

**Barclays Bank PLC**  
**Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 31 Dec 2020**



# Barclays Bank PLC

## Hong Kong Branch

### SECTION A - Branch Information (Hong Kong office only)

#### Income statement

For the year ended 31 Dec 2020

	Notes	31 Dec 2020 HKD million	31 Dec 2019 HKD million
Interest Income		206	438
Interest expense		(93)	(271)
Net Interest income		<u>113</u>	<u>167</u>
Other operating income	1	652	581
Net fees and commission income	2	1,108	1,112
Operating expenses	3	(1,685)	(1,714)
Gains less losses from disposal of property, plant and equipment and investment properties		<u>-</u>	<u>(1)</u>
Credit impairment charges and other provisions		<u>(2)</u>	<u>-</u>
Profit before taxation for the year		186	145
Tax expense		<u>(46)</u>	<u>(12)</u>
Profit after taxation for the year		<u><u>140</u></u>	<u><u>133</u></u>

#### Balance sheet

As at 31 Dec 2020

		31 Dec 2020 HKD million	30 Jun 2020 HKD million
<b>Assets</b>			
Cash and balances with banks		351	377
Amount due from Exchange Fund		125	113
Amount due from overseas offices		8,028	3,717
Investment securities	4	643	2,444
Loans and receivables	5	295	379
Other accounts		257	125
Deferred tax assets		381	375
Property, plant and equipment and investment properties		<u>53</u>	<u>41</u>
Total Assets		<u><u>10,133</u></u>	<u><u>7,571</u></u>
<b>Liabilities</b>			
Deposits and balances from banks		-	775
Deposits from customers	6	1,353	909
Amount due to Exchange Fund		388	-
Amount due to overseas offices		8,237	5,445
Other liabilities	7	<u>155</u>	<u>442</u>
Total Liabilities		<u><u>10,133</u></u>	<u><u>7,571</u></u>

# Barclays Bank PLC

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### Off-balance sheet and liquidity information As at 31 Dec 2020

	31 Dec 2020 HKD million	30 Jun 2020 HKD million
<b>Contingent liabilities and commitments</b>		
Trade-related contingencies	335	208
Other commitments	76	120

#### Derivatives instruments

	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>
	30 Jun 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	43	85	28,565
	<u>43</u>	<u>85</u>	<u>28,565</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 31 Dec 2020	For the quarter ended 31 Dec 2019
Average Liquidity Maintenance Ratio for the financial reporting period	289.27%	112.60%

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 as reported in the Liquidity Position Return submitted to the HKMA for the abovementioned reporting periods.

# Barclays Bank PLC

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### Liquidity Information Disclosure (continued)

#### Liquidity framework

Barclays PLC ("the Group") has a comprehensive liquidity risk control framework to manage liquidity risk exposures under BAU and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the Liquidity Risk Appetite (LRA) expressed by the Barclays PLC Board.

The Liquidity Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

#### Structure and responsibilities of liquidity risk management

The Regional Funding and Liquidity Risk Management Departments approve the LRA of the branch which is then reviewed and challenged by the Hong Kong Asset and Liabilities Management Committee ("ALCO"). The ALCO additionally reviews the liquidity and funding risk management strategies, key metrics and limits structure, and the assets and liabilities maturity profile.

The Hong Kong and the Regional Treasury Departments are responsible for day-to-day monitoring of the liquidity stress test, the liquidity maintenance ratio and other liquidity risk management metrics produced by various financial and risk reporting functions, and exercise relevant controls to ensure compliance with the internal and regulatory requirements. The Regional Funding and Liquidity Risk functions are responsible for setting the quantitative and qualitative liquidity risk management measures, limits and constraints. The Internal Audit Department conducts regular audits to provide assurance on the effectiveness of the liquidity risk management governance and the related risk management controls.

#### Liquidity risk appetite

Pursuant to the Group LRA, the Branch defines its risk appetite and tolerance based on the amount of liquidity resources required to meet modelled and prescribed liquidity stress outflows over a period of time. This is the level of liquidity risk the Branch chooses to take and tolerate in pursuit of its business objectives and in meeting its regulatory obligations. A set of liquidity risk limits are developed under the LRA which define the constraints within which the business lines must operate.

#### Stress testing and internal liquidity reporting

The Branch runs three short term liquidity stress test scenarios, aligned to the Group and the PRA's prescribed stresses:

- 90-day market-wide stress event
- 30-day Barclays specific stress event
- combined 30-day market-wide and Barclays specific stress event.

# Barclays Bank PLC

## Hong Kong Branch

### Liquidity Information Disclosure (continued)

#### Stress testing and internal liquidity reporting (continued)

The Branch manages its eligible liquid asset pool to be at least 100% of the anticipated net stressed outflows assessed under each of these stress scenarios.

In addition, the Branch also establishes internal limits and monitoring procedures to ensure compliance with the LMR required under the Banking (Liquidity) Rules. A daily report on the LMR is produced with results communicated to the abovementioned departments for monitoring and risk management purposes.

The stress test report is also produced on a daily basis with the results communicated to the abovementioned departments for funding and liquidity risk management purposes.

#### Liquidity risk management and funding strategies

The key objective of the Branch's liquidity risk management and funding strategies are to maintain liquidity surpluses over the designated horizon under each stress scenario in order to mitigate liquidity risk. If there is any funding gap in a particular currency above the LRA and specific currency limits revealed by the stress test, the Treasury Department arranges the required financing from its Head Office, and/or other Barclays branches with surplus funding in that currency.

As at 31 Dec 2020 and 31 Dec 2019, the Branch held material liquidity surpluses under both the 30-day Barclays specific and the combined market-wide and as well as the 90-day market wide stress scenario.

	30-day Barclays specific stress requirements HKD million	90-day Market- wide stress requirements HKD million
As at 31 Dec 2020		
Eligible liquid assets	645	645
Net stress inflows	1,801	1,130
Surplus	2,446	1,775
Liquidity pool as a percentage of anticipated net stress outflows as at 31 Dec 2020	-	-

	30-day Barclays specific stress requirements HKD million	90-day Market- wide stress requirements HKD million
As at 31 Dec 2019		
Eligible liquid assets	5,935	5,935
Net stress outflows	(5,385)	(3,937)
Surplus	550	1,998
Liquidity pool as a percentage of anticipated net stress outflows as at 31 Dec 2019	110%	151%

The contractual maturity profile of the Branch's on and off-balance items is reviewed regularly by the HK ALCO. In practice, the behavioural maturity of these items may differ from contractual maturity. The maturity profile of the sources and uses of funding is monitored to maintain sufficient liquidity surplus over the designated horizon under each stress test.

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**Liquidity Information Disclosure (continued)**

**Liquidity risk management and funding strategies (continued)**

The contractual maturity profile and related liquidity surplus/gaps as at 31 Dec 2020 and 31 Dec 2019 extracted from the Return of Liquidity Monitoring Tools submitted by the Branch to the HKMA are set out in the table below:

As at 31 Dec 2020 HKD million	Total	Within 1 month	> 1 month up to 3 months	>3 months up to 6 months	>6 months to 1 year	> 1 year up to 5 years	Over 5 years	Balancing amount
<b>On-balance sheet liabilities</b>								
Demand and saving deposits from non-bank customers	43	43	-	-	-	-	-	-
Term, call and notice deposits from non-bank customers	1,310	900	400	-	10	-	-	-
Derivative instruments	174	11,901	3,297	4,186	4,656	-	-	-
Due to HKMA for account of Exchange Fund	388	388	-	-	-	-	-	-
Due to banks	8,241	6,686	1,004	501	-	-	50	-
Other liabilities	22	15	-	-	-	-	-	7
Reserves	(45)	-	(45)	-	-	-	-	-
<b>Total</b>	<b>10,133</b>	<b>19,933</b>	<b>4,656</b>	<b>4,687</b>	<b>4,666</b>	<b>-</b>	<b>50</b>	<b>7</b>
<b>Off-balance sheet obligations</b>								
Irrevocable loan commitments	76	76	-	-	-	-	-	-
Contractual obligations arising from securities financing transactions	-	-	-	-	-	-	-	-
Other off-balance sheet obligations								
- with dates and amounts of payment ascertained	1,035	17	17	1	1,000	-	-	-
- Others	300	300	-	-	-	-	-	-
<b>Total</b>	<b>1,411</b>	<b>393</b>	<b>17</b>	<b>1</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>On-balance sheet assets</b>								
Derivative instruments	168	11,904	3,290	4,186	4,652	-	-	-
Due from HKMA for account of Exchange Fund	125	125	-	-	-	-	-	-
Due from banks	8,379	8,369	-	-	10	-	-	-
Debt securities (Exchange Fund Bills)	643	643	-	-	-	-	-	-
Loan and advances to customers	118	-	-	-	-	118	-	-
Other assets	700	174	18	-	-	-	-	508
<b>Total</b>	<b>10,133</b>	<b>21,215</b>	<b>3,308</b>	<b>4,186</b>	<b>4,662</b>	<b>118</b>	<b>-</b>	<b>508</b>
<b>Off-balance sheet claims</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contractual maturity mismatch</b>		<b>889</b>	<b>(365)</b>	<b>(502)</b>	<b>(1,004)</b>	<b>118</b>	<b>(50)</b>	
<b>Cumulative contractual maturity mismatch</b>		<b>889</b>	<b>524</b>	<b>22</b>	<b>(982)</b>	<b>(864)</b>	<b>(914)</b>	

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Liquidity Information Disclosure (continued)

Liquidity risk management and funding strategies (continued)

As at 31 Dec 2019			> 1 month	>3 months	>6 months	> 1 year	Over 5 years	Balancing amount
HKD million	Total	Within 1 month	up to 3 months	up to 6 months	to 1 year	up to 5 years		
<b>On-balance sheet liabilities</b>								
Demand and saving deposits from non-bank customers	46	46	-	-	-	-	-	-
Term, call and notice deposits from non-bank customers	1,028	717	301	-	10	-	-	-
Derivative instruments	200	4,098	7,286	6,313	8,942	-	-	-
Due to HKMA for account of Exchange Fund	400	400	-	-	-	-	-	-
Due to banks	11,106	10,047	1,005	4	-	-	50	-
Other liabilities	88	81	-	-	-	-	-	7
Reserves	65	-	65	-	-	-	-	-
<b>Total</b>	<b>12,933</b>	<b>15,389</b>	<b>8,657</b>	<b>6,317</b>	<b>8,952</b>	<b>-</b>	<b>50</b>	<b>7</b>
<b>Off-balance sheet obligations</b>								
Irrevocable loan commitments	91	91	-	-	-	-	-	-
Contractual obligations arising from securities financing transactions	-	-	-	-	-	-	-	-
Other off-balance sheet obligations								
- with dates and amounts of payment ascertained	271	44	23	4	200	-	-	-
- Others	247	247	-	-	-	-	-	-
<b>Total</b>	<b>609</b>	<b>382</b>	<b>23</b>	<b>4</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>On-balance sheet assets</b>								
Derivative instruments	93	4,086	7,307	6,268	8,849	-	-	-
Due from HKMA for account of Exchange Fund	104	104	-	-	-	-	-	-
Due from banks	5,830	5,830	-	-	-	-	-	-
Debt securities (Exchange Fund Bills)	5,958	5,958	-	-	-	-	-	-
Loan and advances to customers	101	-	-	-	-	101	-	-
Other assets	847	206	104	-	-	-	-	537
<b>Total</b>	<b>12,933</b>	<b>16,184</b>	<b>7,411</b>	<b>6,268</b>	<b>8,849</b>	<b>101</b>	<b>-</b>	<b>537</b>
<b>Off-balance sheet claims</b>								
	200	200	-	-	-	-	-	-
<b>Contractual maturity mismatch</b>		613	(1,269)	(53)	(303)	101	(50)	
<b>Cumulative contractual maturity mismatch</b>		613	(656)	(709)	(1,012)	(911)	(961)	

Remarks:

(1) The Branch holds highly liquid assets in its liquidity pool, which mainly comprises balances with the central bank, exchange fund bills and notes as shown in the above maturity profile analysis. These assets are highly liquid and are all eligible to meet the local and the Group's liquidity requirements and there is no concentration limit set on individual type of assets held in the pool.

(2) The funding source diversification, including by currency, is centralised for Barclays Bank PLC Head Office and its branches. The Branch is part of and is funded within these arrangements.

Contingency funding plan

The Branch adopts and conforms to the Group's Asia Contingent Funding Plan, which outlines the liquidity early warning indicators, the crisis invocation and escalation protocols, and the sources of emergency funding available to each branch of Barclays in Asia. The Branch also establishes its own recovery plan which covers the contingency funding options for managing local liquidity stresses. These plans are reviewed regularly by the Hong Kong Treasurer, the relevant Asia Treasury and Risk functions, and the Hong Kong ALCO.

# Barclays Bank PLC

## Hong Kong Branch

### Notes to the Financial Information Disclosure Statement

1 Other operating income	Notes	31 Dec 2020 HKD million	31 Dec 2019 HKD million
Income from foreign currency related activities			
- Transfer pricing income		76	44
- Trading gains less losses from foreign currency trading		(9)	6
Income from securities-related activities			
- Transfer pricing income		601	355
(Loss)/income from derivatives-related activities			
- Transfer pricing (expense)/income		(17)	176
Others		1	-
		<u>652</u>	<u>581</u>
2 Net fees and commission income		31 Dec 2020 HKD million	31 Dec 2019 HKD million
Gross fees and commission income		1,222	1,198
Gross fees and commission expenses		(114)	(86)
		<u>1,108</u>	<u>1,112</u>
3 Operating expenses		31 Dec 2020 HKD million	31 Dec 2019 HKD million
Management fee recharged from related companies		(1,659)	(1,645)
Depreciation		(19)	(20)
Others		(7)	(49)
		<u>(1,685)</u>	<u>(1,714)</u>
4 Investment securities		31 Dec 2020 HKD million	30 Jun 2020 HKD million
Financial Assets at fair value through other comprehensive income		<u>643</u>	<u>2,444</u>
<p>There were no investment securities subject to sale and repurchase agreement as of 31 Dec 2020 and 30 Jun 2020. All investment securities held were free from encumbrances.</p>			
5 Loans and receivables		31 Dec 2020 HKD million	30 Jun 2020 HKD million
Loans and advances to customers	8, 9, 10, 11	118	73
Other receivables			
- Accrued interest		1	17
- Other receivables		180	292
Credit impairment allowance		(4)	(3)
		<u>295</u>	<u>379</u>



# Barclays Bank PLC

## Hong Kong Branch

### 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). 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 be applied by the Group.

At the reporting date, an allowance (or provision for loan commitments and trade-related contingent items) was 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 ECL is calculated using three main components.

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

The credit impairment allowances made as at 31 Dec 2020 and 30 Jun 2020 are 12 month (Stage 1) ECLs for loans and advances to customers and loan commitments. These impairment allowances are assessed on a collective basis.

6 Deposits from customers	31 Dec 2020 HKD million	30 Jun 2020 HKD million
Demand deposits and current accounts	43	44
Time, call and notice deposits	1,310	865
	<u>1,353</u>	<u>909</u>

7 Other liabilities	31 Dec 2020 HKD million	30 Jun 2020 HKD million
Accrued interest	5	17
Other liabilities	150	425
	<u>155</u>	<u>442</u>

#### 8 Analysis of advances to customers by industry sector

	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>
	30 Jun 2020 HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	73	73
Total loans and advances to customers	<u>-</u>	<u>73</u>	<u>73</u>

**Barclays Bank PLC**  
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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 31 Dec 2020 and 30 Jun 2020.

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

**10 Repossessed assets**

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

**11 Loans and advances to customers by country or geographical segment**

	31 Dec 2020 HKD million	30 Jun 2020 HKD million
Macau	<u>118</u>	<u>73</u>
	<u>118</u>	<u>73</u>

Loans and advances to customers 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**

	31 Dec 2020 HKD million				Total
	<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	8,348	-	-	-	8,348
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	8,343	-	-	-	8,343
Developing Asia and Pacific	-	143	-	-	143
<i>of which</i> China	-	143	-	-	143
	30 Jun 2020 HKD million				
	<u>Banks</u>	<u>Official sector</u>	<u>Non-bank private sector</u>		Total
			<u>Non-bank financial institutions</u>	<u>Non-financial private sector</u>	
Developed countries	4,023	-	1	-	4,024
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	4,021	-	1	-	4,022
Developing Asia and Pacific	-	1,958	-	-	1,958
<i>of which</i> China	-	1,958	-	-	1,958

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.

## Barclays Bank PLC

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#### Notes to the Financial Information Disclosure Statement (continued)

##### 13 Non-bank Mainland exposures

The Branch did not have any Mainland exposures to non-bank counterparties as of 31 Dec 2020 and 30 Jun 2020.

##### 14 Currency Risk

	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>

  

	30 Jun 2020			
	HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	1,222	1,988	63	3,273
Spot liabilities	(4,016)	(480)	(63)	(4,559)
Forward purchases	21,140	8,604	-	29,744
Forward sales	(18,344)	(10,109)	-	(28,453)
Net options position	-	-	-	-
Net long/(short) position	<u>2</u>	<u>3</u>	<u>-</u>	<u>5</u>

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

## Barclays Bank PLC Hong Kong Branch

### SECTION B - Barclays PLC Consolidated Financial Information As at 31 Dec 2020

<b>Capital ratio (Note 1)</b>	31 Dec 2020	30 Jun 2020
Total Regulatory Capital	22.1%	21.7%
Common Equity Tier 1 (CET1)	15.1%	14.2%
<b>Total Shareholders' equity (excluding non-controlling interests)</b>	31 Dec 2020	30 Jun 2020
	GBP million	GBP million
	65,797	68,304
<b>Other financial information</b>	31 Dec 2020	30 Jun 2020
	GBP million	GBP million
<b>Balance sheet</b>		
Total assets	1,349,514	1,385,117
Total liabilities	1,282,632	1,315,576
Total loans and advance at amortised cost	342,632	354,912
Total deposits at amortised cost (Note 2)	481,036	466,913
	31 Dec 2020	31 Dec 2019
	GBP million	GBP million
<b>Profit and Loss</b>		
Pre-tax profit for the year	3,065	4,357

#### 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) Further details regarding Barclays PLC can be obtained from the 2020 Barclays PLC Annual Report at [www.barclays.com](http://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.



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Anthony Miles Davies, Chief Executive  
Barclays Bank PLC, Hong Kong Branch