

Barclays Bank PLC
Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 Jun 2021



Barclays Bank PLC

Hong Kong Branch

SECTION A - Branch Information (Hong Kong office only)

Income statement

For the period ended 30 Jun 2021

	Notes	30 Jun 2021 HKD million	30 Jun 2020 HKD million
Interest Income		47	151
Interest expense		(27)	(65)
Net Interest income		<u>20</u>	<u>86</u>
Other operating income	1	714	392
Net fees and commission income	2	495	653
Operating expenses	3	(960)	(781)
Credit impairment allowance		<u>(4)</u>	<u>(2)</u>
Profit before taxation for the period		265	348
Tax expense		<u>(46)</u>	<u>(52)</u>
Profit after taxation for the period		<u><u>219</u></u>	<u><u>296</u></u>

Balance sheet

As at 30 Jun 2021

		30 Jun 2021 HKD million	31 Dec 2020 HKD million
Assets			
Cash and balances with banks		412	351
Amount due from Exchange Fund		141	125
Amount due from overseas offices		3,298	8,028
Investment securities	4	500	643
Loans and receivables	5	214	295
Other accounts		184	257
Deferred tax assets		335	381
Property, plant and equipment and investment properties		<u>49</u>	<u>53</u>
Total Assets		<u><u>5,133</u></u>	<u><u>10,133</u></u>
Liabilities			
Deposits and balances from banks		932	-
Deposits from customers	6	1,237	1,353
Amount due to Exchange Fund		-	388
Amount due to overseas offices		2,752	8,237
Other liabilities	7	<u>212</u>	<u>155</u>
Total Liabilities		<u><u>5,133</u></u>	<u><u>10,133</u></u>

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Off-balance sheet and liquidity information As at 30 Jun 2021

	30 Jun 2021 HKD million	31 Dec 2020 HKD million
Contingent liabilities and commitments		
Trade-related contingencies	333	335
Other commitments	160	76

Derivatives instruments

	30 Jun 2021 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	94	97	18,522
	<u>94</u>	<u>97</u>	<u>18,522</u>
	31 Dec 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	168	174	18,902
	<u>168</u>	<u>174</u>	<u>18,902</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 2021	For the quarter ended 30 Jun 2020
Average Liquidity Maintenance Ratio for the financial reporting period	404.75%	174.67%

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.

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Notes to the Financial Information Disclosure Statement

1 Other operating income	Notes	30 Jun 2021 HKD million	30 Jun 2020 HKD million
Income from foreign currency related activities			
- Transfer pricing income		84	28
- Trading gains less losses from foreign currency trading		(3)	(1)
Income from securities-related activities			
- Transfer pricing income		432	58
Income from derivatives-related activities			
- Transfer pricing income		201	307
		<u>714</u>	<u>392</u>
2 Net fees and commission income		30 Jun 2021 HKD million	30 Jun 2020 HKD million
Gross fees and commission income		567	704
Gross fees and commission expenses		(72)	(51)
		<u>495</u>	<u>653</u>
3 Operating expenses		30 Jun 2021 HKD million	30 Jun 2020 HKD million
Management fee recharged from related companies		(947)	(766)
Depreciation		(10)	(9)
Others		(3)	(6)
		<u>(960)</u>	<u>(781)</u>
4 Investment securities		30 Jun 2021 HKD million	31 Dec 2020 HKD million
Financial Assets at fair value through other comprehensive income		<u>500</u>	<u>643</u>
There were no investment securities subject to sale and repurchase agreement as of 30 Jun 2021 and 31 Dec 2020. All investment securities held were free from encumbrances.			
5 Loans and receivables		30 Jun 2021 HKD million	31 Dec 2020 HKD million
Loans and advances to customers	8, 9, 10, 11	34	118
Other receivables			
- Accrued interest		-	1
- Other receivables		191	180
Credit impairment allowance		(11)	(4)
		<u>214</u>	<u>295</u>

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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). An allowance (or provision for loan commitments and trade-related contingent items) is 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 ECLs are calculated using three main components as follows:

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

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and EAD discounted at the original effective interest rate.

For the IFRS 9 impairment assessment, Barclays Group's risk models are used to determine PD, LGD and EAD. To reflect changes in policy or correct impairment model performance issues identified through model monitoring, management adjustments to impairment models for calculation of ECL allowances are applied by the Group in the ordinary course of business in response to circumstances or uncertainty at the period end. In limited circumstances where known or expected risk factors or information has not been considered in the ECL assessment or modelling process, temporary adjustments to ECL allowance may also be applied.

The credit impairment allowances made by Barclays Bank PLC Hong Kong Branch as at 30 Jun 2021 and 31 Dec 2020 represent Stage 2 and Stage 1 ECL for loan and advances to customers and loan commitments respectively. These credit impairment allowances are assessed on a collective basis.

6 Deposits from customers	30 Jun 2021 HKD million	31 Dec 2020 HKD million
Demand deposits and current accounts	41	43
Time, call and notice deposits	1,196	1,310
	<u>1,237</u>	<u>1,353</u>

7 Other liabilities	30 Jun 2021 HKD million	31 Dec 2020 HKD million
Accrued interest	2	5
Other liabilities	210	150
	<u>212</u>	<u>155</u>

8 Analysis of advances to customers by industry sector

	30 Jun 2021 HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	34	34
Total loans and advances to customers	<u>-</u>	<u>34</u>	<u>34</u>
	31 Dec 2020 HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	118	118
Total loans and advances to customers	<u>-</u>	<u>118</u>	<u>118</u>

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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 2021 and 31 Dec 2020.

The Branch did not have any impaired loans and advances to customers and banks as at 30 Jun 2021 and 31 Dec 2020.

10 Repossessed assets

The Branch did not have any repossessed assets as at 30 Jun 2021 and 31 Dec 2020.

11 Loans and advances to customers by country or geographical segment

	30 Jun 2021 HKD million	31 Dec 2020 HKD million
Macau	34	118
	<u>34</u>	<u>118</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 2021 HKD million				<u>Total</u>
	<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	3,599	-	4	-	3,603
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	3,599	-	-	-	3,599
Offshore centres	411	-	-	34	445
<i>of which</i> Hong Kong SAR	411	-	-	-	411
	31 Dec 2020 HKD million				
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		<u>Total</u>
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	
Developed countries	8,348	-	-	-	8,348
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	8,343	-	-	-	8,343
Offshore centres	351	-	-	118	469
<i>of which</i> Hong Kong SAR	351	-	-	-	351

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.

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Notes to the Financial Information Disclosure Statement (continued)

13 Non-bank Mainland exposures

	30 Jun 2021 HKD million		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	-	6	6
Total	<u>-</u>	<u>6</u>	<u>6</u>
Total assets after provision	5,133		
On-balance sheet exposure as percentage of total assets	0.00%		

The Branch did not have any Mainland exposures to non-bank counterparties as of 31 Dec 2020.

14 Currency Risk

	30 Jun 2021 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	504	46	8	558
Spot liabilities	(2,044)	(8)	(9)	(2,061)
Forward purchases	9,978	5,512	708	16,198
Forward sales	(8,438)	(5,550)	(707)	(14,695)
Net options position	-	-	-	-
Net long/(short) position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	31 Dec 2020 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	397	2,465	7	2,869
Spot liabilities	(7,143)	(19)	(7)	(7,169)
Forward purchases	15,275	2,777	-	18,052
Forward sales	(8,528)	(5,226)	-	(13,754)
Net options position	-	-	-	-
Net long/(short) position	<u>1</u>	<u>(3)</u>	<u>-</u>	<u>(2)</u>

The Branch had no structural positions in any particular foreign currency as at 30 Jun 2021 and 31 Dec 2020.

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SECTION B - Barclays PLC

Consolidated Financial Information

As at 30 Jun 2021

Capital ratio (Note 1)	30 Jun 2021	31 Dec 2020
Total Regulatory Capital	22.3%	22.1%
Common Equity Tier 1 (CET1)	15.1%	15.1%
Total Shareholders' equity (excluding non-controlling interests)	30 Jun 2021	31 Dec 2020
	GBP million	GBP million
	67,052	65,797
Other financial information	30 Jun 2021	31 Dec 2020
	GBP million	GBP million
Balance sheet		
Total assets	1,376,333	1,349,514
Total liabilities	1,308,217	1,282,632
Total loans and advance at amortised cost	348,549	342,632
Total deposits at amortised cost (Note 2)	500,895	481,036
	30 Jun 2021	30 Jun 2020
	GBP million	GBP million
Profit and Loss		
Pre-tax profit for the financial period	4,979	1,272

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 2020 are set out in the remuneration report in the Barclays PLC Annual Report 2020. A report on the quantitative remuneration disclosures for Barclays Bank PLC Hong Kong Branch for 2020 which supplements the qualitative remuneration disclosures for 2020 is now available for public access at 41/F Reception, Cheung Kong Center.

(4) Further details regarding Barclays PLC can be obtained from the 2021 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