

Julius Bär

BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 30 June 2023

Bank Julius Baer & Co. Ltd.

Hong Kong branch

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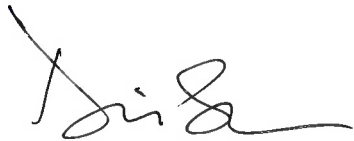
www.juliusbaer.com

Incorporated in Switzerland with limited liability

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch

We enclose herewith the Interim Disclosure Statements for the half-year ended June 30, 2023, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

A handwritten signature in black ink, appearing to read 'D. Shick', with a long horizontal flourish extending to the right.

David Shick
Chief Executive

20 SEP 2023

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As at 30 June 2023

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A copy of the Disclosure Statement has been lodged with the Hong Kong Monetary Authority's Public Registry and is available on the website <https://www.juliusbaer.com/en/legal/hong-kong-sar/hong-kong-regulatory-disclosure/>, for public inspection.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Profit & Loss Account
For The Half-Year ended 30 June 2023

		30 Jun 2023	30 Jun 2022
	Notes	HK'000	HK'000
Interest income		957,032	388,691
Interest expense		(642,479)	(42,102)
Net interest income		<u>314,553</u>	<u>346,589</u>
Other operating income	1	<u>867,030</u>	<u>1,021,355</u>
Total operating income		1,181,583	1,367,944
Total operating expenses	2	(949,800)	(949,674)
Impairment losses and provisions for impaired loans and receivables		203	(1,684)
Profit before taxation		<u>231,986</u>	<u>416,586</u>
Income tax expense		(38,229)	(68,571)
Profit after taxation		<u><u>193,757</u></u>	<u><u>348,015</u></u>

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Balance Sheet
As at 30 June 2023

		30 Jun 2023	31 Dec 2022
	Notes	HK'000	HK'000
Assets			
Cash and balances with banks (residual contractual maturity of less than or equal to one month)	4	1,093,505	1,500,645
Balances with central banks		464	74,436
Balances with banks (residual contractual maturity of more than one month but not more than twelve months)		-	-
Amount due from overseas offices		9,470,134	12,829,109
Certificate of deposit held		781,718	781,920
Loans and advances to customers	7	30,634,220	30,068,737
Investment securities		11,937,146	12,052,069
Property, plant and equipment		682,007	579,326
Goodwill and other intangible assets		675,347	651,682
Other assets	5	2,448,786	2,701,119
Total assets		<u>57,723,327</u>	<u>61,239,043</u>
Equity and Liabilities			
Deposits from customers	6	48,413,834	49,442,237
Amount due to overseas offices		4,293,631	7,917,860
Deposits and balances from banks (except those included in amount due to overseas offices)		725,223	233,761
Other liabilities		3,157,826	3,310,346
Reserves		1,132,813	334,839
Total liabilities		<u>57,723,327</u>	<u>61,239,043</u>

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Notes to the Financial Statements

	30 Jun 2023	31 Dec 2022
	HK'000	HK'000
7. 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		
Property investment	40,946	50,387
Financial concerns	149,003	187,244
Wholesale and retail trade	43,055	33,958
Others	107	-
Individuals		
Loans for the purchase of other residential properties	18,215	18,215
Other investment purposes	7,130,309	7,341,945
	7,381,635	7,631,749
Loans and advances for use outside Hong Kong	23,254,582	22,438,768
Less: Impairment allowances for impaired loans and receivables		
ECL	(1,997)	(1,780)
	30,634,220	30,068,737
b. Breakdown by secured and unsecured		
Fully secured	30,634,177	30,068,415
Unsecured (Note)	43	322
	30,634,220	30,068,737

Note – The unsecured amount mainly related to client's OD balances from OD interest charges and fees as at 30 Jun 2023 and 31 Dec 2022

c. Breakdown by location of counterparties

Countries or geographical areas constituting 10% or more of the aggregate amount of loans and advances are disclosed.

Asia Pacific	12,969,137	12,713,092
of which Hong Kong	7,381,634	7,624,189
Africa	1,316,710	1,323,274
Caribbean	15,971,645	15,632,904
of which British Virgin Islands	14,171,382	14,009,551
Europe	378,725	401,247
	30,636,217	30,070,517

The above analysis by geographical area is based on the location of the counterparty after taking into account of transfer of risk. In general, transfer of risk applies when an advance is guaranteed by a party in a country which is different from that of the counterparty.

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Hong Kong Branch

Notes to the Financial Statements

8. Loans and advances to customers and banks which are overdue and rescheduled

a. Overdue and rescheduled loans and advances to customers

The gross amount of loans and advances to customers which have been overdue for:

	30 Jun 2023			31 Dec 2022		
	Overdue loans and advances HK'000	% of total loans and advances to customers	Specific provision HK'000	Overdue loans and advances HK'000	% of total loans and advances to customers	Specific provision HK'000
More than 3 months but not more than 6 months	39	0.0%	-	132	0.0%	-
More than 6 months but not more than 1 year	497	0.0%	-	55	0.0%	-
More than 1 year	71	0.0%	-	-	0.0%	-
Total	607	0.0%	-	187	0.0%	-

Analysis of gross amount by countries:

	HK'000	HK'000
Offshore centres	561	171
of which British Virgin Islands	526	171
of which Hong Kong	35	-
Developing Asia and Pacific	46	16
of which China	39	16
of which Chinese Taipei	7	-
Total	607	187

Fair value of the collateral held in respect of the overdue loans and advances to customers as at 30 June 2023 and 31 December 2022 were HK\$38,922,224 and HK\$321 respectively.

The branch does not have any rescheduled or impaired loans and advances to customers as at 30 June 2023 and 31 December 2022.

b. Overdue and rescheduled loans and advances to banks

The branch does not have any loans and advances to banks as at 30 June 2023 and 31 December 2022.

c. Expected Credit Loss (ECL)

Starting from 1 January 2018, with the adoption of IFRS9, the Expected Credit Loss (ECL) for loans and advances to customers of the branch maintained at the local branch entity were HK\$1,996,852 and HK\$1,779,632 as at 30 June 2023 and 31 December 2022 respectively. The ECL for balances with banks, balances with central banks and amount due from overseas offices of the branch maintained at the local branch entity were HK\$1,057,267 and HK\$1,357,554 as at 30 June 2023 and 31 December 2022 respectively. Per Julius Baer Group's provisioning policy, the ECL is calculated based on the probability of default (PD), loss given default (LGD), exposure at default (EAD) and discount rate (IR) of the underlying credit exposure.

There is no specific provision made for loans and advances as at 30 June 2023 and 31 December 2022.

9. Other assets which are overdue, rescheduled and repossessed

The branch does not have other assets which are overdue, rescheduled and repossessed as at 30 June 2023 and 31 December 2022.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Notes to the Financial Statements

10. International claims

Breakdown of the international claims by countries where it constitutes 10% or more of the total international claims after taking into consideration of transfers of risks, according to the location of the counterparties and the type of counterparties.

	30 Jun 2023				
	HKD million				
	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developed countries	11,643	4,991	2	811	17,447
of which Switzerland	9,716	-	2	2	9,720
of which United States	338	4,991	-	14	5,343
Offshore centres	194	92	1	21,410	21,697
of which British Virgin Islands	-	-	-	14,360	14,360
Developing Latin America and Caribbean	-	-	31	126	157
Developing Africa and Middle East	-	-	-	1,322	1,322
Developing Asia-Pacific	1,293	314	95	8,090	9,792
of which China	706	314	95	5,189	6,304
International organizations	-	151	-	-	151
	13,130	5,548	129	31,759	50,566

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Notes to the Financial Statements

10. International claims (Con't)

	31 Dec 2022 HKD million				
	Banks	Official sector	Non-bank private sector		Total
			Non-bank financial institutions	Non-financial private sector	
Developed countries	15,117	4,936	2	886	20,941
of which Switzerland	13,080	-	2	16	13,098
of which United States	432	4,936	-	25	5,393
Offshore centres	203	72	-	21,187	21,462
of which British Virgin Islands	-	-	-	14,226	14,226
Developing Latin America and Caribbean	-	-	21	135	156
Developing Africa and Middle East	-	-	-	1,329	1,329
Developing Asia-Pacific	1,489	312	483	7,944	10,228
of which China	870	312	483	5,561	7,226
International organizations	-	151	-	-	151
	<u>16,809</u>	<u>5,471</u>	<u>506</u>	<u>31,481</u>	<u>54,267</u>

BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Notes to the Financial Statements

12. Foreign currency exposures
(HKD million)

30 Jun 2023

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	NOK	ZAR	SEK	TRY	XAG	MYR	DKK	Others	Total
Spot assets	27,812	1,088	1,900	2,621	856	375	9,681	565	810	101	522	33	1	2	4	118	4	12	1	46,506
Spot liabilities	(33,531)	(1,087)	(4,830)	(1,024)	(963)	(374)	(6,013)	(1,128)	(792)	(101)	(522)	(33)	(1)	(2)	(4)	(118)	(2)	(12)	-	(50,537)
Forward purchases	17,880	509	9,264	637	776	119	453	1,200	14	184	404	13	-	2	-	7	-	6	-	31,468
Forward sales	(12,161)	(509)	(6,335)	(2,236)	(668)	(119)	(4,141)	(637)	(31)	(184)	(404)	(13)	-	(2)	-	(7)	-	(6)	-	(27,453)
Net options positions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	-	1	(1)	(2)	1	1	(20)	-	1	-	-	-	-	-	-	-	2	-	1	(16)
Net structural position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

31 Dec 2022

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	NOK	ZAR	SEK	TRY	XAG	MYR	DKK	Others	Total
Spot assets	32,817	1,019	3,520	2,965	682	431	7,065	1,168	382	99	771	32	7	5	2	141	5	19	5	51,135
Spot liabilities	(34,511)	(1,017)	(6,389)	(967)	(1,021)	(431)	(7,000)	(1,168)	(817)	(99)	(771)	(32)	(7)	(5)	(2)	(141)	(3)	(19)	(4)	(54,404)
Forward purchases	13,063	426	7,833	780	844	148	789	246	507	150	457	12	-	-	-	4	-	-	-	25,259
Forward sales	(11,357)	(426)	(4,963)	(2,778)	(505)	(148)	(834)	(245)	(71)	(150)	(457)	(12)	-	-	-	(4)	-	-	-	(21,950)
Net options positions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	12	2	1	-	-	-	20	1	1	-	-	-	-	-	-	-	2	-	1	40
Net structural position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* Net options position is calculated on the basis of the delta-weighted position of the options contracts.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Off balance sheet
As at 30 June 2023

30 Jun 2023
HKD'000

31 Dec 2022
HKD'000

Off balance sheet exposure

Contingent liabilities and commitments
(contractual amounts)

Direct credit substitutes	265,000	280,598
Forward forward deposits placed	391,240	1,336,856
Other commitments	43,643,373	42,555,322

Derivative instruments

	30 Jun 2023 HKD'000			31 Dec 2022 HKD'000		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivative contracts	406,061	433,736	44,432,871	521,257	481,944	34,372,406
Equity derivative contracts	795,964	795,964	13,932,334	860,138	860,138	11,664,504
Interest rate derivative contracts	-	-	-	-	-	-
Other contracts	89,178	88,947	6,278,464	128,308	127,505	6,232,828
	1,291,203	1,318,647	64,643,669	1,509,703	1,469,587	52,269,738

Derivative contracts are shown using notional amount, which are mostly concluded on a back-to-back basis to facilitate transactions of private banking customers.

The fair values of the derivative contracts are shown on a gross basis as the branch has no bilateral netting agreements in place.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Liquidity Information
As at 30 June 2023

	30 Jun 2023	30 Jun 2022
	(for 3 months period)	(for 3 months period)
Average Liquidity Maintenance Ratio	47.14%	42.54%

The Branch has adopted the liquidity maintenance ratio ("LMR") requirement in accordance with the Banking (Liquidity) Rules starting 1 January 2015 onwards. It complies with the minimum requirement of 25% as stipulated by the Hong Kong Monetary Authority.

The average LMR for the period is the arithmetic mean of each calendar month's average LMR calculated in accordance with the Banking (Liquidity) Rules.

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**Julius Baer Group Ltd.
Group Consolidated Financial Information
As at 30 June 2023**

	30 Jun 2023 Basel III	31 Dec 2022 Basel III
Capital ratios		
CET1 capital ratio	15.5%	14.0%
Tier 1 capital ratio	24.4%	21.2%
Total capital ratio	24.7%	21.7%
	CHF million	CHF million
Total equity	6,252.4	6,289.7
 Balance Sheet:		
Total assets	100,210.2	105,643.7
Total liabilities	93,957.8	99,354.1
Loans	42,757.9	44,584.2
Deposits from customers	69,392.0	76,438.9
	30 Jun 2023 CHF million	30 Jun 2022 CHF million
 Profit and Loss:		
Profit before taxes	633.4	513.3

Note:

(1) For further details on Julius Baer Group Ltd. financial information, please refer to the Half-Year Report 2023 Julius Baer Group Ltd.