(1,714)</u>             | <u>(1,790)</u>             |
| <br>   |              |                            |                            |
| 4 Investment securities  |              | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
| Financial Assets at fair value through other comprehensive   |              | <u>5,929</u>               | <u>5,700</u>               |
| <p>As at 30 Jun 2019, the Branch sold investment securities of HKD 1,435 million subject to commitments to repurchase them. The considerations received were accounted for as financial liabilities at amortised cost and disclosed as "Amount payable under repos". The securities sold were encumbered assets and are retained on the balance sheet as the Branch retains substantially all the risks and rewards of ownership.</p> <p>There were no investment securities subject to sale and repurchase agreement as of 31 Dec 2019. All investment securities held as at 31 Dec 2019 were free from encumbrances.</p> |              |                            |                            |
| <br>   |              |                            |                            |
| 5 Loans and receivables  |              | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
| Loans and advances to customers  | 8, 9, 10, 11 | 101                        | 17                         |
| Other receivables  |              |                            |                            |
| - Accrued interest   |              | 29                         | 18                         |
| - Other receivables  |              | 300                        | 267                        |
| Credit impairment charges and other provisions   |              | (1)                        | (1)                        |
|  |              | <u>429</u>                 | <u>301</u>                 |



# Barclays Bank PLC

## Hong Kong Branch

### Notes to the Financial Statements (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) 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 charges and other provisions made as at 31 Dec 2019 and 30 Jun 2019 represented the Stage 1 ECL provision on loans and advances to customers and loan commitments.

#### 6 Deposits from customers

|                                      | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
|--------------------------------------|----------------------------|----------------------------|
| Demand deposits and current accounts | 46                         | 48                         |
| Time, call and notice deposits       | 1,025                      | 924                        |
|                                      | <u>1,071</u>               | <u>972</u>                 |

#### 7 Other liabilities

|                   | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
|-------------------|----------------------------|----------------------------|
| Accrued interest  | 8                          | 15                         |
| Other liabilities | 353                        | 493                        |
|                   | <u>361</u>                 | <u>508</u>                 |

#### 8 Analysis of advances to customers by industry sector

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

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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 31 Dec 2019 and 30

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

**10 Repossessed assets**

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

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

|       | 31 Dec 2019<br>HKD million | 30 Jun 2019<br>HKD million |
|-------|----------------------------|----------------------------|
| Macau | 101                        | 17                         |
|       | <u>101</u>                 | <u>17</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**

|  | 31 Dec 2019<br>HKD million |                            |  |   | Total |
|--|----------------------------|----------------------------|--|---|-------|
|  | <u>Banks</u>               | <u>Official<br/>sector</u> | <u>Non-bank private sector</u>                 |   |       |
|  |                            |                            | <u>Non-bank<br/>financial<br/>institutions</u> | <u>Non-financial<br/>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 |

  

|  | 30 Jun 2019<br>HKD million |                            |  |   | Total |
|--|----------------------------|----------------------------|--|---|-------|
|  | <u>Banks</u>               | <u>Official<br/>sector</u> | <u>Non-bank private sector</u>                 |   |       |
|  |                            |                            | <u>Non-bank<br/>financial<br/>institutions</u> | <u>Non-financial<br/>private sector</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 |
| Offshore centres   | 302                        | -                          | 5  | 38                                      | 345   |
| <i>of which</i> Hong Kong SAR  | 302                        | -                          | 5  | 21                                      | 328   |

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

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

**13 Non-bank Mainland exposures**

|  | 31 Dec 2019<br>HKD million               |   |              |
|--|--|---|--------------|
|  | <u>On-balance<br/>sheet<br/>exposure</u> | <u>Off-balance<br/>sheet<br/>exposure</u> | <u>Total</u> |
| Central government, central government-owned entities and their subsidiaries and JVs | -  | 49  | 49           |
| <b>Total</b>   | <b>-</b>                                 | <b>49</b>                                 | <b>49</b>    |
| Total assets after provision   | 12,933                                   |   |              |
| On-balance sheet exposure as percentage of total assets                              | 0.00%                                    |   |              |

|  | 30 Jun 2019<br>HKD million               |   |              |
|--|--|---|--------------|
|  | <u>On-balance<br/>sheet<br/>exposure</u> | <u>Off-balance<br/>sheet<br/>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%                                    |   |              |

**14 Currency Risk**

|                                  | 31 Dec 2019<br>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             | -                          | -           | -             | -            |
| <b>Net long/(short) position</b> | <b>53</b>                  | <b>(55)</b> | <b>-</b>      | <b>(2)</b>   |

|                                  | 30 Jun 2019<br>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             | -                          | -           | -             | -            |
| <b>Net long/(short) position</b> | <b>22</b>                  | <b>(14)</b> | <b>-</b>      | <b>8</b>     |

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

# Barclays Bank PLC

## Hong Kong Branch

### SECTION B - Barclays PLC

#### Consolidated Financial Information

#### As at 31 Dec 2019

| Capital ratio (Note 1)  | 31 Dec 2019        | 30 Jun 2019        |
|---|--------------------|--------------------|
| Total Regulatory Capital  | 21.6%              | 21.4%              |
| Common Equity Tier 1 (CET1)   | 13.8%              | 13.4%              |
| <b>Total Shareholders' equity (excluding non-controlling interests)</b> | <b>31 Dec 2019</b> | <b>30 Jun 2019</b> |
|   | GBP million        | GBP million        |
|   | 64,429             | 67,576             |
| <b>Other financial information</b>                                      | <b>31 Dec 2019</b> | <b>30 Jun 2019</b> |
|   | GBP million        | GBP million        |
| <b>Balance sheet</b>  |                    |                    |
| Total assets  | 1,140,229          | 1,232,822          |
| Total liabilities   | 1,074,569          | 1,164,025          |
| Total loans and advance at amortised cost                               | 339,115            | 339,319            |
| Total deposits at amortised cost (Note 2)                               | 415,787            | 413,596            |
|   | <b>31 Dec 2019</b> | <b>31 Dec 2018</b> |
|   | GBP million        | GBP million        |
| <b>Profit and Loss</b>  |                    |                    |
| Pre-tax profit for the financial period                                 | 4,357              | 3,494              |

#### 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) Comparative figures have been restated where necessary to conform with the current year's presentation. The information disclosed in this statement is not audited.

# Barclays Bank PLC Hong Kong Branch

## SECTION B - Barclays PLC Consolidated Financial Information (continued) As at 31 Dec 2019

### Notes (continued)

(4) Further details regarding Barclays PLC can be obtained from the 2019 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 "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