EFG Bank AG, Hong Kong Branch
Key Financial Information Disclosure Statement
as at 31 December 2021

Incorporated in Switzerland with limited liability

The Chief Executive of EFG Bank AG, Hong Kong Branch announces that its key financial information disclosure statement as at December 31, 2021 is as follows: -

Section A – Hong Kong Branch Information

I – Profit and loss information

	31-Dec-21 HKD'000	31-Dec-20 HKD'000
Interest income		
Interest income	167,503	282,059
Interest expense	(62,534)	(169,342)
Net interest income	**104,969**	112,717
Other operating income		
Gains less losses arising from trading in foreign currencies	42,241	75,585
Gains less losses on securities held for trading purposes	53,127	51,730
Gains less losses from other trading activities	37,056	20,977
Net fees and commission income	181,234	176,918
- gross fees and commission income	*255,533*	*247,302*
- gross fees and commission expenses	*(74,299)*	*(70,384)*
Others	4	87
Net operating income	**313,662**	325,297
Gross Revenue	**418,631**	438,014
Operating expenses		
Staff and rental expense	(338,517)	(397,247)
Other expenses	(142,187)	(206,698)
Net charge for other provisions	(68)	(10,695)
Impairment gains/(losses) and provisions for impaired loans and receivables	214	(214)
Gains less losses from the disposal of property, plant and equipment and investment properties	(3)	-
Profit/(loss) before taxation	**(61,930)**	(176,840)
Tax expense	(82)	(258)
Profit/(loss) after taxation	**(62,012)**	(177,098)

II – Balance sheet information

	31-Dec-21 HKD'000	30-Jun-21 HKD'000
Assets		
Cash and balances with banks	296,876	338,844
Balances with central bank	1,455,037	993,486
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	2,987,088	3,866,161
Trade bills	-	-
Certificates of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables	7,217,619	10,957,077
- *loans and advances to customers*	*6,611,554*	*9,371,508*
- *loans and advances to banks*	-	-
- *other accounts*	*606,065*	*1,585,569*
- *provisions for impaired loans and receivables*	-	-
collective	-	-
specific	-	-
Investment securities	3,007,139	2,918,234
Other investments	-	-
Property, plant and equipment and investment properties	12,579	9,834
Total assets	**14,976,338**	19,083,636
Liabilities		
Deposits and balances from banks	48	47,632
Deposits from customers	11,723,252	14,000,297
- *demand deposits and current accounts*	*7,565,446*	*8,046,805*
- *savings deposits*	-	-
- *time, call and notice deposits*	*4,157,806*	*5,953,492*
Amount due to overseas offices of the reporting institution	2,448,464	3,272,015
Certificates of deposit issued	-	-
Issued debt securities	-	-
Other liabilities	804,506	1,763,631
Provisions	68	61
Total Liabilities	**14,976,338**	19,083,636

III – Additional balance sheet information

		31-Dec-21 HKD'000	30-Jun-21 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	1,655,137	2,537,953
	- 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	2,686	2,769
	- credit card advances	-	-
	- others	4,839,069	6,732,938
	Trade finance	-	-
	Loans and advances for use outside Hong Kong	114,662	97,848
	Total Advances to Customers	6,611,554	9,371,508

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

vi) The branch does not have any overdue and rescheduled advances as at 31 Dec 2021 and 30 Jun 2021.

vii) The branch does not have any other assets overdue as at 31 Dec 2021 and 30 Jun 2021.

viii) The branch does not have any repossessed assets as at 31 Dec 2021 and 30 Jun 2021.

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.

31 Dec 2021	On-balance sheet exposure	Off-balance sheet exposure	Total
	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	772,569	226,751	999,320
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	**772,569**	**226,751**	**999,320**
Total assets after provision	14,976,270		
On-balance sheet exposures as percentage of total assets	5.16%		

30 Jun 2021	On-balance sheet exposure	Off-balance sheet exposure	Total
	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	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%		

III – Additional balance sheet information (continued)

Advances to customers by countries

x) Breakdown of the gross amount of advances to customers by countries where it consitiutes 10% or more of the aggregate gross amount of loans and advances to customers after taking into consideration of transfers of risks:

	31-Dec-21 HKD'm	30-Jun-21 HKD'm
- Hong Kong	3,301	4,410
- Taiwan	1,651	2,937
- China	1,022	1,309
- Others	638	716
	6,612	9,372

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 2021	Banks	Official Sector	Non-bank private sector: Non-bank financial institutions	Non-bank private sector: Non-financial private sector	Others	Total
	HKD'm	HKD'm	HKD'm	HKD'm	HKD'm	HKD'm
Developed countries	3,814	234	-	36	-	4,084
of which						
- United States	*51*	*234*	*-*	*-*	*-*	*285*
Offshore centres	11	2,339	-	2,888	-	5,238
Developing Asia Pacific	70	-	-	2,940	-	3,010
of which						
- Taiwan	*-*	*-*	*-*	*1,721*	*-*	*1,721*
- China	*67*	*-*	*-*	*1,030*	*-*	*1,097*

At 30 Jun 2021	Banks	Official Sector	Non-bank private sector: Non-bank financial institutions	Non-bank private sector: Non-financial private sector	Others	Total
	HKD'm	HKD'm	HKD'm	HKD'm	HKD'm	HKD'm
Developed countries	5,551	233	-	37	-	5,821
of which						
- United States	*159*	*233*	*-*	*-*	*-*	*392*
Offshore centres	12	2,251	-	2,974	-	5,237
Developing Asia Pacific	49	-	1	4,601	-	4,651
of which						
- Taiwan	*-*	*-*	*1*	*3,030*	*-*	*3,031*
- China	*46*	*-*	*-*	*1,333*	*-*	*1,379*

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-21 HKD'000	30-Jun-21 HKD'000
Contingent liabilities and commitments		
• Direct credit substitutes	118,702	122,187
• Transaction-related contingencies	-	-
• Trade-related contingencies	-	-
• Note issuance and revolving underwriting facilities	-	-
• Other commitments	4,603,278	3,767,346
• Forward deposit placement (forward value date)	7,044	150,795
Derivatives		
• Exchange rate contracts	24,916,418	27,267,560
• Interest rate contracts	-	-
• Equity contracts and others	7,432,437	5,652,011
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 31 Dec 2021

Equivalent in millions of HKD	USD	AUD	CAD	CHF	CNY	EUR	GBP	JPY	NZD	SGD	Others	Total
Spot assets	5,877	27	277	217	426	1,881	455	583	13	2,359	57	12,172
Spot Liabilities	10,162	526	158	43	973	410	337	347	82	259	166	13,463
Forward Purchases	13,215	651	-	604	1,551	26	107	353	351	5,090	609	22,557
Forward Sales	8,917	152	119	778	1,004	1,497	237	589	282	7,191	500	21,266
Net Option position	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	13	-	-	-	-	-	(12)	-	-	(1)	-	-

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

*No structural position is recorded.

VI – Liquidity information

	2021	2020
Average LMR for the quarter ended 31 December	**56.7%**	45.5%

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 2021

On-balance sheet liabilities	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items: 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	Balancing amount
1 Deposits from non-bank customers												
(a) Pledged deposits	556	238	164	2	153	0	0	0	0	0	0	
(b) Demand, savings and current account deposits	7,313	7,313										
(c) Term, call and notice deposits	2,906	90	1,279	443	653	353	87	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	
3 Amount payable arising from derivative contracts	237	108	3,808	7,561	4,763	5,061	207	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	
5 Due to overseas central banks	0	0	0	0	0	0	0	0	0	0	0	
6 Due to banks	2,576	238	214	312	1,707	35	0	6	64	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	1,199	0	533	527	113	0	0	0	0	0	0	25
9 Capital and reserves	(15)	0	(15)	0	(0)	0	0	0	0	0	0	0
10 Total	14,771	7,987	5,984	8,845	7,389	5,449	293	7	64	0	0	25
Off-balance sheet obligations												
11 Total off-balance sheet obligations	451	371	34	23	22	0	0	0	0	0	0	0

On-balance sheet assets	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items: 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	Balancing amount
12 Currency notes and coins	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	237	108	3,806	7,565	4,764	5,056	209	0	0	0	0	0
15 Due from MA for a/c of Exchange Fund	1,455	1,455	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	3,317	859	2,458	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	3,000	3,000										
(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	6,631	204	1,599	2,609	1,240	99	755	35	64	26	0	0
21 Other assets	121	0	0	0	0	0	0	0	0	0	0	121
22 Total	14,762	5,627	7,864	10,174	6,004	5,155	964	36	64	26	0	121
Off-balance sheet claims												
23 Total off-balance sheet claims	86	24	55	4	0	0	0	0	0	0	0	3
24 Contractual Maturity Mismatch		(2,708)	1,900	1,310	(1,408)	(294)	671	29	0	26	0	
25 Cumulative Contractual Maturity Mismatch		(2,708)	(807)	503	(905)	(1,199)	(528)	(499)	(499)	(474)	(474)	

VII – Liquidity risk management (continued)

As at 30 June 2021

(HK$'m)

On-balance sheet liabilities	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items: 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	Balancing amount
1 Deposits from non-bank customers												
(a) Pledged deposits	738	381	9	174	158	14	1	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	
2 Amount payable arising from securities financing transactions (other than securities swap transactions)	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	
4 Due to MA for a/c of Exchange Fund	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	
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

On-balance sheet assets	Total amount	Contractual maturity of cash flows and securities flows arising from the relevant items: 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	Balancing amount
12 Currency notes and coins	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	10,318	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
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)

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 2021	Grand Total HKD'm	As of % of total liabilities
Deposits from retail customers	5,620	37.52%
Deposits from other non-bank customers	5,155	34.42%
Funding raised from banks	23,976	160.09%
Other outstanding funding instruments	991	6.62%

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%

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.69 of the Annual report 2021) 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-21		30-Jun-21	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital	1,304	18.1%	1,291	18.7%
Tier 1 capital (CET1)	1,008	14.0%	991	14.3%
	CHF'm		CHF'm	
Shareholders' equity	1,094		1,046	

II – Other financial information

Financial Highlights of EFG Bank AG, Switzerland

	31-Dec-21	30-Jun-21
	CHF'm	CHF'm
Total assets	28,347	27,474
Total liabilities	27,253	26,429
Total advances	11,100	11,134
Total customer deposits	23,208	22,336

	31-Dec-21	31-Dec-20
	CHF'm	CHF'm
Pre-tax profit/(loss)	89.8	87.0

EFG

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-21		30-Jun-21	
	CHF'm	Ratio	CHF'm	Ratio
Total eligible capital (Swiss GAAP fully applied)	2,171	21.9%	2,210	22.2%
Tier 1 capital (CET1) (Swiss GAAP fully applied)	1,615	16.3%	1,643	16.5%
	CHF'm		CHF'm	
Shareholders' equity	1,898		1,841	

II – Other financial information

Financial Highlights of EFG International AG

	31-Dec-21	30-Jun-21
	CHF'm	CHF'm
Total assets	42,143	41,798
Total liabilities	39,852	39,551
Total advances	18,226	19,095
Total customer deposits	32,517	32,266

	31-Dec-21	31-Dec-20
	CHF'm	CHF'm
Pre-tax profit/(loss)	245.4	152.3

END