

Bank J. Safra Sarasin Ltd

Hong Kong Branch

Key Financial Information Disclosure Statement

As at 31 December 2022

**Bank J. Safra Sarasin Ltd
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2022**

Contents	Pages
Profit and loss account	1
Balance sheet	2
Notes to the financial statements	3 - 7
Off balance sheet information	8
Liquidity information	9 - 11
Remuneration disclosure	12
Group consolidated financial information	13

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Profit & Loss Account
For The Year Ended 31 December 2022

		31 Dec 2022	31 Dec 2021
	Notes	HKD'000	HKD'000
Interest income		333,684	156,143
Interest expense		(104,804)	(16,419)
Net interest income		228,880	139,724
Other operating income	1	303,839	389,828
Total operating income		532,719	529,552
Total operating expenses	2	(528,198)	(559,226)
Provisions for loans and advances		595	(1,320)
Impairment allowance for intangible asset	12	(143,132)	-
Loss before taxation		(138,016)	(30,994)
Tax expense		(7,690)	(200)
Loss after taxation		(145,706)	(31,194)

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Balance Sheet
As at 31 December 2022

		31 Dec 2022	30 Jun 2022
	Notes	HKD'000	HKD'000
Assets			
Cash and balances with banks		263,119	350,276
Due from Exchange Fund		11,352	234,739
Amount due from overseas offices		3,456,502	3,103,753
Loans and receivables	4	8,509,376	9,333,446
Investment securities		3,657,556	3,571,154
Property, plant and equipment		82,311	95,608
Intangible assets	12	-	165,487
Total assets		<u>15,980,216</u>	<u>16,854,463</u>
Liabilities			
Deposits and balances from banks		-	-
Deposits from customers	5	12,034,863	13,252,495
Amount due to overseas offices		3,392,049	2,956,598
Other liabilities		553,304	645,370
Total liabilities		<u>15,980,216</u>	<u>16,854,463</u>

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Notes to the Financial Statements

		31 Dec 2022	31 Dec 2021
	Notes	HKD'000	HKD'000
1 Other operating income			
Gains less losses arising from dealing in foreign currencies		71,115	46,435
Gains less losses arising from trading in other derivatives		77,557	101,662
Gains less losses on securities designated at fair value through profit and loss		(5,837)	(9,822)
Net fees and commission income	3	158,489	250,323
Other		2,515	1,240
		<u>303,839</u>	<u>389,838</u>
2 Total operating expenses			
Staff and rental expenses		(446,025)	(487,983)
Other expenses		(82,173)	(71,243)
		<u>(528,198)</u>	<u>(559,226)</u>
3 Net fees and commission income			
Fees and commission income		490,082	498,799
Less: Fees and commission expenses		(331,593)	(248,476)
		<u>158,489</u>	<u>250,323</u>
4 Loans and receivables			
Loans and advances to customers	6	8,258,569	9,008,683
Accrued interest and other accounts		251,803	325,909
Provisions for bad and doubtful debts		(996)	(1,146)
- general provisions		(996)	(1,146)
- specific provisions		-	-
		<u>8,509,376</u>	<u>9,333,446</u>
5 Deposits from customers			
Demand deposits and current accounts		4,753,123	8,546,837
Time, call and notice deposits		7,281,740	4,705,658
		<u>12,034,863</u>	<u>13,252,495</u>
		31 Dec 2022	30 Jun 2022
		Notes	HKD'000
		HKD'000	HKD'000

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Notes to the Financial Statements

	31 Dec 2022	30 Jun 2022
	HKD'000	HKD'000
6 Analysis of gross amount of loans and advances to customers		
a. Breakdown by Economic sectors		
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Financial concerns	412,926	408,877
Property investment	-	16,945
Individuals		
Others	2,005,344	2,546,390
Loans and advances for use outside Hong Kong	5,840,299	6,036,471
	<u>8,258,569</u>	<u>9,008,683</u>
b. Breakdown by Secured and Unsecured		
Secured	8,258,569	9,008,683
Unsecured	-	-
	<u>8,258,569</u>	<u>9,008,683</u>
c. Breakdown by significant geographical areas after taking into account the transfer of risk and excluding loans and advances to subsidiaries		
British Virgin Islands	2,706,242	3,367,560
Hong Kong	3,626,349	3,892,307

7 Loans and advances to customers and banks which are overdue and rescheduled

The branch does not have any overdue and rescheduled loans and advances to customers and banks as at 31 Dec 2022 and 30 Jun 2022.

The branch does not have any impaired loans to customers and banks as at 31 Dec 2022 and 30 Jun 2022.

8 Other assets which are overdue, rescheduled and repossessed

The branch does not have any assets which are overdue, rescheduled and repossessed as at 31 Dec 2022 and 30 Jun 2022.

9 International Claims

International claims information discloses exposures to locations of counterparties on which the ultimate risk lies and the transfer of risk has been taken account of. The following information is prepared in accordance with the HKMA Return of International Banking Statistics MA(BS)21 completion instructions. Countries or geographical segments (including Hong Kong) constituting 10% or more of the aggregate amount of international claims are disclosed.

31 Dec 2022
HKD million

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,824	1,031	64	125	-	5,044
of which Switzerland	3,743	-	-	-	-	3,743
Offshore centres	58	2,238	3,186	2,900	-	8,382
of which Hong Kong SAR	-	-	68	2,781	-	2,849
of which Singapore	58	2,238	-	97	-	2,393
of which British Virgin Islands	-	-	2,711	1	-	2,712
	3,882	3,269	3,250	3,025	-	13,426

30 Jun 2022
HKD million

	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,371	1,007	51	110	-	4,539
of which Switzerland	3,224	-	-	-	-	3,224
Offshore centres	45	2,176	3,601	3,260	-	9,082
of which Hong Kong SAR	-	-	56	2,994	-	3,050
of which Singapore	45	2,176	39	113	-	2,373
of which British Virgin Islands	-	-	3,332	74	-	3,406
	3,416	3,183	3,652	3,370	-	13,621

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Notes to the Financial Statements

10 Mainland Activities Disclosures
(HKD million)

Types of Counterparties	31 Dec 2022			30 Jun 2022		
	On-balance sheet exposure	Off-balance sheet exposure	Total	On-balance sheet exposure	Off-balance sheet exposure	Total
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	283	256	539	527	252	779
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 other 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 exposures	100	62	162	109	4	113
Total	383	318	701	636	256	892
Total assets after provision	15,980			16,854		
On-balance sheet exposures as percentage of total assets	2.40%			3.77%		

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Notes to the Financial Statements

11 Foreign currency exposures
(HKD million)

31 Dec 2022									
	USD	JPY	EUR	CNY	CAD	CHF	SGD	Others	Total
Spot assets	7,486	1,635	825	56	270	928	2,424	491	14,115
Spot liabilities	(9,134)	(1,111)	(826)	(339)	(302)	(928)	(17)	(1,296)	(13,953)
Forward purchases	3,170	81	28	347	61	50	-	856	4,593
Forward sales	(1,561)	(604)	(28)	(65)	(28)	(50)	(2,381)	(50)	(4,767)
Net options positions*	-	-	-	-	-	-	-	-	-
Net long (short) position	(39)	1	(1)	(1)	1	-	26	1	(12)
Net structural position	-	-	-	-	-	-	-	-	-

30 Jun 2022									
	USD	JPY	EUR	CNY	CAD	CHF	SGD	Others	Total
Spot assets	7,605	1,517	805	131	445	984	2,389	468	14,344
Spot liabilities	(8,847)	(1,227)	(778)	(313)	(333)	(982)	(57)	(1,150)	(13,687)
Forward purchases	3,152	70	107	307	24	144	49	806	4,659
Forward sales	(1,920)	(359)	(133)	(125)	(135)	(144)	(2,378)	(123)	(5,317)
Net options positions*	-	-	-	-	-	-	-	-	-
Net long (short) position	(10)	1	1	-	1	2	3	1	(1)
Net structural position	-	-	-	-	-	-	-	-	-

*Internal reporting method is adopted as basis of calculating the net options positions.

12 Impairment allowance for intangible asset

The intangible assets consist of the purchase price from the acquisition of the private banking business of Bank of Montreal in Hong Kong in 2021 by way of an asset purchase agreement, which is amortised from 1 May 2021 over a useful life of 5 years. The acquisition included clients and their experienced relationship management teams.

At the end of 2022, following an annual impairment review by Group Management of the recoverability, book value previously recognised on a straight-line basis over five years from the acquisition date, was amortised as such non-transformative intangible assets acquired were fully integrated into the core business and individual cash flows can no longer be reliably measured with probable assumptions and reasonable effort.

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Off Balance Sheet Information
As at 31 December 2022

	31 Dec 2022	30 Jun 2022
1 Contingent liabilities and commitments (contractual amounts)	HKD'000	HKD'000
Direct credit substitutes	582	564
Other commitments	37,328,880	38,736,309

	31 Dec 2022			30 Jun 2022		
2 Derivatives instruments (HKD '000)	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate contracts (exclude forward foreign exchange contracts arising from swap deposit arrangements)	78,388	163,560	13,566,368	90,767	56,790	10,200,606
Equity contracts	60,253	60,253	2,148,290	105,464	105,464	2,419,116
Interest rate contracts	12,428	12,428	308,454	9,136	9,136	310,111
Others	96	96	44,118	424	424	183,208

Liquidity Risk Management

The liquidity risk essentially refers to the potential inability of the Bank to meet its payment obligations or failure to meet the requirements imposed by banking regulations. Within the Bank J. Safra Sarasin Group (the "Group"), the Group Treasury Committee is responsible for monitoring liquidity. The prime objective is to guarantee the Bank's ability to meet its payment obligations at all times and to ensure compliance with legal requirements on liquidity. A key task of the Committee is to monitor all the relevant liquidity risk factors. These include money flows between subsidiaries, branches and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. The liquidity aspects are considered in aggregate but also per currency. As a supporting strategy, target bandwidths are set for surplus coverage of minimum liquidity.

The Group maintains a Contingency Funding Plan which defines measures that must be taken upon the trigger of certain escalation levels. The Contingency Funding Plan is reviewed by the Group Treasury Committee at least once a year.

The Contingency Funding Plan comes into action at the first or second escalation level as soon as:

- the internal liquidity situation drops materially and for a prolonged period where the eligible liquid assets are less than 100% but greater than 90% of the internal liquidity requirement which represents the first escalation level;
- the internal liquidity situation drops where the eligible assets are less than 90% of the internal liquidity requirement which represents the second escalation level;
- the results of the stress-test lie within the zone of the first or second escalation level.

The Contingency Funding Plan lists the possible organisational and liquidity-providing measures. The final selection of appropriate measures is made by the Group Treasury Committee according to the specific scenario and stress situation.

Asia Asset and Liability Committee (ALCO) is responsible for the review and monitoring of the funding and liquidity risk profile of Bank J. Safra Sarasin Ltd, Hong Kong Branch on an ongoing basis. A quarterly (or ad-hoc when required) meeting is organized to review liquidity-related limits and parameters and stress test results.

Liquidity Maintenance Ratio ("LMR") is prepared on a daily basis in accordance with the requirement of the Hong Kong Monetary Authority ("HKMA"). An internal target LMR of not less than 35 per cent has been set by ALCO so as to provide an early warning signal to the management. A forecast on LMR for the next four business days is prepared based on the projected intercompany placements and funding transactions, as well as significant customer loans and deposits.

Recovery Planning, in conjunction with the Supervisory Policy Manual – Recovery Planning (RE – 1), has also been drafted to incorporate the recovery plans with regard to effective monitoring, triggering and the execution when required under severe stress to restore its financial stability and viability. An internal Recovery Trigger ratio of 30% has been drawn up in addition to the internal target LMR as mentioned above.

Bank J. Safra Sarasin Ltd, Hong Kong Branch also maintains a liquidity cushion in the form of unencumbered, high-quality liquid assets to meet unexpected cash outflows or client shifts from cash into investments. These are actively monitored and corresponding measures are taken if liquidity falls below the specified targets. Stress testing allows for the impact of larger outflows combined with the deterioration of Group assets on the liquidity indicators to be assessed.

Bank J. Safra Sarasin Ltd, Hong Kong Branch currently has very minimal reliance on external wholesale funding with its funding needs met almost entirely by Head Office or other entities within the Group. Accordingly no concentration limit has been assigned to sources of funding.

Liquidity Exposures

	Q4 2022	Q4 2021
Average Liquidity Maintenance Ratio	47.79%	41.40%

The average LMR is calculated based on the arithmetic mean of the average value of LMR for each calendar month during the last quarter of the annual reporting period.

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 31 December 2022

Maturity Profile

(HKD million)

The following information on maturity profile is prepared in accordance with the HKMA Return on Liquidity Monitoring Tools MA(BS)23 completion instructions

31 Dec 2022													
	Total 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	Balancing amount	
On-balance sheet liabilities													
1	Deposits from non-bank customers												
(a)	Pledged deposits	-	-	-	-	-	-	-	-	-	-	-	
(b)	Demand, savings and current account deposits	4,753	4,753	-	-	-	-	-	-	-	-	-	
(c)	Term, call and notice deposits	7,308	690	1,142	1,645	2,659	375	797	-	-	-	-	
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	
3	Amount payable arising from derivative contracts	186	-	43	5	77	106	1,575	2,265	5	3	1	
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
6	Due to banks	3,519	55	-	841	2,623	-	-	-	-	-	-	
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	
8	Other liabilities	282	80	-	2	86	30	14	30	26	14	-	
9	Capital and reserves	-120	-	-	-	-	-	-	-	-	-	-120	
10	Total	15,928	5,578	1,185	2,493	5,445	511	2,386	2,295	31	17	1	-120
Off-balance sheet obligations													
11	Irrevocable loan commitments or facilities granted												
(a)	With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-	
(b)	Others (not included in sub-item (a))	933	933	-	-	-	-	-	-	-	-	-	
12	Contractual obligations arising from securities financing transactions (not included in item 2)	-	-	-	-	-	-	-	-	-	-	-	
13	Contractual obligations arising from derivative contracts (not included in item 3)	-	-	-	-	-	-	-	-	-	-	-	
14	Off-balance sheet obligations not included in items 11 to 13												
(a)	With dates and amounts of payment ascertained	1	-	-	-	-	-	1	-	-	-	-	
(b)	Others	-	-	-	-	-	-	-	-	-	-	-	
15	Total	934	933	-	-	-	-	1	-	-	-	-	
On-balance sheet assets													
16	Currency notes and coins	-	-	-	-	-	-	-	-	-	-	-	
17	Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	
18	Amount receivable arising from derivative contracts	101	-	2	9	25	115	1,613	2,308	5	3	1	
19	Due from MA for a/c of Exchange Fund	11	11	-	-	-	-	-	-	-	-	-	
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
21	Due from banks	3,729	641	1,302	611	430	95	650	-	-	-	-	
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
(a)	Readily monetizable	3,659	3,659	-	-	-	-	-	-	-	-	-	
(b)	Not readily monetizable	-	-	-	-	-	-	-	-	-	-	-	
(i)	Pledged to customers	-	-	-	-	-	-	-	-	-	-	-	
(ii)	Others	-	-	-	-	-	-	-	-	-	-	-	
23	Acceptances and bills of exchange held	-	-	-	-	-	-	-	-	-	-	-	
24	Loans and advances to non-bank customers	8,267	1,839	3,250	2,673	415	90	-	-	-	-	-	
25	Other assets	161	73	-	2	4	6	11	27	23	6	9	
26	Total	15,928	6,223	4,554	3,295	874	306	2,274	2,335	28	9	9	
Off-balance sheet claims													
27	Irrevocable loan commitments or facilities received												
(a)	With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-	
(b)	Others	-	-	-	-	-	-	-	-	-	-	-	
28	Contractual claims arising from securities financing transactions (not included in item 17)	-	-	-	-	-	-	-	-	-	-	-	
29	Contractual claims arising from derivative contracts (not included in item 18)	-	-	-	-	-	-	-	-	-	-	-	
30	Off-balance sheet claims not included in items 27 to 29												
(a)	With dates and amounts of receipt of payment ascertained	1	-	-	-	-	-	1	-	-	-	-	
(b)	Others	-	-	-	-	-	-	-	-	-	-	-	
31	Total	1	-	-	-	-	-	1	-	-	-	-	
32	Contractual Maturity Mismatch		-288	3,369	802	-4,571	-205	-112	40	-3	-8		
33	Cumulative Contractual Maturity Mismatch		-288	3,081	3,883	-688	-893	-1,005	-965	-968	-976		

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Liquidity Information
As at 31 December 2022

Maturity Profile
(HKD million)

													30 Jun 2022											
													Total 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	Balancing amount
On-balance sheet liabilities																								
1	Deposits from non-bank customers																							
	(a) Pledged deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Demand, savings and current account deposits	8,547	8,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(c) Term, call and notice deposits	4,709	105	1,332	1,345	1,717	174	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2	Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Amount payable arising from derivative contracts	64	-	3	18	23	66	917	993	1	2	-	-	-	-	-	-	-	-	-	-	-		
4	Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
5	Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
6	Due to banks	2,930	83	-	382	2,465	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
7	Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
8	Other liabilities	473	275	-	21	6	6	82	31	25	27	-	-	-	-	-	-	-	-	-	-	-		
9	Capital and reserves	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23		
10	Total	16,746	9,010	1,335	1,766	4,211	246	1,035	1,024	26	29	-	-	-	-	-	-	-	-	-	23	23		
Off-balance sheet obligations																								
11	Irrevocable loan commitments or facilities granted																							
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Others (not included in sub-item (a))	974	974	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Contractual obligations arising from securities financing transactions (not included in item 2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
13	Contractual obligations arising from derivative contracts (not included in item 3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
14	Off-balance sheet obligations not included in items 11 to 13																							
	(a) With dates and amounts of payment ascertained	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
15	Total	975	974	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
On-balance sheet assets																								
16	Currency notes and coins	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
17	Amount receivable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18	Amount receivable arising from derivative contracts	98	-	19	17	42	68	929	999	1	2	-	-	-	-	-	-	-	-	-	-	-		
19	Due from MA for a/c of Exchange Fund	235	235	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
20	Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
21	Due from banks	3,454	807	1,751	896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
22	Debt securities, prescribed instruments and structured financial instruments held (net of short positions)																							
	(a) Readily monetizable	3,573	3,573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Not readily monetizable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(i) Pledged to customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(ii) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
23	Acceptances and bills of exchange held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
24	Loans and advances to non-bank customers	9,013	879	4,263	2,868	562	305	136	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
25	Other assets	372	94	-	2	4	6	11	28	23	17	-	-	-	-	-	-	-	-	-	-	187		
26	Total	16,745	5,588	6,033	3,783	608	379	1,076	1,027	24	19	-	-	-	-	-	-	-	-	-	-	187		
Off-balance sheet claims																								
27	Irrevocable loan commitments or facilities received																							
	(a) With dates and amounts of drawdown ascertained	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
28	Contractual claims arising from securities financing transactions (not included in item 17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
29	Contractual claims arising from derivative contracts (not included in item 18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
30	Off-balance sheet claims not included in items 27 to 29																							
	(a) With dates and amounts of receipt of payment ascertained	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	(b) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	Total	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
32	Contractual Maturity Mismatch		-4,396	4,698	2,017	-3,603	133	41	3	-2	-10	-	-	-	-	-	-	-	-	-	-	-		
33	Cumulative Contractual Maturity Mismatch		-4,396	302	2,319	-1,284	-1,151	-1,110	-1,107	-1,109	-1,119	-	-	-	-	-	-	-	-	-	-	-		

Bank J. Safra Sarasin Ltd
Hong Kong Branch
Remuneration Disclosure

1 Governance structure of the remuneration system

The Board of Directors ("the Board") of J. Safra Sarasin Holding Ltd ("the Group") decides on the Group's general principles, key terms of compensation plans, programs, profit sharing schemes, and policies. This Board also decides on the Group's total compensation pool (fixed and variable).

The Board of Bank J. Safra Sarasin Ltd. ("BJSS") decides on benefits and retirement plans (establishment, or change of benefits / retirement plan, funding guidelines and decisions).

Lead by the CEO of BJSS, the Corporate Centre & Logistics Division Head and the Group Head of Human Resources are responsible for preparing and administrating the salary and bonus process and the deferral rules for the Board's review and final approval.

2 Design and structure of the remuneration processes

The Group's compensation framework is applicable to all employees in Hong Kong. It consists of a fixed remuneration (i.e. base salary) and a possibility for a variable remuneration (i.e. discretionary bonus). The base salary is benchmarked against the market, while the discretionary bonus is linked to the Group's performance, the performance of the business unit and the employee's individual performance on achieving pre-defined goals and targets, plus the individual's compliance with directives, guidelines and risk measures. For senior management i.e. the management team and the regional function heads as well as key employees with significant impact to the Group's risk profile, stringent risk-mitigation measures apply.

The discretionary bonus constitutes a voluntary payment and does not suggest entitlement to future bonuses. Under the current Deferral Rules, for any employee with bonus in between CHF 55,000 and CHF 100,000 or local equivalent, CHF 50,000 or local equivalent will be paid in cash and the remaining will be deferred. For any employee with bonus in excess of CHF 100,000 or local equivalent, 50% of the bonus will be paid in cash and the remaining 50% will be deferred. The deferred bonus will be paid in two instalments over two years and it will be linked to the continuous employment of the employee.

3 Remuneration for the senior management and key personnel for the year ended 31 December 2022

	31 Dec 2022		31 Dec 2021	
	HKD'000	HKD'000	HKD'000	HKD'000
a. Outstanding deferred remuneration				
Vested		4,296		2,552
Unvested		7,038		6,564
		<u>11,334</u>		<u>9,116</u>
Cash-based		11,334		9,116
Shares and share-linked instruments		-		-
		<u>11,334</u>		<u>9,116</u>
b. Deferred remuneration awarded, paid out and reduced through performance adjustments				
Awarded		4,769		5,512
Paid out		4,296		2,552
Reduced through performance adjustments		-		-
c. Breakdown of remuneration awards				
	Non-deferred	Deferred	Non-deferred	Deferred
Fixed remuneration				
Cash-based	18,670	-	16,898	-
Shares and share-linked instruments	-	-	-	-
Variable remuneration				
Cash-based	7,408	4,769	7,540	5,512
Shares and share-linked instruments	-	-	-	-
	<u>26,078</u>	<u>4,769</u>	<u>24,438</u>	<u>5,512</u>

During the period of January 2023, the CEO of Bank J. Safra Sarasin Ltd, the Corporate Centre & Logistics Division Head and the Group Head of Human Resources have set up meetings to review the compensation and prepare for Executive Committee and The Board of Directors' discussion. The Board approval of compensation by circular resolution has been concluded in early March 2023.

The aggregate quantitative information on remuneration for the year ended 31 December 2022 disclosed above is for eight senior management and key personnel of the branch (2021: eight). As the above remuneration disclosures pertain to a small number of personnel, the quantitative information on remuneration for senior management and key personnel is not separately disclosed.

During the year ended 31 December 2022, no guaranteed bonuses (2021: Nil), no severance payments (2021: Nil) and no compensation for loss of bonus (2021: Nil) have been awarded to senior management or key personnel.

The senior management and key personnel have responsibilities beyond Hong Kong and, as a result, do not perform services exclusively for the branch. The remuneration disclosed above has been apportioned to reflect each individual's relative contribution to the branch's results for the year ended 31 December 2022.

J. Safra Sarasin Holding Ltd
Group Consolidated Financial Information
As at 31 Decembet 2022

	(Note 1) CHF'000	(Note 1) CHF'000
	31 Dec 2022	30 Jun 2022
Total shareholders' equity including minority interest	5,917,228	5,777,611

Other financial information

Balance sheet :

Total assets	45,620,342	45,383,893
Total liabilities	39,703,114	39,606,282
Due from customers	12,463,861	13,524,505
Due to customers	33,942,729	34,145,154

	31 Dec 2022	31 Dec 2021
Profit and Loss :		
Profit before taxes	494,537	463,122

	31 Dec 2022	30 Jun 2022
Capital adequacy ratio		
CET1 ratio (Note 2)	44.1%	40.6%

Note :

- (1) Group consolidated financial information for the year ended 31 Dec 2022 represented consolidated financial information of J. Safra Sarasin Holding Ltd which is the holding company of Bank J. Safra Sarasin Ltd. The group consolidated financial information has been prepared in accordance with Swiss accounting principles applicable for banks and the requirements of Swiss law.
- (2) The calculation is based on the Basel III requirements. The basis used for calculating the adequacy ratio includes an allowance for market risk.