



BNP Paribas Hong Kong Branch

(Incorporated in France with Limited Liability)

INTERIM FINANCIAL DISCLOSURE STATEMENT

As at 30 June 2020

SECTION A – HONG KONG BRANCH INFORMATION

I. Income Statement Information	30 Jun 2020	30 Jun 2019
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	2,762,406	3,597,854
Interest expense	(1,643,240)	(2,462,134)
Other operating income		
- Gains less losses arising from trading in foreign currencies	112,726	70,832
- Gains less losses on securities held for trading purposes	99,246	3,860
- Gains less losses from other trading activities	255,494	144,465
- Net fees and commission income		
- Fees and commission income	1,907,905	1,608,281
- Fees and commission expenses	(520,281)	(116,677)
- Others	84,973	781
Operating expenses		
- Staff and rental expenses	(1,386,138)	(1,670,347)
- Other expenses	(415,790)	(455,109)
- Net write back for other provisions	-	1,399
Net (charge) / write back for impaired loans and receivables	(153,591)	42,801
Gains less losses from the disposal of property, plant and equipment and investment properties	-	(1)
Profit before taxation	1,103,710	766,005
Tax expense	(158,480)	(148,936)
Profit after taxation	945,230	617,069
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II Balance Sheet Information	30 Jun 2020	31 Dec 2019
	<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)	4,292,392	4,844,917
(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)	1,162,553	3,416
(iii) Amount due from overseas offices of BNP Paribas	73,835,499	145,057,449
(iv) Trade bills	11,613,794	12,930,537
(v) Certificates of deposit held	405,072	-
(vi) Securities held for trading purposes	8,691,502	5,791,459
(vii) Loans and receivables		
- Loans and advances to customers	138,011,657	136,363,427
- Loans and advances to banks	1,088,820	1,191,858
- Other accounts	50,449,422	35,264,772
- Provisions for impaired loans and receivables		
Specific provisions	(603,887)	(463,188)
Collective provisions	(188,539)	(178,342)
(viii) Investment securities	22,640,901	27,146,415
Specific provisions	(351)	(352)
(ix) Other investments	9,514	9,624
(x) Property, plant and equipment and investment properties	188,137	189,579
(xi) Amount receivable under reverse repos	101,947	-
(xii) Goodwill	1,442,090	1,573,189
(xiii) Total assets	313,140,523	369,724,760
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Liabilities		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	23,705,223	6,730,923
(ii) Deposits from customers		
- Demand deposits and current accounts	24,263,727	18,734,551
- Time, call and notice deposits	141,078,871	155,567,511
(iii) Amount due to overseas offices of BNP Paribas	69,479,798	145,045,743
(iv) Certificates of deposit issued	-	750,000
(v) Issued debt securities	29,300,436	22,513,248
(vi) Other liabilities	25,312,468	20,382,784
(vii) Total liabilities	313,140,523	369,724,760
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III Additional Balance Sheet Information

	30 Jun 2020		31 Dec 2019	
	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	1,586,021	1.15%	443,278	0.33%
- The amount of specific provisions	513,541	0.37%	387,223	0.28%
- The amount of collective provisions	3,779	0.00%	2,736	0.00%
- Market value of collateral	368,323		324,126	
Covered portion of total overdue loans and advances	196,966		197,825	
Uncovered portion of total overdue loans and advances	215,980		212,209	
2. No impaired loans and advances to banks as at 30 Jun 2020 and 31 Dec 2019.				

* 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 2020		31 Dec 2019	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	8,729,700	40%	6,367,475	54%
- Property investment	3,453,387	71%	3,999,092	58%
- Financial concerns	8,506,378	45%	8,806,134	39%
- Stockbrokers	-	0%	-	0%
- Wholesale and retail trade	5,579,459	44%	4,747,250	51%
- Manufacturing	10,873,439	5%	10,962,025	5%
- Transport and transport equipment	19,110,026	83%	16,279,506	91%
- Recreational activities	300,341	0%	265,035	0%
- Information technology	2,218,888	14%	2,059,046	8%
- Others	7,869,372	71%	11,592,387	82%
Individuals				
- Loans for the purchase of other residential properties	501	100%	734	100%
- Others	15,094,976	100%	15,316,743	100%
2. Trade finance	13,156,134	8%	14,342,788	8%
3. Loans and advances for use outside Hong Kong	43,119,056	74%	41,625,212	72%
Total loans and advances to customers	138,011,657		136,363,427	

(iii) Non-Bank Mainland China Exposures

Equivalent in HKD Millions

Type of counterparties

	30 Jun 2020		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	16,037	3,788	19,825
2. Local governments, local government-owned entities and their subsidiaries and JVs	4,370	4,354	8,724
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	18,944	9,262	28,206
4. Other entities of central government not reported in item 1 above	-	73	73
5. Other entities of local governments not reported in item 2 above	89	-	89
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,973	7,046	14,019
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	4,327	574	4,901
Total	50,740	25,097	75,837
Total assets after provision	313,141		
On-balance sheet exposures as percentage of total assets	16.20%		

Equivalent in HKD Millions

Type of counterparties

	31 Dec 2019		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	12,474	2,713	15,187
2. Local governments, local government-owned entities and their subsidiaries and JVs	4,597	3,686	8,283
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	20,648	6,692	27,340
4. Other entities of central government not reported in item 1 above	790	52	842
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	5,397	6,901	12,298
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	4,240	1,172	5,412
Total	48,146	21,216	69,362
Total assets after provision	369,725		
On-balance sheet exposures as percentage of total assets	13.02%		

(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 2020					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries <i>of which France</i>	81,835 79,161	2,415 -	30,678 30,240	9,948 3,297	- -	124,876 112,698
2. Developing Asia Pacific <i>of which China</i>	14,660 14,581	1,959 1,959	2,248 2,248	18,393 13,037	- -	37,260 31,825
3. Offshore centres <i>of which West Indies UK</i> <i>of which Hong Kong</i>	1,181 - 990	- - -	2,051 - 787	83,209 26,954 39,824	- - -	86,441 26,954 41,601

<i>Equivalent in HKD Millions</i>	31 Dec 2019					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries <i>of which France</i>	150,462 148,842	2,551 -	22,957 22,508	10,467 3,502	- -	186,437 174,852
2. Developing Asia Pacific <i>of which China</i>	11,516 11,381	761 761	1,536 1,536	19,930 14,827	- -	33,743 28,505
3. Offshore centres <i>of which West Indies UK</i> <i>of which Hong Kong</i>	248 - 156	- - -	1,542 - 457	80,521 31,207 30,436	- - -	82,311 31,207 31,049

(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 2020			31 Dec 2019		
	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	61,177	26	175	56,301	22	55
British Virgin Islands	30,085	197	197	30,928	198	198
Others	46,750	190	1,214	49,134	190	190
Total	138,012	413	1,586	136,363	410	443

(vi) Currency Risk

<i>Equivalent in HKD Millions</i>	30 Jun 2020			
	USD	EUR	CNY	Total
Spot assets	153,865	31,165	28,459	213,489
Spot liabilities	(145,706)	(40,117)	(12,473)	(198,296)
Forward purchases	170,732	31,452	89,489	291,673
Forward sales	(180,078)	(22,564)	(103,068)	(305,710)
Net options position	-	-	4	4
Net long(short)position	(1,187)	(64)	2,411	1,160
Net structural position	-	-	-	-

<i>Equivalent in HKD Millions</i>	31 Dec 2019			
	USD	EUR	CNY	Total
Spot assets	145,442	92,574	20,395	258,411
Spot liabilities	(166,356)	(75,807)	(9,889)	(252,052)
Forward purchases	219,611	41,272	74,710	335,593
Forward sales	(197,943)	(58,416)	(85,459)	(341,818)
Net options position	-	-	-	-
Net long(short)position	754	(377)	(243)	134
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 2020		31 Dec 2019	
	HKD'000s	% to total loans and advances to customers	HKD'000s	% to total loans and advances to customers
1. Loans and advances to customers which have been overdue for				
- more than 3 months but not more than 6 months	509	0.00%	3,501	0.00%
- more than 6 months but not more than one year	7,669	0.01%	110,184	0.08%
- more than one year	404,768	0.29%	296,350	0.22%
- The amount of specific provisions	513,541		387,223	
- Market value of collateral	292,960		294,238	

The collateral held in respect of the overdue loans and advances to customers are metals.

2. Other assets to customers which have been overdue for				
- more than 3 months but not more than 6 months	23,784		-	
- more than 6 months but not more than one year	-		-	
- more than one year	351		352	
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 2020 and 31 Dec 2019.				
6. No repossessed assets as at 30 Jun 2020 and 31 Dec 2019.				

IV. Off Balance Sheet Exposures

	30 Jun 2020	31 Dec 2019
	HKD'000s	HKD'000s
1. Contingent liabilities and commitments		
- Direct credit substitutes	3,765,261	2,294,003
- Transaction-related contingencies	7,533,627	7,675,324
- Trade-related contingencies	19,480,913	17,584,230
- Other commitments	160,594,549	158,363,261
- Others	28,952,276	5,122,837
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	512,448,861	548,859,548
- Interest rate contracts	169,341,136	153,956,390
- Others	28,093,215	24,144,171
3. Total fair value of derivatives		
- Exchange rate contracts**	230,466	285,483
- Interest rate contracts	312,954	74,823
- Others	(1,516,169)	187,121

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

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

	30 Jun 2020	30 Jun 2019
Average LMR for 3 months period	38.55%	38.31%

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 2020	30 Jun 2019
Average CFR for 3 months period	101.56%	115.10%

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.

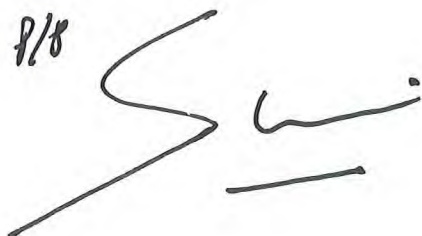
SECTION B – BNP PARIBAS GROUP CONSOLIDATED INFORMATION (EUR Million)

	<u>30 Jun 2020</u>	<u>31 Dec 2019</u>
Capital ratio	15.90%	15.50%
Shareholders' funds	111,469	107,453
Total assets	2,622,988	2,164,713
Total liabilities	2,506,951	2,052,868
Total loans and advances	873,941	827,469
Total customer deposits	963,183	834,667
	<u>2020</u>	<u>2019</u>
Pre-tax profit for the 6 months end 30 June	4,921	6,060

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 2020. 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.

Hugo LEUNG
Chief Executive
Hong Kong, 25 September 2020

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Fabien Simon-Leclerc
Chief Operating Officer, Hong Kong