

SECTION A – HONG KONG BRANCH INFORMATION
I. Income Statement Information

	30 Jun 2015	30 Jun 2014
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	1,472,752	1,588,223
Interest expense	(992,813)	(1,010,121)
Other operating income		
- Gains less losses arising from trading in foreign currencies	81,682	219,089
- Gains less losses on securities held for trading purposes	106,203	120,291
- Gains less losses from other trading activities	6,494	(10,448)
- Net fees and commission income		
- Fees and commission income	460,340	818,606
- Fees and commission expenses	(394,994)	(412,416)
- Others	1,492	(1,110)
Operating expenses		
- Staff and rental expenses	(909,494)	(1,054,789)
- Other expenses	33,688	(4,751)
- Net write back for other provisions	436	-
Net write back / (charge) for impaired loans and receivables	31,418	(64,676)
Impairment losses on other investments	-	(72)
Gains less losses from the disposal of property, plant and equipment and investment properties	90	-
Profit / (loss) before taxation	(102,706)	187,826
Tax expense	(8,671)	(32,302)
Profit / (loss) after taxation	(111,377)	155,524

II Balance Sheet Information

	30 Jun 2015	31 Dec 2014
	<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)	19,016,443	25,966,275
(ii) Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	1,263,533	6,547,617
(iii) Amount due from overseas offices of BNP Paribas	75,834,190	63,633,625
(iv) Trade bills	18,455,585	23,583,885
(v) Certificates of deposit held	5,489,396	716,289
(vi) Securities held for trading purposes	4,150,424	11,996,085
(vii) Loans and receivables		
- Loans and advances to customers	70,976,837	60,260,704
- Loans and advances to banks	512,523	497,778
- Other accounts	29,695,052	22,674,673
- Provisions for impaired loans and receivables		
Individual impairment allowance	(160,533)	(160,809)
Collective impairment allowance	(13,427)	(44,612)
(viii) Investment securities	20,464,228	15,927,903
(ix) Other investments	4,040	70,639
(x) Property, plant and equipment and investment properties	125,140	112,019
(xi) Goodwill	2,621,981	2,621,981
(xii) Total assets	248,435,412	234,404,052
Liabilities		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	90,998,359	86,494,953
(ii) Deposits from customers		
- Demand deposits and current accounts	5,276,938	3,691,104
- Time, call and notice deposits	52,040,817	53,787,380
(iii) Amount due to overseas offices of BNP Paribas	53,860,085	55,607,585
(iv) Certificates of deposit issued	2,784,472	4,242,183
(v) Issued debt securities	9,673,645	2,307,601
(vi) Other liabilities	33,789,943	28,264,787
(vii) Provisions	11,153	8,459
(viii) Total liabilities	248,435,412	234,404,052

III Additional Balance Sheet Information

	30 Jun 2015		31 Dec 2014	
	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	289,177	0.41%	357,760	0.59%
- The amount of individual impairment allowance	160,533	0.23%	160,809	0.27%
- The amount of collective impairment allowance	1,608	0.00%	831	0.00%
- Market value of collateral	399,213		240,796	
Covered portion of total overdue loans and advances	194,770		383	
Uncovered portion of total overdue loans and advances	18,820		217,006	
2. No impaired loans and advances to banks as at 30 Jun 2015 and 31 Dec 2014.				

* 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 2015		31 Dec 2014	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	1,184,638	80%	1,619,169	83%
- Property investment	6,173,688	16%	3,604,936	20%
- Financial concerns	12,948,179	4%	5,615,488	11%
- Stock brokers	2,169,525	0%	1,224,741	0%
- Wholesale and retail trade	6,382,871	16%	5,814,432	21%
- Manufacturing	4,895,569	11%	6,680,843	13%
- Transport and transport equipment	11,979,472	90%	10,740,541	97%
- Recreational activities	196,058	50%	183,261	53%
- Information technology	986,442	0%	921,572	0%
- Electricity and gas	1,575,176	0%	1,591,486	0%
- Others	7,552,389	38%	6,444,168	40%
Individuals				
- Loans for the purchase of other residential properties	6,312	100%	8,325	100%
- Others	-	0%	200	0%
2. Trade finance	7,137,603	15%	8,186,692	13%
3. Loans and advances for use outside Hong Kong	7,788,915	27%	7,624,850	33%
Total loans and advances to customers	70,976,837		60,260,704	

(iii) Non-Bank Mainland China Exposures

Equivalent in HKD Millions

Type of counterparties

	30 Jun 2015		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	11,522	1,887	13,409
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,845	2,982	5,827
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,583	1,012	7,595
4. Other entities of central government not reported in item 1 above	881	15	896
5. Other entities of local governments not reported in item 2 above	669	50	719
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,057	4,920	8,977
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	1,990	2,049	4,039
Total	28,547	12,915	41,462
Total assets after provision	248,435		
On-balance sheet exposures as percentage of total assets	11.49%		

Equivalent in HKD Millions

Type of counterparties

	31 Dec 2014		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	7,222	2,866	10,088
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,337	2,936	5,273
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	7,492	1,057	8,549
4. Other entities of central government not reported in item 1 above	292	7	299
5. Other entities of local governments not reported in item 2 above	321	-	321
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,795	5,344	9,139
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	1,272	1,863	3,135
Total	22,731	14,073	36,804
Total assets after provision	234,404		
On-balance sheet exposures as percentage of total assets	9.70%		

(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>	30 Jun 2015					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries <i>of which France</i>	102,948 99,191	- -	8,665 8,662	3,346 1,429	- -	114,959 109,282
2. Developing Asia Pacific <i>of which China</i>	22,126 20,600	257 102	- -	8,439 6,464	- -	30,822 27,166
3. Offshore centres <i>of which Hong Kong</i>	1,174 981	1 1	471 182	46,572 28,042	- -	48,218 29,206

<i>Equivalent in HKD Millions</i>	31 Dec 2014					Total
	Banks	Official Sector	Non-bank private sector		Others	
			Non-bank financial institutions	Non-financial private sector		
1. Developed countries <i>of which France</i>	86,693 84,919	- -	998 997	4,557 2,691	- -	92,248 88,607
2. Developing Asia Pacific <i>of which China</i>	40,775 37,952	573 185	- -	8,481 6,586	- -	49,829 44,723
3. Offshore centres <i>of which Hong Kong</i>	753 428	1 1	447 177	33,353 18,816	- -	34,554 19,422

(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 (constitute 10% or more of the total loans and advances to customers), are as follows :

<i>Equivalent in HKD Millions</i>	30 Jun 2015			31 Dec 2014		
	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	38,200	17	92	37,735	10	161
France	9,888	-	-	2,504	-	-
Cayman Islands	5,344	-	-	6,413	-	-
Others	17,545	197	197	13,609	197	197
Total	70,977	214	289	60,261	207	358

(vi) Currency Risk

<i>Equivalent in HKD Millions</i>	30 Jun 2015			
	USD	EUR	CNY	Total
Spot assets	98,582	20,994	24,173	143,749
Spot liabilities	(131,837)	(7,106)	(12,582)	(151,525)
Forward purchases	182,518	9,682	105,387	297,587
Forward sales	(158,126)	(23,344)	(107,446)	(288,916)
Net options position	4,274	(241)	(6,578)	(2,545)
Net long(short)position	(4,589)	(15)	2,954	(1,650)
Net structural position	-	-	-	-

<i>Equivalent in HKD Millions</i>	31 Dec 2014			
	USD	EUR	CNY	Total
Spot assets	103,303	16,153	34,680	154,136
Spot liabilities	(117,743)	(11,253)	(29,371)	(158,367)
Forward purchases	159,758	19,186	99,778	278,722
Forward sales	(155,193)	(24,800)	(94,087)	(274,080)
Net options position	(3,327)	(348)	1,231	(2,444)
Net long(short)position	(13,202)	(1,062)	12,231	(2,033)
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 2015		31 Dec 2014	
	<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	-	0.00%	51,952	0.09%
- more than 6 months but not more than one year	7,339	0.01%	145,606	0.24%
- more than one year	206,251	0.29%	9,531	0.02%
- Market value of collateral	194,770		-	
The collateral held in respect of the overdue loans and advances to customers are metals.				
2. Other assets to customers which have been overdue for				
- more than 3 months but not more than 6 months	17,577		4,214	
- more than 6 months but not more than one year	-		-	
- more than one year	-		-	
3. Rescheduled assets to customers which have been overdue for				
- more than 1 month but not more than 3 months	-	0.00%	-	0.00%
4. No overdue loans and advances to banks as at 30 Jun 2015 and 31 Dec 2014.				
5. No rescheduled assets to banks as at 30 Jun 2015 and 31 Dec 2014.				
6. No repossessed assets as at 30 Jun 2015 and 31 Dec 2014.				

IV. Off Balance Sheet Exposures

	30 Jun 2015	31 Dec 2014
	<i>HKD'000s</i>	<i>HKD'000s</i>
1. Contingent liabilities and commitments		
- Direct credit substitutes	2,971,922	2,587,450
- Transaction-related contingencies	9,376,871	9,613,893
- Trade-related contingencies	11,785,684	12,012,391
- Other commitments	63,001,158	64,712,871
- Others	29,703,422	12,346,023
2. Derivatives (Notional amounts)		
- Exchange rate contracts**	427,980,522	373,085,117
- Interest rate contracts	101,899,427	63,742,252
- Others	9,673,645	2,437,584
3. Total fair value of derivatives		
- Exchange rate contracts**	143,581	123,521
- Interest rate contracts	63,877	71,073
- Others	(130,614)	(106,347)

The total fair value has not taken into account the effect of bilateral netting arrangements.

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

V. Liquidity Information Disclosure

	31 Dec 2014	30 Jun 2014
Average liquidity ratio for the financial period	40.73%	40.14%

Average liquidity ratio is computed in accordance with the Fourth Schedule to the Banking Ordinance.

	30 Jun 2015
Average liquidity maintenance ratio for the financial period	33.07%

Average liquidity maintenance ratio is computed in accordance with Banking Liquidity Rules.

Liquidity Risk

The liquidity risk is the risk of the entity, although solvent, being unable to fulfil its cash or collateral requirements, current or future, foreseen or unforeseen.

Liquidity risk is managed through the Liquidity Risk Framework which is designed to maintain liquidity resources that are sufficient in amount and quality, as well as an adequate and diversified funding profile. This is achieved via a combination of policy, review and governance, analysis, stress testing, limit setting and monitoring.

Liquidity Risk Management Governance in BNP Paribas Hong Kong Branch (“BNPP HK”)**ALCO**

BNP Paribas HK Asset Liability Committee (“ALCO”) is the committee which oversees the liquidity of the bank. Its main responsibilities are to validate liquidity policies, to review liquidity monitoring metrics and tools, Balance Sheet structure and funding plan. BNPP HK ALCO frequency is quarterly and it is chaired by BNPP HK Chief Executive with representatives from ALM Treasury, Business lines, Finance, Risk Function.

Liquidity Information Disclosure (continued)

ALM Treasury

ALM Treasury is responsible for the management of BNPP HK liquidity position, both in business-as-usual conditions and in crisis situation and its activity is governed by ALCO and dedicated policies and procedures.

This operational responsibility is under the independent assessment, monitoring and control of the Risk Function. It is carried out under the sound and prudent treasury management principle. The mandate consists in assessing the liquidity risks associated to the current situation and future development of the entity's business.

Liquidity Risk is managed using a combination of tools and metrics such as:

Internal Stress-Testing

The objective of internal stress testing is to assess the potential for net shortfalls under exceptional but plausible adverse scenarios. Stress tests are performed considering three scenarios: a firm-specific (idiosyncratic), a market-related (systemic) and a combination of both. Stress-Test assumptions and results are reviewed and approved by ALCO.

Early Warning Indicators

Early Warning Indicators help identifying the deterioration or improvement of market circumstances in a timely manner to maximize the time available to execute appropriate mitigating actions. They are designed in order to be useful for operational management of the liquidity, monitored, analyzed and reported on a regular basis by ALM Treasury to the ALCO members.

Contingency Funding Plan

The Contingency Funding Plan (CFP) Policy defines the framework for the identification of a potential liquidity crisis, the management of such crisis and the accompanying governance.

Liquidity Risk Oversight

BNPP HK has implemented the adequate governance to ensure compliance with the regulatory ratios and internal limits on liquidity.

SECTION B – BNP PARIBAS GROUP CONSOLIDATED INFORMATION (EUR Million)

	<u>30 Jun 2015</u>	<u>31 Dec 2014***</u>
Capital ratio	13.00%	12.60%
Shareholders' funds	92,078	89,458
Total assets	2,138,509	2,077,758
Total liabilities	2,042,386	1,984,069
Total loans and advances	741,208	700,751
Total customer deposits	687,365	641,549
	<u>2015</u>	<u>2014***</u>
Pre-tax profit / (loss) for the 6 months end 30 June	6,237	(1,320)

*** Restated according to the IFRIC 21 interpretation.

Declaration of Chief Executive Officer

We have prepared the financial disclosure statement of BNP Paribas, Hong Kong Branch for the six month period ended 30th June 2015. 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.

Paul YANG
Chief Executive
Hong Kong, 30 September 2015