

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

	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<i>HKD'000s</i>	<i>HKD'000s</i>
Interest income	2,819,847	3,304,563
Interest expense	(1,691,920)	(2,154,003)
Other operating income		
- Gains less losses arising from trading in foreign currencies	193,732	621,696
- Gains less losses on securities held for trading purposes	90,243	127,196
- Gains less losses from other trading activities	21,066	(44,620)
- Net fees and commission income		
- Fees and commission income	1,114,767	1,244,753
- Fees and commission expenses	(232,818)	(1,109,141)
- Others	642,709	720
Operating expenses		
- Staff and rental expenses	(2,005,084)	(1,820,381)
- Other expenses	(88,426)	81,774
- Net write back / (charge) for other provisions	436	(436)
Net charge for impaired loans and receivables	(89,215)	(73,544)
Impairment losses on other investments	-	(72)
Gains less losses from the disposal of property, plant and equipment and investment properties	(233)	-
Profit before taxation	775,104	178,505
Tax income / (expense)	1,370	(161,414)
<b>Profit after taxation</b>	<b>776,474</b>	<b>17,091</b>

**II Balance Sheet Information**

	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	<i>HKD'000s</i>	<i>HKD'000s</i>
<b>Assets</b>		
(i) Cash and balances with banks (except those included in amount due from overseas offices of BNP Paribas)	18,254,357	19,016,443
(ii) Placements with banks which have a residual contractual maturity of more than one month but not more than 12 months	2,701,744	1,263,533
(iii) Amount due from overseas offices of BNP Paribas	104,675,614	75,834,190
(iv) Trade bills	14,734,238	18,455,585
(v) Certificates of deposit held	9,605	5,489,396
(vi) Securities held for trading purposes	6,138,373	4,150,424
(vii) Loans and receivables		
- Loans and advances to customers	63,954,516	70,976,837
- Loans and advances to banks	774,495	512,523
- Other accounts	29,771,917	29,695,052
- Provisions for impaired loans and receivables		
Individual impairment allowance	(210,297)	(160,533)
Collective impairment allowance	(84,238)	(13,427)
(viii) Investment securities	15,159,431	20,464,228
(ix) Other investments	4,040	4,040
(x) Property, plant and equipment and investment properties	127,487	125,140
(xi) Goodwill	2,621,981	2,621,981
(xii) <b>Total assets</b>	<b>258,633,263</b>	<b>248,435,412</b>
<b>Liabilities</b>		
(i) Deposits and balances from banks (except those included in amount due to overseas offices of BNP Paribas)	84,107,646	90,998,359
(ii) Deposits from customers		
- Demand deposits and current accounts	4,205,682	5,276,938
- Time, call and notice deposits	67,204,014	52,040,817
(iii) Amount due to overseas offices of BNP Paribas	46,815,397	53,860,085
(iv) Certificates of deposit issued	3,332,250	2,784,472
(v) Issued debt securities	7,478,840	9,673,645
(vi) Other liabilities	45,479,002	33,789,943
(vii) Provisions	10,432	11,153
(viii) <b>Total liabilities</b>	<b>258,633,263</b>	<b>248,435,412</b>

**III Additional Balance Sheet Information**

	31 Dec 2015		30 Jun 2015	
	HKD'000s	% to total loans and advances to customers	HKD'000s	% to total loans and advances to customers
<b>(i) Loans and Advances to Customers</b>				
1. Impaired loans and advances* to customers				
- The amount of impaired loans and advances	340,036	0.53%	289,177	0.41%
- The amount of individual impairment allowance	193,401	0.30%	160,533	0.23%
- The amount of collective impairment allowance	2,680	0.00%	1,608	0.00%
- Market value of collateral	450,153		399,213	
Covered portion of total overdue loans and advances	182,650		194,770	
Uncovered portion of total overdue loans and advances	29,957		18,820	
2. No impaired loans and advances to banks as at 31 Dec 2015 and 30 Jun 2015.				

\* 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**

	31 Dec 2015		30 Jun 2015	
	HKD'000s	% collateral covered	HKD'000s	% collateral covered
1. Loans and advances for use in Hong Kong				
Industrial, commercial and financial				
- Property development	1,182,204	82%	1,184,638	80%
- Property investment	8,161,847	21%	6,173,688	16%
- Financial concerns	6,833,046	11%	12,948,179	4%
- Stockbrokers	1,750,020	0%	2,169,525	0%
- Wholesale and retail trade	4,775,239	18%	6,382,871	16%
- Manufacturing	4,233,934	9%	4,895,569	11%
- Transport and transport equipment	10,887,335	94%	11,979,472	90%
- Recreational activities	170,144	58%	196,058	50%
- Information technology	1,244,645	21%	986,442	0%
- Electricity and gas	1,442,528	0%	1,575,176	0%
- Others	7,069,992	29%	7,552,389	38%
Individuals				
- Loans for the purchase of other residential properties	5,354	100%	6,312	100%
- Others	-	0%	-	0%
2. Trade finance	8,331,178	25%	7,137,603	15%
3. Loans and advances for use outside Hong Kong	7,867,050	56%	7,788,915	27%
Total loans and advances to customers	<b>63,954,516</b>		<b>70,976,837</b>	

**(iii) Non-Bank Mainland China Exposures**
**Equivalent in HKD Millions**

Type of counterparties

	31 Dec 2015		
	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	10,263	1,840	12,103
2. Local governments, local government-owned entities and their subsidiaries and JVs	3,756	2,008	5,764
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,048	881	5,929
4. Other entities of central government not reported in item 1 above	78	65	143
5. Other entities of local governments not reported in item 2 above	243	26	269
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,460	4,612	10,072
7. Other counterparties where the exposures are considered by BNP Paribas to be non-bank Mainland China exposures	2,253	2,022	4,275
Total	<b>27,101</b>	<b>11,454</b>	<b>38,555</b>
Total assets after provision	<b>258,633</b>		
On-balance sheet exposures as percentage of total assets	<b>10.48%</b>		

**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	<b>28,547</b>	<b>12,915</b>	<b>41,462</b>
Total assets after provision	<b>248,435</b>		
On-balance sheet exposures as percentage of total assets	<b>11.49%</b>		

**(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>	31 Dec 2015					<b>Total</b>
	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank private sector</b>		<b>Others</b>	
			<b>Non-bank financial institutions</b>	<b>Non-financial private sector</b>		
1. Developed countries <i>of which France</i>	<b>126,019</b> 123,689	<b>1</b> -	<b>96</b> 85	<b>6,224</b> 3,222	- -	<b>132,340</b> 126,996
2. Developing Asia Pacific <i>of which China</i>	<b>18,310</b> 17,460	<b>348</b> 193	- -	<b>8,524</b> 6,446	- -	<b>27,182</b> 24,099
3. Offshore centres <i>of which Hong Kong</i>	<b>2,316</b> 1,685	- -	<b>549</b> 271	<b>44,491</b> 26,560	- -	<b>47,356</b> 28,516

  

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

**(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>	31 Dec 2015			30 Jun 2015		
	<b>Total loans and advances to customers</b>	<b>Loans and advances overdue over 3 months</b>	<b>Impaired loans and advances to customers</b>	<b>Total loans and advances to customers</b>	<b>Loans and advances overdue over 3 months</b>	<b>Impaired loans and advances to customers</b>
Hong Kong	36,200	16	143	38,200	17	92
France	2,900	-	-	9,888	-	-
Others	24,855	197	197	22,889	197	197
<b>Total</b>	<b>63,955</b>	<b>213</b>	<b>340</b>	<b>70,977</b>	<b>214</b>	<b>289</b>

**(vi) Currency Risk**

<i>Equivalent in HKD Millions</i>	31 Dec 2015				
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>CNY</b>	<b>Total</b>
Spot assets	138,260	4,847	20,331	17,314	180,752
Spot liabilities	(149,158)	(3,873)	(8,276)	(16,470)	(177,777)
Forward purchases	139,210	1,008	9,637	93,675	243,530
Forward sales	(130,854)	(1,853)	(21,396)	(91,505)	(245,608)
Net options position	(4)	-	-	-	(4)
Net long(short)position	<b>(2,546)</b>	<b>129</b>	<b>296</b>	<b>3,014</b>	<b>893</b>
Net structural position	-	-	-	-	-

  

<i>Equivalent in HKD Millions</i>	30 Jun 2015				
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>CNY</b>	<b>Total</b>
Spot assets	98,582	7,362	20,994	24,173	151,111
Spot liabilities	(131,837)	(2,898)	(7,106)	(12,582)	(154,423)
Forward purchases	182,518	1,653	9,682	105,387	299,240
Forward sales	(158,126)	(6,052)	(23,344)	(107,446)	(294,968)
Net options position	4,274	-	(241)	(6,578)	(2,545)
Net long(short)position	<b>(4,589)</b>	<b>65</b>	<b>(15)</b>	<b>2,954</b>	<b>(1,585)</b>
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**

	<b>31 Dec 2015</b>		<b>30 Jun 2015</b>	
	<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	775	0.00%	-	0.00%
- more than 6 months but not more than one year	-	0.00%	7,339	0.01%
- more than one year	211,832	0.33%	206,251	0.29%
- Market value of collateral	182,650		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	
- more than 6 months but not more than one year	6,304		-	
- 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 31 Dec 2015 and 30 Jun 2015.				
5. No rescheduled assets to banks as at 31 Dec 2015 and 30 Jun 2015.				
6. No repossessed assets as at 31 Dec 2015 and 30 Jun 2015.				

**IV. Off Balance Sheet Exposures**

	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	<i>HKD'000s</i>	<i>HKD'000s</i>
<b>1. Contingent liabilities and commitments</b>		
- Direct credit substitutes	3,038,992	2,971,922
- Transaction-related contingencies	9,447,976	9,376,871
- Trade-related contingencies	9,169,465	11,785,684
- Other commitments	65,256,673	63,001,158
- Others	30,922,917	29,703,422
<b>2. Derivatives (Notional amounts)</b>		
- Exchange rate contracts**	337,651,089	427,980,522
- Interest rate contracts	53,483,585	101,899,427
- Others	7,457,079	9,673,645
<b>3. Total fair value of derivatives</b>		
- Exchange rate contracts**	344,159	143,581
- Interest rate contracts	34,287	63,877
- Others	(224,291)	(130,614)

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**

	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
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.

	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
Average liquidity maintenance ratio for the financial period	32.81%	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>31 Dec 2015</u>	<u>30 Jun 2015</u>
Capital ratio	13.60%	13.00%
Shareholders' funds	96,269	92,078
Total assets	1,994,193	2,138,509
Total liabilities	1,894,116	2,042,386
Total loans and advances	725,924	741,208
Total customer deposits	700,309	687,365
	<u>2015</u>	<u>2014***</u>
Pre-tax profit for the 12 months end 31 December	10,379	3,150

\*\*\* 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 year ended 31st December 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, 31 March 2016**