

**Bank J. Safra Sarasin Ltd**

**Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 30 June 2015**

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**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Profit & Loss Account**  
**For The Half Year Ended 30 June 2015**

		<b>6 months ended 30 Jun 2015</b>	6 months ended 30 Jun 2014
	Notes	<b>HKD'000</b>	HKD'000
Interest income		48,632	35,853
Interest expense		(14,243)	(8,160)
Net interest income		34,389	27,693
Other operating income	1	151,463	95,960
Total operating income		185,852	123,653
Total operating expenses	2	(147,969)	(151,973)
Profit / (Loss) before impairment losses		37,883	(28,320)
Impairment losses for loans and advances		-	(59,165)
Profit / (Loss) before taxation		37,883	(87,485)
Tax (expense) / credit		(6,149)	13,522
<b>Profit / (Loss) after taxation</b>		<b>31,734</b>	<b>(73,963)</b>

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Balance Sheet**  
**As at 30 June 2015**

		<b>30 Jun 2015</b>	31 Dec 2014
	Notes	<b>HKD'000</b>	HKD'000
<b>Assets</b>			
Cash and balances with banks		219,616	201,183
Due from Exchange Fund		2,256	149,024
Amount due from overseas offices		3,417,040	2,455,123
Loans and receivables			
- Loans and advances to customers	4	6,575,044	4,397,568
- Allowance for specific provisions for impaired loans and advances		-	(57,712)
Investment securities		1,292,631	928,564
Property, plant and equipment		15,507	18,330
		<hr/>	<hr/>
<b>Total assets</b>		<b><u>11,522,094</u></b>	<b><u>8,092,080</u></b>
<b>Liabilities</b>			
Deposits and balances from banks		27,235	1,424
Deposits from customers	5	4,838,300	3,311,206
Amount due to overseas offices		6,292,919	4,542,792
Other liabilities		363,640	236,658
		<hr/>	<hr/>
<b>Total liabilities</b>		<b><u>11,522,094</u></b>	<b><u>8,092,080</u></b>

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Notes to the Financial Statements**

		<b>6 months ended 30 Jun 2015</b>	6 months ended 30 Jun 2014
	Notes	<b>HKD'000</b>	<b>HKD'000</b>
<b>1 Other operating income</b>			
Gains less losses arising from dealing in foreign currencies		16,587	4,980
Gains less losses arising from trading in other derivatives		11,981	2,235
Net fees and commission income	3	122,895	88,745
		<u><b>151,463</b></u>	<u>95,960</u>
<b>2 Total operating expenses</b>			
Staff and rental expenses		(131,822)	(135,785)
Other expenses		(16,147)	(16,188)
		<u><b>(147,969)</b></u>	<u>(151,973)</u>
<b>3 Net fees and commission income</b>			
Fees and commission income		211,765	151,515
Less: Fees and commission expenses		(88,870)	(62,770)
		<u><b>122,895</b></u>	<u>88,745</u>
<b>4 Loans and receivables</b>			
Loans and advances to customers	6	6,307,935	4,165,944
Accrued interest and other accounts		267,109	231,624
		<u><b>6,575,044</b></u>	<u>4,397,568</u>
<b>5 Deposits from customers</b>			
Demand deposits and current accounts		3,290,691	2,227,589
Time, call and notice deposits		1,547,609	1,083,617
		<u><b>4,838,300</b></u>	<u>3,311,206</u>

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Notes to the Financial Statements**

	30 Jun 2015	31 Dec 2014
	HKD'000	HKD'000
<b>6 Analysis of gross amount of loans and advances to customers</b>		
a. Breakdown by Economic sectors		
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Financial concerns	122,209	376,524
Property investment	19,675	19,502
Stockbrokers	12,362	-
Individuals		
Others	1,486,094	982,554
Loans and advances for use outside Hong Kong	4,667,595	2,787,364
	<u>6,307,935</u>	<u>4,165,944</u>
b. Breakdown by Secured and Unsecured		
Secured	6,307,935	4,108,232
Unsecured	-	57,712
	<u>6,307,935</u>	<u>4,165,944</u>
c. Breakdown by significant geographical areas after taking into account the transfer of risk and excluding loans and advances to subsidiaries		
China	702,758	494,779
British Virgin Islands	2,677,740	1,111,760
Hong Kong	2,019,859	1,794,561

**7 Provisions for Impaired Loans and Advances**

Gross impaired loans and advances to customers	-	57,712
Amount of specific provisions made for such loans and advances	-	57,712
Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	-	-
Percentage of such loans and advances to total advances to customers	-	1.39%
Impaired loans and advances breakdown by geographical area		
- British Virgin Islands	-	57,712

**8 Loans and advances to customers and banks which are overdue and rescheduled**

	30 Jun 2015		31 Dec 2014	
	HKD'000	% to Total Loans & Advances to Customers	HKD'000	% to Total Loans & Advances to Customers

The amount of overdue loans and advances to customers which have been overdue for				
- More than 1 month but not more than 3 months	-	-	-	-
- More than 3 months but not more than 6 months	-	-	-	-
- More than 6 months but not more than one year	-	-	59,165	1.65%
- More than one year	-	-	-	-

**9 Other assets which are overdue, rescheduled and repossessed**

The branch does not have other assets which are overdue, rescheduled and repossessed as at 30 Jun 2015 and 31 Dec 2014.

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Notes to the Financial Statements**

**10 International Claims**

International claims information discloses exposures to locations of counterparties on which the ultimate risk lies and the transfer of risk has been taken account of. The following information is prepared in accordance with the HKMA Return of International Banking Statistics MA(BS)21 completion instructions. Countries or geographical segments (including Hong Kong) constituting 10% or more of the aggregate amount of international claims are disclosed.

<b>30 Jun 2015</b>						
<b>HKD million</b>						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,810	-	141	220	-	4,171
of which Switzerland	3,527	-	-	-	-	3,527
Offshore centres	-	-	2,975	1,826	-	4,801
of which Hong Kong SAR	-	-	31	1,588	-	1,619
of which British Virgin Islands	-	-	2,679	-	-	2,679
	<b>3,810</b>	<b>-</b>	<b>3,116</b>	<b>2,046</b>	<b>-</b>	<b>8,972</b>

<b>31 Dec 2014</b>						
<b>HKD million</b>						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	2,845	-	134	254	-	3,233
of which Switzerland	2,501	-	-	93	-	2,594
Offshore centres	-	-	1,569	1,318	-	2,887
of which Hong Kong SAR	-	-	70	1,078	-	1,148
of which British Virgin Islands	-	-	1,113	-	-	1,113
	<b>2,845</b>	<b>-</b>	<b>1,703</b>	<b>1,572</b>	<b>-</b>	<b>6,120</b>

The comparative figures have been restated to conform with the current period's presentation.

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Notes to the Financial Statements**

**11 Mainland Activities Disclosures**

(HKD million)

	30 Jun 2015			31 Dec 2014		
Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-	-	-	-
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	583	7	590	260	38	298
4. Other entities of central government not reported in item 1 above	-	-	-	-	-	-
5. Other entities of local governments not reported in item 2 above	-	-	-	-	-	-
6. PRC nationals residing outside Mainland China or other entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-	-	-	-
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	65	93	158	41	87	128
<b>Total</b>	<b>648</b>	<b>100</b>	<b>748</b>	<b>301</b>	<b>125</b>	<b>426</b>
Total assets after provision	11,522			8,092		
On-balance sheet exposures as percentage of total assets	5.62%			3.73%		

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Notes to the Financial Statements**

**12 Foreign currency exposures**  
(HKD million)

30 Jun 2015						
	USD	EUR	CHF	AUD	Others	Total
Spot assets	4,205	1,481	349	422	1,536	7,993
Spot liabilities	(4,194)	(1,492)	(348)	(424)	(1,534)	(7,992)
Forward purchases	279	162	5	76	162	684
Forward sales	(278)	(162)	(5)	(76)	(163)	(684)
Net options positions*	-	-	-	-	-	-
Net long (short) position	<b>12</b>	<b>(11)</b>	<b>1</b>	<b>(2)</b>	<b>1</b>	<b>1</b>
Net structural position	-	-	-	-	-	-

31 Dec 2014						
	USD	EUR	CHF	AUD	Others	Total
Spot assets	2,672	751	275	219	1,490	5,407
Spot liabilities	(2,666)	(758)	(275)	(219)	(1,489)	(5,407)
Forward purchases	216	21	1	44	143	425
Forward sales	(217)	(21)	-	(44)	(143)	(425)
Net options positions*	-	-	-	-	-	-
Net long (short) position	5	(7)	1	-	1	-
Net structural position	-	-	-	-	-	-

\*Internal reporting method is adopted as basis of calculating the net options positions.

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Off Balance Sheet and Liquidity Information**  
**As at 30 June 2015**

	30 Jun 2015	31 Dec 2014
	HKD'000	HKD'000
<b>1 Contingent liabilities and commitments</b> (contractual amounts)		
Transaction-related contingent items	<b>6,202</b>	-
Other commitments	<b>13,750,442</b>	11,398,475

**2 Derivatives instruments**  
(HKD '000)

	30 Jun 2015			31 Dec 2014		
	Fair Value		Total	Fair Value		Total
	Positive	Negative	Notional Amount	Positive	Negative	Notional Amount
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	<b>60,022</b>	<b>59,869</b>	<b>6,899,037</b>	64,852	64,833	6,321,147
Equity contracts	<b>81,704</b>	<b>81,704</b>	<b>4,337,752</b>	47,418	47,418	1,472,905
Interest rate contracts	<b>37</b>	<b>36</b>	<b>22,327</b>	16	15	22,334
Others	<b>446</b>	<b>433</b>	<b>6,999</b>	69	61	3,703

**3 Liquidity maintenance ratio**

Liquidity risk management

The liquidity risk essentially refers to the danger of the Bank being unable to meet its payment obligations or failing to meet the requirements imposed by banking regulations. Within the Bank J. Safra Sarasin Group (the "Group"), The Group Treasury Committee has been delegated the responsibility for monitoring liquidity. The prime objective is to guarantee the Bank's ability to meet its payment obligations at all times and to make sure legal requirements for liquidity are complied with. A key task of the Committee is to monitor all the relevant liquidity risk factors. These include money flows between subsidiaries and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. As a supporting strategy, target bandwidths are set for surplus coverage of the minimum reserve as well as for minimum liquidity. Similarly, Bank J. Safra Sarasin Ltd, Hong Kong Branch is set a target surplus coverage above the minimum Liquidity Maintenance Ratio ("LMR") required by the Hong Kong Monetary Authority ("HKMA"). Bank J. Safra Sarasin Ltd, Hong Kong Branch also maintains a liquidity cushion in the form of unencumbered, high-quality liquid assets to meet unexpected cash outflows or client shifts from cash into investments. These are actively monitored by the relevant committees and adequate measures would be initiated if liquidity falls below the specified targets.

Bank J. Safra Sarasin Ltd, Hong Kong Branch currently has very minimal reliance on external wholesale funding with its funding needs met almost entirely by Head Office or other entities within the Group.

	30 Jun 2015	30 Jun 2014
Average Liquidity Maintenance Ratio / Liquidity Ratio for the financial period *	<b>45.12%</b>	47.19%

\* Bank J. Safra Sarasin Ltd, Hong Kong Branch has been classified by HKMA as a Category 2 institution which is subject to the Liquidity Maintenance Ratio requirements upon its implementation from 1 January 2015. Prior to this, the Branch was subject to the requirements of the Liquidity Ratio.

**Bank J. Safra Sarasin Ltd**  
**Group Consolidated Financial Information**  
**As at 31 December 2014**

	(Note 1)	(Note 1)
	<b>31 Dec 2014</b>	31 Dec 2013
<b>Capital adequacy ratio</b>		
BIS Tier 1 ratio (Note 2)	21.6%	20.8%
	CHF'000	CHF'000
<b>Total shareholders' equity including minority interest</b>	1,854,812	1,755,467
<b>Other financial information</b>		
Balance sheet :		
Total assets	25,054,602	22,784,496
Total liabilities	23,199,790	21,029,029
Due from customers	9,011,608	7,251,820
Due to customers	16,751,865	15,232,048
Profit and Loss :		
Profit / (Loss) before taxes	119,430	-54,501

Note :

- (1) Group consolidated financial information for the year ended 31 Dec 2014 represented consolidated financial information of Bank J. Safra Sarasin Ltd prepared in accordance with Swiss accounting principles applicable for banks and the requirements of Swiss law.
- (2) The calculation is based on the Basel III requirements. The basis used for calculating the adequacy ratio includes an allowance for market risk.