

**Barclays Bank Plc
Hong Kong Branch**

Key Financial Information Disclosure Statement

As at 30 June 2015



Barclays Bank PLC

Hong Kong Branch

SECTION A - Branch Information (Hong Kong office only)

Income statement

For the period ended 30 June 2015

	Notes	30 Jun 2015 HKD million	30 Jun 2014 HKD million
Interest Income		190	157
Interest expense		<u>(135)</u>	<u>(94)</u>
Net Interest income		55	63
Other operating income	1	842	404
Net fees and commission income	2	1,011	822
Operating expenses	3	<u>(1,572)</u>	<u>(1,959)</u>
Profit / (loss) before taxation		<u>336</u>	<u>(670)</u>
Tax (expense) / credit		<u>(33)</u>	<u>135</u>
Profit / (loss) after taxation		<u><u>303</u></u>	<u><u>(535)</u></u>

Balance sheet

As at 30 June 2015

		30 Jun 2015 HKD million	31 Dec 2014 HKD million
Assets			
Cash and balances with banks		1,264	1,518
Amount due from overseas offices		24,519	31,555
Securities held for trading purposes		523	1,821
Investment securities		21	21
Loans and receivables	4	23,140	18,706
Property, plant and equipment and investment properties		<u>220</u>	<u>257</u>
Total Assets		<u><u>49,687</u></u>	<u><u>53,878</u></u>
Liabilities			
Deposits and balances from banks		413	7,745
Deposits from customers	5	9,286	7,950
Amount due to overseas offices		24,141	27,848
Other liabilities	6	<u>15,847</u>	<u>10,335</u>
Total Liabilities		<u><u>49,687</u></u>	<u><u>53,878</u></u>

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Off-balance sheet and Liquidity Information As at 30 June 2015

	30 Jun 2015 HKD million	31 Dec 2014 HKD million
Contingent liabilities and commitments		
Direct credit substitutes	1,333	1,361
Trade-related contingencies	657	699
Other commitments	1,263	1,064
Others	1,403	2,212

Derivatives instruments

	30 Jun 2015 HKD million		
	Fair Value Assets	Fair Value Liabilities	Total Notional Amount
Exchange rate-related derivative contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	143	147	57,450
Others	86	86	1,518
	<u>229</u>	<u>233</u>	<u>58,968</u>

	31 Dec 2014 HKD million		
	Fair Value Assets	Fair Value Liabilities	Total Notional Amount
Exchange rate-related derivative contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	189	128	36,860
Others	72	72	897
	<u>261</u>	<u>200</u>	<u>37,757</u>

Liquidity Maintenance Ratio ("LMR")	30 Jun 2015
Average LMR for the financial period	83.7%
Liquidity Ratio	30 Jun 2014
Average liquidity ratio for the financial period	145.5%

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.

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Notes to the Financial Statements

	Notes	30 Jun 2015 HKD million	30 Jun 2014 HKD million
1 Other operating income			
Income from foreign currency related activities			
- Transfer pricing income		71	68
- Trading gains less losses from foreign currency trading		(2)	4
Income from securities-related activities			
- Transfer pricing income		803	191
- Trading gains less losses from securities trading		(13)	39
Income from derivatives-related activities			
- Transfer pricing (expense) / income		(17)	74
- Trading gains less losses from derivatives trading		-	28
		<u>842</u>	<u>404</u>
2 Net fees and commission income			
Gross fees and commission income		1,157	984
Gross fees and commission expenses		(146)	(162)
		<u>1,011</u>	<u>822</u>
3 Operating expenses			
Management fee recharge expense to related companies		(1,533)	(1,922)
Depreciation		(38)	(35)
Others		(1)	(2)
		<u>(1,572)</u>	<u>(1,959)</u>
		30 Jun 2015 HKD million	31 Dec 2014 HKD million
4 Loans and receivables			
Loans and advances to customers	7, 8, 10	6,498	7,133
Other receivables			
- Equity and debt securities settlement balances		14,662	9,645
- Accrued interest and other receivables		1,980	1,928
		<u>23,140</u>	<u>18,706</u>
Impairment allowances for loans and receivables booked at Head Office			
- collective impairment allowances		(2)	(3)
5 Deposits from customers			
Demand deposits and current accounts		2,199	1,484
Time, call and notice deposits		7,087	6,466
		<u>9,286</u>	<u>7,950</u>
6 Other liabilities			
Short Position on securities held for trading purposes		-	48
Equity and debt securities settlement balances		14,629	9,555
Accrued interest and other liabilities		1,218	732
		<u>15,847</u>	<u>10,335</u>

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Notes to the Financial Statements (continued)

7 Analysis of advances to customers by industry sector

	30 Jun 2015 HKD million		31 Dec 2014 HKD million	
	Secured	Unsecured	Secured	Unsecured
Loans and advances for use in Hong Kong		<u>Total</u>		<u>Total</u>
Industrial, commercial and financial				
- Property investment	62	-	78	-
- Financial concerns	3,030	468	2,738	1,137
Individuals				
- Loans for the purchase of other residential properties	64	-	86	-
- Others	1,885	19	2,279	2
Loans and advances for use outside Hong Kong	-	970	-	813
Total loans and advances to customers	5,041	1,457	5,181	1,952

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 30 Jun 2015 and 31 Dec 2014.

The branch did not have impaired loans and advances to customers and banks as at 30 Jun 2015 and 31 Dec 2014.

9 Repossessed assets

The branch did not have any repossessed assets as at 30 Jun 2015 and 31 Dec 2014.

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Notes to the Financial Statements (continued)

	30 Jun 2015 HKD million	31 Dec 2014 HKD million
10 Loans and advances to customers by geography		
Hong Kong	3,560	4,447
Singapore	917	830
China	831	598
Others	1,190	1,258
	<u>6,498</u>	<u>7,133</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

	30 Jun 2015 HKD million		
	<u>Non-bank</u>		
<u>Developed countries</u>	<u>Banks</u>	<u>private sector</u>	<u>Total</u>
United Kingdom (excludes Guernsey, Isle of Man and Jersey)	24,876	7,047	31,923
	31 Dec 2014 HKD million		
	<u>Non-bank</u>		
<u>Developed countries</u>	<u>Banks</u>	<u>private sector</u>	<u>Total</u>
United Kingdom (excludes Guernsey, Isle of Man and Jersey)	31,878	5,593	37,471

International claims information discloses exposures in relation 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

	30 Jun 2015 HKD million	31 Dec 2014 HKD million
Central government, central government-owned entities and their subsidiaries and joint ventures		
- On balance sheet exposures	465	464
- Off balance sheet exposures	310	310
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures		
- On balance sheet exposures	209	178
- Off balance sheet exposures	4	8
Other entities incorporated outside Mainland China and minority-owned by the central government		
- On balance sheet exposures	386	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	88	231
- Off balance sheet exposures	258	129
Other counterparties where the exposures are considered to be non-bank Mainland China exposures		
- On balance sheet exposures	556	381
- Off balance sheet exposures	1	2
Total	<u>2,277</u>	<u>2,089</u>

13 Currency Risk

	30 Jun 2015 HKD million				
	<u>USD</u>	<u>RMB</u>	<u>INR</u>	<u>Others</u>	<u>Total</u>
Spot assets	7,746	4,151	-	2,858	14,755
Spot liabilities	(17,350)	(2,658)	2	(2,835)	(22,841)
Forward purchases	30,709	2,017	255	1,836	34,817
Forward sales	(21,096)	(3,533)	(255)	(1,858)	(26,742)
Net options position	-	-	-	-	-
Net long (short) position	<u>9</u>	<u>(23)</u>	<u>2</u>	<u>1</u>	<u>(11)</u>
	31 Dec 2014 HKD million				
	<u>USD</u>	<u>RMB</u>	<u>INR</u>	<u>Others</u>	<u>Total</u>
Spot assets	23,586	5,534	-	2,836	31,956
Spot liabilities	(24,001)	(2,910)	2	(2,801)	(29,710)
Forward purchases	16,897	1,889	12	697	19,495
Forward sales	(16,463)	(4,567)	(12)	(732)	(21,774)
Net options position	-	-	-	-	-
Net long (short) position	<u>19</u>	<u>(54)</u>	<u>2</u>	<u>-</u>	<u>(33)</u>

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SECTION B - Barclays PLC

Consolidated Financial Information

As at 30 June 2015

	30 Jun 2015	31 Dec 2014
Capital ratio (Note 1)		
PRA Transitional Total Capital	17.4%	16.5%
Fully Loaded Common Equity Tier 1	11.1%	10.3%
	30 Jun 2015	31 Dec 2014
	GBP million	GBP million
Total Shareholders' equity (excluding non-controlling interests)	59,281	59,567
Other financial information		
Balance sheet		
Total assets	1,196,719	1,357,906
Total liabilities	1,131,144	1,291,948
Total loans and advances	475,267	469,878
Total customer deposits	438,270	427,704
	30 Jun 2015	30 Jun 2014
	GBP million	GBP million
Profit and Loss		
Pre-tax profit for the financial period	3,114	2,501

Note

(1) The Capital Requirements Regulation (CRR) and Capital Requirements Directive 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 in the United Kingdom by the Prudential Regulation Authority's (PRA) rulebook, including the implementation of transitional rules. The capital ratios are calculated based on Barclays' interpretation of those rules.

The Transitional Total Capital is computed after the application of the transitional provisions set out in the CRD IV regulation, comprising of the phasing in of CRD IV changes and phasing out of Basel 2.5 between 2014 and 2018.

The fully Loaded Common Equity Tier 1 ratio is the 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 regulation.

- (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 Remuneration Policy set by the 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 Interim Annual Report at 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