



CA INDOSUEZ (SWITZERLAND) SA
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the Year ended 31 December 2023

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 year ended 31 December 2023 which is prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

A handwritten signature in black ink, appearing to read 'Olivier LIVENAIS', is positioned above the printed name.

Olivier LIVENAIS

Chief Executive



CA Indosuez (Switzerland) SA, Hong Kong Branch
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Section A: Hong Kong Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

For the year ended 31 December 2023

	31-Dec-23	31-Dec-22
Interest income	512,475	216,826
Interest expenses	<u>(440,255)</u>	<u>(160,528)</u>
Net interest income	72,220	56,298
Other operating income		
Gain less losses arising from trading in foreign currencies	62,561	73,896
Gain less losses arising from trading in other derivatives	-	56
Net fees and commission income	244,937	208,412
- gross fees and commission income	286,531	259,567
- gross fees and commission expenses	<u>(41,594)</u>	<u>(51,155)</u>
Others	<u>(143)</u>	<u>(4)</u>
Total income	379,575	338,658
Operating expenses	(366,994)	(344,024)
Staff and rental expenses	(233,674)	(215,479)
Other expenses	<u>(133,320)</u>	<u>(128,545)</u>
Impairment losses and provision for loans and receivables	278	(320)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit/(loss) before taxation	12,859	(5,686)
Tax expenses	<u>(1,920)</u>	421
Profit/(loss) after taxation	<u>10,939</u>	<u>(5,265)</u>



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II Balance Sheet

(in thousands of Hong Kong Dollars)

	31-Dec-23	30-Jun-23
Assets		
Due from Exchange Fund	10,552	27,293
Balances with banks	18,195	23,191
Amount due from overseas offices of the institution	7,581,631	7,311,782
Loans and receivables	3,729,879	3,327,871
Investment securities	397,051	1,000,606
Property, plant and equipment and investment properties	2,681	2,371
Total assets	<u>11,739,989</u>	<u>11,693,114</u>
Liabilities		
Deposits and balances from banks	-	-
Deposits from customers		
- demand deposits and current accounts	1,207,375	1,702,574
- time, call and notice deposits	5,218,995	5,199,390
Amount due to overseas offices of the institution	4,962,085	4,271,336
Other liabilities	351,534	519,814
Total liabilities	<u>11,739,989</u>	<u>11,693,114</u>



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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Loans and receivables

	31-Dec-23	30-Jun-23
Loans and advances to customers	3,422,613	2,835,849
Accrued interest and other accounts	307,511	492,587
Provision for impaired loans and receivables		
- Collective provisions	(245)	(565)
	<u>3,729,879</u>	<u>3,327,871</u>

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

	31-Dec-23	30-Jun-23
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
- Financial concerns	948,725	32,141
- Other	975,634	1,371,929
Individuals		
- Loans for the purchase of other residential properties	-	6,998
- Other	1,362,616	1,241,425
Loans and advances for use outside Hong Kong	<u>135,638</u>	<u>183,356</u>
	<u>3,422,613</u>	<u>2,835,849</u>
Breakdown by Secured and Unsecured		
Secured	3,422,613	2,835,849
Unsecured	-	-
	<u>3,422,613</u>	<u>2,835,849</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:

	31-Dec-23	30-Jun-23
Major countries or geographical areas		
Hong Kong	1,306,736	1,099,154
Samoa	1,383,308	1,035,067
British Virgin Islands	374,276	301,089
Other	358,293	400,539
	<u>3,422,613</u>	<u>2,835,849</u>

There were no impaired loans, repossessed assets, overdue loans and advances nor rescheduled assets to customers, banks and other financial institutions as at 31 December 2023 and 30 June 2023



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(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 31 Dec 2023

	Bank	Official Sector	Non-bank private sector			Total
			Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	82	-	-	3	-	85
<i>of which Switzerland</i>	82	-	-	-	-	82
Offshore centres	7,554	-	-	2,757	-	10,311
<i>of which Hong Kong</i>	6	-	-	909	-	915
Developing Latin America and Caribbean	-	-	-	15	-	15
Developing Asia and Pacific	-	-	-	250	-	250
	7,636	-	-	3,025	-	10,661

As at 30 Jun 2023

	Bank	Official Sector	Non-bank private sector			Total
			Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	148	-	-	35	-	183
<i>of which Switzerland</i>	148	-	-	-	-	148
Offshore centres	7,201	-	-	2,085	-	9,286
<i>of which Hong Kong</i>	7	-	-	652	-	659
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Asia and Pacific	-	-	-	273	-	273
	7,349	-	-	2,393	-	9,742



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(4) Non-bank Mainland Exposures

(in thousands of Hong Kong Dollars)

As at 31 Dec 2023	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	320,642	-	320,642
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	320,642	-	320,642
Total assets after provisions	11,739,989		
On-balance sheet exposures as percentage of total assets	2.73%		

As at 30 Jun 2023	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	299,229	-	299,229
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	299,229	-	299,229
Total assets after provisions	11,693,114		
On-balance sheet exposures as percentage of total assets	2.56%		



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(5) Currency Risk

(in millions of Hong Kong Dollars)

As at 31 Dec 2023

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	4,664	137	140	372	164	455	1,953	253	69	212	36	101	8,556
Spot liabilities	4,661	136	140	372	162	454	1,952	253	69	212	36	100	8,547
Forward purchases	1,673	32	48	58	772	80	44	26	17	56	-	250	3,056
Forward sales	1,675	31	48	58	772	80	44	26	17	56	-	250	3,057
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	1	2	-	-	2	1	1	-	-	-	-	1	8

As at 30 Jun 2023

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	3,777	291	632	591	66	201	817	308	71	211	38	1,083	8,086
Spot liabilities	3,774	291	632	591	66	201	816	308	71	210	38	1,082	8,080
Forward purchases	1,973	97	23	52	1,139	88	40	9	17	24	-	299	3,761
Forward sales	1,974	97	23	52	1,139	88	48	9	17	16	-	299	3,762
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	2	-	-	-	-	-	(7)	-	-	9	-	1	5

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 31 December 2023 and 30 June 2023

(6) Off-balance sheet exposures

(in thousands of Hong Kong Dollars)

	31-Dec-23	30-Jun-23
Contingent liabilities and commitments		
Direct credit substitutes	-	-
Other commitments	567,559	295,864
	<u>567,559</u>	<u>295,864</u>
Derivatives - contractual / notional amount		
Exchange rate	10,678,821	14,873,919
Equity and other contracts	1,522,407	1,442,695
	<u>12,201,228</u>	<u>16,316,614</u>

	31-Dec-23		30-Jun-23	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Exchange rate	181,249	182,422	398,377	398,377
Equity and other contracts	53,744	53,744	25,872	25,872
	<u>234,993</u>	<u>236,166</u>	<u>424,249</u>	<u>424,249</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	
	31-Dec-23	31-Dec-22
Average LMR for the period	49.83%	54.34%

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.



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(b) Approach to liquidity risk management

CA Indosuez (Switzerland) SA, Hong Kong Branch ("CAI HK") has primary responsibility for ensuring that it has sufficient funds to meet all its immediate and future payment obligations. The purpose of liquidity risk management is to analyse and monitor on a daily basis the global risk exposure of liquidity by managing the use and the availability of funds.

CAI HK has two sources of liquidity to meet its funding: client deposits and intra-group funding from Head Office. The Branch has no liquidity gap identified at this stage and, as sound and caution management, maintains a liquidity buffer by local clearing accounts (HKD and CNY) sufficient to cover the intraday and potential stress situations.

On a day to day basis, the CA Indosuez (Switzerland) SA's Treasury ("CAI Treasury") runs in centralised manner to formulate the funding strategy, manages the liquidity and funding needs of the Branch.

As a branch, CAI HK has exactly the same liquidity policy as CA Indosuez (Switzerland) SA ("CAI") based on the principles of Credit Agricole Corporate & Investment Bank ("CACIB") liquidity policies. Liquidity stress tests are performed at a consolidated / group level and the liquidity policy is monitored and managed by CAI Asset and liability Committee ("CAI ALCO").

However, the liquidity risk management is reviewed and supervised by CA Indosuez (Switzerland) SA, Hong Kong Branch's Asset and liability Committee ("CAI HK ALCO") held on a quarterly basis.

In the event of a potential or actual crisis, CAI HK has in place a set of liquidity contingency and recovery plans to ensure that decisive actions are taken to ensure that the Branch maintains adequate liquidity.

CAI Hong Kong Asset and liability Committee ("CAI HK ALCO")

CAI HK ALCO is responsible for:

- The monitoring of the correct application of the Assets and Liability Management ("ALM") rules set by CACIB's Finance/ALM function and CAI's Finance/ALM division (including liquidity);
- The handling of Treasury specific issues;
- The monitoring of local liquidity ratios,
- The development, review, approval, and on-going maintenance of the Recovery Plan for Hong Kong Branch submitted to HKMA

CAI HK ALCO comprises the following permanent members:

- CAI Head of ALM
- CAI Head of Capital Markets
- CAI Head of Treasury
- CAI Asia Chief Executive Officer



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- CAI Head of RPC Asia
- CAI Hong Kong Chief Executive
- CAI Hong Kong Chief Operating Officer

Its duties include reviewing the limits, monitoring all internal and local regulatory ratios relating to liquidity risks. The funding and liquidity risk management policy ("the Policy") is reviewed and approved by the CAI HK ALCO on an annual basis. However, it is likely that the Policy can be adjusted on a more frequent basis as business activity changes in response to a changing regulatory environment. The Branch also follows the guidance set forth by the HKMA in Supervisory Policy Manual LM-1 (Regulatory Framework for Supervision of Liquidity Risk) and LM-2 (Sound Systems and Controls for Liquidity Risk Management).

Once a year if any significant change, CAI HK ALCO ensures the maintenance of the plan and on ad-hoc basis, the change on Recovery Plan components that need to be reflected in the Recovery Plan.

Recovery Plan for CAI Hong Kong

Hong Kong Branch draw on the Recovery Plan developed by CAI which meet HKMA standards required by the SPM RE-1 "Recovery Planning" in respect of their operations in Hong Kong.

Missions related to the Recovery Plan are formalized in the Branch's policy defining the funding and liquidity Risk Management Policy of the Hong Kong Branch:

- To enable CAI Head Office to oversee the development of the Hong Kong specific elements of the recovery plan;
- To decide of the governance and organization required to the definition and the maintenance of the plan by designating the Hong Kong Chief Operating Officer ("HK COO") as key point of contact with HKMA;
- To oversee with the Head Office the maintenance and the annual review of the plan if any significant change;
- To be informed by CAI Head Office of the scope and the content of the plan (options, scenarios, triggers, communication plan, etc.);
- To ensure the Recovery Plan is compliant with HKMA requirement.

If there is any material change in the Recovery Plan, HK COO as key point of contact handle the responsibility to notify the HKMA once the review is completed.

Finally, if any shortfalls and gaps in the Recovery Plan are identified, the Bank will addressed in a timely manner by setting out a remedial plan to lay out the necessary remedial actions along with an indicated timeframe for their necessary completion.

Conclusion

Liquidity limits are established to ensure the Branch maintains appropriate liquidity under both normal and stressed conditions. CAI HK policy is to maintain a conservative level of liquid funds to meet all obligations. As such CAI HK has defined internal liquidity buffers in excess of statutory Liquidity Maintenance Ratio ("LMR") in its policy. Proper escalation and notification processes to report breaches of any liquidity limits are established. CAI Treasury will identify any abnormal mismatch and take the necessary steps to close the gap. In addition, Head Office conducts stress tests on a daily basis on a centralised group basis. As one



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of the main overseas branches, CAI HK may fully rely on Head Office for liquidity at all times and in the event of any funding crises. (c) Contractual maturity profile

(c) Contractual maturity profile

The table below analyses assets and liabilities based on the remaining period as at the end of the reporting period to the contractual maturity dates:

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31 December 2023

in HK\$ millions	Next day	Less than 1 month	up to 3 months	Over 3 month up to 1 year	Over 1 year	Unallocated	Total
Assets							
- Due from bank	1,567	3,709	1,040	1,345	-	-	7,661
- Debt securities held							
(a) readily monetarizable	397						397
(b) not readily monetarizable							-
- Loans and advances to customers Amount receivable arising from	357	2,607	331	134	-	-	3,429
- derivative contracts	59	162	-	-	-	-	221
- Others	13	4	1	1	-	12	31
Total assets	2,393	6,482	1,372	1,480	-	12	11,739
Liabilities							
- Due to banks	273	3,293	1,270	140	-	-	4,976
- Deposits from customers	1,609	2,524	998	1,338	-	-	6,469
Amount payable arising from derivative							
- contracts	1	154	33	3	12	-	203
- Others	4	2	39	8	8	30	91
Total liabilities	1,887	5,973	2,340	1,489	20	30	11,739
Contingent and commitments							
- Commitments	-	-	-	-	-	-	-
- Contingent liabilities	-	568	-	-	-	-	568
Net liquidity mismatch	506	(59)	(968)	(9)	(20)	(18)	(568)
Cumulative liquidity mismatch	506	447	(521)	(530)	(550)	(568)	(1,136)

30 June 2023

in HK\$ millions	Next day	Less than 1 month	up to 3 months	Over 3 month up to 1 year	Over 1 year	Unallocated	Total
Assets							
- Due from bank	3,155	1,817	893	1,505	26	-	7,396
- Debt securities held							-
(a) readily monetarizable	1,001						1,001
(b) not readily monetarizable							-
- Loans and advances to customers	1,437	753	500	153	-	-	2,843
Amount receivable arising from							
- derivative contracts	63	359	3	1	-	-	426
- Others	16	-	1	1	-	12	30
Total assets	5,672	2,929	1,397	1,660	26	12	11,696
Liabilities							
- Due to banks	192	2,587	1,463	40	-	-	4,282
- Deposits from customers	2,438	2,228	1,188	1,076	-	-	6,930
Amount payable arising from derivative							
- contracts	-	52	249	85	-	-	386
- Others	-	3	3	29	6	57	98
Total liabilities	2,630	4,870	2,903	1,230	6	57	11,696
Contingent and commitments							
- Commitments	-	-	-	-	-	-	-
- Contingent liabilities	-	296	-	-	-	-	296
Net liquidity mismatch	3,042	(2,237)	(1,506)	430	20	(45)	(296)
Cumulative liquidity mismatch	3,042	805	(701)	(271)	(251)	(296)	(592)

Note: Positive indicates a position of liquidity surplus and negative indicates a liquidity shortfall that has to be funded.

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 2023 annual report for details.



CA Indosuez (Switzerland) SA, Hong Kong Branch
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Section B: Group information (consolidated basis)

(in thousands of Swiss Francs)

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

	31-Dec-23	30-Jun-23
Capital and capital adequacy ratio		
Capital adequacy ratio (Note)		
Common Equity Tier 1 capital ratio	19.77%	19.16%
Tier 1 capital ratio	19.77%	19.16%
Total capital ratio	24.03%	23.30%
Total shareholders' equity	1,868,158	1,862,915
Other financial information		
Balance sheet:		
Total assets	17,018,938	17,177,206
Total liabilities	15,383,646	15,570,611
Total loans and advances	6,730,524	6,400,467
Total customer deposits	8,109,815	9,672,628
	31-Dec-23	30-Jun-23
Profit and Loss:		
Profit/ (loss) before income taxes	71,472	42,171

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.

