

Bank J. Safra Sarasin Ltd

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 30 June 2022

**Bank J. Safra Sarasin Ltd
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 30 June 2022**

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Bank J. Safra Sarasin Ltd
Hong Kong Branch
Profit & Loss Account
For The Year Ended 30 June 2022

		6 months ended 30 Jun 2022	6 months ended 30 Jun 2021
	Notes	HKD'000	HKD'000
Interest income		112,357	68,927
Interest expense		(15,421)	(7,990)
Net interest income		96,936	60,937
Other operating income	1	177,070	205,318
Total operating income		274,006	266,255
Total operating expenses	2	(272,430)	(246,601)
Provisions for loans and advances		454	(1,780)
Profit before taxation		2,030	17,874
Tax expense		(4,570)	(3,672)
(Loss) / Profit after taxation		(2,540)	14,202

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Balance Sheet
As at 30 June 2022

		30 Jun 2022	31 Dec 2021
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		350,276	470,856
Due from Exchange Fund		234,739	16,164
Amount due from overseas offices		3,103,753	4,394,774
Loans and receivables	4	9,333,446	11,740,797
Investment securities		3,571,154	3,749,402
Property, plant and equipment		95,608	107,244
Intangible assets		165,487	185,873
Total assets		<u>16,854,463</u>	<u>20,665,110</u>
Liabilities			
Deposits and balances from banks		-	-
Deposits from customers	5	13,252,495	15,424,069
Amount due to overseas offices		2,956,598	4,747,894
Other liabilities		645,370	493,147
Total liabilities		<u>16,854,463</u>	<u>20,665,110</u>

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

	30 Jun 2022	31 Dec 2021
	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	408,877	369,914
Property investment	16,945	19,429
Individuals		
Others	2,546,390	2,767,857
Loans and advances for use outside Hong Kong	6,036,471	8,305,059
	<u>9,008,683</u>	<u>11,462,259</u>
b. Breakdown by Secured and Unsecured		
Secured	9,008,683	11,462,259
Unsecured	-	-
	<u>9,008,683</u>	<u>11,462,259</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	3,367,560	5,503,206
Hong Kong	3,892,307	3,577,451

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 30 Jun 2022 and 31 Dec 2021.

The branch does not have any impaired loans to customers and banks as at 30 Jun 2022 and 31 Dec 2021.

8 Other assets which are overdue, rescheduled and repossessed

The branch does not have any assets which are overdue, rescheduled and repossessed as at 30 Jun 2022 and 31 Dec 2021.

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.

30 Jun 2022 HKD million						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,371	1,007	51	110	-	4,539
of which Switzerland	3,224	-	-	-	-	3,224
of which Japan	2	1,007	27	88	-	1,124
Offshore centres	45	2,176	3,601	3,260	-	9,082
of which Hong Kong SAR	-	-	56	2,994	-	3,050
of which Singapore	45	2,176	39	113	-	2,373
of which British Virgin Islands	-	-	3,332	74	-	3,406
	3,416	3,183	3,652	3,370	-	13,621

31 Dec 2021 HKD million						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	4,974	1,801	74	246	-	7,095
of which Switzerland	4,679	-	-	-	-	4,679
of which Japan	6	1,801	28	109	-	1,944
Offshore centres	48	1,386	5,762	3,020	-	10,216
of which Hong Kong SAR	-	-	69	2,728	-	2,797
of which Singapore	48	1,386	37	115	-	1,586
of which British Virgin Islands	-	-	5,453	73	-	5,526
	5,022	3,187	5,836	3,266	-	17,311

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

10 Mainland Activities Disclosures
(HKD million)

Types of Counterparties	30 Jun 2022			31 Dec 2021		
	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	527	252	779	942	357	1,299
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	109	4	113	101	3	104
Total	636	256	892	1,043	360	1,403
Total assets after provision	16,854			20,665		
On-balance sheet exposures as percentage of total assets	3.77%			5.04%		

11. Foreign currency exposures
 (HKD million)

30 Jun 2022										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	SGD	Others	Total
Spot assets	7,605	247	1,517	805	131	445	984	2,389	221	14,344
Spot liabilities	(8,847)	(442)	(1,227)	(778)	(313)	(333)	(982)	(57)	(708)	(13,687)
Forward purchases	3,152	260	70	107	307	24	144	49	546	4,659
Forward sales	(1,920)	(65)	(359)	(133)	(125)	(135)	(144)	(2,378)	(58)	(5,317)
Net options positions*	-	-	-	-	-	-	-	-	-	-
Net long (short) position	(10)	-	1	1	-	1	2	3	1	(1)
Net structural position	-	-	-	-	-	-	-	-	-	-

31 Dec 2021										
	USD	GBP	JPY	EUR	CNY	CAD	CHF	SGD	Others	Total
Spot assets	9,433	398	2,321	1,994	148	504	1,272	1,680	458	18,208
Spot liabilities	(10,064)	(397)	(1,448)	(1,993)	(640)	(504)	(1,269)	(188)	(735)	(17,238)
Forward purchases	2,790	42	79	47	619	20	16	-	347	3,960
Forward sales	(2,172)	(42)	(950)	(47)	(128)	(19)	(16)	(1,491)	(68)	(4,933)
Net options positions*	-	-	-	-	-	-	-	-	-	-
Net long (short) position	(13)	1	2	1	(1)	1	3	1	2	(3)
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 30 June 2022

	30 Jun 2022	31 Dec 2021
1 Contingent liabilities and commitments (contractual amounts)	HKD'000	HKD'000
Direct credit substitutes	564	578
Other commitments	38,736,309	37,356,148

	30 Jun 2022			31 Dec 2021		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	90,767	56,790	10,200,606	34,848	26,378	8,372,247
Equity contracts	105,464	105,464	2,419,116	152,000	152,000	3,441,664
Interest rate contracts	9,136	9,136	310,111	1,507	1,507	308,124
Others	424	424	183,208	3,352	3,335	365,442

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.

Recovery Planning, in conjunction with the Supervisory Policy Manual – Recovery Planning (RE – 1), has also been drafted to incorporate the recovery plans with regard to effective monitoring, triggering and the execution when required under severe stress to restore its financial stability and viability. An internal Recovery Trigger ratio of 30% has been drawn up in addition to the internal target LMR as mentioned above.

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

	Q2 2022	Q2 2021
Average Liquidity Maintenance Ratio	45.48%	43.78%

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 interim reporting period.

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 30 June 2022

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

													30 Jun 2022
													Balancing amount
													Over 5 years
													> 3 years up to 5 years
													> 2 years up to 3 years
													> 1 year up to 2 years
													> 6 months up to 1 year
													> 3 months up to 6 months
													> 1 month up to 3 months
													8 days to 1 month
													2 to 7 days
													Next day
													Total amount
On-balance sheet liabilities													
1	Deposits from non-bank customers												
	(a) Pledged deposits	-	-	-	-	-	-	-	-	-	-	-	-
	(b) Demand, savings and current account deposits	8,547	8,547	-	-	-	-	-	-	-	-	-	-
	(c) Term, call and notice deposits	4,709	105	1,332	1,345	1,717	174	36	-	-	-	-	-
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	-
3	Amount payable arising from derivative contracts	64	-	3	18	23	66	917	993	1	2	-	-
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	-
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
6	Due to banks	2,930	83	-	382	2,465	-	-	-	-	-	-	-
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	-
8	Other liabilities	473	275	-	21	6	6	82	31	25	27	-	-
9	Capital and reserves	23	-	-	-	-	-	-	-	-	-	-	23
10	Total	16,746	9,010	1,335	1,766	4,211	246	1,035	1,024	26	29	-	23
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))	974	974	-	-	-	-	-	-	-	-	-	-
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	1	-	-	-	1	-	-	-	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-	-
15	Total	975	974	-	-	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	98	-	19	17	42	68	929	999	1	2	-	-
19	Due from MA for a/c of Exchange Fund	235	235	-	-	-	-	-	-	-	-	-	-
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
21	Due from banks	3,454	807	1,751	896	-	-	-	-	-	-	-	-
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
	(a) Readily monetizable	3,573	3,573	-	-	-	-	-	-	-	-	-	-
	(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	9,013	879	4,263	2,868	562	305	136	-	-	-	-	-
25	Other assets	372	94	-	2	4	6	11	28	23	17	-	187
26	Total	16,745	5,588	6,033	3,783	608	379	1,076	1,027	24	19	-	187
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	1	-	-	-	1	-	-	-	-	-	-	-
	(b) Others	-	-	-	-	-	-	-	-	-	-	-	-
31	Total	1	-	-	-	1	-	-	-	-	-	-	-
32	Contractual Maturity Mismatch		-4,396	4,698	2,017	-3,603	133	41	3	-2	-10	-	
33	Cumulative Contractual Maturity Mismatch		-4,396	302	2,319	-1,284	-1,151	-1,110	-1,107	-1,109	-1,119	-1,119	

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 30 June 2022

Maturity Profile
(HKD million)

31 Dec 2021													
	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	14,612	14,612	-	-	-	-	-	-	-	-	-	
(c)	Term, call and notice deposits	813	4	229	389	122	34	35	-	-	-	-	
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	
3	Amount payable arising from derivative contracts	43	-	1	7	33	100	1,339	313	2	3	1	
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
6	Due to banks	4,746	140	-	1,003	2,487	1,116	-	-	-	-	-	
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	
8	Other liabilities	315	59	-	3	106	27	15	40	26	39	-	
9	Capital and reserves	-5	-	-	-	-	-	-	-	-	-	-5	
10	Total	20,524	14,815	230	1,402	2,748	1,277	1,389	353	28	42	1	-5
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))	935	935	-	-	-	-	-	-	-	-	-	
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	1	-	-	-	-	-	1	-	-	-	-	
(b)	Others	-	-	-	-	-	-	-	-	-	-	-	
15	Total	936	935	-	-	-	-	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	51	-	1	15	35	103	1,419	314	2	3	1	
19	Due from MA for a/c of Exchange Fund	16	16	-	-	-	-	-	-	-	-	-	
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
21	Due from banks	4,865	732	2,948	1,185	-	-	-	-	-	-	-	
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)	-	-	-	-	-	-	-	-	-	-	-	
(a)	Readily monetizable	3,752	3,752	-	-	-	-	-	-	-	-	-	
(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	11,463	1,224	6,700	2,707	628	136	68	-	-	-	-	
25	Other assets	375	74	-	2	4	6	11	28	23	29	198	
26	Total	20,522	5,798	9,649	3,909	667	245	1,498	342	25	32	1	198
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	1	-	-	-	-	-	1	-	-	-	-	
(b)	Others	-	-	-	-	-	-	-	-	-	-	-	
31	Total	1	-	-	-	-	-	1	-	-	-	-	
32	Contractual Maturity Mismatch		-9,952	9,419	2,507	-2,081	-1,032	109	-11	-3	-10	-	
33	Cumulative Contractual Maturity Mismatch		-9,952	-533	1,974	-107	-1,139	-1,030	-1,041	-1,044	-1,054	-1,054	

J. Safra Sarasin Holding Ltd
Group Consolidated Financial Information
As at 30 June 2022

	(Note 1) CHF'000	(Note 1) CHF'000
	30 Jun 2022	31 Dec 2021
Total shareholders' equity including minority interest	5,777,611	5,570,213

Other financial information

Balance sheet :

Total assets	45,383,893	42,325,356
Total liabilities	39,606,282	36,755,143
Due from customers	13,524,505	13,405,508
Due to customers	34,145,154	32,370,958

	30 Jun 2022	30 Jun 2021
Profit and Loss :		
Profit before taxes	226,296	214,279

	30 Jun 2022	31 Dec 2021
Capital adequacy ratio		
CET1 ratio (Note 2)	40.6%	38.7%

Note :

(1) Group consolidated financial information for the six-month period ended 30 June 2022 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.