



**EFG Bank AG, Hong Kong Branch
Key Financial Information Disclosure Statement
for the six months ended 30th June 2021**

The Chief Executive of EFG Bank AG, Hong Kong Branch announces that its key financial information disclosure statement as at June 30, 2021 is as follows: -

Section A – Hong Kong Branch Information

I – Profit and loss information

	30-Jun-21 HKD'000	30-Jun-20 HKD'000
Interest income		
Interest income	87,114	180,060
Interest expense	(32,914)	(121,477)
Net interest income	54,200	58,583
Other operating income		
Gains less losses arising from trading in foreign currencies	19,747	46,083
Gains less losses on securities held for trading purposes	28,593	28,881
Gains less losses from other trading activities	20,412	7,202
Net fees and commission income	90,688	83,973
- gross fees and commission income	128,219	117,667
- gross fees and commission expenses	(37,531)	(33,694)
Others	-	66
Net operating income	159,440	166,205
Gross Revenue	213,640	224,788
Operating expenses		
Staff and rental expense	(162,570)	(212,517)
Other expenses	(75,690)	(94,238)
Net charge for other provisions	(61)	-
Impairment losses and provisions for impaired loans and receivables	214	-
Gains less losses from the disposal of property, plant and equipment and investment properties	(3)	-
Profit/(loss) before taxation	(24,470)	(81,967)
Tax expense	-	(258)
Profit/(loss) after taxation	(24,470)	(82,225)

II – Balance sheet information

	30-Jun-21 HKD'000	31-Dec-20 HKD'000
<u>Assets</u>		
Cash and balances with banks	338,844	608,705
Balances with central bank	993,486	1,615,479
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	3,866,161	4,306,766
Trade bills	-	-
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	10,957,077	13,725,394
- <i>loans and advances to customers</i>	9,371,508	12,584,889
- <i>loans and advances to banks</i>	-	-
- <i>other accounts</i>	1,585,569	1,140,505
- <i>provisions for impaired loans and receivables</i>	-	-
<i>collective</i>	-	-
<i>specific</i>	-	-
Investment securities	2,918,234	2,013,548
Other investments	-	-
Property, plant and equipment and investment properties	9,834	5,119
Total assets	19,083,636	22,275,011
<u>Liabilities</u>		
Deposits and balances from banks	47,632	471,902
Deposits from customers	14,000,297	14,035,739
- <i>demand deposits and current accounts</i>	8,046,805	7,436,929
- <i>savings deposits</i>	-	-
- <i>time, call and notice deposits</i>	5,953,492	6,598,810
Amount due to overseas offices of the reporting institution	3,272,015	6,330,760
Certificates of deposit issued	-	-
Issued debt securities	-	-
Other liabilities	1,763,631	1,436,396
Provisions	61	214
Total Liabilities	19,083,636	22,275,011

III – Additional balance sheet information

	30-Jun-21 HKD'000	31-Dec-20 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	2,537,953	3,521,291
- 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	2,769	2,854
- credit card advances	-	-
- others	6,732,938	8,949,426
Trade finance	-	-
Loans and advances for use outside Hong Kong	97,848	111,318
Total Advances to Customers	9,371,508	12,584,889

100% of the loans and advances to customers are covered by collaterals or other securities as at 30 Jun 2021 and 31 Dec 2020.

- vi) The branch does not have any overdue and rescheduled advances as at 30 Jun 2021 and 31 Dec 2020.
- vii) The branch does not have any other assets overdue as at 30 Jun 2021 and 31 Dec 2020.
- viii) The branch does not have any repossessed assets as at 30 Jun 2021 and 31 Dec 2020.

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
	HKD'000	HKD'000	HKD'000
30 Jun 2021			
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	771,565	162,415	933,980
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	771,565	162,415	933,980
Total assets after provision	19,083,575		
On-balance sheet exposures as percentage of total assets	4.04%		

	On-balance sheet exposure	Off-balance sheet exposure	Total
	HKD'000	HKD'000	HKD'000
31 Dec 2020			
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	743,075	196,561	939,636
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	743,075	196,561	939,636
Total assets after provision	22,274,797		
On-balance sheet exposures as percentage of total assets	3.34%		

III – Additional balance sheet information (continued)

	30-Jun-21 HKD'm	31-Dec-20 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	4,410	6,035
- Taiwan	2,937	4,242
- China	1,309	1,215
- Others	716	1,093
	<u>9,372</u>	<u>12,585</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 30 Jun 2021	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	5,551	233	-	37	-	5,821
<i>of which</i>						
- United States	159	233	-	-	-	392
Offshore centres	12	2,251	-	2,974	-	5,237
Developing Asia Pacific	49	-	1	4,601	-	4,651
<i>of which</i>						
- Taiwan	-	-	1	3,030	-	3,031
- China	46	-	-	1,333	-	1,379

At 31 Dec 2020	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	5,665	1,551	-	46	-	7,262
<i>of which</i>						
- United States	221	1,551	-	-	-	1,772
Offshore centres	4	363	-	4,754	-	5,121
Developing Asia Pacific	44	-	13	5,735	-	5,792
<i>of which</i>						
- Taiwan	-	-	13	4,292	-	4,305
- China	41	-	-	1,249	-	1,290

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

	30-Jun-21 HKD'000	31-Dec-20 HKD'000
Contingent liabilities and commitments		
• Direct credit substitutes	122,187	99,936
• Transaction-related contingencies	-	-
• Trade-related contingencies	-	-
• Note issuance and revolving underwriting facilities	-	-
• Other commitments	3,767,346	2,818,682
• Forward deposit placement (forward value date)	150,795	23,560
Derivatives		
• Exchange rate contracts	27,267,560	31,614,815
• Interest rate contracts	-	-
• Equity contracts and others	5,652,011	3,970,471
Replacement Costs		
• Exchange rate contracts	199,832	199,832
• Interest rate contracts	-	-
• Equity contracts and others	96,365	96,365

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

V – Foreign Currency Exposures

At 30 Jun 2021

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	7,769	54	286	326	992	2,070	610	978	6	2,272	51	15,414
Spot Liabilities	11,939	564	147	63	1,624	796	238	201	134	395	137	16,238
Forward Purchases	13,176	575	61	474	1,905	34	339	293	227	4,882	491	22,457
Forward Sales	9,003	65	200	737	1,273	1,308	711	1,070	99	6,759	405	21,630
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	3	-	-	-	-	-	-	-	-	-	-	3

At 31 Dec 2020

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	11,550	64	25	394	584	1,370	2,087	1,265	6	392	52	17,789
Spot Liabilities	15,530	478	278	46	1,438	515	242	161	89	223	160	19,160
Forward Purchases	14,507	548	320	656	2,065	451	559	1,877	252	4,586	540	26,361
Forward Sales	10,528	134	67	1,004	1,211	1,306	2,404	2,981	169	4,755	432	24,991
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	(1)	-	-	-	-	-	-	-	-	-	-	(1)

*No structural position is recorded.

VI – Liquidity information

	2021	2020
Average LMR for the quarter ended 30 June	43.8%	46.4%

The average LMR for the quarter ended of June (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 30 Jun 2021

(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	738	381	9	174	158	14	1	0	0	0	0	0
(b) Demand, savings and current account deposits	7,523	7,523										
(c) Term, call and notice deposits	3,590	291	1,610	326	1,106	217	21	18	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	0
3 Amount payable arising from derivative contracts	145	2,880	4,448	6,456	5,546	2,712	53	0	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	0
5 Due to overseas central banks	0	0	0	0	0	0	0	0	0	0	0	0
6 Due to banks	4,418	1,484	720	155	1,939	0	50	0	70	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	2,155	144	344	332	1,111	52	0	0	0	0	0	173
9 Capital and reserves	2	0	1	0	0	0	0	0	0	0	0	0
10 Total	18,571	12,704	7,133	7,444	9,861	2,994	125	18	70	0	0	173

Off-balance sheet obligations

11 Total off-balance sheet obligations	853	663	97	32	0	0	61	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	218	2,885	4,467	6,479	5,568	2,718	53	0	0	0	0	0
15 Due from MA for a/c of Exchange Fund	916	916	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	5,010	3,025	1,985	0	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	2,875	2,875										
(b) Not readily monetizable												
(i) Pledged to customers	0		0	0	0	0	0	0	0	0	0	0
(ii) Others	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	9,418	617	1,071	2,778	2,413	1,935	476	0	99	29	0	0
21 Other assets	89	0	0	0	0	0	0	0	0	0	0	89
22 Total	18,526	10,316	7,524	9,257	7,981	4,653	529	0	99	29	0	89

Off-balance sheet claims

23 Total off-balance sheet claims	344	137	194	0	9	1	0	0	0	0	0	3
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24 Contractual Maturity Mismatch		(2,912)	487	1,780	(1,871)	1,661	343	(18)	29	29	0	
25 Cumulative Contractual Maturity Mismatch		(2,912)	(2,425)	(645)	(2,516)	(856)	(513)	(531)	(503)	(474)	(474)	

VII – Liquidity risk management (continued)

(HK\$m)

As at 31 Dec 2020

	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	685	286	200	26	87	86	0	0	0	0	0	0
(b) Demand, savings and current account deposits	7,076	7,076										
(c) Term, call and notice deposits	4,262	0	1,439	1,445	1,084	230	66	0	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	0
3 Amount payable arising from derivative contracts	289	0	6,800	8,600	5,144	3,813	610	0	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	0
5 Due to overseas central banks	0	0	0	0	0	0	0	0	0	0	0	0
6 Due to banks	7,368	1,136	307	1,703	4,103	0	0	49	6	64	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	2,287	0	250	457	1,042	200	0	0	0	0	0	339
9 Capital and reserves	(18)	0	(16)	0	0	0	0	0	0	0	0	0
10 Total	21,951	8,497	8,980	12,229	11,460	4,329	676	49	6	64	0	339

Off-balance sheet obligations

11 Total off-balance sheet obligations	753	700	28	19	3	2	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	261	0	6,769	8,574	5,147	3,805	645	0	0	0	0	0
15 Due from MA for a/c of Exchange Fund	1,310	1,310	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	5,475	1,213	4,155	107	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	2,024	2,024										
(b) Not readily monetizable												
(i) Pledged to customers	0		0	0	0	0	0	0	0	0	0	0
(ii) Others	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	12,668	3	1,446	3,333	3,432	2,300	1,931	121	35	68	0	0
21 Other assets	224	0	0	0	0	0	0	0	0	0	0	224
22 Total	21,962	4,549	12,369	12,014	8,579	6,105	2,576	121	35	68	0	224

Off-balance sheet claims

23 Total off-balance sheet claims	60	0	53	0	0	0	0	0	0	0	0	7
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24 Contractual Maturity Mismatch		(4,648)	3,414	(235)	(2,885)	1,774	1,900	72	29	5	0	
25 Cumulative Contractual Maturity Mismatch		(4,648)	(1,235)	(1,470)	(4,354)	(2,580)	(680)	(608)	(579)	(574)	(574)	

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

30 Jun 2021

	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	5,190	27.20%
Deposits from other non-bank customers	6,801	35.64%
Funding raised from banks	26,485	138.78%
Other outstanding funding instruments	2,002	10.49%

31 Dec 2020

	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	5,885	26.42%
Deposits from other non-bank customers	6,150	27.62%
Funding raised from banks	32,225	144.67%
Other outstanding funding instruments	1,961	8.81%

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.



Sin Kwok Fai
Alternate 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.

	30-Jun-21		31-Dec-20	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital	1,291	18.7%	1,293	20.0%
Tier 1 capital (CET1)	991	14.3%	991	15.3%
Shareholders' equity	1,046		1,077	

II – Other financial information

Financial Highlights of EFG Bank AG, Switzerland

	30-Jun-21	31-Dec-20
	CHF'm	CHF'm
Total assets	27,474	27,578
Total liabilities	26,429	26,501
Total advances	11,134	11,169
Total customer deposits	22,336	21,574

	30-Jun-21	30-Jun-20
	CHF'm	CHF'm
Pre-tax profit/(loss)	39.5	19.7

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:

	30-Jun-21		31-Dec-20	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital (Swiss GAAP fully applied)	2,210	22.2%	1,969	19.9%
Tier 1 capital (CET1) (Swiss GAAP fully applied)	1,643	16.5%	1,604	16.2%
Shareholders' equity	<u>1,841</u>		<u>1,701</u>	

II – Other financial information

Financial Highlights of EFG International AG

	30-Jun-21		31-Dec-20	
	CHF'm		CHF'm	
Total assets	41,798		40,637	
Total liabilities	39,551		38,879	
Total advances	19,095		18,223	
Total customer deposits	32,266		30,842	

	30-Jun-21		30-Jun-20	
	CHF'm		CHF'm	
Pre-tax profit/(loss)	<u>132.9</u>		<u>47.3</u>	

END