

SECTION A – HONG KONG BRANCH INFORMATION
I. Income Statement Information

	30 Jun 2019	30 Jun 2018
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	3,597,854	2,809,435
Interest expense	(2,462,134)	(1,566,632)
Other operating income		
- Gains less losses arising from trading in foreign currencies	70,832	333,252
- Gains less losses on securities held for trading purposes	3,860	113,934
- Gains less losses from other trading activities	144,465	(16,317)
- Net fees and commission income		
- Fees and commission income	1,608,281	946,504
- Fees and commission expenses	(116,677)	(399,986)
- Others	781	998
Operating expenses		
- Staff and rental expenses	(1,670,347)	(1,669,781)
- Other expenses	(455,109)	(552,933)
- Net write back for other provisions	1,399	337
Net write back for impaired loans and receivables	42,801	12,750
Gains less losses from the disposal of property, plant and equipment and investment properties	(1)	-
Profit before taxation	766,005	11,561
Tax expense	(148,936)	(23,284)
Profit / (loss) after taxation	617,069	(11,723)

II Balance Sheet Information

	30 Jun 2019	31 Dec 2018
	<i>HKD'000s</i>	<i>HKD'000s</i>
Assets		
(i) Cash and balances with banks (except those included in amount due from overseas offices of BNP Paribas)	1,207,228	3,784,172
(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)	2,169,014	13,136
(iii) Amount due from overseas offices of BNP Paribas	112,345,789	117,675,427
(iv) Trade bills	12,647,805	10,750,375
(v) Securities held for trading purposes	10,040,003	7,433,756
(vi) Loans and receivables		
- Loans and advances to customers	128,861,352	118,704,963
- Loans and advances to banks	1,427,222	2,649,766
- Other accounts	32,537,200	36,655,759
- Provisions for impaired loans and receivables		
Specific provisions	(466,398)	(492,872)
Collective provisions	(130,345)	(169,996)
(vii) Investment securities	19,264,230	22,206,185
Specific provisions	(435)	(1,533)
(viii) Other investments	9,730	9,737
(ix) Property, plant and equipment and investment properties	173,835	173,233
(x) Other assets	1,085,207	-
(xi) Goodwill	1,704,288	1,835,387
(xii) Total assets	322,875,725	321,227,495
Liabilities		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	23,177,105	7,403,911
(ii) Deposits from customers		
- Demand deposits and current accounts	19,224,400	24,388,164
- Time, call and notice deposits	158,984,092	153,663,355
(iii) Amount due to overseas offices of BNP Paribas	82,400,543	75,338,872
(iv) Certificates of deposit issued	1,940,428	1,988,014
(v) Issued debt securities	20,009,496	17,097,182
(vi) Other liabilities	17,139,661	41,347,997
(vii) Total liabilities	322,875,725	321,227,495

III Additional Balance Sheet Information

	30 Jun 2019		31 Dec 2018	
	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	478,564	0.37%	479,482	0.40%
- The amount of specific provisions	401,045	0.31%	382,545	0.32%
- The amount of collective provisions	4,315	0.00%	5,567	0.00%
- Market value of collateral	324,037		496,940	
Covered portion of total overdue loans and advances	198,445		199,033	
Uncovered portion of total overdue loans and advances	276,871		81,326	
2. No impaired loans and advances to banks as at 30 Jun 2019 and 31 Dec 2018.				

* 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

	30 Jun 2019		31 Dec 2018	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	3,820,714	72%	4,297,789	56%
- Property investment	2,875,979	58%	946,740	70%
- Financial concerns	10,314,771	63%	14,174,403	42%
- Stockbrokers	104,695	0%	85,464	0%
- Wholesale and retail trade	3,510,329	44%	3,968,171	31%
- Manufacturing	9,310,832	4%	8,817,118	2%
- Transport and transport equipment	13,672,257	98%	12,780,185	78%
- Recreational activities	143,157	0%	253	0%
- Information technology	2,065,024	8%	624,817	14%
- Others	3,266,758	70%	4,459,899	56%
Individuals				
- Loans for the purchase of other residential properties	1,000	100%	1,265	100%
- Others	15,508,939	100%	12,391,328	100%
2. Trade finance	20,461,960	20%	12,819,527	12%
3. Loans and advances for use outside Hong Kong	43,804,937	69%	43,338,004	65%
Total loans and advances to customers	128,861,352		118,704,963	

(iii) Non-Bank Mainland China Exposures
Equivalent in HKD Millions

Type of counterparties

	30 Jun 2019		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	8,507	4,264	12,771
2. Local governments, local government-owned entities and their subsidiaries and JVs	3,772	5,098	8,870
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	26,213	7,512	33,725
4. Other entities of central government not reported in item 1 above	479	36	515
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	4,899	7,474	12,373
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	3,036	1,712	4,748
Total	46,906	26,096	73,002
Total assets after provision	322,876		
On-balance sheet exposures as percentage of total assets	14.53%		

Equivalent in HKD Millions

Type of counterparties

	31 Dec 2018		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	8,463	3,531	11,994
2. Local governments, local government-owned entities and their subsidiaries and JVs	3,884	4,873	8,757
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	21,125	7,061	28,186
4. Other entities of central government not reported in item 1 above	463	107	570
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	4,224	6,133	10,357
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	3,540	886	4,426
Total	41,699	22,591	64,290
Total assets after provision	321,227		
On-balance sheet exposures as percentage of total assets	12.98%		

(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>	30 Jun 2019					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	118,600	-	23,301	9,914	-	151,815
<i>of which France</i>	<i>115,836</i>	-	<i>22,637</i>	<i>2,981</i>	-	<i>141,454</i>
2. Developing Asia Pacific	13,618	2,792	814	16,241	-	33,465
<i>of which China</i>	<i>13,475</i>	<i>2,792</i>	<i>814</i>	<i>11,161</i>	-	<i>28,242</i>
3. Offshore centres	352	-	1,743	72,645	-	74,740
<i>of which West Indies UK</i>	-	-	-	<i>28,255</i>	-	<i>28,255</i>
<i>of which Hong Kong</i>	<i>86</i>	-	<i>1,007</i>	<i>30,178</i>	-	<i>31,271</i>

<i>Equivalent in HKD Millions</i>	31 Dec 2018					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	129,186	1	22,595	12,790	-	164,572
<i>of which France</i>	<i>127,065</i>	-	<i>21,832</i>	<i>3,146</i>	-	<i>152,043</i>
2. Developing Asia Pacific	9,911	16	1,325	15,760	-	27,012
<i>of which China</i>	<i>9,831</i>	<i>16</i>	<i>1,325</i>	<i>11,003</i>	-	<i>22,175</i>
3. Offshore centres	121	-	1,418	63,419	-	64,958
<i>of which West Indies UK</i>	-	-	-	<i>24,708</i>	-	<i>24,708</i>
<i>of which Hong Kong</i>	<i>89</i>	-	<i>286</i>	<i>23,490</i>	-	<i>23,865</i>

(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>	30 Jun 2019			31 Dec 2018		
	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	56,067	86	89	44,509	46
British Virgin Islands	27,947	198	198	24,550	234	234
Others	44,847	191	191	49,646	-	144
Total	128,861	475	478	118,705	280	479

(vi) Currency Risk

<i>Equivalent in HKD Millions</i>	30 Jun 2019			
	USD	EUR	CNY	Total
Spot assets	138,895	60,034	16,863	215,792
Spot liabilities	(150,383)	(51,234)	(9,320)	(210,937)
Forward purchases	187,637	28,916	83,161	299,714
Forward sales	(175,022)	(37,637)	(91,659)	(304,318)
Net options position	-	-	-	-
Net long(short)position	1,127	79	(955)	251
Net structural position	-	-	-	-

<i>Equivalent in HKD Millions</i>	31 Dec 2018			
	USD	EUR	CNY	Total
Spot assets	142,393	59,892	14,134	216,419
Spot liabilities	(145,916)	(55,181)	(11,538)	(212,635)
Forward purchases	182,098	22,394	102,363	306,855
Forward sales	(178,789)	(26,564)	(105,407)	(310,760)
Net options position	-	-	-	-
Net long(short)position	(214)	541	(448)	(121)
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

	30 Jun 2019		31 Dec 2018	
	<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	92,255	0.07%	26,199	0.02%
- more than 6 months but not more than one year	164,790	0.13%	-	0.00%
- more than one year	218,272	0.17%	254,160	0.21%
- The amount of specific provisions	401,045		250,977	
- Market value of collateral	295,160		296,033	
The collateral held in respect of the overdue loans and advances to customers are metals and bank guarantee.				
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	435		1,533	
3. Rescheduled assets to customers which have been overdue for				
- more than 1 month but not more than 3 months	-	0.00%	-	0.00%
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 30 Jun 2019 and 31 Dec 2018.				
6. No repossessed assets as at 30 Jun 2019 and 31 Dec 2018.				

IV. Off Balance Sheet Exposures

	30 Jun 2019	31 Dec 2018
	<i>HKD'000s</i>	<i>HKD'000s</i>
1. Contingent liabilities and commitments		
- Direct credit substitutes	1,849,095	1,848,659
- Transaction-related contingencies	7,777,258	7,981,094
- Trade-related contingencies	21,450,954	18,798,365
- Other commitments	163,194,638	162,182,988
- Others	26,872,039	19,721,395
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	515,337,367	517,075,591
- Interest rate contracts	111,894,107	111,258,684
- Others	22,264,250	19,134,983
3. Total fair value of derivatives		
- Exchange rate contracts**	(4,928)	(56,324)
- Interest rate contracts	51,116	(12,394)
- Others	(456,620)	(2,375,619)

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

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

	30 Jun 2019	30 Jun 2018
Average LMR for 3 months period	38.31%	41.70%

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)

	30 Jun 2019	30 Jun 2018
Average CFR for 3 months period	115.10%	120.13%

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.

VI. Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a sound remuneration system issued by the Hong Kong Monetary Authority, BNP Paribas Hong Kong Branch complies with the requirements and has adopted the remuneration systems of BNP Paribas Head Office.

SECTION B – BNP PARIBAS GROUP CONSOLIDATED INFORMATION (EUR Million)

	30 Jun 2019	31 Dec 2018
Capital ratio	15.20%	15.00%
Shareholders' funds	104,135	101,467
Total assets	2,372,620	2,040,836
Total liabilities	2,264,138	1,935,110
Total loans and advances	833,975	785,427
Total customer deposits	833,265	796,548
	2019	2018
Pre-tax profit for the 6 months end 30 June	6,060	5,709

Declaration of Chief Executive Officer

We have prepared the interim financial disclosure statement of BNP Paribas, Hong Kong Branch for the six month period ended 30 June 2019. The information disclosed complies fully with the Banking (Disclosure) Rules made by Hong Kong Monetary Authority under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.

Paul YANG
Chief Executive
Hong Kong, 27 September 2019