

CA INDOSUEZ (SWITZERLAND) SA
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the six months ended 30 June 2019

CA Indosuez (Switzerland) SA

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Incorporated in Switzerland
with members' limited liability
於瑞士成立的公司, 其成員的
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CA INDOSUEZ (SWITZERLAND) SA

HONG KONG BRANCH

We enclose herewith the disclosure statement for the six months ended 30 June 2019, which is prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.



Antoine CANDIOTTI

Chief Executive

CA Indosuez (Switzerland) SA, Hong Kong Branch
 Incorporated in Switzerland with members' limited liability

Section A: Hong Kong Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

For the year ended 30 June 2019

	30-Jun-19	30-Jun-18
Interest income	95,512	44,719
Interest expenses	(80,172)	(28,729)
Net interest income	15,340	15,990
Other operating income		
Gain less losses arising from trading in foreign currencies	29,709	3,838
Gain less losses arising from trading in other derivatives	(315)	-
Net fees and commission income	165,519	195,234
- gross fees and commission income	196,201	212,360
- gross fees and commission expenses	(30,682)	(17,126)
Others	(1,179)	(34)
Total income	209,074	215,028
Operating expenses	(184,072)	(170,663)
Staff and rental expenses	(127,631)	(109,067)
Other expenses	(56,441)	(61,596)
Impairment losses and provision for loans and receivables	(76)	(131)
Gains less losses from the disposal of property, plant and equipment and investment properties	130	-
Profit/(loss) before taxation	25,056	44,234
Tax expenses	(3,658)	(7,231)
Profit/(loss) after taxation	21,398	37,003

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II Balance Sheet

(in thousands of Hong Kong Dollars)

	30-Jun-19	31-Dec-18
Assets		
Due from Exchange Fund	1,632,907	1,396,878
Balances with banks	21,235	27,657
Amount due from overseas offices of the institution	6,111,844	4,697,840
Loans and receivables	2,286,347	2,242,464
Property, plant and equipment and investment properties	6,041	7,390
Total assets	<u>10,058,374</u>	<u>8,372,229</u>
Liabilities		
Deposits and balances from banks	-	-
Deposits from customers		
- demand deposits and current accounts	1,870,057	1,335,987
- time, call and notice deposits	4,550,553	3,549,657
Amount due to overseas offices of the institution	3,427,324	3,214,706
Other liabilities	210,440	271,879
Total liabilities	<u>10,058,374</u>	<u>8,372,229</u>

CA Indosuez (Switzerland) SA, Hong Kong Branch
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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Loans and receivables

	30-Jun-19	31-Dec-18
Loans and advances to customers	2,158,447	2,114,029
Accrued interest and other accounts	128,076	128,535
Provision for impaired loans and receivables		
- Collective provisions	(176)	(100)
	<u>2,286,347</u>	<u>2,242,464</u>

No provisions for loans and advances or other exposures of CA Indosuez (Switzerland) SA, Hong Kong Branch have been set aside or maintained at the overseas head office as at 30 June 2019 and 31 December 2018.

(2) Breakdown of gross amount of loans and advances to customers by industry sectors

	30-Jun-19	31-Dec-18
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
- Financial concerns	103,729	78,628
- Other	67,286	53,644
Individuals		
- Loans for the purchase of other residential properties	107,310	106,311
- Other	1,377,603	1,352,610
Loans and advances for use outside Hong Kong	502,519	522,836
	<u>2,158,447</u>	<u>2,114,029</u>
Breakdown by Secured and Unsecured		
Secured	2,158,447	2,114,029
Unsecured	-	-
	<u>2,158,447</u>	<u>2,114,029</u>

The following breakdown is based on the location of counterparties. Major country or geographical area constitutes 10% or more of the aggregate loans and advances to customers after adjusting transfer of risk as defined by Hong Kong Monetary Authority:

	30-Jun-19	31-Dec-18
Major countries or geographical areas		
British Virgin Islands	244,951	246,298
Hong Kong	1,441,881	1,310,151
Samoa	203,366	200,197
Singapore	29,436	106,574
Other	238,813	250,809
	<u>2,158,447</u>	<u>2,114,029</u>

CA Indosuez (Switzerland) SA, Hong Kong Branch
 Incorporated in Switzerland with members' limited liability

There were no impaired loans, repossessed assets, overdue loans and advances nor rescheduled assets to customers, banks and other financial institutions as at 30 June 2019 and 31 December 2018.

(3) Geographical disclosure of international claims

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

(in millions of Hong Kong Dollars)

As at 30 Jun 2019

	Bank	Non-bank private sector			Total
		Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	6,119		40	-	6,159
<i>of which Switzerland</i>	6,119		-	-	6,119
Offshore centres	3	-	1,118	2	1,123
<i>of which Hong Kong</i>	3	-	634	2	639
<i>of which West Indies UK</i>	-	-	246	-	246
Developing Latin America and Caribbean	-	-	-	-	-
Developing Asia and Pacific	1	-	194	-	195
	6,123	-	1,352	2	7,477

As at 31 Dec 2018

	Bank	Non-bank private sector			Total
		Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	4,703	-	40	-	4,743
<i>of which Switzerland</i>	4,703	-	-	-	4,703
Offshore centres	3	-	1,214	1	1,218
<i>of which Hong Kong</i>	3	-	652	1	656
<i>of which West Indies UK</i>	-	-	247	-	247
Developing Latin America and Caribbean	-	-	1	-	1
Developing Asia and Pacific	-	-	204	-	204
	4,706	-	1,459	1	6,166

CA Indosuez (Switzerland) SA, Hong Kong Branch
 Incorporated in Switzerland with members' limited liability

(4) Non-bank Mainland Exposures

(in thousands of Hong Kong Dollars)

	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
As at 30 Jun 2019			
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	52,373	1	52,374
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	52,373	1	52,374
Total assets after provisions	10,058,550		
On-balance sheet exposures as percentage of total assets	0.52%		

	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
As at 31 Dec 2018			
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	60,476	32	60,508
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	60,476	32	60,508
Total assets after provisions	8,372,229		
On-balance sheet exposures as percentage of total assets	0.72%		

CA Indosuez (Switzerland) SA, Hong Kong Branch
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(5) Currency Risk

(in millions of Hong Kong Dollars)

As at 30 Jun 2019

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	4,929	70	491	448	74	43	88	370	104	85	83	389	7,174
Spot liabilities	4,927	70	490	448	74	43	88	370	104	85	83	389	7,171
Forward purchases	291	-	116	45	-	-	52	37	6	12	23	105	687
Forward sales	290	-	108	45	-	-	60	37	6	12	23	105	686
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	3	-	9	-	-	-	(8)	-	-	-	-	-	4

As at 31 Dec 2018

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	3,847	87	463	476	41	31	73	357	121	63	86	175	5,820
Spot liabilities	3,846	87	463	476	41	31	73	357	120	63	86	175	5,818
Forward purchases	545	229	12	76	8	13	36	52	-	11	-	176	1,158
Forward sales	545	229	12	76	8	13	36	52	-	11	-	176	1,158
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	1	-	-	-	-	-	-	-	1	-	-	-	2

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

There were no foreign currency net structural positions as at 30 June 2019 and 31 December 2018.

CA Indosuez (Switzerland) SA, Hong Kong Branch
 Incorporated in Switzerland with members' limited liability

(6) Off-balance sheet exposures

(in thousands of Hong Kong Dollars)

	30-Jun-19	31-Dec-18
Contingent liabilities and commitments		
Direct credit substitutes	192,483	26,319
Other commitments	204,863	157,918
	<u>397,346</u>	<u>184,237</u>
Derivatives - contractual / notional amount		
Exchange rate and gold contracts	5,487,020	4,726,467
Others	1,032,631	703,794
	<u>6,519,651</u>	<u>5,430,261</u>

	30-Jun-19		31-Dec-18	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Exchange rate and gold contracts	67,783	67,973	10,738	10,346
Others	17,090	17,090	14,577	14,577
	<u>84,873</u>	<u>85,063</u>	<u>25,315</u>	<u>24,923</u>

The fair values of the above derivatives do not take into account the effect of bilateral netting arrangement.

(7) Liquidity Information

(a) Liquidity maintenance ratio

The Branch complies with the minimum requirement of liquidity maintenance ratio ("LMR") on a daily basis, in accordance with the Banking (Liquidity) Rules.

	For the quarters ended		
	30-Jun-19	31-Mar-19	30-Jun-18
Average LMR for the period	59.86%	57.34%	50.10%

The Liquidity maintenance ratio ("LMR") is prepared in accordance with the Banking (Liquidity) Rules ("BLR") issued by the Hong Kong Monetary Authority ("HKMA"). The average LMR for the quarter is calculated based on the arithmetic mean of the Branch's average LMR for each calendar month in that quarter, as reported in the liquidity position return submitted to the HKMA.

Liquidity disclosures as required by the Banking (Disclosure) Rules are available on our website:
<https://www.ca-indosuez.com/hongkong/en/indosuez-in-hong-kong>

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(8) Disclosure on remuneration

Pursuant to section 3 of “Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System” issued by the HKMA, the Branch complies with the requirements and has adopted the remuneration systems of the Head Office. Please refer to CA Indosuez (Switzerland) SA Year 2018 annual report for details.

CA Indosuez (Switzerland) SA, Hong Kong Branch
Incorporated in Switzerland with members' limited liability

Section B: Group information (consolidated basis)

(in thousands of Swiss Francs)

Financial highlights of CA Indosuez (Switzerland) SA Group (consolidated basis):

	30-Jun-19	31-Dec-18
Capital and capital adequacy ratio		
Capital adequacy ratio (Note)		
Common Equity Tier 1 capital ratio	15.52%	15.44%
Tier 1 capital ratio	15.52%	15.44%
Total capital ratio	18.82%	18.59%
 Total shareholders' equity	 1,885,226	 1,868,242
 Other financial information		
Balance sheet:		
Total assets	17,452,689	17,113,320
Total liabilities	15,821,898	15,424,567
Total loans and advances	9,195,368	8,533,862
Total customer deposits	9,958,234	9,378,006
	30-Jun-19	30-Jun-18
Profit and Loss:		
Profit before income taxes	21,538	52,081

Note:

The capital ratio is computed in accordance with the Swiss Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Dealers (Capital Adequacy Ordinance, CAO) of 1 June 2012.

