

Barclays Bank PLC
Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 Jun 2022



Barclays Bank PLC
Hong Kong Branch

SECTION A - Branch Information (Hong Kong office only)

Income statement

For the period ended 30 Jun 2022

	Notes	30 Jun 2022 HKD million	30 Jun 2021 HKD million
Interest Income		25	47
Interest expense		(58)	(27)
Net Interest (expense)/income		<u>(33)</u>	<u>20</u>
Other operating income	1	811	714
Net fees and commission income	2	424	495
Operating expenses	3	(1,075)	(960)
Credit impairment allowance		<u>-</u>	<u>(4)</u>
Profit before taxation for the period		127	265
Tax expense		<u>(27)</u>	<u>(46)</u>
Profit after taxation for the period		<u><u>100</u></u>	<u><u>219</u></u>

Balance sheet

As at 30 Jun 2022

		30 Jun 2022 HKD million	31 Dec 2021 HKD million
Assets			
Cash and balances with banks		415	542
Amount due from Exchange Fund		182	155
Amount due from overseas offices		10,615	6,907
Investment securities	4	2,446	2,445
Loans and receivables	5	342	251
Other accounts		340	241
Deferred tax assets		296	322
Property, plant and equipment and investment properties		<u>52</u>	<u>54</u>
Total Assets		<u><u>14,688</u></u>	<u><u>10,917</u></u>
Liabilities			
Deposits and balances from banks		6,970	-
Deposits from customers	6	1,002	1,195
Amount due to Exchange Fund		-	1,560
Amount due to overseas offices		6,185	5,589
Amount payable under repos	4	-	2,210
Other liabilities	7	<u>531</u>	<u>363</u>
Total Liabilities		<u><u>14,688</u></u>	<u><u>10,917</u></u>

Barclays Bank PLC

Hong Kong Branch

Off-balance sheet and liquidity information As at 30 Jun 2022

	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Contingent liabilities and commitments		
Trade-related contingencies	88	411
Other commitments	14	139

Derivatives instruments

	30 Jun 2022 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	193	230	81,266
	<u>193</u>	<u>230</u>	<u>81,266</u>
	31 Dec 2021 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	159	147	35,264
	<u>159</u>	<u>147</u>	<u>35,264</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 30 Jun 2022	For the quarter ended 30 Jun 2021
Average Liquidity Maintenance Ratio for the financial reporting period	366.55%	404.75%

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

Hong Kong Branch

Notes to the Financial Information Disclosure Statement

1 Other operating income	Notes	30 Jun 2022 HKD million	30 Jun 2021 HKD million
Income from foreign currency related activities			
- Transfer pricing income		198	84
- Trading gains less losses from foreign currency trading		15	(3)
Income from securities-related activities			
- Transfer pricing income		335	432
Income from derivatives-related activities			
- Transfer pricing income		262	201
Others		1	-
		<u>811</u>	<u>714</u>
2 Net fees and commission income		30 Jun 2022 HKD million	30 Jun 2021 HKD million
Gross fees and commission income		490	567
Gross fees and commission expenses		(66)	(72)
		<u>424</u>	<u>495</u>
3 Operating expenses		30 Jun 2022 HKD million	30 Jun 2021 HKD million
Management fee recharged from related companies		(1,068)	(947)
Depreciation		(7)	(10)
Others		-	(3)
		<u>(1,075)</u>	<u>(960)</u>
4 Investment securities		30 Jun 2022 HKD million	31 Dec 2021 HKD million
Financial Assets at fair value through other comprehensive income		<u>2,446</u>	<u>2,445</u>
<p>As at 31 Dec 2021, the Branch sold investment securities of HKD2,366 million subject to commitments to repurchase them. The considerations received were accounted for as financial liabilities at amortised cost and disclosed as "Amount payable under repos". The securities sold were encumbered assets and were retained on the balance sheet as the Branch retained substantially all the risks and rewards of ownership.</p> <p>There were no investment securities subject to sale and repurchase agreement as of 30 Jun 2022. All investment securities held were free from encumbrances.</p>			
5 Loans and receivables		30 Jun 2022 HKD million	31 Dec 2021 HKD million
Loans and advances to customers	8, 9, 10, 11	180	55
Other receivables			
- Accrued interest		12	13
- Other receivables		151	183
Credit impairment allowance		(1)	-
		<u>342</u>	<u>251</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 at fair value through other comprehensive income and loan commitments under IFRS 9 Financial Instruments (IFRS 9). An allowance (or provision for loan commitments and trade-related contingent items) is 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 ECLs are calculated using three main components as follows:

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

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and EAD discounted at the original effective interest rate.

For the IFRS 9 impairment assessment, Barclays Group's risk models are used to determine PD, LGD and EAD. To reflect changes in policy or correct impairment model performance issues identified through model monitoring, management adjustments which contain an element of subjectivity are applied by the Group in order to factor in certain conditions or changes in policy that are not fully incorporated into the models, or to reflect additional facts and circumstances at the period end. Management adjustments are reviewed and incorporated into future model development where appropriate.

The credit impairment allowances made by Barclays Bank PLC Hong Kong Branch as at 30 Jun 2022 and 31 Dec 2021 represent Stage 1 ECL for loan and advances to customers and loan commitments respectively. These credit impairment allowances are assessed on a collective basis.

6 Deposits from customers	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Demand deposits and current accounts	41	41
Time, call and notice deposits	961	1,154
	<u>1,002</u>	<u>1,195</u>

7 Other liabilities	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Accrued interest	6	3
Other liabilities	525	360
	<u>531</u>	<u>363</u>

8 Analysis of advances to customers by industry sector

	30 Jun 2022 HKD million		
	Secured	Unsecured	Total
Loans and advances for use outside Hong Kong	-	180	180
Total loans and advances to customers	<u>-</u>	<u>180</u>	<u>180</u>
	31 Dec 2021 HKD million		
	Secured	Unsecured	Total
Loans and advances for use outside Hong Kong	-	55	55
Total loans and advances to customers	<u>-</u>	<u>55</u>	<u>55</u>

Barclays Bank PLC
Hong Kong Branch
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 30 Jun 2022 and 31 Dec 2021.

The Branch did not have any impaired loans and advances to customers and banks as at 30 Jun 2022 and 31 Dec 2021.

10 Repossessed assets

The Branch did not have any repossessed assets as at 30 Jun 2022 and 31 Dec 2021.

11 Loans and advances to customers by country or geographical segment

	30 Jun 2022 HKD million	31 Dec 2021 HKD million
Macau	<u>180</u>	<u>55</u>
	<u>180</u>	<u>55</u>

Loans and advances to customer 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

	30 Jun 2022 HKD million				Total
	Banks	Official sector	Non-bank private sector Non-bank financial institutions Non-financial private sector		
Developed countries	10,971	-	6	-	10,977
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	10,971	-	-	-	10,971
	31 Dec 2021 HKD million				
	Banks	Official sector	Non-bank private sector Non-bank financial institutions Non-financial private sector		Total
Developed countries	7,228	-	-	-	7,228
<i>of which</i> United Kingdom (excludes Guernsey, Isle of Man and Jersey)	7,228	-	-	-	7,228

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
 Hong Kong Branch
 Notes to the Financial Information Disclosure Statement (continued)

13 Non-bank Mainland exposures

	30 Jun 2022 HKD million		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	-	23	23
Total	<u>-</u>	<u>23</u>	<u>23</u>
Total assets after provision	14,688		
On-balance sheet exposure as percentage of total assets	0.00%		

	31 Dec 2021 HKD million		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	-	21	21
Total	<u>-</u>	<u>21</u>	<u>21</u>
Total assets after provision	10,917		
On-balance sheet exposure as percentage of total assets	0.00%		

14 Currency Risk

	30 Jun 2022 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	3,757	63	60	3,880
Spot liabilities	(519)	(111)	(60)	(690)
Forward purchases	51,534	5,139	121	56,794
Forward sales	(54,750)	(5,090)	(121)	(59,961)
Net options position	-	-	-	-
Net long/(short) position	<u>22</u>	<u>1</u>	<u>-</u>	<u>23</u>

	31 Dec 2021 HKD million			
	<u>USD</u>	<u>RMB</u>	<u>Others</u>	<u>Total</u>
Spot assets	2,186	2,223	3	4,412
Spot liabilities	(5,527)	(2,232)	(3)	(7,762)
Forward purchases	28,565	10,655	780	40,000
Forward sales	(25,224)	(10,593)	(780)	(36,597)
Net options position	-	-	-	-
Net long/(short) position	<u>-</u>	<u>53</u>	<u>-</u>	<u>53</u>

The Branch had no structural positions in any particular foreign currency as at 30 Jun 2022 and 31 Dec 2021.

Barclays Bank PLC

Hong Kong Branch

SECTION B - Barclays PLC

Consolidated Financial Information

As at 30 Jun 2022

Capital ratio (Note 1)	30 Jun 2022	Restated 31 Dec 2021
Total Regulatory Capital	19.9%	22.2%
Common Equity Tier 1 (CET1)	13.6%	15.1%
	30 Jun 2022	Restated 31 Dec 2021
	GBP million	GBP million
Total Shareholders' equity (excluding non-controlling interests) (Note 2)	69,627	69,052
	30 Jun 2022	Restated 31 Dec 2021
	GBP million	GBP million
Other financial information		
Balance sheet		
Total assets	1,589,230	1,384,285
Total liabilities (Note 2)	1,518,634	1,314,244
Total loans and advance at amortised cost	395,824	361,451
Total deposits at amortised cost (Note 3)	568,670	519,433
	30 Jun 2022	Restated 30 Jun 2021
	GBP million	GBP million
Profit and Loss		
Pre-tax profit for the financial period (Note 2)	3,733	4,902

Notes

- (1) Capital metrics as at 31 December 2021 have been restated to reflect the impact of the Over-issuance of Securities by Barclays Bank PLC. This resulted in a decrease of Total Regulatory Capital ratio from 22.3% to 22.2% and please refer to the Basis of preparation section on page 56 of the 2022 Barclays PLC Interim Results Announcement at www.barclays.com for more information. The CET1 ratio remained unchanged at 15.1%.

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 with reference to the requirements of Capital Requirements Regulation (CRR) Common Equity Tier 1 capital divided by risk weighted assets. Following a consultation process in 2021 the UK's prudential regulation, the Prudential Regulatory Authority (PRA) finalised their implementation of updates to the CRR (referred to as CRR II) through Policy Statement 22/21. The finalised requirements were implemented in the UK through the PRA Rulebook with effect from 1 January 2022.

The capital ratios are calculated by applying the transitional arrangements of the CRR issued by the European Union, and onshored to the UK as part of the UK's exit from the European Union. These regulations include IFRS 9 transitional arrangements and the grandfathering of CRR non-compliant capital instruments. The rules are supplemented in the UK by Binding Technical Standards (BTS).

- (2) 2021 financial metrics have been restated to reflect the impact of the Over-issuance of Securities by Barclays Bank PLC. Please refer to Restatement of financial statements (Note 1) on page 73 of the 2022 Barclays PLC Interim Results Announcement for more information.
- (3) 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.
- (4) Barclays Bank PLC Hong Kong Branch adopts the remuneration systems of its Head Office, Barclays PLC. Pursuant to part 3 of the Supervisory Policy Manual (CG-5) "Guideline on a Sound Remuneration System" issued by the Hong Kong Monetary Authority, Barclays Bank PLC Hong Kong Branch complies with the requirements by publishing annually both qualitative and quantitative disclosures. The qualitative remuneration disclosures for 2021 are set out in the remuneration report in the Barclays PLC Annual Report 2021. A report on the quantitative remuneration disclosures for Barclays Bank PLC Hong Kong Branch for 2021 which supplements the qualitative remuneration disclosures for 2021 is now available for public access at 41/F Reception, Cheung Kong Center.
- (5) Further details regarding Barclays PLC can be obtained from the 2022 Barclays PLC Interim Results Announcement at 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.



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