



**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 30 JUN 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 30 Jun 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 blue ink, appearing to read 'Eric Morin', is positioned above the printed name.

Eric Morin  
Chief Executive

28 September 2021

**Section A – Branch Information (Hong Kong Branch only)**

(I) Profit and Loss Account	Half Year ended	Half Year ended
	30-Jun-2021	30-Jun-2020
	HKD'000	HKD'000
Net Interest Income		
Interest income	85,340	164,008
Interest expense	(14,106)	(81,191)
	71,234	82,817
Other operating income		
Fees and commission income	226,861	193,588
Fees and commission expense	(24,473)	(27,830)
Net fees and commission income	202,388	165,758
- Gains less losses arising from trading in foreign currencies	11,217	16,316
- Gains less losses arising from trading in other derivatives	-	(22)
- Others	-	-
Total Income	284,840	264,869
Operating expenses		
Staff and rental expenses	(181,078)	(194,707)
Intra-group Administration Expenses	(21,610)	(19,370)
Other Expenses	(37,352)	(37,576)
	(240,040)	(251,653)
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	44,800	13,216
Tax expense	(6,200)	(2,500)
Profit / (Loss) after taxation	38,600	10,716

**(II) Balance sheet**

	<b>30-Jun-2021</b>	<b>31-Dec-2020</b>
	<b>HKD'000</b>	<b>HKD'000</b>
<b>Assets</b>		
Cash & balances with banks (excluded amount due from overseas offices of the institution)	454,178	1,300,495
Amount due from Exchange Fund	7,773	2,584
Amount due from overseas offices of the institution	6,253,831	7,429,297
Loan and receivables		
- Loan and advances to customers	10,361,875	9,739,303
- Specific provisions for such loan and advances	-	-
- Loan and advances to banks	-	-
- Accrued interest and other accounts	385,996	372,827
Investment securities	7,000,064	3,785,378
Property, plant and equipment	11,531	9,990
Total assets	<u>24,475,248</u>	<u>22,639,874</u>
<b>Liabilities</b>		
Deposits & balances to banks (excluded amount due to overseas offices of the institution)	1,450,638	1,925,755
Of which: amount payable to other banks from repo	793,829	742,494
Amount due to Exchange Fund	-	-
Deposits from customers	15,198,458	13,569,915
- Demand deposits and current accounts	8,174,971	7,448,743
- Time, call and notice deposits	7,023,487	6,121,172
Amount due to overseas offices of the institution	7,425,317	6,624,369
Other liabilities	362,235	467,034
Profit for the period	38,600	52,801
Total liabilities & profit for the period	<u>24,475,248</u>	<u>22,639,874</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 30 Jun 2021 and 31 Dec 2020. Therefore, there were no impairment losses and specific and collective provisions for the year ended 30 Jun 2021 and 31 Dec 2020.

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

	30-Jun-2021		31-Dec-2020	
	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	29,913	29,913	30,384	30,384
- Manufacturing	-	-	-	-
- Wholesale and retail trade	-	-	-	-
- Other	3,970,154	3,970,154	3,669,660	3,669,660
	<u>4,000,067</u>	<u>4,000,067</u>	<u>3,700,044</u>	<u>3,700,044</u>
Individuals				
- Loans for the purchase of other residential properties	79,104	79,104	112,013	112,013
- Other	166,214	166,214	40,301	40,301
	<u>245,318</u>	<u>245,318</u>	<u>152,314</u>	<u>152,314</u>
Loans and advances for use in Hong Kong	4,245,385	4,245,385	3,852,358	3,852,358
b) Loans and advances for use outside Hong Kong	6,116,490	6,116,490	5,886,945	5,886,945
<b>Total loans and advances</b>	<u>10,361,875</u>	<u>10,361,875</u>	<u>9,739,303</u>	<u>9,739,303</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

	30-Jun-2021	31-Dec-2020
<b>Countries</b>	<u>HKD'000</u>	<u>HKD'000</u>
British Virgin Islands	4,386,471	4,351,227
Hong Kong	4,245,385	3,852,358
Singapore	448,756	255,929
Taiwan	323,475	427,882
Others	957,788	851,907
	<u>10,361,875</u>	<u>9,739,303</u>

#### As at 30 Jun 2021

<i>HKD'm</i>	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank financial institutions</b>	<b>Non-financial private sector</b>	<b>Total</b>
<b>Developed Countries</b>	<b>6,697</b>	<b>424</b>	<b>241</b>	<b>892</b>	<b>8,254</b>
of which Switzerland	6,466	-	-	-	6,466
of which Japan	1	424	-	462	887
<b>Offshore Centres</b>	<b>21</b>	<b>422</b>	<b>200</b>	<b>8,665</b>	<b>9,308</b>
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
<b>Developing Asia and Pacific</b>	<b>-</b>	<b>3,425</b>	<b>-</b>	<b>1,578</b>	<b>5,003</b>
of which South Korea	-	3,425	-	800	4,225

#### As at 31 Dec 2020

<i>HKD'm</i>	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank financial institutions</b>	<b>Non-financial private sector</b>	<b>Total</b>
<b>Developed Countries</b>	<b>9,173</b>	<b>343</b>	<b>78</b>	<b>971</b>	<b>10,565</b>
of which Switzerland	8,596	-	-	-	8,596
of which Japan	1	343	-	523	867
<b>Offshore Centres</b>	<b>109</b>	<b>429</b>	<b>-</b>	<b>8,037</b>	<b>8,576</b>
of which Hong Kong	106	39	-	3,062	3,207
of which Singapore	5	389	-	464	858
of which West Indies UK	-	-	-	4,361	4,361
<b>Developing Asia and Pacific</b>	<b>-</b>	<b>421</b>	<b>-</b>	<b>1,589</b>	<b>2,010</b>
of which South Korea	-	421	-	761	1,182

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 30 Jun 2021

<i>Equivalent in millions of HK\$</i>	<b>USD</b>	<b>JPY</b>	<b>EUR</b>	<b>Others</b>	<b>Total</b>
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

##### As at 31 Dec 2020

<i>Equivalent in millions of HK\$</i>	<b>USD</b>	<b>JPY</b>	<b>EUR</b>	<b>Others</b>	<b>Total</b>
Spot assets	10,070	1,097	871	8,475	20,513
Spot liabilities	(10,531)	(833)	(1,048)	(7,597)	(20,009)
Forward purchases	5,152	434	424	2,030	8,040
Forward sales	(4,687)	(698)	(247)	(2,909)	(8,541)
Net option position	-	-	-	-	-
Net long (short) position	4	-	-	1	5
Net structural position	-	-	-	-	10

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\$10m as at 30 Jun 2021 and 31 Dec 2020 respectively. There were no other foreign currency exposure arising from structural position as at 30 Jun 2021 and 31 Dec 2020.

(III) Additional balance sheet information – continued

6. Non-bank mainland china activities

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
<b>Total assets after provision</b>	<b>24,475,248</b>		
<b>On-balance sheet exposures as % of total assets</b>	<b>0.35%</b>		

As at 31 Dec 2020

<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	90,014	292	90,306
Total	90,306	90,014	90,306
<b>Total assets after provision</b>	<b>22,639,874</b>		
<b>On-balance sheet exposures as % of total assets</b>	<b>0.39%</b>		



(IV) Off-balance sheet exposures

	30-Jun-2021 HKD'000	31-Dec-2020 HKD'000
<b>Contingent liabilities and commitments</b>		
Direct credit substitutes	341,301	340,638
Other commitments	21,131,077	20,111,353
	<u>21,472,378</u>	<u>20,451,991</u>

(V) Derivatives Transactions

**Derivatives – Contract amount:**

Exchange rate & precious metals related derivative contracts	22,223,276	14,747,706
Others	1,856,365	2,451,674
	<u>24,079,641</u>	<u>17,199,380</u>

**Derivatives assets:**

Exchange rate, rate & precious metals related derivative contracts	100,747	113,075
Others	36,013	85,183
	<u>136,760</u>	<u>198,258</u>

**Derivatives liabilities:**

Exchange rate & precious metals related derivative contracts	127,290	116,337
Others	36,013	85,183
	<u>163,303</u>	<u>201,520</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	30-Jun-2021	31-Dec-2020
	<u>78.37%</u>	<u>70.02%</u>
Quarterly 3 months average liquidity ratio	30-Jun-2021	31-Mar-2021
	<u>80.47%</u>	<u>76.28%</u>
		30-Jun-2020
		<u>63.22%</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.

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Section B – Bank Information (Consolidated basis)

The following information relates to Union Bancaire Privée Group:

(I) Capital and capital adequacy	30-Jun-2021 CHF'000	31-Dec-2020 CHF'000
Total equity	2,377,173	2,406,923
Total capital ratio	25.40%	27.70%

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

(II) Other financial information	30-Jun-2021 CHF'000	31-Dec-2020 CHF'000
Total assets	35,820,001	37,808,729
Total liabilities	33,442,828	35,401,806
Total loans and advances	12,815,501	11,545,642
Total customer deposits	25,428,990	24,894,302
	Half year ended 30-Jun-2021 CHF'000	Half year ended 30-Jun-2020 CHF'000
Operating result before tax & extraordinary income	121,617	130,559