



BNP Paribas Hong Kong Branch

(Incorporated in France with Limited Liability)

FINANCIAL DISCLOSURE STATEMENT

As at 31 December 2022

SECTION A – HONG KONG BRANCH INFORMATION

I. Income Statement Information	31 Dec 2022	31 Dec 2021
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	7,303,033	3,979,766
Interest expense	(4,422,700)	(1,069,673)
Other operating income		
- Gains less losses arising from trading in foreign currencies	(110,860)	(224,639)
- Gains less losses on securities held for trading purposes	(88,882)	(6,799)
- Gains less losses from other trading activities	245,107	89,253
- Net fees and commission income		
- Fees and commission income	4,131,109	4,712,711
- Fees and commission expenses	(880,266)	(950,839)
- Others	663,853	(84,421)
Operating expenses		
- Staff and rental expenses	(3,563,568)	(3,287,841)
- Other expenses	(1,472,532)	(1,210,454)
- Net write back for other provisions	-	7
Net charge for impaired loans and receivables	(594,603)	(79,429)
Gains less losses from the disposal of property, plant and equipment and investment properties	(1,180)	(86)
Profit before taxation	1,208,511	1,867,556
Tax expense	(119,293)	(342,128)
Profit after taxation	1,089,218	1,525,428
	31 Dec 2022	30 Jun 2022
	<i>HKD'000s</i>	<i>HKD'000s</i>
II Balance Sheet Information		
Assets		
(i) Cash and balances with banks (except those included in amount due from overseas offices of BNP Paribas)	4,083,988	3,698,163
(ii) Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices of BNP Paribas)	275,140	-
(iii) Amount due from overseas offices of BNP Paribas	109,617,872	126,612,627
(iv) Trade bills	3,798,194	7,917,830
(v) Certificates of deposit held	-	-
(vi) Securities held for trading purposes	3,294,868	6,714,565
(vii) Loans and receivables		
- Loans and advances to customers	129,228,150	139,657,280
- Loans and advances to banks	-	-
- Other accounts	38,472,131	40,058,315
- Provisions for impaired loans and receivables		
Specific provisions	(985,126)	(1,108,525)
Collective provisions	(437,587)	(375,937)
(viii) Investment securities	26,394,791	22,665,322
Specific provisions	-	(335)
(ix) Other investments	42,565	10,748
(x) Property, plant and equipment and investment properties	166,393	175,647
(xi) Amount receivable under reverse repos	276,984	273,316
(xii) Goodwill	786,594	917,693
(xiii) Total assets	315,014,957	347,216,709
Liabilities		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	9,102,876	14,836,152
(ii) Deposits from customers		
- Demand deposits and current accounts	23,957,586	27,483,459
- Time, call and notice deposits	174,737,519	158,710,698
(iii) Amount due to overseas offices of BNP Paribas	59,500,151	92,974,383
(iv) Certificates of deposit issued	2,533,511	1,068,693
(v) Issued debt securities	16,450,649	20,359,069
(vi) Amount payable under repos	313,325	3,391,135
(vii) Other liabilities	28,419,340	28,393,120
(viii) Total liabilities	315,014,957	347,216,709

III Additional Balance Sheet Information

	31 Dec 2022		30 Jun 2022	
	HKD'000s	% to total loans and advances to customers	HKD'000s	% to total loans and advances to customers
(i) Loans and Advances to Customers				
1. Impaired loans and advances* to customers				
- The amount of impaired loans and advances	1,434,644	1.11%	1,520,147	1.09%
- The amount of specific provisions	842,368	0.65%	958,556	0.69%
- The amount of collective provisions	3,453	0.00%	12,930	0.01%
- Market value of collateral	140,850		240,022	
Covered portion of total overdue loans and advances	73		-	
Uncovered portion of total overdue loans and advances	332,411		490,519	
2. Impaired loans and advances to banks	83		-	

* Impaired loans are advances to customers which have been classified as “substandard”, “doubtful” and “loss” in accordance with the HKMA Return of Loans and Advances and Provisions (Form MA(BS)2A) completion instructions.

(ii) Sector Information

	31 Dec 2022		30 Jun 2022	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	6,675,610	48%	6,842,493	49%
- Property investment	4,653,787	70%	4,686,167	69%
- Financial concerns	10,833,902	36%	12,867,948	35%
- Stockbrokers	8,039	0%	-	0%
- Wholesale and retail trade	6,097,235	31%	6,749,504	31%
- Manufacturing	11,644,687	5%	10,246,888	4%
- Transport and transport equipment	16,650,004	95%	19,284,737	92%
- Recreational activities	764,397	23%	701,950	0%
- Information technology	1,387,902	11%	1,333,803	12%
- Others	12,329,190	31%	9,781,135	35%
Individuals				
- Loans for the purchase of other residential properties	-	0%	-	0%
- Others	8,818,243	100%	10,339,463	99%
2. Trade finance	13,523,507	5%	15,149,710	7%
3. Loans and advances for use outside Hong Kong	35,841,647	56%	41,673,482	56%
Total loans and advances to customers	129,228,150		139,657,280	

(iii) Non-Bank Mainland China Exposures

Equivalent in HKD Millions Type of counterparties	31 Dec 2022		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	11,559	2,005	13,564
2. Local governments, local government-owned entities and their subsidiaries and JVs	5,123	1,732	6,855
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	16,157	10,401	26,558
4. Other entities of central government not reported in item 1 above	1,166	6	1,172
5. Other entities of local governments not reported in item 2 above	141	-	141
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,028	6,094	11,122
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	4,827	182	5,009
Total	44,001	20,420	64,421
Total assets after provision	315,015		
On-balance sheet exposures as percentage of total assets	13.97%		
Equivalent in HKD Millions Type of counterparties	30 Jun 2022		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	14,858	3,595	18,453
2. Local governments, local government-owned entities and their subsidiaries and JVs	6,130	2,935	9,065
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	18,207	12,258	30,465
4. Other entities of central government not reported in item 1 above	1,867	43	1,910
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,061	8,778	14,839
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	5,383	522	5,905
Total	52,506	28,131	80,637
Total assets after provision	347,217		
On-balance sheet exposures as percentage of total assets	15.12%		

(iv) International Claims by Major Countries or Geographical Segments

International claims are exposures of counterparties based on the location of the counterparties after taking into account any recognized risk transfer. International claims on individual geographical areas amounting to 10% or more of the total international claims are as follows :

<i>Equivalent in HKD Millions</i>	31 Dec 2022					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	112,925	4,277	18,938	14,916	-	151,056
<i>of which France</i>	111,834	-	17,497	3,160	-	132,491
2. Developing Asia Pacific	3,267	2,479	708	14,687	-	21,141
3. Offshore centres	44	-	5,709	75,617	-	81,370
<i>of which Hong Kong</i>	29	-	2,376	32,033	-	34,438

<i>Equivalent in HKD Millions</i>	30 Jun 2022					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	131,374	4,728	22,389	13,908	-	172,399
<i>of which France</i>	129,833	-	20,990	3,102	-	153,925
2. Developing Asia Pacific	5,591	5,025	2,855	16,458	-	29,929
3. Offshore centres	310	-	4,758	83,023	-	88,091
<i>of which Hong Kong</i>	55	-	1,387	35,846	-	37,288

(v) Loans and Advances to Customers by Geographical Segments

The analysis of loans and advances to customers by geographical segments, which is significant according to location of the counterparties after taking into account any recognized risk transfer (constitute 10% or more of the total loans and advances to customers), are as follows :

<i>Equivalent in HKD Millions</i>	31 Dec 2022			30 Jun 2022		
	Total loans and advances to customers	Loans and advances overdue over 3 months	Impaired loans and advances to customers	Total loans and advances to customers	Loans and advances overdue over 3 months	Impaired loans and advances to customers
Hong Kong	51,732	106	386	57,043	131	312
British Virgin Islands	21,809	-	-	23,332	176	176
Cayman Islands	13,420	-	68	14,423	-	68
Others	42,267	226	981	44,859	184	964
Total	129,228	332	1,435	139,657	491	1,520

(vi) Currency Risk

<i>Equivalent in HKD Millions</i>	31 Dec 2022			
	USD	EUR	CNY	Total
Spot assets	148,373	52,687	23,233	224,293
Spot liabilities	(142,198)	(36,314)	(21,491)	(200,003)
Forward purchases	190,307	35,824	89,092	315,223
Forward sales	(197,008)	(54,361)	(91,234)	(342,603)
Net options position	2,349	-	(2,535)	(186)
Net long(short)position	1,823	(2,164)	(2,935)	(3,276)
Net structural position	-	-	-	-

<i>Equivalent in HKD Millions</i>	30 Jun 2022			
	USD	EUR	CNY	Total
Spot assets	184,341	54,684	23,217	262,242
Spot liabilities	(181,328)	(41,053)	(21,243)	(243,624)
Forward purchases	252,476	64,987	116,602	434,065
Forward sales	(255,677)	(80,874)	(119,273)	(455,824)
Net options position	-	(87)	1	(86)
Net long(short)position	(188)	(2,343)	(696)	(3,227)
Net structural position	-	-	-	-

Net position (in absolute terms) in a particular foreign currency constitute not less than 10% of the institution's total net position in all foreign currencies. The net option position is calculated using the delta equivalent approach.

(vii) Overdue or Rescheduled Assets

	31 Dec 2022		30 Jun 2022	
	<i>HKD'000s</i>	<i>% to total loans and advances to customers</i>	<i>HKD'000s</i>	<i>% to total loans and advances to customers</i>
1. Loans and advances to customers which have been overdue for				
- more than 3 months but not more than 6 months	15,566	0.01%	-	0.00%
- more than 6 months but not more than one year	32,030	0.02%	-	0.00%
- more than one year	284,888	0.22%	490,519	0.35%
- The amount of specific provisions	281,947		478,706	
- Market value of collateral	73		-	
The collateral held in respect of the overdue loans and advances to customers is deposit.				
2. Other assets to customers which have been overdue for				
- more than 3 months but not more than 6 months	-		-	
- more than 6 months but not more than one year	-		-	
- more than one year	-		335	
3. Rescheduled assets to customers, excluding those which have been overdue for more than 3 months	801,640	0.62%	774,151	0.55%
4. Loans and advances to banks which have been overdue for				
- more than 3 months but not more than 6 months	-	0.00%	-	0.00%
5. No rescheduled assets to banks as at 31 Dec 2022 and 30 Jun 2022.				
6. No repossessed assets as at 31 Dec 2022 and 30 Jun 2022.				

IV. Off Balance Sheet Exposures

	31 Dec 2022	30 Jun 2022
	<i>HKD'000s</i>	<i>HKD'000s</i>
1. Contingent liabilities and commitments		
- Direct credit substitutes	4,871,365	6,540,406
- Transaction-related contingencies	10,991,975	9,884,061
- Trade-related contingencies	12,816,011	19,778,669
- Other commitments	193,044,929	184,032,698
- Others	18,694,669	42,599,281
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	513,491,127	622,288,393
- Interest rate contracts	132,412,624	151,874,364
- Others	25,467,687	24,330,689
3. Total fair value of derivatives		
- Exchange rate contracts**	(1,145,487)	(386,438)
- Interest rate contracts	187,408	(80,285)
- Others	(1,343,932)	(1,891,412)

** Excluding forward foreign exchange contracts arising from swap deposit arrangements.

V. Liquidity Information Disclosure**(i) Liquidity Maintenance Ratio (LMR)**

	31 Dec 2022	31 Dec 2021
Average LMR for 3 months period	49.19%	46.57%

The average liquidity maintenance ratio is the arithmetic mean of each months' average LMR calculated in accordance with the Banking (Liquidity) Rules.

(ii) Core Funding Ratio (CFR)

	31 Dec 2022	31 Dec 2021
Average CFR for 3 months period	125.02%	113.03%

The average core funding ratio is the arithmetic mean of each months' average CFR calculated in accordance with the Banking (Liquidity) Rules.

Details of liquidity information can be found in the News & Press section of our website www.bnpparibas.com.hk.