



EFG Bank AG, Hong Kong Branch
Key Financial Information Disclosure Statement
as at 31 December 2019

The Chief Executive of EFG Bank AG, Hong Kong Branch announces that its key financial information disclosure statement as at December 31, 2019 is as follows: -

Section A – Hong Kong Branch Information

I – Profit and loss information

	31-Dec-19 HKD'000	31-Dec-18 HKD'000
Interest income		
Interest income	542,682	560,260
Interest expense	(462,855)	(450,487)
Net interest income	79,827	109,773
Other operating income		
Gains less losses arising from trading in foreign currencies	199,573	317,091
Gains less losses on securities held for trading purposes	56,966	43,961
Gains less losses from other trading activities	9,128	19,195
Net fees and commission income	155,732	187,429
- gross fees and commission income	229,063	322,991
- gross fees and commission expenses	(73,331)	(135,562)
Others	133	34
Net operating income	421,532	567,710
Gross Revenue	501,359	677,483
Operating expenses		
Staff and rental expense	(372,593)	(331,361)
Other expenses	(243,645)	(293,325)
Net charge for other provisions	(506)	(8,039)
Impairment losses and provisions for impaired loans and receivables	-	-
Gains less losses from the disposal of property, plant and equipment and investment properties	147	(10)
Profit/(loss) before taxation	(115,238)	44,748
Tax expense	-	(6,765)
Profit/(loss) after taxation	(115,238)	37,983

II – Balance sheet information

	31-Dec-19 HKD'000	30-Jun-19 HKD'000
Assets		
Cash and balances with banks	1,128,693	2,871,861
Balances with central bank	64,972	75,432
Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months	-	-
Amount due from overseas offices of the institution	4,501,283	4,240,645
Trade bills	-	-
Certificates of deposit held	-	109,414
Securities held for trading purposes	-	-
Loans and receivables	17,278,771	17,990,728
- <i>loans and advances to customers</i>	16,219,982	16,750,900
- <i>loans and advances to banks</i>	-	-
- <i>other accounts</i>	1,058,789	1,239,828
- <i>provisions for impaired loans and receivables</i>	-	-
<i>collective</i>	-	-
<i>specific</i>	-	-
Investment securities	4,541,876	2,899,705
Other investments	-	-
Property, plant and equipment and investment properties	6,143	6,514
Total assets	27,521,738	28,194,299
Liabilities		
Deposits and balances from banks	150,514	156,351
Deposits from customers	22,941,528	24,202,746
- <i>demand deposits and current accounts</i>	5,770,044	7,348,605
- <i>savings deposits</i>	-	-
- <i>time, call and notice deposits</i>	17,171,484	16,854,141
Amount due to overseas offices of the reporting institution	3,225,036	2,459,835
Certificates of deposit issued	-	-
Issued debt securities	-	-
Other liabilities	1,204,660	1,375,367
Provisions	-	-
Total Liabilities	27,521,738	28,194,299

III – Additional balance sheet information

	31-Dec-19 HKD'000	30-Jun-19 HKD'000
i) Amount of impaired loans and advances to customers and banks	-	-
ii) Amount of specific provisions made for such loans and advances	-	-
iii) Value of collateral which has been taken into account in respect of such loans and advances to which the specific provisions relate	-	-
iv) Percentage of such loans and advances to its total amount of loans and advances to customers and banks	-	-
v) Analysis of gross amount of advances to customers classified into the following industry categories:		
Loans for use in Hong Kong		
Industrial, commercial and financial:		
- property development	-	-
- property investment	-	-
- financial concerns	4,149,409	3,638,626
- stockbrokers	-	-
- wholesale and retail trade	-	-
- manufacturing	-	-
- transport and transport equipment	-	-
- recreational activities	-	-
- information technology	-	-
- others	-	-
Individuals:		
- loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-
- loans for the purchase of other residential properties	13,216	23,454
- credit card advances	-	-
- others	11,327,990	10,462,542
Trade finance	-	-
Loans and advances for use outside Hong Kong	729,367	2,626,278
Total Advances to Customers	16,219,982	16,750,900

100% of the loans and advances to customers are covered by collaterals or other securities as at 31 Dec 2019 and 30 Jun 2019.

- vi) The branch does not have any overdue and rescheduled advances as at 31 Dec 2019 and 30 Jun 2019.
- vii) The branch does not have any other assets overdue as at 31 Dec 2019 and 30 Jun 2019.
- viii) The branch does not have any repossessed assets as at 31 Dec 2019 and 30 Jun 2019.

III – Additional balance sheet information (continued)

Non-bank Mainland Exposures

The following Mainland exposures to non-bank counterparties are prepared in accordance with HKMA Return of Mainland Activities (Form MA(BS)20) completion instructions.

	On-balance sheet exposure	Off-balance sheet exposure	Total
31 Dec 2019	HKD'000	HKD'000	HKD'000
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	1,214,407	89,855	1,304,262
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 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	-	-	-
Total	1,214,407	89,855	1,304,262
Total assets after provision	27,521,738		
On-balance sheet exposures as percentage of total assets	4.41%		

	On-balance sheet exposure	Off-balance sheet exposure	Total
30 Jun 2019	HKD'000	HKD'000	HKD'000
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	1,536,160	131,887	1,668,047
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 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	-	-	-
Total	1,536,160	131,887	1,668,047
Total assets after provision	28,194,299		
On-balance sheet exposures as percentage of total assets	5.45%		

III – Additional balance sheet information (continued)

	31-Dec-19 HKD'm	30-Jun-19 HKD'm
Advances to customers by countries		
x) Breakdown of the gross amount of advances to customers by countries where it constitutes 10% or more of the aggregate gross amount of loans and advances to customers after taking into consideration of transfers of risks:		
- Hong Kong	9,050	6,842
- Taiwan	4,182	4,309
- China	1,632	2,228
- Others	1,356	3,372
	<u>16,220</u>	<u>16,751</u>

International claims

xi) Breakdown of international claims by major countries or geographical segments and types of counterparties, which are constituted not less than 10% of total international claims after taking into account any recognized risk transfer.

At 31 Dec 2019	Banks	Official Sector	Non-bank private sector		Others	Total
	HKD'm	HKD'm	Non-bank financial institutions HKD'm	Non-financial private sector HKD'm	HKD'm	HKD'm
Developed countries	6,055	3,415	-	56	-	9,526
<i>of which</i>						
- United States	161	3,415	-	-	-	3,576
Offshore centres	3	346	-	4,107	-	4,456
Developing Asia Pacific	77	-	13	6,306	-	6,396
<i>of which</i>						
- Taiwan	-	-	13	4,220	-	4,233
- China	77	-	-	1,667	-	1,744

At 30 Jun 2019	Banks	Official Sector	Non-bank private sector		Others	Total
	HKD'm	HKD'm	Non-bank financial institutions HKD'm	Non-financial private sector HKD'm	HKD'm	HKD'm
Developed countries	7,438	1,707	-	2,066	-	11,211
<i>of which</i>						
- United States	248	1,707	-	-	-	1,955
Offshore centres	536	431	1	3,888	-	4,856
Developing Asia Pacific	226	-	1	7,054	-	7,281
<i>of which</i>						
- Taiwan	-	-	1	4,453	-	4,454
- China	226	-	-	2,241	-	2,467

The above classification basis is reference to the completion instruction for the "Return of International Banking Statistics - "MA(BS)21" in the determination of international claims.

IV – Off-balance sheet exposures

	31-Dec-19 HKD'000	30-Jun-19 HKD'000
Contingent liabilities and commitments		
• Direct credit substitutes	81,253	82,537
• Transaction-related contingencies	-	-
• Trade-related contingencies	-	-
• Note issuance and revolving underwriting facilities	-	-
• Other commitments	1,756,613	1,483,199
• Forward deposit placement (forward value date)	3,412	420,352
Derivatives		
• Exchange rate contracts	41,259,599	40,548,933
• Interest rate contracts	-	-
• Equity contracts and others	2,014,800	1,033,357
Replacement Costs		
• Exchange rate contracts	262,022	160,854
• Interest rate contracts	-	-
• Equity contracts and others	23,927	41,108

The replacement costs of the above derivatives do not take into account the effect of bilateral netting arrangements.

V – Foreign Currency Exposures

At 31 Dec 2019

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	12,147	110	40	1,922	599	943	547	2,542	8	368	49	19,275
Spot Liabilities	14,641	910	343	219	1,334	970	537	228	308	246	305	20,041
Forward Purchases	14,917	1,760	309	702	1,882	501	557	1,606	427	3,336	628	26,625
Forward Sales	12,422	960	6	2,405	1,147	474	567	3,920	128	3,458	372	25,859
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	1	-	-	-	-	-	-	-	(1)	-	-	-

At 30 Jun 2019

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	10,244	456	26	475	550	5,409	465	2,611	5	618	43	20,902
Spot Liabilities	15,685	1,165	224	200	1,185	994	629	226	327	312	298	21,245
Forward Purchases	19,761	994	292	247	1,728	200	690	2,450	472	3,258	878	30,970
Forward Sales	14,319	291	94	525	1,093	4,614	526	4,830	150	3,566	621	30,629
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	1	(6)	-	(3)	-	1	-	5	-	(2)	2	(2)

*No structural position is recorded.

VI – Liquidity information

	2019	2018
Average LMR for the quarter ended 31 December	60.0%	56.1%

The average LMR for the quarter ended of December (3 months' average) are calculated based on the arithmetic mean of the average value of its LMR for each calendar month in accordance with the Banking (Disclosure) rules effective from Jan 2018.

VII - Liquidity risk management

Liquidity risk is that the Bank does not have sufficient financial resources available to enable it to meet its payment obligations when they fall due, or can secure them only at an excessive cost. This includes the run-off of the client deposits, tightening of credit lines, market liquidity under stressed situations, market-wise impact on funding sources and the assumptions on cash flow requirements.

The Branch manages liquidity risk in accordance with EFG bank group's guidelines to ensure sufficient liquidity is available to meet commitments to customers, both in demand for loans and repayments of deposits and to satisfy the bank's own cash flow needs. The Branch has a liquidity management process in place that includes liquidity contingency plans, encompassing repo borrowing, liquidation of marketable securities and stress tests.

Liquidity risk management governance in EFG Bank AG Hong Kong branch HK-ALCO

A monthly meeting is organized by the Hong Kong Asset & Liability Committee ("HK-ALCO") to review the branch's liquidity, maturity mismatch position, customer deposits, investment portfolio, interest rate swap for hedging bank's interest rate risk and the implication to the branch due to interest rate movement on top of the profitability of the branch to make sure that the liquidity risk management is properly conducted.

Liquidity Maintenance Ratio

The Ratio is prepared daily, in accordance with the reporting requirements of the Hong Kong Monetary Authority (HKMA). The purpose of the report is to ascertain the liquidity position of the branch on any business day and see whether the branch is able to meet the statutory liquidity requirement.

The liquidity risk tolerance is 5% above the statutory liquidity requirements (i.e. 30% as the minimum target ratio). This requirement is already taken into account of on and off balance sheet activities including funding requirements. The daily report is prepared by the Financial Control department and provided to the Chief Executive, Risk Management, Regional Treasury and Money Market Unit for review.

Periodic Stress Testing

The branch is taking a preventive measure to conduct a quarterly stress test, or at a less frequent manner depending on the market environment and the branch's conditions, reviewing the branch's funding and liquidity positions under an extreme scenario.

The result on liquidity stress testing is reviewed by members of HK-ALCO and submitted to Global Head of Treasury and Global Risk Unit. Corrective actions will be made if unsatisfactory result is obtained.

VII – Liquidity risk management (continued)

As at 31 December 2019

(HK\$'m)

	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing 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	
On-balance sheet liabilities												
1 Deposits from non-bank customers												
(a) Pledged deposits	1,564	647	153	526	158	73	0	7	0	0	0	
(b) Demand, savings and current account deposits	5,076	5,076										
(c) Term, call and notice deposits	10,132	555	2,252	3,160	3,290	501	365	9	0	0	0	
2 Amount payable arising from securities financing transactions (other than securities swap transactions)	0	0	0	0	0	0	0	0	0	0	0	
3 Amount payable arising from derivative contracts	212	89	5,509	9,442	8,917	1,927	426	0	0	0	0	
4 Due to MA for a/c of Exchange Fund	0	0	0	0	0	0	0	0	0	0	0	
5 Due to overseas central banks	0	0	0	0	0	0	0	0	0	0	0	
6 Due to banks	3,981	867	422	0	2,168	482	2	0	33	6	0	0
7 Debt securities, prescribed instruments and structured financial instruments issued and outstanding	0	0	0	0	0	0	0	0	0	0	0	0
8 Other liabilities	6,403	19	472	2,621	2,183	845	0	0	0	0	0	261
9 Capital and reserves	(28)	0	(28)	0	0	0	0	0	0	0	0	0
10 Total	27,340	7,254	8,780	15,750	18,716	3,829	793	15	33	6	0	261

Off-balance sheet obligations

11 Total off-balance sheet obligations	892	584	104	34	170	0	0	0	0	0	0	0
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	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing 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	
On-balance sheet assets												
12 Currency notes and coins	0	0	0	0	0	0	0	0	0	0	0	
13 Amount receivable arising from securities financing transactions (other than securities swap transactions)	0	0	0	0	0	0	0	0	0	0	0	0
14 Amount receivable arising from derivative contracts	267	88	5,519	9,472	8,941	1,919	425	0	0	0	0	0
15 Due from MA for a/c of Exchange Fund	85	85	0	0	0	0	0	0	0	0	0	0
16 Due from overseas central banks	0	0	0	0	0	0	0	0	0	0	0	0
17 Due from banks	5,930	1,249	4,244	404	34	0	0	0	0	0	0	0
18 Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
(a) Readily monetizable	4,545	4,545										
(b) Not readily monetizable												
(i) Pledged to customers	0	0	0	0	0	0	0	0	0	0	0	0
(ii) Others	0	0	0	0	0	0	0	0	0	0	0	0
19 Acceptances and bills of exchange held	0	0	0	0	0	0	0	0	0	0	0	0
20 Loans and advances to non-bank customers	16,351	279	2,400	5,703	5,397	2,239	252	44	31	6	0	0
21 Other assets	164	0	0	0	0	0	0	0	0	0	0	164
22 Total	27,344	6,247	12,162	15,579	14,372	4,158	677	44	31	6	0	164

Off-balance sheet claims

23 Total off-balance sheet claims	308	154	151	0	3	0	0	0	0	0	0	0
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24 Contractual Maturity Mismatch		(1,437)	3,430	(204)	(2,512)	329	(116)	29	(2)	0	0	
25 Cumulative Contractual Maturity Mismatch		(1,437)	1,993	1,789	(723)	(394)	(510)	(481)	(483)	(483)	(483)	

VII – Liquidity risk management (continued)

(HK\$m)

As at 30 June 2019

	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing 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	
On-balance sheet liabilities												
1 Deposits from non-bank customers												
(a) Pledged deposits	2,117	1,089	92	442	390	5	100	0	0	0	0	
(b) Demand, savings and current account deposits	6,396	6,396										
(c) Term, call and notice deposits	10,222	1,903	2,103	2,664	2,537	579	436	0	0	0	0	
2 Amount payable arising from securities financing transactions (other than securities swap transactions)	0	0	0	0	0	0	0	0	0	0	0	
3 Amount payable arising from derivative contracts	205	3,040	4,243	9,735	9,580	4,018	1,161	0	0	0	0	
4 Due to MA for a/c of Exchange Fund	0	0	0	0	0	0	0	0	0	0	0	
5 Due to overseas central banks	0	0	0	0	0	0	0	0	0	0	0	
6 Due to banks	3,411	1,012	201	0	938	905	322	0	33	0	0	0
7 Debt securities, prescribed instruments and structured financial instruments issued and outstanding	0	0	0	0	0	0	0	0	0	0	0	0
8 Other liabilities	5,589	38	342	836	2,184	1,978	30	0	0	0	0	180
9 Capital and reserves	2	0	2	0	0	0	0	0	0	0	0	0
10 Total	27,942	13,476	6,983	13,677	15,630	7,486	2,050	0	33	0	0	180

Off-balance sheet obligations

11 Total off-balance sheet obligations	1,369	1,091	27	70	29	152	0	0	0	0	0	0
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	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing 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	
On-balance sheet assets												
12 Currency notes and coins	0	0	0	0	0	0	0	0	0	0	0	0
13 Amount receivable arising from securities financing transactions (other than securities swap transactions)	0	0	0	0	0	0	0	0	0	0	0	0
14 Amount receivable arising from derivative contracts	184	3,039	4,245	9,729	9,586	4,008	1,149	0	0	0	0	0
15 Due from MA for a/c of Exchange Fund	61	61	0	0	0	0	0	0	0	0	0	0
16 Due from overseas central banks	0	0	0	0	0	0	0	0	0	0	0	0
17 Due from banks	7,665	4,650	2,797	238	0	0	0	0	0	0	0	0
18 Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
(a) Readily monetizable	2,901	2,901										
(b) Not readily monetizable												
(i) Pledged to customers	0	0	0	0	0	0	0	0	0	0	0	0
(ii) Others	110		0	110	0	0	0	0	0	0	0	0
19 Acceptances and bills of exchange held	0	0	0	0	0	0	0	0	0	0	0	0
20 Loans and advances to non-bank customers	16,858	649	2,140	2,633	4,119	4,291	886	83	2,044	13	0	0
21 Other assets	144	0	0	0	0	0	0	0	0	0	0	144
22 Total	27,943	11,299	9,182	12,711	13,706	8,299	2,035	83	2,044	13	0	144

Off-balance sheet claims

23 Total off-balance sheet claims	763	462	166	0	5	130	0	0	0	0	0	0
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24 Contractual Maturity Mismatch		(2,806)	2,338	(1,036)	(1,948)	791	(15)	83	2,011	13	0	
25 Cumulative Contractual Maturity Mismatch		(2,806)	(468)	(1,503)	(3,451)	(2,660)	(2,675)	(2,592)	(581)	(568)	(568)	

VII – Liquidity risk management (continued)

Concentration of funding sources

The following significant funding instruments are prepared in accordance with HKMA Return on Liquidity Monitoring Tools (Form MA(BS)23) completion instructions.

Significant funding instruments

31 Dec 2019	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	7,808	28.37%
Deposits from other non-bank customers	9,169	33.31%
Funding raised from banks	30,343	110.25%
Other outstanding funding instruments	6,157	22.37%

30 Jun 2019	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	8,557	30.36%
Deposits from other non-bank customers	10,264	36.40%
Funding raised from banks	35,204	124.86%
Other outstanding funding instruments	5,597	19.85%

VIII – Statement of Compliance

This key financial disclosure statement is prepared in accordance with the Banking (Disclosure) rules. The information contained in the statement is not false or misleading in any material respect.



Cornelis Johannes Stoute
Chief Executive
EFG Bank AG, Hong Kong Branch

Section B – Financial Information of EFG Bank AG, Switzerland (in accordance with Swiss accounting standards)

I – Capital and capital adequacy

The following table presents data related to regulatory capital requirements for EFG Bank AG, Switzerland which is computed in accordance with the Basel III.

	31-Dec-19		30-Jun-19	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital	1,317	18.9%	1,323	18.7%
Tier 1 capital (CET1)	879	12.6%	882	12.5%
Shareholders' equity	CHF'm 898		CHF'm 895	

II – Other financial information

Financial Highlights of EFG Bank AG, Switzerland

	31-Dec-19	30-Jun-19
	CHF'm	CHF'm
Total assets	28,074	28,049
Total liabilities	27,176	27,154
Total advances	12,357	11,766
Total customer deposits	23,057	23,213

	31-Dec-19	31-Dec-18
	CHF'm	CHF'm
Pre-tax profit/(loss)	(21.9)	7.3

Section C – Consolidated Financial Information of EFG International AG, the holding company of EFG Bank AG, incorporated in Switzerland and listed on the SWX Swiss Exchange (in accordance with International financial reporting standards except for capital and capital adequacy ratio)

I – Capital and capital adequacy

The following table presents data related to regulatory capital requirements for EFG International AG, which is computed in accordance with the Basel III:

	31-Dec-19		30-Jun-19	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital (Swiss GAAP fully applied)	2,039	20.1%	2,098	21.0%
Tier 1 capital (CET1) (Swiss GAAP fully applied)	1,640	16.2%	1,698	17.0%
	CHF'm		CHF'm	
Shareholders' equity	1,727		1,608	

II – Other financial information

Financial Highlights of EFG International AG

	31-Dec-19		30-Jun-19	
	CHF'm		CHF'm	
Total assets	40,985		41,216	
Total liabilities	39,204		39,566	
Total advances	19,030		18,088	
Total customer deposits	30,706		31,314	

	31-Dec-19		31-Dec-18	
	CHF'm		CHF'm	
Pre-tax profit/(loss)	123.4		80.2	

END