



UNION BANCAIRE PRIVÉE, UBP SA, HONG KONG BRANCH
Union Bancaire Privée, UBP SA is incorporated in Geneva, Switzerland with limited liability

KEY FINANCIAL INFORMATION DISCLOSURE STATEMENT

AS AT 31 DEC 2021



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 Dec 2021.

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", is positioned above the printed name.

Eric Morin
Chief Executive

19 April 2022

Section A – Branch Information (Hong Kong Branch only)

(I) Profit and Loss Account	31-Dec-2021	31-Dec-2020
	HKD'000	HKD'000
Net Interest Income		
Interest income	184,794	231,554
Interest expense	(45,995)	(78,396)
	138,799	153,158
Other operating income		
Fees and commission income	456,058	404,701
Fees and commission expense	(44,427)	(43,742)
Net fees and commission income	411,631	360,959
- Gains less losses arising from trading in foreign currencies	28,538	39,171
- Gains less losses arising from trading in other derivatives	-	(5)
- Others	-	-
Total Income	578,968	553,283
Operating expenses		
Staff and rental expenses	(364,839)	(335,706)
Intra-group Administration Expenses	(39,229)	(45,753)
Other Expenses	(74,518)	(108,023)
	(478,586)	(489,482)
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	100,382	63,801
Tax expense	(18,500)	(11,000)
Profit / (Loss) after taxation	81,882	52,801

(II) Balance sheet

	31-Dec-2021	30-Jun-2021
	HKD'000	HKD'000
Assets		
Cash & balances with banks (excluded amount due from overseas offices of the institution)	518,552	454,178
Amount due from Exchange Fund	8,247	7,773
Amount due from overseas offices of the institution	5,135,712	6,253,831
Loan and receivables		
- Loan and advances to customers	10,164,547	10,361,875
- Specific provisions for such loan and advances	-	-
- Loan and advances to banks	-	-
- Accrued interest and other accounts	44,162	34,622
Investment securities	9,222,944	7,000,064
Property, plant and equipment	11,941	11,531
Other assets	899,714	351,374
Total assets	<u>26,005,819</u>	<u>24,475,248</u>
Liabilities		
Deposits & balances to banks (excluded amount due to overseas offices of the institution)	2,023,566	1,450,638
Of which: amount payable to other banks from repo	1,620,094	793,829
Amount due to Exchange Fund	-	-
Deposits from customers	16,150,086	15,198,458
- Demand deposits and current accounts	10,038,987	8,174,971
- Time, call and notice deposits	6,111,099	7,023,487
Amount due to overseas offices of the institution	6,932,377	7,425,317
Other liabilities	817,908	362,235
Profit for the period	81,882	38,600
Total liabilities & profit for the period	<u>26,005,819</u>	<u>24,475,248</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 Dec 2021 and 30 Jun 2021. Therefore, there were no impairment losses and specific and collective provisions for the year ended 31 Dec 2021 and 30 Jun 2021.

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

	31-Dec-2021		30-Jun-2021	
	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	35,239	35,239	29,913	29,913
- Manufacturing	-	-	-	-
- Wholesale and retail trade	-	-	-	-
- Other	3,736,161	3,736,161	3,970,154	3,970,154
	<u>3,771,400</u>	<u>3,771,400</u>	<u>4,000,067</u>	<u>4,000,067</u>
Individuals				
- Loans for the purchase of other residential properties	90,343	90,343	79,104	79,104
- Other	85,638	85,638	166,214	166,214
	<u>175,981</u>	<u>175,981</u>	<u>245,318</u>	<u>245,318</u>
Loans and advances for use in Hong Kong	3,947,181	3,947,181	4,245,385	4,245,385
b) Loans and advances for use outside Hong Kong	6,217,166	6,217,166	6,116,490	6,116,490
Total loans and advances	<u>10,164,547</u>	<u>10,164,547</u>	<u>10,361,875</u>	<u>10,361,875</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

	31-Dec-2021	30-Jun-2021
Countries	<u>HKD'000</u>	<u>HKD'000</u>
British Virgin Islands	4,624,687	4,386,471
Hong Kong	3,947,381	4,245,385
Singapore	458,904	448,756
Taiwan	263,912	323,475
Others	869,662	957,788
	<u>10,164,547</u>	<u>10,361,875</u>

As at 31 Dec 2021

<i>HKD'm</i>	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Total
Developed Countries	5,438	410	242	968	7,058
of which Switzerland	5,409	-	-	-	5,409
of which Japan	3	410	-	410	823
Offshore Centres	233	1,154	207	8,547	10,141
of which Hong Kong	19	649	207	3,078	3,953
of which Singapore	214	505	-	682	1,401
of which West Indies UK	-	-	-	4,632	4,632
Developing Asia and Pacific	-	5,484	-	1,066	6,550
of which South Korea	-	5,484	-	372	5,856

As at 30 Jun 2021

<i>HKD'm</i>	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Total
Developed Countries	6,697	424	241	892	8,254
of which Switzerland	6,466	-	-	-	6,466
of which Japan	1	424	-	462	887
Offshore Centres	21	422	200	8,665	9,308
of which Hong Kong	14	39	200	3,194	3,447
of which Singapore	7	382	-	861	1,250
of which West Indies UK	-	-	-	4,396	4,396
Developing Asia and Pacific	-	3,425	-	1,578	5,003
of which South Korea	-	3,425	-	800	4,225

The above geographical disclosure of cross-border claims is based on the location of the counterparty after adjusting transfer of risk set out in the return "International Banking Statistics" (MA(BS)21).

(III) Additional balance sheet information – continued

5 Currency Risk

As at 31 Dec 2021

<i>Equivalent in millions of HK\$</i>	USD	JPY	EUR	Others	Total
Spot assets	8,052	1,099	1,363	12,523	23,037
Spot liabilities	(12,780)	(577)	(749)	(9,128)	(23,234)
Forward purchases	10,417	246	916	6,803	18,382
Forward sales	(5,688)	(767)	(1,530)	(10,191)	(18,176)
Net option position	-	-	-	-	-
Net long (short) position	1	1	-	7	9
Net structural position	-	-	-	-	12

As at 30 Jun 2021

<i>Equivalent in millions of HK\$</i>	USD	JPY	EUR	Others	Total
Spot assets	8,873	1,121	745	11,130	21,869
Spot liabilities	(11,679)	(583)	(870)	(9,001)	(22,133)
Forward purchases	7,871	905	431	4,268	13,475
Forward sales	(5,062)	(1,443)	(306)	(6,395)	(13,206)
Net option position	-	-	-	-	-
Net long (short) position	3	-	-	1	4
Net structural position	-	-	-	-	12

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\$12m and HK\$12m as at 31 Dec 2021 and 30 Jun 2021 respectively. There were no other foreign currency exposure arising from structural position as at 31 Dec 2021 and 30 Jun 2021.

(III) Additional balance sheet information – continued

6. Non-bank mainland china activities

As at 31 Dec 2021

<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	91,996	15	92,011
Total	91,996	22	92,011

Total assets after provision

26,005,819

On-balance sheet exposures as % of total assets

0.35%

As at 30 Jun 2021

<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	84,600	69	84,669
Total	84,600	69	84,669

Total assets after provision

24,475,248

On-balance sheet exposures as % of total assets

0.35%

(IV) Off-balance sheet exposures

	31-Dec-2021 HKD'000	30-Jun-2021 HKD'000
Contingent liabilities and commitments		
Direct credit substitutes	340,033	341,301
Other commitments	20,523,486	21,131,077
	<u>20,863,519</u>	<u>21,472,378</u>

(V) Derivatives Transactions

Derivatives – Contract amount:

Exchange rate & precious metals related derivative contracts	28,807,592	22,223,276
Others	2,195,471	1,856,365
	<u>31,003,063</u>	<u>24,079,641</u>

Derivatives assets:

Exchange rate, rate & precious metals related derivative contracts	376,985	100,747
Others	54,323	36,013
	<u>431,308</u>	<u>136,760</u>

Derivatives liabilities:

Exchange rate & precious metals related derivative contracts	177,124	127,290
Others	54,323	36,013
	<u>231,447</u>	<u>163,303</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-2021	30-Jun-2021
	<u>81.15%</u>	<u>78.37%</u>
Quarterly 3 months average liquidity ratio	31-Dec-2021	30-Sep-2021
	<u>78.06%</u>	<u>84.23%</u>
		31-Dec-2020
		<u>74.39%</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	31-Dec-2021 CHF'000	30-Jun-2021 CHF'000
Total equity	2,478,168	2,377,173
Total capital ratio	25.23%	25.40%

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

(II) Other financial information	31-Dec-2021 CHF'000	30-Jun-2021 CHF'000
Total assets	38,784,712	35,820,001
Total liabilities	36,306,544	33,442,828
Total loans and advances	12,663,535	12,815,501
Total customer deposits	26,487,668	25,428,990
	Year ended 31-Dec-2021 CHF'000	Year ended 31-Dec-2020 CHF'000
Operating result before tax & extraordinary income	244,475	220,011