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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2018

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch

We enclose herewith the Annual Disclosure Statements for the year ended December 31, 2018, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

David Shick
Chief Executive

27 MAR 2019

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 31 December 2018

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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/asia/discover-julius-baer/corporate-information/hong-kong-regulatory-disclosure/, for public inspection.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Profit & Loss Account
For The Year ended 31 December 2018

	Notes	31 Dec 2018 HK'000	31 Dec 2017 HK'000
Interest income		1,383,172	677,442
Interest expense		(721,635)	(206,876)
Net interest income		661,537	470,566
Other operating income	1	1,468,736	1,298,700
Total operating income		2,130,273	1,769,266
Total operating expenses	2	(1,609,270)	(1,608,262)
Impairment losses and provisions for impaired loans and receivables		1,198	-
Profit before taxation		522,201	161,004
Income tax/(income tax expense)		(63,748)	39,634
Profit after taxation		**458,453**	**200,638**

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Balance Sheet
As at 31 December 2018

	Notes	31 Dec 2018 HK'000	30 Jun 2018 HK'000
Assets			
Cash and balances with banks (residual contractual maturity of less than or equal to one month)	4	5,212,494	6,416,984
Balances with central banks		116,696	98,549
Balances with banks (residual contractual maturity of more than one month but not more than twelve months)		-	-
Amount due from overseas offices		30,259,745	38,735,804
Certificate of deposit held		11,390,378	9,088,601
Loans and advances to customers	7	39,465,427	40,295,824
Investment securities		2,213,735	896,230
Property, plant and equipment		41,024	37,520
Goodwill and other intangible assets		611,975	608,770
Other assets	5	822,104	1,002,907
Total assets		**90,133,578**	**97,181,189**
Equity and Liabilities			
Deposits from customers	6	54,541,269	43,703,998
Amount due to overseas offices		33,791,268	50,856,488
Deposits and balances from banks (except those included in amount due to overseas offices)		47,428	1,072,244
Other liabilities		893,143	877,239
Reserves		860,470	671,220
Total liabilities		**90,133,578**	**97,181,189**

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

	Notes	31 Dec 2018 HK'000	31 Dec 2017 HK'000
1. Other operating income			
Gains less losses arising from trading in foreign currencies		80,059	89,139
Gains less losses on securities held for trading purposes		225,276	290,213
Gains less losses from other trading activities		63,157	33,764
Net fees and commission income	3	1,096,928	884,158
Others		3,316	1,426
		1,468,736	**1,298,700**
2. Total operating expenses			
Staff expenses		(1,002,350)	(1,028,994)
Rental expenses		(136,729)	(135,489)
Other expenses		(470,191)	(443,779)
		(1,609,270)	**(1,608,262)**
3. Net fees and commission income			
Fees and commission income		1,240,355	1,006,089
Less: Fees and commission expenses		(143,427)	(121,931)
		1,096,928	**884,158**

	Notes	31 Dec 2018 HK'000	30 Jun 2018 HK'000
4. Cash and balances with banks			
(residual contractual maturity of less than or equal to one month)			
Cash in hand		15	15
Balances with banks		5,212,479	6,416,969
		5,212,494	**6,416,984**
5. Other assets			
Accrued interest receivable		59,289	44,969
Derivative instruments		350,579	468,279
Other accounts		412,236	489,659
		822,104	**1,002,907**
6. Deposits from customers			
Demand deposits and current accounts		13,551,353	17,250,790
Savings deposits		279,009	341,953
Time, call and notice deposits		40,710,907	26,111,255
		54,541,269	**43,703,998**

	31 Dec 2018 HK'000	30 Jun 2018 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	62,467	151,338
Financial concerns	503,263	460,586
Manufacturing	-	-
Individuals		
Loans for the purchase of other residential properties	35,000	-
Other investment purposes	8,305,038	10,672,837
	8,905,768	11,284,761
Loans and advances for use outside Hong Kong	30,560,346	29,012,022
Less: Impairment allowances for impaired loans and receivables		
ECL	(687)	(959)
	39,465,427	**40,295,824**
b. Breakdown by secured and unsecured		
Fully secured	39,465,384	40,295,798
Unsecured (Note)	43	26
	39,465,427	**40,295,824**

Note – The unsecured amount mainly related to client's OD balances from OD interest charges and fees as at 31 Dec 2018 and 30 Jun 2018.

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	**14,466,018**	**17,163,448**
of which Hong Kong	8,896,048	11,275,041
Africa	**1,003,205**	**373,403**
North and Latin America	**12,712**	**27,148**
Caribbean	**23,077,535**	**21,980,581**
of which British Virgin Islands	19,965,004	18,429,450
Europe	**903,748**	**749,304**
Middle East	**2,896**	**2,899**
	39,466,114	**40,296,783**

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.

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:

	31 Dec 2018			30 Jun 2018		
	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	-	-	-	671	0.0%	-
More than 6 months but not more than 1 year	1,054	0.0%	-	-	-	-
More than 1 year	-	-	-	-	-	-
Total	**1,054**	**0.0%**	**-**	**671**	**0.0%**	**-**

Analysis of gross amount by countries:

	HK'000	HK'000
Offshore centres	1,054	671
of which British Virgin Islands	1,054	671
Total	**1,054**	**671**

Fair value of the collateral held in respect of the overdue loans and advances to customers as at 31 December 2018 and 30 June 2018 were HK$414,630,263 and HK$459,683,640 respectively.

The branch does not have any rescheduled or impaired loans and advances to customers as at 31 December 2018 and 30 June 2018.

b. **Overdue and rescheduled loans and advances to banks**

The branch does not have any loans and advances to banks as at 31 December 2018 and 30 June 2018.

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$687,003 and HK$959,246 as at 31 December 2018 and 30 June 2018 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$3,107,510 and HK$ 4,411,817 as at 31 December 2018 and 30 June 2018 respectively. Prior to 1 January 2018, impairment allowances for loans and advances to customers, balances with banks, balances with central banks and amount due from overseas offices of the branch set aside and maintained at the overseas head office as at 31 December 2017 were HK$14,520,866. 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 31 December 2018 and 30 June 2018.

9. **Other assets which are overdue, rescheduled and repossessed**

The branch does not have any assets which are overdue, rescheduled and repossessed as at 31 December 2018 and 30 June 2018.

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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.

	31 Dec 2018 HKD million				
			Non-bank private sector		
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
Developed countries	34,072	-	-	514	34,586
of which Switzerland	30,567	-	-	10	30,577
Offshore centres	1,565	-	387	26,887	28,839
of which British Virgin Islands	-	-	-	19,999	19,999
Developing Europe	-	-	-	312	312
Developing Latin America and Caribbean	-	-	-	198	198
Developing Africa and Middle East	-	-	-	1,003	1,003
Developing Asia-Pacific	11,354	491	-	4,833	16,678
of which China	9,250	491	-	2,439	12,180
	46,991	**491**	**387**	**33,747**	**81,616**

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

10. **International claims (Con't)**

	30 Jun 2018 HKD million				
			Non-bank private sector		
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
Developed countries	42,004	-	-	585	42,589
of which Switzerland	39,076	-	-	4	39,080
Offshore centres	321	-	133	26,571	27,025
of which British Virgin Islands	-	-	-	18,492	18,492
Developing Europe	-	-	-	95	95
Developing Latin America and Caribbean	-	-	-	329	329
Developing Africa and Middle East	-	-	-	377	377
Developing Asia-Pacific	11,241	-	-	5,075	16,316
of which China	9,423	-	-	2,620	12,043
	53,566	**-**	**133**	**33,032**	**86,731**

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

11. **Mainland activities**
(HKD million)

	31 Dec 2018		
Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
Central government, central government-owned entities and their subsidiaries and JVs	491	-	491
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,862	6	1,868
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,846	34	2,880
Total	**5,199**	**40**	**5,239**
Total assets after provision as per Part 3 of the Return of Mainland Activities for the period ended 31 Dec 2018	90,212		
On-balance sheet exposures as percentage of total assets	5.76%		

	30 Jun 2018		
Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
Central government, central government-owned entities and their subsidiaries and JVs	-	-	-
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,065	13	2,078
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,936	30	2,966
Total	**5,001**	**43**	**5,044**
Total assets after provision as per Part 3 of the Return of Mainland Activities for the period ended 30 Jun 2018	97,233		
On-balance sheet exposures as percentage of total assets	5.14%		

12. **Foreign currency exposures**

(HKD million)

31 Dec 2018

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	NOK	ZAR	SEK	TRY	XAG	KRW	MYR	MXN	RUB	DKK	IDR	Others	Total
Spot assets	35,743	3,305	2,416	5,429	1,099	704	14,935	1,345	1,239	159	471	5	20	1	4	72	-	8	-	3	22	-	36	67,016
Spot liabilities	(35,723)	(3,304)	(2,415)	(5,428)	(1,099)	(703)	(14,964)	(1,345)	(1,239)	(159)	(471)	(5)	(20)	(1)	(4)	(72)	-	(7)	-	(3)	(22)	-	(36)	(67,020)
Forward purchases	4,222	923	1,160	1,175	386	87	109	434	309	30	92	27	-	-	-	-	-	1	-	28	-	-	117	9,100
Forward sales	(4,226)	(923)	(1,161)	(1,176)	(386)	(87)	(100)	(434)	(309)	(30)	(92)	(27)	-	-	-	-	-	(1)	-	(28)	-	-	(117)	(9,097)
Net options positions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	**16**	**1**	**-**	**-**	**-**	**1**	**(20)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**(1)**
Net structural position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

30 Jun 2018

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	NOK	ZAR	SEK	TRY	XAG	KRW	MYR	MXN	RUB	DKK	IDR	Others	Total
Spot assets	29,719	3,222	2,575	4,087	711	425	28,778	1,306	900	230	251	4	11	1	5	68	-	4	2	2	28	1	41	72,371
Spot liabilities	(29,735)	(3,221)	(2,578)	(4,086)	(711)	(425)	(28,794)	(1,305)	(873)	(230)	(251)	(4)	(11)	(1)	(5)	(68)	-	(4)	(2)	(2)	(28)	(1)	(41)	(72,376)
Forward purchases	7,898	615	1,108	5,548	163	138	75	783	741	89	51	2	-	-	-	-	-	-	16	39	22	8	24	17,320
Forward sales	(7,914)	(615)	(1,104)	(5,549)	(163)	(138)	(28)	(783)	(768)	(89)	(51)	(2)	-	-	-	-	-	-	(16)	(39)	(22)	(8)	(24)	(17,313)
Net options positions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	**(32)**	**1**	**1**	**-**	**-**	**-**	**31**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**
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 31 December 2018

	31 Dec 2018 HKD'000	30 Jun 2018 HKD'000
Off balance sheet exposure		
Contingent liabilities and commitments (contractual amounts)		
Direct credit substitutes	376,967	370,570
Forward forward deposits placed	1,552,679	1,471,058
Other commitments	36,760,356	35,478,147

Derivative instruments

	31 Dec 2018 HKD'000			30 Jun 2018 HKD'000		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivative contracts	150,650	148,915	21,809,368	277,769	273,697	30,607,128
Equity derivative contracts	182,564	182,560	5,007,063	181,591	181,591	6,401,033
Interest rate derivative contracts	-	-	-	-	-	-
Other contracts	17,365	17,365	161,273	8,919	8,937	530,224
	350,579	**348,840**	**26,977,704**	**468,279**	**464,225**	**37,538,385**

Derivative contracts are shown using notional amount, which are concluded on a back-to-back basis to facilitate 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 31 December 2018

	31 Dec 2018	30 Jun 2018
	(for 6 months period)	(for 6 months period)
Average Liquidity Maintenance Ratio	41.86%	43.50%

	31 Dec 2018	31 Dec 2017
	(for 3 months period)	(for 12 months period)
Average Liquidity Maintenance Ratio	41.10%	40.74%

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.

Liquidity Risk Management

The aim of the liquidity risk management is to ensure that the Bank Julius Baer & Co. Ltd Hong Kong Branch ("BJBHK") has sufficient funds to meet all its immediate and future payment obligations in time and to allow its businesses to operate without disruption under normal conditions and in particular under bank specific or market related stress periods.

This objective is reflected in the liquidity risk management framework of the Julius Baer Group Ltd. ("the JB Group") and documented such in its fundamental policies and manuals at Head Office and BJBHK levels.

At the Head Office level, the Board of Directors of the JB Group is ultimately responsible for establishing the Liquidity Risk Tolerance. The JB Group *Asset and Liability Management Committee* ("Group ALMCO") exercises significant management oversight regarding liquidity risk management, which in particular include reviews and approvals of the BJBHK liquidity risk tolerance at least once a year.

At the BJBHK branch level, the Local Asset and Liability Management Committee ("BJB HK ALCO") comprising key members from local branch management as well as the JB Group Treasurer, conducts meetings on a monthly and when necessary basis. Its duties include in particular the review of adherence to limits, monitoring all internal and local regulatory metrics related to liquidity and funding risks and the review of the local Liquidity Manual. The latter defines the quantitative and qualitative measures for managing liquidity and funding risk.

It is BJBHK policy to maintain a conservative level of liquid funds to meet all obligations. As such the BJBHK management has defined internal liquidity buffers in excess of statutory Liquidity Maintenance Ratio (LMR) and Minimum Liquid Assets (LA) guideline. In addition, Head Office conducts stress tests of BJBHK on a regular basis.

In general BJBHK relies on funding from JB Group, BJB head office and/or other BJB branches. Bank Julius Baer & Co. Ltd. Zurich acts as lender of the last resort supporting its branches according to the Swiss law.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Liquidity Risk Management (Con't)
As at 31 December 2018

BJBHK is a full branch of BJB Zurich, which focuses mainly on pure private banking. Major funding sources include client deposits and interbank borrowings. Client deposits comprise current account balances, on-call deposits and fixed term deposits. Interbank borrowings comprise mainly borrowings from Head Office and from nostro bank counterparties. Current accounts and on-call deposits payable on demand or at short notice form a significant part of BJBHK's funding and there is considerable focus on maintaining the stability of such deposits. BJBHK manages and monitors depositors in order to avoid undue reliance on large individual depositors and ensuring a satisfactory overall funding mix and maturity profile.

In general, BJBHK relies on intragroup and interbank money-market placements for covering its liquidity requirements. BJBHK is always able to cover any funding requirement through BJB head office in Zurich. BJB head office acts as a central liquidity provider (and also the lender of the last resort) supporting its branches according to Swiss law.

BJBHK maintains a cushion of unencumbered, high quality, liquid assets mainly comprising of deposits with the central bank, cash and unencumbered sovereign debt, that can be liquidated or repoed in times of stressed liquidity.

According to BJBHK's Liquidity Contingency Plan, in general, BJBHK relies on intragroup and interbank money-market placements for covering its liquidity requirements. BJBHK is always able to cover any funding requirement through BJB head office in Zurich. BJB head office acts as a central liquidity provider (and also the lender of the last resort) supporting its branches according to Swiss law.

BJBHK has taken into account of the following to access the structure of balance sheet and liquidity positions:
• Loan to Deposit Ratio (LDR) – Monitors the extent to which customer advances are covered by customer deposits.
• Liquidity Risk Monitoring (LMR) – Minimum requirement of 25% requiring BJB to hold enough liquid assets which can, if needed, be converted easily into cash in private markets to survive a 30 day stress scenario.

In general, BJBHK relies on intragroup and interbank money-market placements for covering its liquidity requirements. BJBHK is always able to cover any funding requirement through BJB head office in Zurich. BJB head office acts as a central liquidity provider (and also the lender of the last resort) supporting its branches according to Swiss law.

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Liquidity Risk Management (Con't)
As at 31 December 2018

(HK$ in mil)

	Total	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing
On-balance sheet liabilities	**Amounts**	**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**	**Amounts**
1 Deposits from non-bank customers	54,630	22,948	12,981	9,450	4,817	746	3,688	-	-	-	-	
(a) Pledged deposits	43,638	19,522	11,562	7,646	4,135	575	198	-	-	-	-	
(b) Demand, savings and current account deposits	2,176	2,176										
(c) Term, call and notice deposits	8,816	1,250	1,419	1,804	682	171	3,490	-	-	-	-	
2 Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	
3 Amount payable arising from derivative contracts	372	7	21	65	92	75	92	20	-	-	-	
4 Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	
5 Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
6 Due to banks	33,856	52	12,171	13,492	7,784	-	-	-	-	-	357	-
7 Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	-
8 Other liabilities	433	12	-	-	421	-	-	-	-	-	-	-
9 Capital and reserves	861	-	-	-	-	-	-	-	-	-	-	861
10 Total	**90,152**	**23,019**	**25,173**	**23,007**	**13,114**	**821**	**3,780**	**20**	**-**	**-**	**357**	**861**
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))	3,676	3,676	-	-	-	-	-	-	-	-	-	-
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 obliagtions not included in items 11 to 13												
(a) With dates and amounts of payment ascertained	1,904	1,367	283	213	38	3	-	-	-	-	-	
(b) Others	377	145	86	146	-	-	-	-	-	-	-	-
15 Total	**5,957**	**5,188**	**369**	**359**	**38**	**3**	**-**	**-**	**-**	**-**	**-**	**-**

	Total	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing
On-balance sheet assets	**Amounts**	**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**	**Amounts**
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	374	8	21	66	92	75	92	20	-	-	-	-
19 Due from MA for a/c of Exchange Fund	116	116	-	-	-	-	-	-	-	-	-	-
20 Due from overseas central banks	-	-	-	-	-	-	-	-	-	-	-	-
21 Due from banks	35,493	3,726	16,223	15,544	-	-	-	-	-	-	-	-
22 Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
(a) Readily monetizable	13,620	13,620										
(b) Not readily monetizable												
(i) Pledged to customers	-		-	-	-	-	-	-	-	-	-	-
(ii) Others	-		-	-	-	-	-	-	-	-	-	-
23 Acceptances and bills of excahnge held	-	-	-	-	-	-	-	-	-	-	-	-
24 Loans and advances to non-bank customers	39,492	2,256	24,683	10,245	1,776	247	246	39	-	-	-	-
25 Other assets	1,060	-	-	-	113	-	-	-	-	-	-	947
26 Total	**90,155**	**19,726**	**40,927**	**25,855**	**1,981**	**322**	**338**	**59**	**-**	**-**	**-**	**947**
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	1,904	310	1,389	197	8	-	-	-	-	-	-	
(b) Others	-											-
31 Total	**1,904**	**310**	**1,389**	**197**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32 Contractual Maturity Mismatch		(8,171)	16,774	2,686	(11,163)	(502)	(3,442)	39	-	-	(357)	
33 Cumulative Contractual Maturity Mismatch		(8,171)	8,603	11,289	126	(376)	(3,818)	(3,779)	(3,779)	(3,779)	(4,136)	

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Liquidity Risk Management (Con't)
As at 30 June 2018

(HK$ in mil)

On-balance sheet liabilities	Total Amounts	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing Amounts
		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	
1 Deposits from non-bank customers	43,726	27,491	6,514	5,367	3,287	689	378	-	-	-	-	
(a) Pledged deposits	37,087	23,647	5,407	4,552	2,923	359	199	-	-	-	-	
(b) Demand, savings and current account deposits	2,932	2,932	-	-	-	-	-					
(c) Term, call and notice deposits	3,707	912	1,107	815	364	330	179	-	-	-	-	
2 Amount payable arising from securities financing transactions (other than securities swap transactions)	-	-	-	-	-	-	-	-	-	-	-	
3 Amount payable arising from derivative contracts	481	7	21	36	197	80	126	14	-	-	-	
4 Due to MA for a/c of Exchange Fund	-	-	-	-	-	-	-	-	-	-	-	
5 Due to overseas central banks	-	-	-	-	-	-	-	-	-	-	-	
6 Due to banks	51,945	4,885	9,977	21,232	15,469	26	-	-	-	-	356	-
7 Debt securities, prescribed instruments and structured financial instruments issued and outstanding	-	-	-	-	-	-	-	-	-	-	-	-
8 Other liabilities	375	8	-	-	339	-	-	-	-	-	-	28
9 Capital and reserves	671	-	-	-	-	-	-	-	-	-	-	671
10 Total	**97,198**	**32,391**	**16,512**	**26,635**	**19,292**	**795**	**504**	**14**	**-**	**-**	**356**	**699**
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))	3,548	3,548	-	-	-	-	-	-	-	-	-	-
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 obliagtions not included in items 11 to 13												
(a) With dates and amounts of payment ascertained	2,814	1,709	288	-	801	16	-	-	-	-	-	
(b) Others	371	148	71	152	-	-	-	-	-	-	-	-
15 Total	**6,733**	**5,405**	**359**	**152**	**801**	**16**	**-**	**-**	**-**	**-**	**-**	**-**

On-balance sheet assets	Total Amounts	Contractual maturity of cash flows and securities flows arising from the relevant items										Balancing Amounts
		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	
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	486	8	21	36	200	80	126	15	-	-	-	-
19 Due from MA for a/c of Exchange Fund	98	98	-	-	-	-	-	-	-	-	-	-
20 Due from overseas central banks	1	1	-	-	-	-	-	-	-	-	-	-
21 Due from banks	45,162	22,945	20,500	1,717	-	-	-	-	-	-	-	-
22 Debt securities, prescribed instruments and structured financial instruments held (net of short positions)												
(a) Readily monetizable	10,003	10,003										
(b) Not readily monetizable												
(i) Pledged to customers	-		-	-	-	-	-	-	-	-	-	-
(ii) Others	-		-	-	-	-	-	-	-	-	-	-
23 Acceptances and bills of excahnge held	-	-	-	-	-	-	-	-	-	-	-	-
24 Loans and advances to non-bank customers	40,319	3,240	27,891	7,047	1,452	312	377	-	-	-	-	-
25 Other assets	1,135	-	-	-	118	-	-	-	-	-	-	1,017
26 Total	**97,204**	**36,295**	**48,412**	**8,800**	**1,770**	**392**	**503**	**15**	**-**	**-**	**-**	**1,017**
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	2,815	1,905	249	99	562	-	-	-	-	-	-	
(b) Others	-											-
31 Total	**2,815**	**1,905**	**249**	**99**	**562**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32 Contractual Maturity Mismatch		404	31,790	(17,888)	(17,761)	(419)	(1)	1	-	-	(356)	
33 Cumulative Contractual Maturity Mismatch		404	32,194	14,306	(3,455)	(3,874)	(3,875)	(3,874)	(3,874)	(3,874)	(4,230)	

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Remuneration Disclosure
As at 31 December 2018

Senior Management and Key Personnel Total Compensation

Bank Julius Baer & Co. Ltd., Hong Kong Branch ("BJBHK") adopted the remuneration system of the Julius Baer Group Ltd. (the ultimate holding company), where the relevant Julius Baer Group Remuneration Policy is broadly consistent with the principles set out in the HKMA Supervisory Policy Manual (CG-5) Guideline on Sound Remuneration System. In addition to the "Julius Baer Group Remuneration Report", the following tables disclose the total compensation awarded to local Senior Management and Key Personnel (i.e. for Bank Julius Baer & Co. Ltd. Hong Kong Branch only). These disclosures are in compliance with the guidelines set out in HKMA Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System".

Senior Management is defined as those persons responsible for the oversight of the branch's strategy, activities or material business lines. This includes the Chief Executive, Alternative Chief Executives, Executive Officers and other senior management who are responsible for the oversight of the strategy, conduct and operations of material business lines in Hong Kong. There were 14 members of Senior Management in 2018 and 14 members in 2017.

Key Personnel is defined as employees whose duties or activities, in the course of their employment, involve the assumption of material risk or taking material exposures on behalf of the Group. According to JB Group, frontline employees will be assigned to the group of "Key Risk Takers" (or Key Personnel) if these employees are managing total clientele loan portfolio of a rating class R4 (credit risk rating) or higher, with an exposure of a minimum CHF 100,000,000. There were 8 members of Key Personnel in 2018 and 8 members in 2017.

BJBHK applies the remuneration system of Julius Baer Group Ltd. Please refer to the Group Remuneration Report published on the Company's website (see the below link) for details on the Group's compensation governance structure, remuneration policies and terms and conditions of the compensations elements.

https://www.juliusbaer.com/global/en/news-insights/news-insights-detail-page/item/publication-of-the-annual-report-2018/

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Remuneration Disclosure (Con't.)
As at 31 December 2018

Analysis of the awarded fixed compensation and variable compensation:

Total amount of the awarded compensation in respect to the performance year	Year 2018			Year 2017		
	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m
Fixed compensation						
Cash-based	45.8	18.7	64.5	48.8	17.8	66.6
Total fixed compensation	45.8	18.7	64.5	48.8	17.8	66.6
Variable compensation (Both the compensation elements of the variable compensation and the proportions deferred are based on the seniority, role and responsibilities of employees as well as the level of the awarded total variable compensation.)						
Cash-based	27.4	16.0	43.4	14.1	9.8	23.9
Deferred cash-based[1]	8.8	6.0	14.8	3.9	4.5	8.4
Deferred equity-based[2,6]	11.6	7.6	19.2	5.5	3.8	9.3
Total awarded variable compensation	47.8	29.6	77.4	23.5	18.1	41.6

Analysis of the total outstanding deferred variable compensation:

Total amount of the outstanding deferred variable compensation as per December 31 [3]	Year 2018			Year 2017		
	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m
Deferred cash-based (unvested)[4]	11.0	9.6	20.6	4.7	5.9	10.6
Deferred equity-based (unvested)[4]	18.9	8.5	27.4	38.2	12.0	50.2
Total outstanding (unvested)	29.9	18.1	48.0	42.9	17.9	60.8
Total awarded during the year	15.9	10.4	26.3	16.6	10.8	27.4
Deferred cash-based paid-out	1.3	2.4	3.7	0.4	1.2	1.6
Deferred equity-based paid-out	12.4	4.7	17.1	11.0	4.0	15.0
Total paid-out during the year	13.7	7.1	20.8	11.4	5.2	16.6
Total reduced through malus or clawback during the year[5]	-	-	-	-	-	-

Analysis of the awarded guarantee, sign-on and severance payments:

Total amount of awarded as guarantees, sign-on and severance payments*	Year 2018			Year 2017		
	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m	Senior Management 14 people HKD m	Key Personnel 8 people HKD m	Total 22 people HKD m
Guarantee bonus						
Made during the year	-	-	-	-	1.0	1.0
Number of beneficiaries	-	-	-	-	1.0	1.0
Sign-on payments (including replacement payments)						
Made during the year	-	0.3	0.3	15.3	1.2	16.5
Number of beneficiaries	-	1.0	1.0	6.0	2.0	8.0
Severance payments						
Made during the year	-	-	-	-	-	-
Number of beneficiaries	-	-	-	-	-	-
Highest such award to a single person	-	-	-	-	-	-

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Remuneration Disclosure (Con't.)
As at 31 December 2018

1. The deferred cash-based variable compensation is granted through either the Deferred Bonus Plan (DBP) and deferred over five-years or through the Deferred Cash Plan (DCP) and deferred over three years, dependent on the role and responsibilities of the Senior Management or Key Personnel.

2. The deferred equity-based variable compensation is granted through either the Equity Performance Plan (EPP) or the Premium Share Plan (PSP) which both have a deferral period of three-years, dependent on the role and responsibilities of the Senior Management or Key Personnel.

3. Valued as at 31 December of the relevant year, including the deferred variable compensation that was awarded or paid-out during the year.

4. There is no outstanding vested variable compensation, which has been held and not paid- out, nor any additional shareholding requirements for these employee populations.

5. The defined malus and clawback conditions of the deferred variable compensation plans are disclosed in the Group Remuneration Report.

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Julius Baer Group Ltd.
Group Consolidated Financial Information
As at 31 December 2018

	31 Dec 2018 Basel III fully-applied	**30 Jun 2018** Basel III fully-applied
Capital ratios		
CET1 capital ratio (Note 1)	12.8%	13.7%
Tier 1 capital ratio (Note 1)	18.4%	19.9%
Total capital ratio	18.7%	20.2%
	CHF' Million	CHF' Million
Total equity	6,041.9	5,788.7
Other financial information		
Balance Sheet:		
Total assets	102,898.3	103,540.2
Total liabilities	96,856.4	97,751.5
Loans	45,323.2	46,661.6
Deposits from customers	71,506.4	70,236.7
	31 Dec 2018 CHF' Million	**30 Jun 2018** CHF' Million
Profit and Loss:		
Profit before taxes	893.9	542.6

Note:
(1) During the phase-in period the amount of intangibles which has to be deducted directly from CET1 increased proportionally over time and the remaining amount of intangibles which is allowed to be deducted from additional tier 1 capital decreased respectively.

(2) For further details on Julius Baer Group Ltd. financial information, please refer to the full-year Report 2018 Julius Baer Group Ltd.