



BNP Paribas Hong Kong Branch
(Incorporated in France with Limited Liability)
INTERIM FINANCIAL DISCLOSURE STATEMENT
As at 30 June 2024

SECTION A – HONG KONG BRANCH INFORMATION

I. Income Statement Information

	<u>30 Jun 2024</u>	<u>30 Jun 2023</u>
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	9,539,825	7,724,444
Interest expense	(8,506,431)	(6,231,195)
Other operating income		
- Gains less losses arising from trading in foreign currencies	385,949	20,507
- Gains less losses on securities held for trading purposes	540,985	21,162
- Gains less losses from other trading activities	42,563	101,214
- Net fees and commission income		
- Fees and commission income	4,137,524	3,895,319
- Fees and commission expenses	(2,133,932)	(1,662,616)
- Others	495,318	(80,849)
Operating expenses		
- Staff and rental expenses	(1,810,442)	(1,844,734)
- Other expenses	(1,242,596)	(1,020,832)
Net (charge) / write back for impaired loans and receivables	(10,776)	31,063
Gains less losses from the disposal of property, plant and equipment and investment properties	-	(10)
Profit before taxation	<u>1,437,987</u>	<u>953,473</u>
Tax expense	(149,703)	(174,890)
Profit after taxation	<u>1,288,284</u>	<u>778,583</u>

II Balance Sheet Information

	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	<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)	5,558,594	3,687,111
(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)	-	441,928
(iii) Amount due from overseas offices of BNP Paribas	117,073,455	119,514,894
(iv) Trade bills	5,014,238	4,564,281
(v) Certificates of deposit held	5,344,361	1,406,115
(vi) Securities held for trading purposes	52,229,791	29,121,497
(vii) Loans and receivables		
- Loans and advances to customers	107,121,657	116,725,103
- Loans and advances to banks	-	-
- Other accounts	75,086,034	52,696,521
- Provisions for impaired loans and receivables		
Specific provisions	(1,547,297)	(1,418,957)
Collective provisions	(131,766)	(247,870)
(viii) Investment securities	51,188,426	36,346,988
Specific provisions	-	-
(ix) Other investments	42,444	42,494
(x) Property, plant and equipment and investment properties	160,354	162,977
(xi) Amount receivable under reverse repos	575,504	1,709,893
(xii) Goodwill	393,297	524,396
(xiii) Total assets	<u>418,109,092</u>	<u>365,277,371</u>
Liabilities		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	14,574,469	4,280,756
(ii) Deposits from customers		
- Demand deposits and current accounts	24,728,154	33,960,205
- Time, call and notice deposits	267,856,271	233,033,395
(iii) Amount due to overseas offices of BNP Paribas	26,915,602	30,321,715
(iv) Certificates of deposit issued	3,453,335	6,061,854
(v) Issued debt securities	43,727,234	29,120,298
(vi) Amount payable under repos	-	-
(vii) Other liabilities	36,854,027	28,499,148
(viii) Total liabilities	<u>418,109,092</u>	<u>365,277,371</u>

III Additional Balance Sheet Information

	30 Jun 2024		31 Dec 2023	
	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	2,305,454	2.15%	2,748,113	2.35%
- The amount of specific provisions	1,262,130	1.18%	1,193,596	1.02%
- The amount of collective provisions	8,228	0.01%	8,406	0.01%
- Market value of collateral	509,283		740,285	
Covered portion of total overdue loans and advances	-		-	
Uncovered portion of total overdue loans and advances	281,023		277,513	
2. Impaired loans and advances to banks	-		-	

* 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 2024		31 Dec 2023	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	3,979,060	45%	6,458,087	31%
- Property investment	2,811,242	90%	3,531,389	92%
- Financial concerns	10,648,363	23%	10,998,507	24%
- Stockbrokers	2	0%	2	0%
- Wholesale and retail trade	6,214,610	47%	6,872,966	31%
- Manufacturing	11,543,223	57%	9,612,029	7%
- Transport and transport equipment	11,066,686	93%	13,481,124	95%
- Recreational activities	531,534	25%	588,490	24%
- Information technology	4,840,249	4%	4,841,766	3%
- Others	6,046,291	35%	6,793,074	30%
Individuals				
- Loans for the purchase of other residential properties	-	0%	-	0%
- Others	8,986,707	100%	9,048,015	100%
2. Trade finance	9,518,917	4%	9,471,371	4%
3. Loans and advances for use outside Hong Kong	30,934,773	82%	35,028,283	61%
Total loans and advances to customers	107,121,657		116,725,103	

(iii) Non-Bank Mainland China Exposures

Equivalent in HKD Millions Type of counterparties	30 Jun 2024		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	28,928	3,737	32,665
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,757	1,050	3,807
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	23,740	9,637	33,377
4. Other entities of central government not reported in item 1 above	775	15	790
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	3,528	6,048	9,576
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	3,469	122	3,591
Total	63,197	20,609	83,806
Total assets after provision	418,109		
On-balance sheet exposures as percentage of total assets	15.12%		
Equivalent in HKD Millions Type of counterparties	31 Dec 2023		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	27,139	3,363	30,502
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,868	1,081	3,949
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	17,550	9,034	26,584
4. Other entities of central government not reported in item 1 above	1,154	13	1,167
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	3,516	5,557	9,073
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	4,144	106	4,250
Total	56,371	19,154	75,525
Total assets after provision	365,277		
On-balance sheet exposures as percentage of total assets	15.43%		

(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 :

Equivalent in HKD Millions	30 Jun 2024					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	123,096	18,110	46,586	12,467	-	200,259
of which France	121,724	-	44,456	2,447	-	168,627
2. Developing Asia Pacific	34,893	27,841	5,258	10,272	-	78,264
of which China	34,346	27,260	4,552	4,976	-	71,134
2. Offshore centres	707	891	5,395	65,782	-	72,775
of which Hong Kong	422	80	2,890	33,410	-	36,802

Equivalent in HKD Millions	31 Dec 2023					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	125,971	10,488	32,451	13,689	-	182,599
of which France	125,131	-	30,374	2,551	-	158,056
2. Developing Asia Pacific	12,767	21,087	1,535	12,055	-	47,444
of which China	12,220	20,715	924	5,989	-	39,848
3. Offshore centres	381	1,170	4,694	68,405	-	74,650
of which Hong Kong	19	577	2,744	28,548	-	31,888

(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 :

Equivalent in HKD Millions	30 Jun 2024			31 Dec 2023		
	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	46,812	-	383	44,832	-	391
British Virgin Islands	18,324	-	239	18,915	-	291
Cayman Islands	9,749	102	998	13,142	68	1,383
Others	32,237	179	685	39,836	210	683
Total	107,122	281	2,305	116,725	278	2,748

(vi) Currency Risk

Equivalent in HKD Millions	30 Jun 2024			
	USD	EUR	CNY	Total
Spot assets	205,557	18,531	87,409	311,497
Spot liabilities	(212,049)	(22,735)	(42,757)	(277,541)
Forward purchases	391,463	100,439	187,135	679,037
Forward sales	(378,053)	(99,781)	(232,610)	(710,444)
Net options position	(5,095)	-	1,643	(3,452)
Net long (short) position	1,823	(3,546)	820	(903)
Net structural position	-	-	-	-

Equivalent in HKD Millions	31 Dec 2023			
	USD	EUR	CNY	Total
Spot assets	191,403	30,616	50,346	272,365
Spot liabilities	(187,991)	(30,645)	(22,584)	(241,220)
Forward purchases	281,977	32,682	187,198	501,857
Forward sales	(281,272)	(34,917)	(215,927)	(532,116)
Net options position	156	-	(141)	15
Net long (short) position	4,273	(2,264)	(1,108)	901
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 2024		31 Dec 2023	
	<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	33,500	0.03%	34,419	0.03%
- more than 6 months but not more than one year	33,150	0.03%	28,616	0.02%
- more than one year	214,373	0.20%	214,478	0.18%
- The amount of specific provisions	264,956		244,717	
- Market value of collateral	-		-	
No collateral held in respect of the overdue loans and advances to customers.				
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	-		-	
3. Rescheduled assets to customers, excluding those which have been overdue for more than 3 months	768,430	0.72%	639,476	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 30 Jun 2024 and 31 Dec 2023.				
6. No repossessed assets as at 30 Jun 2024 and 31 Dec 2023.				

IV. Off Balance Sheet Exposures

	30 Jun 2024	31 Dec 2023
	<i>HKD'000s</i>	<i>HKD'000s</i>
1. Contingent liabilities and commitments		
- Direct credit substitutes	3,575,898	4,326,320
- Transaction-related contingencies	10,283,252	10,116,240
- Trade-related contingencies	11,443,564	11,476,141
- Other commitments	173,795,799	169,145,619
- Others	6,881,110	615,969
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	1,124,960,883	757,393,815
- Interest rate contracts	1,423,866,151	686,056,098
- Others	80,605,927	45,243,136
3. Total fair value of derivatives		
- Exchange rate contracts**	(566,265)	(247,715)
- Interest rate contracts	(192,512)	(129,758)
- Others	664,630	(22,171)

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

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

	30 Jun 2024	30 Jun 2023
Average LMR for 3 months period	62.64%	50.97%

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 2024	30 Jun 2023
Average CFR for 3 months period	168.86%	132.74%

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 Financial Disclosure Statements 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 2024</u>	<u>31 Dec 2023</u>
Capital ratio	16.90%	17.30%
Shareholders' funds	122,182	123,742
Total assets	2,699,258	2,591,499
Total liabilities	2,571,491	2,462,632
Total loans and advances	920,508	883,535
Total customer deposits	1,003,053	988,549
	<u>2024</u>	<u>2023</u>
Pre-tax profit for the 6 months end 30 June	8,785	6,435

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 2024. 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, 23 September 2024

P.P.



Fabien Simon-Leclerc
Chief Operating Officer, Hong Kong (ACE)

