

**Bank J. Safra Sarasin Ltd**

**Hong Kong Branch**

**Key Financial Information Disclosure Statement**

**As at 30 June 2016**

**Bank J. Safra Sarasin Ltd  
Hong Kong Branch  
Key Financial Information Disclosure Statement  
As at 30 June 2016**

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**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Profit & Loss Account**  
**For The Half Year Ended 30 June 2016**

		<b>6 months ended 30 Jun 2016</b>	6 months ended 30 Jun 2015
	Notes	<b>HKD'000</b>	HKD'000
Interest income		64,802	48,632
Interest expense		(17,046)	(14,243)
Net interest income		47,756	34,389
Other operating income	1	102,110	151,463
Total operating income		149,866	185,852
Total operating expenses	2	(147,990)	(147,969)
Profit before taxation		1,876	37,883
Tax expense		(329)	(6,149)
<b>Profit after taxation</b>		<b>1,547</b>	<b>31,734</b>

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Balance Sheet**  
**As at 30 June 2016**

		<b>30 Jun 2016</b>	31 Dec 2015
	Notes	<b>HKD'000</b>	HKD'000
<b>Assets</b>			
Cash and balances with banks		363,418	168,291
Due from Exchange Fund		102,839	2,408
Amount due from overseas offices		2,729,973	4,177,978
Loans and receivables	4	6,196,307	5,982,559
Investment securities		1,262,208	1,259,642
Property, plant and equipment		9,377	12,565
		<hr/>	<hr/>
<b>Total assets</b>		<b><u>10,664,122</u></b>	<b><u>11,603,443</u></b>
<b>Liabilities</b>			
Deposits and balances from banks		420	-
Deposits from customers	5	5,217,842	5,378,497
Amount due to overseas offices		5,219,721	5,928,149
Other liabilities		226,139	296,797
		<hr/>	<hr/>
<b>Total liabilities</b>		<b><u>10,664,122</u></b>	<b><u>11,603,443</u></b>

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

		<b>6 months ended 30 Jun 2016</b>	6 months ended 30 Jun 2015
	Notes	<b>HKD'000</b>	<b>HKD'000</b>
<b>1 Other operating income</b>			
Gains less losses arising from dealing in foreign currencies		23,735	16,587
Gains less losses arising from trading in other derivatives		2,662	11,981
Net fees and commission income	3	75,713	122,895
		<u><b>102,110</b></u>	<u>151,463</u>
<b>2 Total operating expenses</b>			
Staff and rental expenses		(132,931)	(131,822)
Other expenses		(15,059)	(16,147)
		<u><b>(147,990)</b></u>	<u>(147,969)</u>
<b>3 Net fees and commission income</b>			
Fees and commission income		159,826	211,765
Less: Fees and commission expenses		(84,113)	(88,870)
		<u><b>75,713</b></u>	<u>122,895</u>
<b>4 Loans and receivables</b>			
Loans and advances to customers	6	5,939,053	5,690,698
Accrued interest and other accounts		257,254	291,861
		<u><b>6,196,307</b></u>	<u>5,982,559</u>
<b>5 Deposits from customers</b>			
Demand deposits and current accounts		3,224,468	3,342,972
Time, call and notice deposits		1,993,374	2,035,525
		<u><b>5,217,842</b></u>	<u>5,378,497</u>

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

	<b>30 Jun 2016</b>	31 Dec 2015
	<b>HKD'000</b>	HKD'000
<b>6 Analysis of gross amount of loans and advances to customers</b>		
a. Breakdown by Economic sectors		
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
Financial concerns	492,132	672,833
Property investment	20,054	19,863
Stockbrokers	-	6,818
Individuals		
Others	1,224,511	615,962
Loans and advances for use outside Hong Kong	4,202,356	4,375,222
	<u><b>5,939,053</b></u>	<u>5,690,698</u>
b. Breakdown by Secured and Unsecured		
Secured	5,939,053	5,690,698
Unsecured	-	-
	<u><b>5,939,053</b></u>	<u>5,690,698</u>
c. Breakdown by significant geographical areas after taking into account the transfer of risk and excluding loans and advances to subsidiaries		
China	261,912	209,129
British Virgin Islands	2,549,698	3,016,464
Hong Kong	2,160,596	1,757,863

**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 30 Jun 2016 and 31 Dec 2015.

The branch does not have any impaired loans to customers and banks as at 30 Jun 2016 and 31 Dec 2015.

**8 Other assets which are overdue, rescheduled and repossessed**

The branch does not have any assets which are overdue, rescheduled and repossessed as at 30 Jun 2016 and 31 Dec 2015.

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

**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.

<b>30 Jun 2016</b>						
<b>HKD million</b>						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	3,417	-	150	229	-	3,796
of which Switzerland	2,989	-	-	-	-	2,989
Offshore centres	-	-	3,314	1,670	-	4,984
of which Hong Kong SAR	-	-	231	1,520	-	1,751
of which British Virgin Islands	-	-	2,551	-	-	2,551
	<b>3,417</b>	<b>-</b>	<b>3,464</b>	<b>1,899</b>	<b>-</b>	<b>8,780</b>

<b>31 Dec 2015</b>						
<b>HKD million</b>						
	Banks	Official Sector	Non-bank private sector		Others	Total
			Non-bank financial institutions	Non-financial private sector		
Developed countries	4,537	-	97	234	-	4,868
of which Switzerland	4,255	-	-	-	-	4,255
Offshore centres	-	-	3,781	1,074	-	4,855
of which Hong Kong SAR	-	-	472	937	-	1,409
of which British Virgin Islands	-	-	3,019	-	-	3,019
	<b>4,537</b>	<b>-</b>	<b>3,878</b>	<b>1,308</b>	<b>-</b>	<b>9,723</b>

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

**10 Mainland Activities Disclosures**

(HKD million)

Types of Counterparties	30 Jun 2016			31 Dec 2015		
	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	171	6	177	136	-	136
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	45	43	88	26	48	74
<b>Total</b>	<b>216</b>	<b>49</b>	<b>265</b>	<b>162</b>	<b>48</b>	<b>210</b>
Total assets after provision	10,664			11,603		
On-balance sheet exposures as percentage of total assets	2.03%			1.39%		



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

**11 Foreign currency exposures**

(HKD million)

**30 Jun 2016**

	USD	EUR	CHF	AUD	JPY	CNY	Others	Total
Spot assets	3,735	1,527	679	197	960	108	1,197	8,403
Spot liabilities	(3,732)	(1,531)	(680)	(198)	(957)	(107)	(1,196)	(8,401)
Forward purchases	2,004	28	14	4	64	901	348	3,363
Forward sales	(2,004)	(28)	(14)	(4)	(64)	(901)	(348)	(3,363)
Net options positions*	-	-	-	-	-	-	-	-
Net long (short) position	<b>3</b>	<b>(4)</b>	<b>(1)</b>	<b>(1)</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>
Net structural position	-	-	-	-	-	-	-	-

**31 Dec 2015**

	USD	EUR	CHF	AUD	JPY	CNY	Others	Total
Spot assets	4,675	2,018	788	296	151	166	1,189	9,283
Spot liabilities	(4,651)	(2,033)	(799)	(296)	(151)	(165)	(1,188)	(9,283)
Forward purchases	1,298	45	25	3	37	597	62	2,067
Forward sales	(1,307)	(44)	(18)	(4)	(36)	(597)	(61)	(2,067)
Net options positions*	-	-	-	-	-	-	-	-
Net long (short) position	<b>15</b>	<b>(14)</b>	<b>(4)</b>	<b>(1)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>
Net structural position	-	-	-	-	-	-	-	-

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

**Bank J. Safra Sarasin Ltd**  
**Hong Kong Branch**  
**Off Balance Sheet and Liquidity Information**  
**As at 30 June 2016**

**30 Jun 2016** 31 Dec 2015

HKD'000 HKD'000

**1 Contingent liabilities and commitments**  
(contractual amounts)

Direct credit substitutes	<b>2,128</b>	1,550
Other commitments	<b>20,272,256</b>	18,080,949

**2 Derivatives instruments**  
(HKD '000)

**30 Jun 2016**

31 Dec 2015

	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)	<b>143,463</b>	<b>142,115</b>	<b>10,175,826</b>	67,662	66,711	8,882,010
Equity contracts	<b>11,072</b>	<b>11,072</b>	<b>645,252</b>	128,446	128,446	2,378,366
Interest rate contracts	<b>3</b>	<b>3</b>	<b>22,343</b>	10	10	22,320
Others	<b>55</b>	<b>55</b>	<b>8,909</b>	-	-	-

**3 Liquidity maintenance ratio**

Liquidity risk management

The liquidity risk essentially refers to the danger of the Bank being unable to meet its payment obligations or failing 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 make sure legal requirements for liquidity are complied with. A key task of the Committee is to monitor all the relevant liquidity risk factors. These include money flows between subsidiaries and the parent company, inflows and outflows of client funds and changes in the availability of liquidity reserves. As a supporting strategy, target bandwidths are set for surplus coverage of minimum liquidity. Similarly, Bank J. Safra Sarasin Ltd, Hong Kong Branch is set a target surplus coverage above the minimum Liquidity Maintenance Ratio ("LMR") required by the Hong Kong Monetary Authority ("HKMA"). 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 adequate measures would be initiated if liquidity falls below the specified targets.

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.

**30 Jun 2016** 30 Jun 2015

Average Liquidity Maintenance Ratio for the financial period	<b>46.35%</b>	45.12%
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**J. Safra Sarasin Holding Ltd**  
**Group Consolidated Financial Information**  
**As at 30 June 2016**

	(Note 1) CHF'000	(Note 1) CHF'000
	<b>30 Jun 2016</b>	31 Dec 2015
<b>Total shareholders' equity including minority interest</b>	3,957,581	3,871,487

**Other financial information**

Balance sheet :

Total assets	30,314,680	29,874,342
Total liabilities	26,357,099	26,002,855
Due from customers	11,480,727	11,903,842
Due to customers	22,937,201	22,820,902

	<b>30 Jun 2016</b>	30 Jun 2015
Profit and Loss :		
Profit before taxes	147,080	143,463

	<b>31 Dec 2015</b>	31 Dec 2014
<b>Capital adequacy ratio</b>		
BIS Tier 1 ratio (Note 2)	27%	25%

Note :

- (1) Group consolidated financial information for the six-month period ended 30 Jun 2016 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. As J. Safra Sarasin Holding Ltd does not publish interim capital adequacy ratio, the most recently available information published in the annual accounts has been disclosed.