

CA INDOSUEZ (SWITZERLAND) SA
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the six months ended 30 June 2018

CA INDOSUEZ (SWITZERLAND) SA

HONG KONG BRANCH

We enclose herewith the disclosure statement for the six months ended 30 June 2018, which is prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Antoine CANDIOTTI

Chief Executive

Section A: Hong Kong Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

For the six months ended 30 June 2018

	30-Jun-18	30-Jun-17
Interest income	44,719	19,699
Interest expenses	<u>(28,729)</u>	<u>(15,426)</u>
Net interest income	15,990	4,273
Other operating income		
Gain less losses arising from trading in foreign currencies	3,838	2,535
Net fees and commission income	195,234	109,006
- gross fees and commission income	212,360	116,280
- gross fees and commission expenses	<u>(17,126)</u>	<u>(7,274)</u>
Others	<u>(34)</u>	<u>(74)</u>
Total income	215,028	115,740
Operating expenses	(170,663)	(105,140)
Staff and rental expenses	(109,067)	(80,680)
Other expenses	<u>(61,596)</u>	<u>(24,460)</u>
Impairment losses and provision for loans and receivables	(131)	-
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	44,234	10,600
Tax expenses	<u>(7,231)</u>	<u>(1,706)</u>
Profit after taxation	<u>37,003</u>	<u>8,894</u>

II Balance Sheet

(in thousands of Hong Kong Dollars)

	30-Jun-18	31-Dec-17
Assets		
Due from Exchange Fund	1,025,033	1,058,555
Balances with banks	15,904	18,605
Amount due from overseas offices of the institution	3,574,405	3,829,045
Loans and receivables	1,941,245	1,469,433
Property, plant and equipment and investment properties	5,033	5,900
Total assets	<u>6,561,620</u>	<u>6,381,538</u>
Liabilities		
Deposits and balances from banks	-	-
Deposits from customers		
- demand deposits and current accounts	1,506,337	1,776,421
- time, call and notice deposits	2,325,802	2,319,615
Amount due to overseas offices of the institution	2,590,887	2,209,949
Other liabilities	138,594	75,553
Total liabilities	<u>6,561,620</u>	<u>6,381,538</u>

III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Loans and receivables

	30-Jun-18	31-Dec-17
Loans and advances to customers	1,876,803	1,448,701
Accrued interest and other accounts	64,677	20,732
Provision for impaired loans and receivables		
- Collective provisions	(235)	-
	<u>1,941,245</u>	<u>1,469,433</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 2018 and 31 December 2017.

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

	30-Jun-18	31-Dec-17
Loans and advances for use in Hong Kong		
Individuals		
- Other	1,174,801	972,681
Loans and advances for use outside Hong Kong	702,002	476,020
	<u>1,876,803</u>	<u>1,448,701</u>
Breakdown by Secured and Unsecured		
Secured	1,876,803	1,448,701
Unsecured	-	-
	<u>1,876,803</u>	<u>1,448,701</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-18	31-Dec-17
Major countries or geographical areas		
British Virgin Islands	320,484	140,928
China	56,939	58,760
Hong Kong	1,174,801	972,681
Samoa	184,386	171,832
Other	140,193	104,500
	<u>1,876,803</u>	<u>1,448,701</u>

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 2018 and 31 December 2017.

(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 2018	Non-bank private sector			Total
	Bank	Non-bank financial institution	Non-financial private sector	
Developed countries	3,577	-	42	3,619
<i>of which Switzerland</i>	3,577	-	-	3,577
Offshore centres	3	-	1,031	1,034
<i>of which Hong Kong</i>	3	-	515	518
<i>of which West Indies UK</i>	-	-	321	321
Developing Latin America and Caribbean	-	-	1	1
Developing Asia and Pacific	-	-	146	146
	3,580	-	1,220	4,800

As at 31 Dec 2017	Non-bank private sector			Total
	Bank	Non-bank financial institution	Non-financial private sector	
Developed countries	3,832	-	44	3,876
<i>of which Switzerland</i>	3,831	-	-	3,831
Offshore centres	6	-	751	757
<i>of which Hong Kong</i>	6	-	436	442
Developing Latin America and Caribbean	-	-	1	1
Developing Asia and Pacific	-	-	119	119
	3,838	-	915	4,753

(4) Non-bank Mainland Exposures

(in thousands of Hong Kong Dollars)

As at 30 Jun 2018	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	49,352	-	49,352
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>49,352</u>	<u>-</u>	<u>49,352</u>
Total assets after provisions	6,561,620		
On-balance sheet exposures as percentage of total assets	0.75%		

As at 31 Dec 2017	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	33,580	-	33,580
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>33,580</u>	<u>-</u>	<u>33,580</u>
Total assets after provisions	6,381,538		
On-balance sheet exposures as percentage of total assets	0.53%		

(5) Currency Risk

(in millions of Hong Kong Dollars)

As at 30 Jun 2018

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	2,958	54	391	407	20	31	51	252	115	60	42	176	4,557
Spot liabilities	2,956	54	393	407	20	31	51	252	115	60	42	176	4,557
Forward purchases	452	155	57	38	8	14	33	70	-	13	-	99	939
Forward sales	453	155	55	38	8	14	33	70	-	13	-	99	938
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	1	-	-	-	-	-	-	-	-	-	-	-	1

As at 31 Dec 2017

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	3,350	48	271	319	41	10	10	249	96	50	51	19	4,514
Spot liabilities	3,347	48	271	319	41	10	10	249	96	50	51	19	4,511
Forward purchases	234	137	36	33	-	13	50	25	-	-	4	1	533
Forward sales	235	137	36	33	-	13	50	25	-	-	4	1	534
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	2	-	-	-	-	-	-	-	-	-	-	-	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 2018 and 31 December 2017.

(6) Off-balance sheet exposures

(in thousands of Hong Kong Dollars)

	30-Jun-18	31-Dec-17
Contingent liabilities and commitments		
Direct credit substitutes	32,035	37,550
Other commitments	90,546	45,651
	<u>122,581</u>	<u>83,201</u>
Derivatives - contractual / notional amount		
Exchange rate and gold contracts	1,341,129	666,700
Others	464,816	298,251
	<u>1,805,945</u>	<u>964,951</u>

	30-Jun-18		31-Dec-17	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Exchange rate and gold contracts	10,881	10,896	2,704	2,605
Others	11,043	10,970	4,957	4,957
	<u>21,924</u>	<u>21,866</u>	<u>7,661</u>	<u>7,562</u>

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

(7) 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-18	31-Mar-18	30-Jun-17
Average LMR for the period	50.10%	58.38%	72.20%

Average LMR for 30 June 2018 and 31 March 2018 is calculated as the simple average of each month's average corresponding ratio for the quarter whilst average LMR for 30 June 2017 is calculated as the simple average of each month's average corresponding ratio for six months.

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>

(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 2017 annual report for details.

Section B: Group information (consolidated basis)

(in thousands of Swiss Francs)

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

	30-Jun-18	31-Dec-17
Capital and capital adequacy ratio		
Capital adequacy ratio (Note)		
Common Equity Tier 1 capital ratio	13.67%	14.20%
Tier 1 capital ratio	13.67%	14.20%
Total capital ratio	16.67%	17.40%
Total shareholders' equity	1,884,050	1,920,421
Other financial information		
Balance sheet:		
Total assets	18,570,807	18,372,558
Total liabilities	16,964,281	16,731,032
Total loans and advances	10,161,943	9,342,888
Total customer deposits	10,181,684	10,590,865
	30-Jun-18	30-Jun-17
Profit and Loss:		
Profit before income taxes	52,081	40,068

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.