



**EFG Bank AG, Hong Kong Branch
Key Financial Information Disclosure Statement
as at 31 December 2022**

The Chief Executive of EFG Bank AG, Hong Kong Branch announces that its key financial information disclosure statement as at December 31, 2022 is as follows: -

Section A – Hong Kong Branch Information

I – Profit and loss information

	31-Dec-22 HKD'000	31-Dec-21 HKD'000
Interest income		
Interest income	224,662	167,503
Interest expense	(139,289)	(62,534)
Net interest income	85,373	104,969
Other operating income		
Gains less losses arising from trading in foreign currencies	126,046	42,241
Gains less losses on securities held for trading purposes	21,615	53,127
Gains less losses from other trading activities	20,534	37,056
Net fees and commission income	136,413	181,234
- gross fees and commission income	189,242	255,533
- gross fees and commission expenses	(52,829)	(74,299)
Others	-	4
Net operating income	304,608	313,662
Gross Revenue	389,981	418,631
Operating expenses		
Staff and rental expense	(317,577)	(338,517)
Other expenses	(171,131)	(142,187)
Net charge for other provisions	(18)	(68)
Impairment gains/(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	(98,745)	(61,930)
Tax expense	-	(82)
Profit/(loss) after taxation	(98,745)	(62,012)

II – Balance sheet information

	31-Dec-22 HKD'000	30-Jun-22 HKD'000
Assets		
Cash and balances with banks	425,026	1,451,022
Balances with central bank	77,887	297,465
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	4,580,123	4,436,050
Trade bills	-	-
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	5,933,321	7,984,067
- loans and advances to customers	5,251,582	6,233,577
- loans and advances to banks	-	-
- other accounts	681,739	1,750,490
- provisions for impaired loans and receivables	-	-
collective	-	-
specific	-	-
Investment securities	3,103,157	2,188,905
Other investments	-	-
Property, plant and equipment and investment properties	10,687	11,407
Total assets	14,130,201	16,368,916
Liabilities		
Deposits and balances from banks	10,221	46
Deposits from customers	11,874,559	11,909,082
- demand deposits and current accounts	3,541,644	6,478,083
- savings deposits	-	-
- time, call and notice deposits	8,332,915	5,430,999
Amount due to overseas offices of the reporting institution	1,039,006	2,430,043
Certificates of deposit issued	-	-
Issued debt securities	-	-
Other liabilities	1,206,329	2,029,659
Provisions	86	86
Total Liabilities	14,130,201	16,368,916

III – Additional balance sheet information

	31-Dec-22 HKD'000	30-Jun-22 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	1,157,198	1,293,627
- 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	-	2,478
- credit card advances	-	-
- others	3,912,425	4,865,481
Trade finance	-	-
Loans and advances for use outside Hong Kong	181,959	71,991
Total Advances to Customers	5,251,582	6,233,577

100% of the loans and advances to customers are covered by collaterals or other securities as at 31 Dec 2022 and 30 Jun 2022.

- vi) The branch does not have any overdue and rescheduled advances as at 31 Dec 2022 and 30 Jun 2022.
- vii) The branch does not have any other assets overdue as at 31 Dec 2022 and 30 Jun 2022.
- viii) The branch does not have any repossessed assets as at 31 Dec 2022 and 30 Jun 2022.

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 2022	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	691,498	318,193	1,009,691
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	691,498	318,193	1,009,691
Total assets after provision	14,130,115		
On-balance sheet exposures as percentage of total assets	4.89%		

	On-balance sheet exposure	Off-balance sheet exposure	Total
30 Jun 2022	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	675,687	281,226	956,913
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	675,687	281,226	956,913
Total assets after provision	16,368,830		
On-balance sheet exposures as percentage of total assets	4.13%		

III – Additional balance sheet information (continued)

	31-Dec-22 HKD'm	30-Jun-22 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	2,871	3,549
- Taiwan	1,149	1,291
- China	934	948
- Others	297	446
	<u>5,251</u>	<u>6,234</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 2022	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	5,472	234	-	37	-	5,743
<i>of which</i>						
- United States	39	234	-	-	-	273
Offshore centres	3	2,259	-	2,022	-	4,284
Developing Asia Pacific	160	-	-	2,247	-	2,407
<i>of which</i>						
- Taiwan	-	-	-	1,154	-	1,154
- China	157	-	-	936	-	1,093

At 30 Jun 2022	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	6,730	236	-	39	-	7,005
<i>of which</i>						
- United States	249	236	-	-	-	485
Offshore centres	3	1,377	-	2,628	-	4,008
Developing Asia Pacific	350	-	-	2,490	-	2,840
<i>of which</i>						
- Taiwan	-	-	-	1,382	-	1,382
- China	347	-	-	951	-	1,298

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-22 HKD'000	30-Jun-22 HKD'000
Contingent liabilities and commitments		
• Direct credit substitutes	112,375	112,632
• Transaction-related contingencies	-	-
• Trade-related contingencies	-	-
• Note issuance and revolving underwriting facilities	-	-
• Other commitments	7,260,045	6,731,086
• Forward deposit placement (forward value date)	58,156	2,436,704
Derivatives		
• Exchange rate contracts	29,413,677	31,767,895
• Interest rate contracts	-	-
• Equity contracts and others	5,363,276	7,223,361
Replacement Costs		
• Exchange rate contracts	264,702	332,575
• Interest rate contracts	-	-
• Equity contracts and others	145,626	318,856

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 2022

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	3,254	49	266	4,218	368	264	293	838	8	2,328	106	11,992
Spot Liabilities	8,713	469	278	65	655	493	433	431	83	176	166	11,962
Forward Purchases	16,404	459	287	2,261	1,109	474	522	810	278	4,594	504	27,702
Forward Sales	10,945	39	275	6,416	822	245	382	1,217	203	6,744	442	27,730
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	-	-	-	(2)	-	-	-	-	-	2	2	2

At 30 Jun 2022

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	5,048	38	314	415	550	4,156	411	1,154	7	1,454	64	13,611
Spot Liabilities	10,117	443	182	32	860	521	290	716	130	323	154	13,768
Forward Purchases	16,902	487	34	482	1,872	768	731	197	2,186	5,011	547	29,217
Forward Sales	11,819	81	165	865	1,561	4,401	851	635	2,063	6,142	457	29,040
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	14	1	1	-	1	2	1	-	-	-	-	20

*No structural position is recorded.

VI – Liquidity information

	2022	2021
Average LMR for the quarter ended 31 December	76.9%	56.7%

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)

(HK\$'m)

As at 31 Dec 2022

	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	137	134	0	0	0	0	1	0	0	0	0	0
(b) Demand, savings and current account deposits	3,397	3,397										
(c) Term, call and notice deposits	7,779	131	1,599	1,711	1,861	1,077	1,399	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	567	264	4,242	10,563	8,316	3,896	1,530	4	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	1,319	479	452	0	1	0	324	64	0	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	954	1	151	639	125	2	0	0	0	0	0	36
9 Capital and reserves	(12)	0	(13)	0	1	0	0	0	0	0	0	0
10 Total	14,141	4,407	6,432	12,913	10,304	4,975	3,254	68	0	0	0	36

Off-balance sheet obligations

11 Total off-balance sheet obligations	417	356	12	35	13	1	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	361	266	4,230	10,523	8,296	3,818	1,472	4	0	0	0	0
15 Due from MA for a/c of Exchange Fund	95	95	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	5,142	1,006	4,077	59	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	3,081	3,081										
(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	5,264	853	765	2,184	763	16	449	64	49	121	0	0
21 Other assets	173	0	0	0	0	0	0	0	0	0	0	173
22 Total	14,116	5,300	9,072	12,766	9,060	3,834	1,921	68	49	121	0	173

Off-balance sheet claims

23 Total off-balance sheet claims	122	46	73	0	0	0	0	0	0	0	0	3
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24 Contractual Maturity Mismatch		583	2,701	(183)	(1,257)	(1,141)	(1,333)	0	49	121	0	
25 Cumulative Contractual Maturity Mismatch		583	3,284	3,102	1,844	703	(630)	(630)	(581)	(460)	(460)	

VII – Liquidity risk management (continued)

(HK\$m)

As at 30 June 2022

	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	391	230	107	0	8	41	5	0	0	0	0	0
(b) Demand, savings and current account deposits	6,148	6,148										
(c) Term, call and notice deposits	4,576	0	1,847	1,134	826	472	297	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	584	1,548	4,782	6,574	5,434	10,545	466	14	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	3,206	2,606	529	0	0	0	0	71	0	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	938	10	296	391	184	0	0	0	0	0	0	58
9 Capital and reserves	(8)	0	(8)	0	0	0	0	0	0	0	0	0
10 Total	15,835	10,542	7,553	8,099	6,451	11,058	769	84	0	0	0	58

Off-balance sheet obligations

11 Total off-balance sheet obligations	4,297	1,362	2,754	148	16	19	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	583	1,551	4,814	6,621	5,450	10,446	466	14	0	0	0	0
15 Due from MA for a/c of Exchange Fund	184	184	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	6,354	2,400	3,954	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	2,153	2,153										
(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	6,395	104	1,773	2,420	1,008	771	27	103	2	188	0	0
21 Other assets	127	0	0	0	0	0	0	0	0	0	0	127
22 Total	15,797	6,393	10,541	9,041	6,457	11,217	493	117	2	188	0	127

Off-balance sheet claims

23 Total off-balance sheet claims	4,121	1,535	2,572	9	2	0	0	0	0	0	0	3
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24 Contractual Maturity Mismatch		(3,974)	2,807	803	(8)	141	(277)	32	2	188	0	
25 Cumulative Contractual Maturity Mismatch		(3,974)	(1,168)	(364)	(372)	(232)	(508)	(476)	(475)	(286)	(286)	

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 2022

	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	6,192	43.83%
Deposits from other non-bank customers	5,139	36.37%
Funding raised from banks	29,999	212.30%
Other outstanding funding instruments	623	4.41%

30 Jun 2022

	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	5,751	35.13%
Deposits from other non-bank customers	5,474	33.44%
Funding raised from banks	33,757	206.23%
Other outstanding funding instruments	775	4.73%

VIII – Disclosure on Remuneration

EFG Bank AG HK branch adopted the remuneration system of EFG International (“EFGI” the holding company of EFG Bank AG) and has been formed part of the disclosures made by EFGI.

Please refer to the EFGI Compensation report (P.67 of the Annual report 2022) at <https://www.efginternational.com/Investors/Financial-reports.html>

IX – 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-22		30-Jun-22	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital	1,149	17.9%	1,324	19.4%
Tier 1 capital (CET1)	854	13.3%	1,018	14.9%
Shareholders' equity	855		1,029	

II – Other financial information

Financial Highlights of EFG Bank AG, Switzerland

	31-Dec-22	30-Jun-22
	CHF'm	CHF'm
Total assets	28,594	29,349
Total liabilities	27,739	28,320
Total advances	10,176	10,525
Total customer deposits	22,864	23,153

	31-Dec-22	31-Dec-21
	CHF'm	CHF'm
Pre-tax profit/(loss)	(186.6)	89.8

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-22		30-Jun-22	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital (Swiss GAAP fully applied)	1,679	18.6%	1,911	20.0%
Tier 1 capital (CET1) (Swiss GAAP fully applied)	1,328	14.7%	1,530	16.0%
	CHF'm		CHF'm	
Shareholders' equity	1,714		1,718	

II – Other financial information

Financial Highlights of EFG International AG

	31-Dec-22		30-Jun-22	
	CHF'm		CHF'm	
Total assets	43,538		43,885	
Total liabilities	41,473		41,774	
Total advances	16,748		18,183	
Total customer deposits	34,035		33,674	
	CHF'm		CHF'm	
Pre-tax profit/(loss)	237.1		245.4	

END