



**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 DEC 2020**



**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 2020.*

*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', with a stylized flourish at the end.

*Eric Morin  
Chief Executive*

*29 April 2021*

Section A – Branch Information (Hong Kong Branch only)

(I) Profit and Loss Account	31-Dec-2020 HKD'000	31-Dec-2019 HKD'000
Net Interest Income		
Interest income	231,554	365,415
Interest expense	(78,396)	(162,476)
	<u>153,158</u>	<u>202,939</u>
Other operating income		
Fees and commission income	404,701	350,788
Fees and commission expense	(43,742)	(39,694)
Net fees and commission income	360,959	311,094
- Gains less losses arising from trading in foreign currencies	39,171	24,833
- Gains less losses arising from trading in other derivatives	(5)	-
- Others	-	-
	<u>-</u>	<u>-</u>
Total Income	553,283	538,866
Operating expenses		
Staff and rental expenses	(335,706)	(367,205)
Intra-group Administration Expenses	(45,753)	(35,899)
Other Expenses	(108,023)	(80,117)
	<u>(489,482)</u>	<u>(483,221)</u>
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	63,801	55,645
Tax expense	(11,000)	(6,000)
Profit / (Loss) after taxation	<u><u>52,801</u></u>	<u><u>49,645</u></u>

**(II) Balance sheet**

	<b>31-Dec-2020</b> <b>HKD'000</b>	<b>30-Jun-2020</b> <b>HKD'000</b>
<b>Assets</b>		
Cash & balances with banks (excluded amount due from overseas offices of the institution)	1,300,495	346,849
Amount due from Exchange Fund	2,584	1,440
Amount due from overseas offices of the institution	7,429,297	6,413,495
Loan and receivables		
- Loan and advances to customers	9,739,303	9,167,975
- Specific provisions for such loan and advances	-	-
- Loan and advances to banks	-	-
- Accrued interest and other accounts	372,827	491,952
Investment securities	3,785,378	3,396,600
Property, plant and equipment	9,990	9,802
Total assets	<u>22,639,874</u>	<u>19,828,113</u>
<b>Liabilities</b>		
Deposits & balances to banks (excluded amount due to overseas offices of the institution)	1,925,755	350,110
Of which: amount payable to other banks from repo	742,494	-
Amount due to Exchange Fund	-	-
Deposits from customers	13,569,915	12,212,115
- Demand deposits and current accounts	7,448,743	5,277,311
- Time, call and notice deposits	6,121,172	6,934,804
Amount due to overseas offices of the institution	6,624,369	6,666,465
Other liabilities	467,034	588,707
Profit for the period	52,801	10,716
Total liabilities & profit for the period	<u>22,639,874</u>	<u>19,828,113</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 2020 and 30 June 2020. Therefore, there were no impairment losses and specific and collective provisions for the year ended 31 December 2020 and 30 June 2020.

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

	31-Dec-2020		30-Jun-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	30,384	30,384	35,633	35,633
- Manufacturing	-	-	-	-
- Wholesale and retail trade	-	-	-	-
- Other	3,669,660	3,669,660	2,701,429	2,701,429
	<u>3,700,044</u>	<u>3,700,044</u>	<u>2,737,062</u>	<u>2,737,062</u>
Individuals				
- Loans for the purchase of other residential properties	112,013	112,013	106,567	106,567
- Other	40,301	40,301	64,033	64,033
	<u>152,314</u>	<u>152,314</u>	<u>170,600</u>	<u>170,600</u>
Loans and advances for use in Hong Kong	3,852,358	3,852,358	2,907,662	2,907,662
b) Loans and advances for use outside Hong Kong	5,886,945	5,886,945	6,260,313	6,260,313
<b>Total loans and advances</b>	<u>9,739,303</u>	<u>9,739,303</u>	<u>9,167,975</u>	<u>9,167,975</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

##### As at 31 Dec 2020

	31-Dec-20	30-Jun-20
<b>Countries</b>	<u>HKD'000</u>	<u>HKD'000</u>
British Virgin Islands	4,351,227	4,672,585
Hong Kong	3,852,358	2,907,662
Taiwan	427,882	424,525
Singapore	255,929	312,445
Others	851,907	850,758
	<u>9,739,303</u>	<u>9,167,975</u>

<u>As at 31 Dec 2020</u>	<b>Banks</b>	<b>Official Sector</b>	<b>Non-bank financial Institutions</b>	<b>Non-financial private sector</b>	<b>Total</b>
<i>Equivalent in millions of HK\$</i>					
<b>Developed Countries</b>	<b>9,173</b>	<b>343</b>	<b>78</b>	<b>970</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

##### As at 30 Jun 2020

<i>Equivalent in millions of HK\$</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>7,201</b>	<b>-</b>	<b>78</b>	<b>1,289</b>	<b>8,568</b>
of which Switzerland	6,677	-	-	-	6,677
of which Japan	1	328	-	524	853
<b>Offshore Centres</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>8,181</b>	<b>8,186</b>
of which Hong Kong	-	39	-	2,437	2,437
of which Singapore	5	370	-	518	893
of which West Indies UK	-	-	-	4,687	4,687
<b>Developing Asia and Pacific</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>1,579</b>	<b>1,633</b>
of which South Korea	54	-	-	762	816

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 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

As at 30 Jun 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	7,819	1,163	810	6,837	16,629
Spot liabilities	(8,715)	(377)	(530)	(5,245)	(14,867)
Forward purchases	7,089	1,106	781	2,808	11,784
Forward sales	(6,191)	(1,891)	(1,060)	(4,398)	(13,540)
Net option position	-	-	-	-	-
Net long (short) position	2	1	1	2	6
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\$10m and HK\$10m as at 31 Dec 2020 and 30 Jun 2020 respectively. There were no other foreign currency exposure arising from structural position as at 31 Dec 2020 and 30 Jun 2020.

(III) Additional balance sheet information – continued

6. Non-bank mainland china activities

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	90,014	292	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>		

As at 30 Jun 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	103,812	110	103,922
Total	103,812	110	103,922
<b>Total assets after provision</b>	<b>19,828,113</b>		
<b>On-balance sheet exposures as % of total assets</b>	<b>0.52%</b>		



(IV) Off-balance sheet exposures

	31-Dec-2020 HKD'000	30-Jun-2020 HKD'000
<b>Contingent liabilities and commitments</b>		
Direct credit substitutes	340,638	14,609
Other commitments	20,111,353	20,562,188
	<u>20,451,991</u>	<u>20,576,797</u>

(V) Derivatives Transactions

**Derivatives – Contract amount:**

Exchange rate & precious metals related derivative contracts	14,747,706	23,449,516
Others	2,451,674	1,951,365
	<u>17,199,380</u>	<u>25,400,881</u>

**Derivatives assets:**

Exchange rate & precious metals related derivative contracts	113,075	116,523
Others	85,183	112,939
	<u>198,258</u>	<u>229,462</u>

**Derivatives liabilities:**

Exchange rate & precious metals related derivative contracts	116,337	270,536
Others	85,183	112,939
	<u>201,520</u>	<u>383,475</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-2020	30-Jun-2020
	<u>70.02%</u>	<u>68.12%</u>
Quarterly 3 months average liquidity ratio	31-Dec-2020	30-Sep-2020
	<u>74.39%</u>	<u>65.66%</u>
		31-Dec-2019
		<u>75.38%</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	31-Dec-2020 CHF'000	30-Jun-2020 CHF'000
Total equity	2,406,923	2,332,943
Capital adequacy ratio	27.70%	27.56%

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

(II) Other financial information	31-Dec-2020 CHF'000	30-Jun-2020 CHF'000
Total assets	37,808,729	36,763,671
Total liabilities	35,401,806	34,430,728
Total loans and advances	11,545,642	10,291,333
Total customer deposits	24,894,302	24,833,413
	Year ended 31-Dec-2020 CHF'000	Year ended At 31-Dec-2019 CHF'000
Operating result before tax & extraordinary income	220,011	202,365