



**UNION BANCAIRE PRIVÉE, UBP SA, HONG KONG BRANCH**  
*UNION BANCAIRE PRIVÉE is incorporated in Geneva, Switzerland, as a limited liability company*

**KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT**

**AS AT 31 DECEMBER 2019**



**UNION BANCAIRE PRIVÉE, UBP SA**

**HONG KONG BRANCH**

*We are pleased to enclose the Key Financial Information Disclosure Statement (the "Disclosure Statement") relating to Union Bancaire Privée, UBP SA, Hong Kong Branch ("the Branch") for the year ended 31 December 2019.*

*This Disclosure Statement was prepared in accordance with Banking Ordinance CAP 155M Banking (Disclosure) Rules and Supervisory Policy Manual (CA-D-1) Guideline on the application of the Banking (Disclosure) Rules by Hong Kong Monetary Authority.*

*The Disclosure Statement has been compiled from the books and records of the Branch. During the reporting period, there was no contravention of rules made under section 60A (1) the Banking Ordinance.*

A handwritten signature in black ink, appearing to read 'Eric Morin', with a horizontal line extending to the right.

*ERIC MORIN  
Chief Executive*

*24 April 2020*

Section A – Branch Information (Hong Kong Branch only)

(I) Profit and Loss Account	31-Dec-19 HKD'000	31-Dec-18 HKD'000
Interest income	365,415	319,280
Interest expense	(162,476)	(133,112)
Net interest income	202,939	186,168
Other operating income		
Fees and commission income	350,788	311,590
Fees and commission expense	(39,694)	(50,810)
Net fees and commission income	311,094	260,780
- Gains less losses arising from trading in foreign currencies	24,833	26,215
- Gains less losses arising from trading in other derivatives	-	21
- Others	-	-
Total Income	538,866	473,184
Operating expenses		
Staff and rental expenses	(367,205)	(322,984)
Intra-group Administration Expenses	(35,899)	(39,946)
Other Expenses	(80,117)	(69,124)
	(483,221)	(432,054)
Impairment loss and specific provision and collective provision for impaired assets	-	-
Gain less losses from disposal of property, plant and equipment and investment properties	-	-
Profit / (Loss) before taxation	55,645	41,130
Tax expense	(6,000)	(6,800)
Profit / (Loss) after taxation	49,645	34,330

**(II) Balance sheet**

	<b>31-Dec-19</b> <b>HKD'000</b>	<b>30-Jun-19</b> <b>HKD'000</b>
<b>Assets</b>		
Cash & balances with banks (excluded amount due from overseas offices of the institution)	149,250	257,326
Amount due from Exchange Fund	7,907	2,324
Amount due from overseas offices of the institution	7,810,719	8,691,724
Loan and receivables		
- Loan and advances to customers	10,089,755	9,870,645
- Specific provisions for such loan and advances	-	-
- Loan and advances to banks	-	-
- Accrued interest and other accounts	227,500	181,371
Investment securities	3,898,500	4,252,363
Property, plant and equipment	13,936	12,593
Total assets	<u>22,197,567</u>	<u>23,268,346</u>
<b>Liabilities</b>		
Deposits & balances to banks (excluded amount due to overseas offices of the institution)	107,595	1,870,724
Of which: amount payable to other banks from repo	-	643,334
Amount due to Exchange Fund	-	-
Deposits from customers	11,794,191	10,666,774
- Demand deposits and current accounts	3,461,380	3,668,185
- Time, call and notice deposits	8,332,811	6,998,589
Amount due to overseas offices of the institution	9,954,339	10,501,615
Other liabilities	341,442	229,233
Total liabilities	<u>22,197,567</u>	<u>23,268,346</u>

### (III) Additional balance sheet information

#### 1. Loans and receivables

There were no repossessed assets and no overdue or rescheduled loans and advances to customers and banks as at 31 December 2019 and 30 June 2019. Therefore, there were no impairment losses and specific and collective provisions for the year ended 31 December 2019 and 30 June 2019.

#### 2. Analysis of gross amount of loans and advances to customers by industry

	31-Dec-19		30-Jun-19	
	HKD'000	Covered by Collateral HKD'000	HKD'000	Covered by collateral HKD'000
a) Loans and advances for use in Hong Kong				
Industrial, commercial and financial sectors				
- Property investment	30,555	30,555	38,659	38,659
- Manufacturing	-	-	-	-
- Wholesale and retail trade	36	36	-	-
- Other	3,312,479	3,312,479	2,680,317	2,680,317
	<u>3,343,070</u>	<u>3,343,070</u>	<u>2,718,976</u>	<u>2,718,976</u>
Individuals				
- Loans for the purchase of other residential properties	149,793	149,793	142,374	142,374
- Other	65,258	65,258	54,058	54,058
	<u>215,051</u>	<u>215,051</u>	<u>196,432</u>	<u>196,432</u>
Loans and advances for use in Hong Kong	3,558,121	3,558,121	2,915,408	2,915,408
b) Loans and advances for use outside Hong Kong	6,531,634	6,531,634	6,955,237	6,955,237
<b>Total loans and advances</b>	<u>10,089,755</u>	<u>10,089,755</u>	<u>9,870,645</u>	<u>9,870,645</u>

The above sectoral analysis has been classified according to the usage of loans and advances based on categories and definition used by the Hong Kong Monetary Authority.

### (III) Additional balance sheet information

#### 3. Analysis of gross amount of loans and advances to customers by geographical concentration

Countries	31-Dec-19	30-Jun-19
	HKD'000	HKD'000
British Virgin Islands	4,652,185	4,944,027
Hong Kong	3,558,121	2,915,408
Singapore	632,782	741,250
Taiwan	420,343	512,032
Others	826,324	757,928
	<u>10,089,755</u>	<u>9,870,645</u>

#### As at 31 Dec 19

<i>Equivalent in millions of HK\$</i>	Banks	Official sector	Non-bank Financial Institutions	Non-financial private sector	Total
<b>Developed Countries</b>	<b>8,402</b>	-	<b>156</b>	<b>1,335</b>	<b>9,893</b>
of which Switzerland	8,048	-	-	-	8,048
of which Japan	-	-	78	906	984
<b>Offshore Centres</b>	<b>104</b>	-	-	<b>7,712</b>	<b>7,816</b>
of which Hong Kong	24	-	-	1,633	1,657
of which Singapore	80	-	-	1,229	1,309
of which West Indies UK	-	-	-	4,663	4,663

#### As at 30 Jun 19

<i>Equivalent in millions of HK\$</i>	Banks	Official sector	Non-bank financial Institutions	Non-financial private sector	Total
<b>Developed Countries</b>	<b>9,382</b>	<b>1,014</b>	<b>288</b>	<b>941</b>	<b>11,625</b>
of which Switzerland	8,831	-	131	-	8,962
of which Japan	3	1,014	78	580	1,675
<b>Offshore Centres</b>	<b>119</b>	-	-	<b>7,715</b>	<b>7,834</b>
of which Hong Kong	25	-	-	1,472	1,497
of which Singapore	85	-	-	1,037	1,122
of which West Indies UK	-	-	-	4,960	4,960

(III) Additional balance sheet information – continued

**5 Currency Risk**

As at 31 Dec 19

<i>Equivalent in millions of HK\$</i>	<b>USD</b>	<b>EUR</b>	<b>CAD</b>	<b>Others</b>	<b>Total</b>
Spot assets	9,859	845	14	6,912	17,630
Spot liabilities	(10,851)	(852)	(54)	(5,075)	(16,832)
Forward purchases	7,086	268	412	2,762	10,528
Forward sales	(6,094)	(261)	(372)	(4,597)	(11,324)
Net option position	-	-	-	-	-
Net long (short) position	-	-	-	2	2
Net structural position	-	-	-	-	-

As at 30 Jun 19

<i>Equivalent in millions of HK\$</i>	<b>USD</b>	<b>EUR</b>	<b>CAD</b>	<b>Others</b>	<b>Total</b>
Spot assets	6,058	947	20	10,624	17,649
Spot liabilities	(8,143)	(812)	(67)	(9,003)	(18,025)
Forward purchases	9,533	219	285	3,392	13,429
Forward sales	(7,449)	(353)	(237)	(5,012)	(13,051)
Net option position	-	-	-	-	-
Net long (short) position	(1)	1	1	1	2
Net structural position	-	-	-	-	-

The basis of calculation for the above currency risk is based on the notional value set out in the return "Foreign Currency Position" (MA(BS)6).

Structural assets solely comprised of the fixed assets denominated in HKD amounting to HK\$14m and HK\$13m as at 31 December 2019 and 30 June 2019. There were no foreign currency exposure arising from structural position as at 31 December 2019 and 30 Jun 2019.

(III) Additional balance sheet information – continued

6. Non-bank mainland china activities

As at 31 Dec 19

<i>Equivalent in HK\$'000</i>	On-balance sheet exposure	Off- balance sheet exposure	Total exposures
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	88,886	117	89,003
Total	88,886	117	89,003
<b>Total assets after provision</b>	<b>22,197,567</b>		
<b>On-balance sheet exposures as % of total assets</b>	<b>0.40%</b>		

As at 30 Jun 19

<i>Equivalent in HK\$'000</i>	On-balance sheet exposure	Off- balance sheet exposure	Total exposures
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	167,067	299	167,366
Total	167,067	299	167,366
<b>Total assets after provision</b>	<b>23,268,346</b>		
<b>On-balance sheet exposures as % of total assets</b>	<b>0.72%</b>		



(IV) Off-balance sheet exposures

	31-Dec-19 HKD'000	30-Jun-19 HKD'000
<b>Contingent liabilities and commitments</b>		
Direct credit substitutes	12,438	12,320
Other commitments	20,092,873	21,265,645
	<u>20,105,311</u>	<u>21,277,965</u>

(V) Derivatives Transactions

**Derivatives – Contract amount:**

Exchange rate & precious metals related derivative contracts	27,082,750	21,705,491
Others	949,639	396,365
	<u>28,032,389</u>	<u>22,101,856</u>

**Derivatives assets:**

Exchange rate & precious metals related derivative contracts	88,220	36,143
Others	16,151	13,655
	<u>104,371</u>	<u>49,798</u>

**Derivatives liabilities:**

Exchange rate & precious metals related derivative contracts	119,887	97,602
Others	16,151	13,655
	<u>136,038</u>	<u>111,257</u>

The above derivatives assets and liabilities, being the positive or negative marked-to-market value of the respective derivative contracts, represent gross replacement costs. The total replacement costs have not taken into account the effect of bilateral netting arrangements.

(VI) Liquidity

Half yearly 6 months average liquidity ratio	31-Dec-19	30-Jun-19
	<u>84.78%</u>	<u>79.85%</u>
Quarterly 3 months average liquidity ratio	31-Dec-19	30-Sep-19
	<u>75.38%</u>	<u>94.18%</u>
		31-Dec-18
		<u>62.19%</u>

Union Bancaire Privée, UBP SA, Hong Kong Branch manages its liquidity risk in accordance to the Branch's and Head Office's Liquidity Risk Policy, which is governed by a set of principles approved by Local and Group Assets and Liabilities Committee and Committee of Board of Directors.

The Group and Hong Kong Branch have deployed a control framework consistent with the Group's liquidity risk tolerance. The Hong Kong Branch assumes the local responsibilities for identifying, monitoring and controlling liquidity risks at Hong Kong Branch to meet its cash flow requirements, over and above regulatory requirements, so that sufficient funds are available as set out in the Liquidity Risk Policy. Arrangements are in place at the level of Hong Kong Branch to enable it to comply with the Liquidity Risk Management requirements set out by the HKMA in the Supervisory Policy Manuals (LM-1 and LM-2).

The Group and Hong Kong Branch have deployed effective frameworks for liquidity risk management under normal and stressed situations, cash flow management and contingency planning for liquidity crises.

## **(VII) Disclosure on Remuneration**

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by the HKMA, Union Bancaire Privée, UBP SA, Hong Kong Branch complies with the requirements and has adopted the remuneration system of the Head Office.

Section B – Bank Information (Consolidated basis)

The following information relates to Union Bancaire Privée Group:

(I) Capital and capital adequacy	At 31-Dec-19 CHF'000	At 30-Jun-19 CHF'000
Shareholders' equity	2,355,224	2,284,888
Capital adequacy ratio	25.60%	26.10%

The capital adequacy ratio is computed in accordance with the Basel Capital Accord and incorporates market risk.

(II) Other financial information	At 31-Dec-19 CHF'000	At 30-Jun-19 CHF'000
Total assets	32,755,600	31,963,012
Total liabilities	30,400,376	29,678,124
Total loans and advances	11,104,443	10,683,313
Total customer deposits	24,326,892	23,569,122
	Year ended At 31-Dec-19 CHF'000	Year ended At 31-Dec-18 CHF'000
Pre-tax profits	236,726	262,288

