

Bank J. Safra Sarasin Ltd

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 31 December 2019

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2019

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Bank J. Safra Sarasin Ltd
Hong Kong Branch
Profit & Loss Account
For The Year Ended 31 December 2019

		31 Dec 2019	31 Dec 2018
	Notes	HKD'000	HKD'000
Interest income		300,468	383,426
Interest expense		(189,211)	(170,607)
Net interest income		111,257	212,819
Other operating income	1	265,453	203,083
Total operating income		376,710	415,902
Total operating expenses	2	(309,298)	(310,318)
Provisions for loans and advances		2,125	(2,469)
Profit before taxation		69,537	103,115
Tax expense		(15,432)	(16,906)
Profit after taxation		54,105	86,209

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Balance Sheet
As at 31 December 2019

		31 Dec 2019	30 Jun 2019
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		422,321	306,118
Due from Exchange Fund		3,665	3,560
Amount due from overseas offices		1,976,882	2,538,975
Certificates of deposit held		-	320,308
Loans and receivables	4	8,338,460	8,445,669
Investment securities		1,352,184	1,934,737
Property, plant and equipment		46,800	66,026
		<hr/>	<hr/>
Total assets		<u>12,140,312</u>	<u>13,615,393</u>
Liabilities			
Deposits and balances from banks		3,870	-
Deposits from customers	5	5,604,338	8,745,702
Amount due to overseas offices		6,295,931	4,533,394
Other liabilities		236,173	336,297
		<hr/>	<hr/>
Total liabilities		<u>12,140,312</u>	<u>13,615,393</u>

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

		31 Dec 2019	31 Dec 2018
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from dealing in foreign currencies		69,416	28,495
Gains less losses arising from trading in other derivatives		7,185	6,127
Gains less losses on securities designated at fair value through profit and loss		2,436	(30,242)
Net fees and commission income	3	186,244	197,555
Other		172	1,148
		<u>265,453</u>	<u>203,083</u>
2 Total operating expenses			
Staff and rental expenses		(272,198)	(277,617)
Other expenses		(37,100)	(32,701)
		<u>(309,298)</u>	<u>(310,318)</u>
3 Net fees and commission income			
Fees and commission income		360,436	387,740
Less: Fees and commission expenses		(174,192)	(190,185)
		<u>186,244</u>	<u>197,555</u>

		31 Dec 2019	30 Jun 2019
	Notes	HKD'000	HKD'000
4 Loans and receivables			
Loans and advances to customers	6	8,211,282	8,336,127
Accrued interest and other accounts		127,509	109,810
Provisions for bad and doubtful debts		(331)	(268)
- general provisions		(331)	(268)
- specific provisions		-	-
		<u>8,338,460</u>	<u>8,445,669</u>
5 Deposits from customers			
Demand deposits and current accounts		2,350,676	1,625,223
Time, call and notice deposits		3,253,662	7,120,479
		<u>5,604,338</u>	<u>8,745,702</u>

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

	31 Dec 2019	30 Jun 2019
	HKD'000	HKD'000
6 Analysis of gross amount of loans and advances to customers		
a. Breakdown by Economic sectors		
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Financial concerns	363,573	431,104
Property investment	-	11,431
Individuals		
Others	1,049,940	918,887
Loans and advances for use outside Hong Kong	6,797,769	6,974,705
	<u>8,211,282</u>	<u>8,336,127</u>
b. Breakdown by Secured and Unsecured		
Secured	8,211,282	8,336,127
Unsecured	-	-
	<u>8,211,282</u>	<u>8,336,127</u>
c. Breakdown by significant geographical areas after taking into account the transfer of risk and excluding loans and advances to subsidiaries		
British Virgin Islands	4,831,326	5,032,233
Hong Kong	1,813,717	1,750,894

7 Loans and advances to customers and banks which are overdue and rescheduled

The branch does not have any overdue and rescheduled loans and advances to customers and banks as at 31 Dec 2019 and 30 Jun 2019.

The branch does not have any impaired loans to customers and banks as at 31 Dec 2019 and 30 Jun 2019.

8 Other assets which are overdue, rescheduled and repossessed

The branch does not have any assets which are overdue, rescheduled and repossessed as at 31 Dec 2019 and 30 Jun 2019.

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

9 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.

31 Dec 2019
HKD million

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	2,700	-	123	190	-	3,013
of which Switzerland	2,283	-	-	-	-	2,283
Offshore centres	35	185	5,090	2,061	-	7,371
of which Hong Kong SAR	-	-	173	1,340	-	1,513
of which British Virgin Islands	-	-	4,835	-	-	4,835
	2,735	185	5,213	2,251	-	10,384

30 Jun 2019
HKD million

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,128	111	148	196	-	3,583
of which Switzerland	2,721	-	-	-	-	2,721
Offshore centres	28	457	5,312	1,893	-	7,690
of which Hong Kong SAR	-	-	160	1,234	-	1,394
of which British Virgin Islands	-	-	5,035	2	-	5,037
	3,156	568	5,460	2,089	-	11,273

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

10 Mainland Activities Disclosures
(HKD million)

Types of Counterparties	31 Dec 2019			30 Jun 2019		
	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	186	-	186	95	4	99
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	37	-	37	29	-	29
Total	223	-	223	124	4	128
Total assets after provision	12,140			13,615		
On-balance sheet exposures as percentage of total assets	1.84%			0.91%		

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

11 Foreign currency exposures

(HKD million)

31 Dec 2019										
	USD	GBP	JPY	EUR	CHF	CNY	AUD	GOL	Others	Total
Spot assets	4,087	645	637	1,835	627	23	244	242	446	8,786
Spot liabilities	(4,365)	(493)	(672)	(1,777)	(626)	(102)	(242)	(241)	(266)	(8,784)
Forward purchases	764	55	54	27	-	282	80	4	15	1,281
Forward sales	(488)	(206)	(18)	(87)	-	(203)	(81)	(4)	(194)	(1,281)
Net options positions*	-	-	-	-	-	-	-	-	-	-
Net long (short) position	(2)	1	1	(2)	1	-	1	1	1	2
Net structural position	-	-	-	-	-	-	-	-	-	-
30 Jun 2019										
	USD	GBP	JPY	EUR	CHF	CNY	AUD	GOL	Others	Total
Spot assets	4,671	657	787	1,636	375	18	373	147	696	9,360
Spot liabilities	(6,018)	(656)	(256)	(287)	(375)	(1,217)	(180)	(146)	(230)	(9,365)
Forward purchases	3,046	58	10	136	3	1,358	144	-	22	4,777
Forward sales	(1,705)	(57)	(541)	(1,489)	(3)	(160)	(335)	-	(486)	(4,776)
Net options positions*	-	-	-	-	-	-	-	-	-	-
Net long (short) position	(6)	2	-	(4)	-	(1)	2	1	2	(4)
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 Information
As at 31 December 2019

	31 Dec 2019	30 Jun 2019
1 Contingent liabilities and commitments (contractual amounts)	HKD'000	HKD'000
Direct credit substitutes	82,679	93,251
Other commitments	20,138,251	19,430,292

	31 Dec 2019			30 Jun 2019		
2 Derivatives instruments (HKD '000)			Total Notional Amount			Total Notional Amount
	Fair Value Positive	Negative		Fair Value Positive	Negative	
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	31,004	35,931	5,555,792	15,217	48,036	7,560,818
Equity contracts	13,269	13,269	1,105,670	14,941	14,941	963,768
Interest rate contracts	-	-	-	-	-	-
Others	-	-	-	-	-	4,898

**Bank J. Safra Sarasin Ltd
 Hong Kong Branch
 Liquidity Information
 As at 31 December 2019**

Liquidity Risk Management

The liquidity risk essentially refers to the potential inability of the Bank to meet its payment obligations or failure to meet the requirements imposed by banking regulations. Within the Bank J. Safra Sarasin Group (the "Group"), the Group Treasury Committee is responsible for monitoring liquidity. The prime objective is to guarantee the Bank's ability to meet its payment obligations at all times and to ensure compliance with legal requirements on liquidity. A key task of the Committee is to monitor all the relevant liquidity risk factors. These include money flows between subsidiaries, branches and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. The liquidity aspects are considered in aggregate but also per currency. As a supporting strategy, target bandwidths are set for surplus coverage of minimum liquidity.

The Group maintains a Contingency Funding Plan which defines measures that must be taken upon the trigger of certain escalation levels. The Contingency Funding Plan is reviewed by the Group Treasury Committee at least once a year.

The Contingency Funding Plan comes into action at the first or second escalation level as soon as:

- the internal liquidity situation drops materially and for a prolonged period where the eligible liquid assets are less than 100% but greater than 90% of the internal liquidity requirement which represents the first escalation level;
- the internal liquidity situation drops where the eligible assets are less than 90% of the internal liquidity requirement which represents the second escalation level;
- the results of the stress-test lie within the zone of the first or second escalation level.

The Contingency Funding Plan lists the possible organisational and liquidity-providing measures. The final selection of appropriate measures is made by the Group Treasury Committee according to the specific scenario and stress situation.

Asia Asset and Liability Committee (ALCO) is responsible for the review and monitoring of the funding and liquidity risk profile of Bank J. Safra Sarasin Ltd, Hong Kong Branch on an ongoing basis. A quarterly (or ad-hoc when required) meeting is organized to review liquidity-related limits and parameters and stress test results.

Liquidity Maintenance Ratio ("LMR") is prepared on a daily basis in accordance with the requirement of the Hong Kong Monetary Authority ("HKMA"). An internal target LMR of not less than 35 per cent has been set by ALCO so as to provide an early warning signal to the management. A forecast on LMR for the next four business days is prepared based on the projected intercompany placements and funding transactions, as well as significant customer loans and deposits.

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 and corresponding measures are taken if liquidity falls below the specified targets. Stress testing allows for the impact of larger outflows combined with the deterioration of Group assets on the liquidity indicators to be assessed.

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. Accordingly no concentration limit has been assigned to sources of funding.

Liquidity Exposures

	Q4 2019	Q4 2018
Average Liquidity Maintenance Ratio	44.32%	50.29%

The average LMR is calculated based on the arithmetic mean of the average value of LMR for each calendar month during the last quarter of the annual reporting period.

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 31 December 2019

Maturity Profile

(HKD million)

The following information on maturity profile is prepared in accordance with the HKMA Return on Liquidity Monitoring Tools MA(BS)23 completion instructions.

31 Dec 2019												
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years	Over 5 years	Balancing amount
On-balance sheet liabilities												
1	Deposits from non-bank customers											
	(a) Pledged deposits	-	-	-	-	-	-	-	-	-	-	-
	(b) Demand, savings and current account deposits	2,351	2,351	-	-	-	-	-	-	-	-	-
	(c) Term, call and notice deposits	3,260	184	1,035	994	541	506	-	-	-	-	-
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-
3	Amount payable arising from derivative contracts	29	-	4	7	20	113	898	847	-	-	-
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-
6	Due to banks	6,240	110	376	939	2,451	2,364	-	-	-	-	-
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-
8	Other liabilities	179	61	-	2	77	8	16	15	-	-	-
9	Capital and reserves	61	-	-	-	-	-	-	-	-	-	61
10	Total	12,120	2,706	1,415	1,942	3,089	2,991	914	862	-	-	61
Off-balance sheet obligations												
11	Irrevocable loan commitments or facilities granted											
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-
	(b) Others (not included in sub-item (a))	610	610	-	-	-	-	-	-	-	-	-
12	Contractual obligations arising from securities financing transactions (not included in item 2)	-	-	-	-	-	-	-	-	-	-	-
13	Contractual obligations arising from derivative contracts (not included in item 3)	-	-	-	-	-	-	-	-	-	-	-
14	Off-balance sheet obligations not included in items 11 to 13											
	(a) With dates and amounts of payment ascertained	83	-	-	-	45	37	1	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
15	Total	693	610	-	-	45	37	1	-	-	-	-
On-balance sheet assets												
16	Currency notes and coins	-	-	-	-	-	-	-	-	-	-	-
17	Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-
18	Amount receivable arising from derivative contracts	24	-	-	5	21	117	964	870	-	-	-
19	Due from MA for a/c of Exchange Fund	4	4	-	-	-	-	-	-	-	-	-
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-
21	Due from banks	2,400	1,153	445	802	-	-	-	-	-	-	-
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)											
	(a) Readily monetizable	1,360	1,360	-	-	-	-	-	-	-	-	-
	(b) Not readily monetizable	-	-	-	-	-	-	-	-	-	-	-
	(i) Pledged to customers	-	-	-	-	-	-	-	-	-	-	-
	(ii) Others	-	-	-	-	-	-	-	-	-	-	-
23	Acceptances and bills of exchange held	-	-	-	-	-	-	-	-	-	-	-
24	Loans and advances to non-bank customers	8,220	767	3,929	2,472	935	102	15	-	-	-	-
25	Other assets	112	63	-	2	6	9	17	9	-	-	6
26	Total	12,120	3,347	4,374	3,281	962	228	996	879	-	-	6
Off-balance sheet claims												
27	Irrevocable loan commitments or facilities received											
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
28	Contractual claims arising from securities financing transactions (not included in item 17)	-	-	-	-	-	-	-	-	-	-	-
29	Contractual claims arising from derivative contracts (not included in item 18)	-	-	-	-	-	-	-	-	-	-	-
30	Off-balance sheet claims not included in items 27 to 29											
	(a) With dates and amounts of receipt of payment ascertained	83	-	-	-	45	38	-	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
31	Total	83	-	-	-	45	38	-	-	-	-	-
32	Contractual Maturity Mismatch		31	2,959	1,339	-2,127	-2,762	81	17	-	-	-
33	Cumulative Contractual Maturity Mismatch		31	2,990	4,329	2,202	-560	-479	-462	-462	-462	-

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 31 December 2019

Maturity Profile

(HKD million)

30 Jun 2019												
	Total amount	Next day	2 to 7 days	8 days to 1 month	> 1 month up to 3 months	> 3 months up to 6 months	> 6 months up to 1 year	> 1 year up to 2 years	> 2 years up to 3 years	> 3 years up to 5 years	Over 5 years	Balancing amount
On-balance sheet liabilities												
1	Deposits from non-bank customers											
	(a) Pledged deposits	-	-	-	-	-	-	-	-	-	-	-
	(b) Demand, savings and current account deposits	1,625	1,625	-	-	-	-	-	-	-	-	-
	(c) Term, call and notice deposits	7,132	902	647	4,159	1,313	70	41	-	-	-	-
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-
3	Amount payable arising from derivative contracts	51	-	-	36	10	31	923	532	-	-	-
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-
6	Due to banks	4,495	118	435	434	3,508	-	-	-	-	-	-
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-
8	Other liabilities	257	155	-	3	5	8	55	31	-	-	-
9	Capital and reserves	42	-	-	-	-	-	-	-	-	-	42
10	Total	13,602	2,800	1,082	4,632	4,836	109	1,019	563	-	-	42
Off-balance sheet obligations												
11	Irrevocable loan commitments or facilities granted											
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-
	(b) Others (not included in sub-item (a))	1,095	1,095	-	-	-	-	-	-	-	-	-
12	Contractual obligations arising from securities financing transactions (not included in item 2)	-	-	-	-	-	-	-	-	-	-	-
13	Contractual obligations arising from derivative contracts (not included in item 3)	-	-	-	-	-	-	-	-	-	-	-
14	Off-balance sheet obligations not included in items 11 to 13											
	(a) With dates and amounts of payment ascertained	93	-	-	-	-	2	91	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
15	Total	1,188	1,095	-	-	-	2	91	-	-	-	-
On-balance sheet assets												
16	Currency notes and coins	-	-	-	-	-	-	-	-	-	-	-
17	Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-
18	Amount receivable arising from derivative contracts	18	-	-	5	8	31	951	544	-	-	-
19	Due from MA for a/c of Exchange Fund	4	4	-	-	-	-	-	-	-	-	-
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-
21	Due from banks	2,846	1,375	595	876	-	-	-	-	-	-	-
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)											
	(a) Readily monetizable	2,262	2,262	-	-	-	-	-	-	-	-	-
	(b) Not readily monetizable	-	-	-	-	-	-	-	-	-	-	-
	(i) Pledged to customers	-	-	-	-	-	-	-	-	-	-	-
	(ii) Others	-	-	-	-	-	-	-	-	-	-	-
23	Acceptances and bills of exchange held	-	-	-	-	-	-	-	-	-	-	-
24	Loans and advances to non-bank customers	8,347	2,921	1,804	2,005	634	877	106	-	-	-	-
25	Other assets	126	54	-	3	6	9	17	26	-	-	11
26	Total	13,603	6,616	2,399	2,889	648	917	1,074	570	-	-	11
Off-balance sheet claims												
27	Irrevocable loan commitments or facilities received											
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
28	Contractual claims arising from securities financing transactions (not included in item 17)	-	-	-	-	-	-	-	-	-	-	-
29	Contractual claims arising from derivative contracts (not included in item 18)	-	-	-	-	-	-	-	-	-	-	-
30	Off-balance sheet claims not included in items 27 to 29											
	(a) With dates and amounts of receipt of payment ascertained	93	-	-	-	-	2	91	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-
31	Total	93	-	-	-	-	2	91	-	-	-	-
32	Contractual Maturity Mismatch		2,721	1,317	-1,743	-4,188	808	55	7	-	-	-
33	Cumulative Contractual Maturity Mismatch		2,721	4,038	2,295	-1,893	-1,085	-1,030	-1,023	-1,023	-1,023	-

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Remuneration Disclosure

1 Governance structure of the remuneration system

The Board of Directors ("the Board") of J. Safra Sarasin Holding Ltd ("the Group") decides on the Group's general principles, key terms of compensation plans, programs, profit sharing schemes, and policies. This Board also decides on the Group's total compensation pool (fixed and variable).

The Board of Bank J. Safra Sarasin Ltd. ("BJSS") decides on benefits and retirement plans (establishment, or change of benefits / retirement plan, funding guidelines and decisions).

Lead by the CEO of BJSS, the Corporate Centre & Logistics Division Head and the Group Head of Human Resources are responsible for preparing and administrating the salary and bonus process and the deferral rules for the Board's review and final approval.

2 Design and structure of the remuneration processes

The Group's compensation framework is applicable to all employees in Hong Kong. It consists of a fixed remuneration (i.e. base salary) and a possibility for a variable remuneration (i.e. discretionary bonus). The base salary is benchmarked against the market, while the discretionary bonus is linked to the Group's performance, the performance of the business unit and the employee's individual performance on achieving pre-defined goals and targets, plus the individual's compliance with directives, guidelines and risk measures. For senior management i.e. the management team and the regional function heads as well as key employees with significant impact to the Group's risk profile, stringent risk-mitigation measures apply.

The discretionary bonus constitutes a voluntary payment and does not suggest entitlement to future bonuses. Under the current Deferral Rules, for any employee with bonus in between CHF 55,000 and CHF 100,000 or local equivalent, CHF 50,000 or local equivalent will be paid in cash and the remaining will be deferred. For any employee with bonus in excess of CHF 100,000 or local equivalent, 50% of the bonus will be paid in cash and the remaining 50% will be deferred. The deferred bonus will be paid in two instalments over two years and it will be linked to the continuous employment of the employee.

3 Remuneration for the senior management and key personnel for the year ended 31 December 2019

	31 Dec 2019		31 Dec 2018	
	HKD'000	HKD'000	HKD'000	HKD'000
a. Outstanding deferred remuneration				
Vested		2,088		4,650
Unvested		3,094		7,106
		<u>5,182</u>		<u>11,756</u>
Cash-based		5,182		11,756
Shares and share-linked instruments		-		-
		<u>5,182</u>		<u>11,756</u>
b. Deferred remuneration awarded, paid out and reduced through performance adjustments				
Awarded		2,050		4,738
Paid out		2,088		4,650
Reduced through performance adjustments		-		-
c. Breakdown of remuneration awards				
	Non-deferred	Deferred	Non-deferred	Deferred
Fixed remuneration				
Cash-based	13,772	-	12,553	-
Shares and share-linked instruments	-	-	-	-
Variable remuneration				
Cash-based	2,225	2,050	5,083	4,738
Shares and share-linked instruments	-	-	-	-
	<u>15,997</u>	<u>2,050</u>	<u>17,636</u>	<u>4,738</u>

During the period of January 2020, the CEO of Bank J. Safra Sarasin Ltd, the Corporate Centre & Logistics Division Head and the Group Head of Human Resources have set up meetings to review the compensation and prepare for Executive Committee and The Board of Directors' discussion. The Board approval of compensation by circular resolution has been concluded in early March 2020.

The aggregate quantitative information on remuneration for the year ended 31 December 2019 disclosed above is for seven senior management and key personnel of the branch (2018: seven). As the above remuneration disclosures pertain to a small number of personnel, the quantitative information on remuneration for senior management and key personnel is not separately disclosed.

During the year ended 31 December 2019, no senior management or key personnel has been awarded with guaranteed bonuses (2018: Nil), compensation for loss of bonus (2018: Nil) and severance payments (2018: Nil).

The senior management and key personnel have responsibilities beyond Hong Kong and, as a result, do not perform services exclusively for the branch. The remuneration disclosed above has been apportioned to reflect each individual's relative contribution to the branch's results for the year ended 31 December 2019.

J. Safra Sarasin Holding Ltd
Group Consolidated Financial Information
As at 31 December 2019

	(Note 1) CHF'000	(Note 1) CHF'000
	31 Dec 2019	30 Jun 2019
Total shareholders' equity including minority interest	5,071,974	4,910,171

Other financial information

Balance sheet :

Total assets	36,627,438	36,374,804
Total liabilities	31,555,464	31,464,633
Due from customers	13,770,508	14,181,341
Due to customers	28,479,913	27,861,427

	31 Dec 2019	31 Dec 2018
Profit and Loss :		
Profit before taxes	468,286	384,620

	31 Dec 2019	30 Jun 2019
Capital adequacy ratio		
CET1 ratio (Note 2)	31.3%	29.7%

Note :

- (1) Group consolidated financial information for the year ended 31 December 2019 represented consolidated financial information of J. Safra Sarasin Holding Ltd which is the holding company of Bank J. Safra Sarasin Ltd. The group consolidated financial information has been 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.