

SECTION A – HONG KONG BRANCH INFORMATION

I. <u>Income Statement Information</u>	30 Jun 2021	30 Jun 2020
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	1,979,501	2,762,406
Interest expense	(510,897)	(1,643,240)
Other operating income		
- Gains less losses arising from trading in foreign currencies	(58,855)	112,726
- Gains less losses on securities held for trading purposes	57,428	99,246
- Gains less losses from other trading activities	37,437	255,494
- Net fees and commission income		
- Fees and commission income	2,853,094	1,907,905
- Fees and commission expenses	(415,682)	(520,281)
- Others	(44,264)	84,973
Operating expenses		
- Staff and rental expenses	(1,668,602)	(1,386,138)
- Other expenses	(494,269)	(415,790)
- Net write back for other provisions	2	-
Net charge for impaired loans and receivables	(208,170)	(153,591)
Gains less losses from the disposal of property, plant and equipment and investment properties	99	-
Profit before taxation	1,526,822	1,103,710
Tax expense	(271,092)	(158,480)
Profit after taxation	1,255,730	945,230
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II <u>Balance Sheet Information</u>	30 Jun 2021	31 Dec 2020
	<i>HKD'000s</i>	<i>HKD'000s</i>
<u>Assets</u>		
(i) Cash and balances with banks (except those included in amount due from overseas offices of BNP Paribas)	9,038,397	3,134,091
(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)	20,289	25,738
(iii) Amount due from overseas offices of BNP Paribas	123,291,813	117,421,378
(iv) Trade bills	14,394,191	10,123,167
(v) Certificates of deposit held	240,324	1,071,390
(vi) Securities held for trading purposes	9,636,726	10,849,226
(vii) Loans and receivables		
- Loans and advances to customers	159,720,109	148,291,657
- Loans and advances to banks	840,992	1,008,528
- Other accounts	46,537,510	43,220,596
- Provisions for impaired loans and receivables		
Specific provisions	(953,357)	(867,881)
Collective provisions	(380,217)	(258,252)
(viii) Investment securities	37,293,016	26,619,130
Specific provisions	(361)	(368)
(ix) Other investments	10,898	10,842
(x) Property, plant and equipment and investment properties	208,947	211,852
(xi) Amount receivable under reverse repos	308,101	317,901
(xii) Goodwill	1,179,891	1,310,990
(xiii) Total assets	401,387,269	362,489,985
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<u>Liabilities</u>		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	46,032,925	3,938,853
(ii) Deposits from customers		
- Demand deposits and current accounts	32,620,628	32,557,662
- Time, call and notice deposits	160,995,510	155,767,802
(iii) Amount due to overseas offices of BNP Paribas	107,036,583	120,699,373
(iv) Certificates of deposit issued	-	-
(v) Issued debt securities	31,464,820	24,995,664
(vi) Amount payable under repos	236,021	-
(vii) Other liabilities	23,000,782	24,530,631
(viii) Total liabilities	401,387,269	362,489,985
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III Additional Balance Sheet Information

	30 Jun 2021		31 Dec 2020	
	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	2,397,523	1.50%	2,439,379	1.64%
- The amount of specific provisions	789,914	0.49%	758,715	0.51%
- The amount of collective provisions	4,223	0.00%	3,912	0.00%
- Market value of collateral	837,690		445,341	
Covered portion of total overdue loans and advances	9,512		206,507	
Uncovered portion of total overdue loans and advances	518,167		413,851	
2. No impaired loans and advances to banks as at 30 Jun 2021 and 31 Dec 2020.				

* 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 2021		31 Dec 2020	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	7,334,133	62%	5,839,366	69%
- Property investment	4,823,591	95%	5,588,734	97%
- Financial concerns	12,073,702	38%	11,547,262	37%
- Stockbrokers	-	0%	-	0%
- Wholesale and retail trade	6,006,288	41%	6,166,887	37%
- Manufacturing	9,259,106	2%	9,139,952	3%
- Transport and transport equipment	19,105,106	95%	19,570,722	94%
- Recreational activities	243,952	0%	336,329	0%
- Information technology	2,240,071	38%	2,277,594	14%
- Others	12,219,586	54%	11,237,600	53%
Individuals				
- Loans for the purchase of other residential properties	135	100%	299	100%
- Others	16,948,018	100%	15,071,518	100%
2. Trade finance	14,858,701	4%	13,240,046	8%
3. Loans and advances for use outside Hong Kong	54,607,720	75%	48,275,348	69%
Total loans and advances to customers	<u>159,720,109</u>		<u>148,291,657</u>	

(iii) Non-Bank Mainland China Exposures

Equivalent in HKD Millions	30 Jun 2021		
	On-balance sheet exposure	Off-balance sheet exposure	Total
Type of counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	10,144	4,210	14,354
2. Local governments, local government-owned entities and their subsidiaries and JVs	7,220	4,701	11,921
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	22,235	12,188	34,423
4. Other entities of central government not reported in item 1 above	234	154	388
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	4,886	8,812	13,698
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	4,401	715	5,116
Total	<u>49,120</u>	<u>30,780</u>	<u>79,900</u>
Total assets after provision	401,387		
On-balance sheet exposures as percentage of total assets	12.24%		
Equivalent in HKD Millions	31 Dec 2020		
	On-balance sheet exposure	Off-balance sheet exposure	Total
Type of counterparties			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	15,170	3,677	18,847
2. Local governments, local government-owned entities and their subsidiaries and JVs	4,511	6,531	11,042
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	21,303	10,944	32,247
4. Other entities of central government not reported in item 1 above	388	153	541
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	5,619	7,532	13,151
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	3,630	1,692	5,322
Total	<u>50,621</u>	<u>30,529</u>	<u>81,150</u>
Total assets after provision	362,490		
On-balance sheet exposures as percentage of total assets	13.96%		

(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>	Banks	Official Sector	30 Jun 2021		Others	Total
			Non-bank private sector			
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	131,282	5,338	33,106	13,411	-	183,137
<i>of which France</i>	128,619	-	32,260	3,430	-	164,309
2. Developing Asia Pacific	22,625	1,707	7,286	21,071	-	52,689
<i>of which China</i>	22,530	1,707	7,286	12,842	-	44,365
3. Offshore centres	876	-	5,002	92,495	-	98,373
<i>of which West Indies UK</i>	-	-	-	32,067	-	32,067
<i>of which Hong Kong</i>	468	-	1,185	36,660	-	38,313
<i>Equivalent in HKD Millions</i>	Banks	Official Sector	31 Dec 2020		Others	Total
			Non-bank private sector			
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries	122,914	4,573	26,963	13,373	-	167,823
<i>of which France</i>	121,521	-	26,142	3,742	-	151,405
2. Developing Asia Pacific	14,499	4,418	5,272	20,113	-	44,302
<i>of which China</i>	14,479	4,418	5,272	12,341	-	36,510
3. Offshore centres	384	-	3,765	86,290	-	90,439
<i>of which West Indies UK</i>	-	-	-	28,799	-	28,799
<i>of which Hong Kong</i>	170	-	916	36,822	-	37,908

(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 2021			31 Dec 2020		
	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	64,453	149	218	61,800	224	246
British Virgin Islands	36,077	180	180	32,947	197	197
Others	59,190	199	2,000	53,545	199	1,996
Total	159,720	528	2,398	148,292	620	2,439

(vi) Currency Risk

<i>Equivalent in HKD Millions</i>	30 Jun 2021			
	USD	EUR	CNY	Total
Spot assets	176,176	67,650	41,164	284,990
Spot liabilities	(191,825)	(56,941)	(23,620)	(272,386)
Forward purchases	189,812	32,458	97,961	320,231
Forward sales	(177,069)	(43,154)	(115,628)	(335,851)
Net options position	-	-	4	4
Net long(short)position	(2,906)	13	(119)	(3,012)
Net structural position	-	-	-	-
<i>Equivalent in HKD Millions</i>	31 Dec 2020			
	USD	EUR	CNY	Total
Spot assets	142,388	84,308	35,042	261,738
Spot liabilities	(167,595)	(63,740)	(16,710)	(248,045)
Forward purchases	209,007	35,022	93,223	337,252
Forward sales	(184,203)	(55,224)	(110,330)	(349,757)
Net options position	-	-	5	5
Net long(short)position	(403)	366	1,230	1,193
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 2021		31 Dec 2020	
	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	1,663	0.00%	174,472	0.12%
- more than 6 months but not more than one year	117,414	0.07%	41,027	0.03%
- more than one year	408,602	0.26%	404,859	0.27%
- The amount of specific provisions	488,620		769,566	
- Market value of collateral	179,374		445,341	
The collateral held in respect of the overdue loans and advances to customers is debenture.				
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	-		14,184	
- more than one year	1,964		368	
3. Rescheduled assets to customers, excluding those which have been overdue for more than 3 months	604,434	0.38%	-	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 2021 and 31 Dec 2020.				
6. No repossessed assets as at 30 Jun 2021 and 31 Dec 2020.				

IV. Off Balance Sheet Exposures

	30 Jun 2021	31 Dec 2020
	HKD'000s	HKD'000s
1. Contingent liabilities and commitments		
- Direct credit substitutes	6,369,523	4,587,003
- Transaction-related contingencies	7,801,700	8,109,361
- Trade-related contingencies	24,116,264	20,662,182
- Other commitments	154,826,852	161,588,966
- Others	40,938,220	29,567
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	513,429,928	512,206,149
- Interest rate contracts	170,373,831	155,334,134
- Others	39,138,286	30,509,628
3. Total fair value of derivatives		
- Exchange rate contracts**	(840,045)	(471,145)
- Interest rate contracts	214,419	279,455
- Others	259,979	161,528

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

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

	30 Jun 2021	30 Jun 2020
Average LMR for 3 months period	44.08%	38.55%

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 2021	30 Jun 2020
Average CFR for 3 months period	99.22%	101.56%

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 2021</u>	<u>31 Dec 2020</u>
Capital ratio	16.50%	16.40%
Shareholders' funds	115,991	112,799
Total assets	2,671,803	2,488,491
Total liabilities	2,551,340	2,371,142
Total loans and advances	858,359	828,515
Total customer deposits	1,000,870	940,991
	<u>2021</u>	<u>2020</u>
Pre-tax profit for the 6 months end 30 June	7,017	4,921

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 2021. 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, 20 September 2021

P/P



Fabien Simon-Leclerc
Chief Operating Officer, Hong Kong