

Barclays Bank PLC
Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 Jun 2023



Barclays Bank PLC

Hong Kong Branch

SECTION A - Branch Information (Hong Kong office only)

Income statement

For the period ended 30 Jun 2023

	Notes	30 Jun 2023 HKD million	30 Jun 2022 HKD million
Interest income		1,096	25
Interest expense		(982)	(58)
Net interest (expense)/income		<u>114</u>	<u>(33)</u>
Other operating income	1	799	811
Net fees and commission income	2	649	424
Operating expenses	3	(1,098)	(1,075)
Credit impairment releases		<u>5</u>	<u>-</u>
Profit before taxation for the period		469	127
Tax expense		<u>(72)</u>	<u>(27)</u>
Profit after taxation for the period		<u><u>397</u></u>	<u><u>100</u></u>

Balance sheet

As at 30 Jun 2023

		30 Jun 2023 HKD million	31 Dec 2022 HKD million
Assets			
Cash and balances with banks		523	491
Amount due from Exchange Fund		209	193
Amount due from overseas offices		33,472	32,870
Investment securities	4	2,401	2,401
Loans and receivables	5	1,160	924
Other accounts		133	250
Deferred tax assets		126	198
Property, plant and equipment and investment properties		<u>77</u>	<u>77</u>
Total Assets		<u><u>38,101</u></u>	<u><u>37,404</u></u>
Liabilities			
Deposits and balances from banks		2,300	-
Deposits from customers	6	14,884	21,738
Amount due to Exchange Fund		14,105	6,243
Amount due to overseas offices		5,520	8,594
Other liabilities	7	<u>1,292</u>	<u>829</u>
Total Liabilities		<u><u>38,101</u></u>	<u><u>37,404</u></u>

Barclays Bank PLC
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Off-balance sheet and liquidity information
As at 30 Jun 2023

	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Contingent liabilities and commitments		
Other commitments	84	-

Derivatives instruments

	30 Jun 2023 HKD million		
	<u>Fair Value Assets</u>	<u>Fair Value Liabilities</u>	<u>Total Notional Amount</u>
Exchange rate-related derivative contracts	36	35	2,522
	<u>36</u>	<u>35</u>	<u>2,522</u>

	31 Dec 2022 HKD million		
	<u>Fair Value Assets</u>	<u>Fair Value Liabilities</u>	<u>Total Notional Amount</u>
Exchange rate-related derivative contracts	106	121	14,745
	<u>106</u>	<u>121</u>	<u>14,745</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 2023	For the quarter ended 30 Jun 2022
Average Liquidity Maintenance Ratio for the financial reporting period	179.47%	366.55%

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.

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Notes to the Financial Information Disclosure Statement

1 Other operating income	Notes	30 Jun 2023 HKD million	30 Jun 2022 HKD million
Income from foreign currency related activities			
- Transfer pricing income		179	198
- Trading gains less losses from foreign currency trading		(2)	15
Income from securities-related activities			
- Transfer pricing income		772	335
Income from derivatives-related activities			
- Transfer pricing (expense)/income		(150)	262
Others		-	1
		<u>799</u>	<u>811</u>
 2 Net fees and commission income		 30 Jun 2023 HKD million	 30 Jun 2022 HKD million
Gross fees and commission income		699	490
Gross fees and commission expenses		(50)	(66)
		<u>649</u>	<u>424</u>
 3 Operating expenses		 30 Jun 2023 HKD million	 30 Jun 2022 HKD million
Management fee recharged from related companies		(1,086)	(1,068)
Depreciation		(12)	(7)
		<u>(1,098)</u>	<u>(1,075)</u>
 4 Investment securities		 30 Jun 2023 HKD million	 31 Dec 2022 HKD million
Financial Assets at fair value through other comprehensive income		<u>2,401</u>	<u>2,401</u>
There were no investment securities subject to sale and repurchase agreement as of 30 Jun 2023 and 31 Dec 2022. All investment securities held were free from encumbrances.			
 5 Loans and receivables		 30 Jun 2023 HKD million	 31 Dec 2022 HKD million
Loans and advances to customers	8, 9, 10, 11	111	194
Other receivables			
- Accrued interest		522	214
- Other receivables		529	523
Credit impairment allowance		(2)	(7)
		<u>1,160</u>	<u>924</u>

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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.

Expected credit loss measurement is based on the ability of borrowers to make payments as they fall due. The Group also considers sector-specific risks and whether additional adjustments are required in the measurement of ECL.

The credit impairment allowances made by Barclays Bank PLC Hong Kong Branch as at 30 Jun 2023 and 31 Dec 2022 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 2023	31 Dec 2022
	HKD million	HKD million
Demand deposits and current accounts	41	41
Time, call and notice deposits	14,843	21,697
	<u>14,884</u>	<u>21,738</u>

7 Other liabilities	30 Jun 2023	31 Dec 2022
	HKD million	HKD million
Accrued interest	531	234
Other liabilities	761	595
	<u>1,292</u>	<u>829</u>

8 Analysis of advances to customers by industry sector

	30 Jun 2023		
	HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	111	111
Total loans and advances to customers	<u>-</u>	<u>111</u>	<u>111</u>
	31 Dec 2022		
	HKD million		
	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
Loans and advances for use outside Hong Kong	-	194	194
Total loans and advances to customers	<u>-</u>	<u>194</u>	<u>194</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 30 Jun 2023 and 31 Dec 2022.

The Branch did not have any impaired loans and advances to customers and banks as at 30 Jun 2023 and 31 Dec 2022.

10 Repossessed assets

The Branch did not have any repossessed assets as at 30 Jun 2023 and 31 Dec 2022.

11 Loans and advances to customers by country or geographical segment

	30 Jun 2023 HKD million	31 Dec 2022 HKD million
Macau	111	194
	<u>111</u>	<u>194</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 2023 HKD million				<u>Total</u>
	<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 of which United Kingdom (excludes Guernsey, Isle of Man and Jersey)	34,530	-	4	-	34,534
	34,530	-	-	-	34,530
	31 Dec 2022 HKD million				<u>Total</u>
	<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 of which United Kingdom (excludes Guernsey, Isle of Man and Jersey)	33,723	-	8	-	33,732
	33,723	-	-	-	33,723

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.

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Notes to the Financial Information Disclosure Statement (continued)

13 Non-bank Mainland exposures

	30 Jun 2023 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	-	35	35
Total	<u>-</u>	<u>35</u>	<u>35</u>
Total assets after provision	38,101		
On-balance sheet exposure as percentage of total assets	0.00%		

	31 Dec 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	-	34	34
Total	<u>-</u>	<u>34</u>	<u>34</u>
Total assets after provision	37,404		
On-balance sheet exposure as percentage of total assets	0.00%		

14 Currency Risk

	30 Jun 2023 HKD million		
	<u>USD</u>	<u>Others</u>	<u>Total</u>
Spot assets	28,534	95	28,629
Spot liabilities	(29,795)	(95)	(29,890)
Forward purchases	1,911	612	2,523
Forward sales	(634)	(612)	(1,246)
Net options position	-	-	-
Net long position	<u>16</u>	<u>-</u>	<u>16</u>
	31 Dec 2022 HKD million		
	<u>USD</u>	<u>Others</u>	<u>Total</u>
Spot assets	27,924	93	28,017
Spot liabilities	(29,831)	(95)	(29,926)
Forward purchases	8,401	1,680	10,081
Forward sales	(6,450)	(1,678)	(8,128)
Net options position	-	-	-
Net long position	<u>44</u>	<u>-</u>	<u>44</u>

The above information is prepared in accordance with the HKMA Return of Foreign Currency Position MA(BS)6 completion instructions and presents open currency positions of the Branch. The Branch had no structural positions in any particular foreign currency as at 30 Jun 2023 and 31 Dec 2022.

Barclays Bank PLC

Hong Kong Branch

SECTION B - Barclays PLC Consolidated Financial Information As at 30 Jun 2023

Capital ratio (Note 1)

	30 Jun 2023	31 Dec 2022
Total Regulatory Capital	20.5%	20.8%
Common Equity Tier 1 (CET1)	13.8%	13.9%

	30 Jun 2023	31 Dec 2022
	GBP million	GBP million
Total Shareholders' equity (excluding non-controlling interests)	67,669	68,292

Other financial information

	30 Jun 2023	31 Dec 2022
	GBP million	GBP million
Balance sheet		
Total assets	1,549,714	1,513,699
Total liabilities	1,481,169	1,444,439
Total loans and advance at amortised cost	401,405	398,779
Deposits at amortised cost from banks	26,827	19,979
Deposits at amortised cost from customers	527,839	525,803
	30 Jun 2023	30 Jun 2022
	GBP million	GBP million
Profit and Loss		
Pre-tax profit for the financial period	4,562	3,733

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 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 regulator, 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) Further details regarding Barclays PLC can be obtained from the 2023 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