Julius Bär

BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Key Financial Information Disclosure Statement
As at 30 June 2019

Bank Julius Baer & Co. Ltd.
Hong Kong branch
39/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong
T +852 2899 4788, F +852 2899 4789
www.juliusbaer.com/asia

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, 2019, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

David Shick
Chief Executive

27 SEP 2019

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As at 30 June 2019

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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 Half-Year ended 30 June 2019

	Notes	30 Jun 2019 HK'000	30 Jun 2018 HK'000
Interest income		950,248	580,608
Interest expense		(553,369)	(260,238)
Net interest income		396,879	320,370
Other operating income	1	789,759	843,444
Total operating income		1,186,638	1,163,814
Total operating expenses	2	(794,390)	(826,756)
Impairment losses and provisions for impaired loans and receivables		(980)	(404)
Profit before taxation		391,268	336,654
Income tax expense		(64,394)	(55,548)
Profit after taxation		**326,874**	**281,106**

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BANK JULIUS BAER & CO. LTD.
Hong Kong Branch
Balance Sheet
As at 30 June 2019

	Notes	30 Jun 2019 HK'000	31 Dec 2018 HK'000
Assets			
Cash and balances with banks (residual contractual maturity of less than or equal to one month)	4	4,152,767	5,212,494
Balances with central banks		63,567	116,696
Balances with banks (residual contractual maturity of more than one month but not more than twelve months)		-	-
Amount due from overseas offices		30,325,071	30,259,745
Certificate of deposit held		8,287,618	11,390,378
Loans and advances to customers	7	44,066,040	39,465,427
Investment securities		4,690,243	2,213,735
Property, plant and equipment		488,487	41,024
Goodwill and other intangible assets		761,866	611,975
Other assets	5	1,150,228	822,104
Total assets		**93,985,887**	**90,133,578**
Equity and Liabilities			
Deposits from customers	6	51,268,212	54,541,269
Amount due to overseas offices		39,242,460	33,791,268
Deposits and balances from banks (except those included in amount due to overseas offices)		800,862	47,428
Other liabilities		1,855,576	893,143
Reserves		818,777	860,470
Total liabilities		**93,985,887**	**90,133,578**

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

	Notes	30 Jun 2019 HK'000	30 Jun 2018 HK'000
1. Other operating income			
Gains less losses arising from trading in foreign currencies		77,118	45,427
Gains less losses on securities held for trading purposes		172,310	127,894
Gains less losses from other trading activities		40,671	33,860
Net fees and commission income	3	499,368	633,962
Others		292	2,301
		789,759	**843,444**
2. Total operating expenses			
Staff expenses		(510,932)	(525,455)
Rental expenses		(63,186)	(66,497)
Other expenses		(220,272)	(234,804)
		(794,390)	**(826,756)**
3. Net fees and commission income			
Fees and commission income		598,828	703,468
Less: Fees and commission expenses		(99,460)	(69,506)
		499,368	**633,962**

	Notes	30 Jun 2019 HK'000	31 Dec 2018 HK'000
4. Cash and balances with banks			
(residual contractual maturity of less than or equal to one month)			
Cash in hand		-	15
Balances with banks		4,152,767	5,212,479
		4,152,767	**5,212,494**
5. Other assets			
Accrued interest receivable		53,515	59,289
Derivative instruments		439,227	350,579
Other accounts		657,486	412,236
		1,150,228	**822,104**
6. Deposits from customers			
Demand deposits and current accounts		12,078,322	13,551,353
Savings deposits		337,801	279,009
Time, call and notice deposits		38,852,089	40,710,907
		51,268,212	**54,541,269**

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

	30 Jun 2019 HK'000	31 Dec 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	61,006	62,467
Financial concerns	513,912	503,263
Wholesale and retail trade	1,651	-
Manufacturing	-	-
Individuals		
Loans for the purchase of other residential properties	14,850	35,000
Other investment purposes	10,119,564	8,305,038
	10,710,983	8,905,768
Loans and advances for use outside Hong Kong	33,355,864	30,560,346
Less: Impairment allowances for impaired loans and receivables		
ECL	(807)	(687)
	44,066,040	**39,465,427**
b. Breakdown by secured and unsecured		
Fully secured	44,066,021	39,465,384
Unsecured (Note)	19	43
	44,066,040	**39,465,427**

Note – The unsecured amount mainly related to client's OD balances from OD interest charges and fees as at 30 Jun 2019 and 31 Dec 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	**17,211,639**	**14,466,018**
of which Hong Kong	10,701,802	8,896,048
Africa	**1,473,133**	**1,003,205**
North and Latin America	**13,892**	**12,712**
Caribbean	**24,751,286**	**23,077,535**
of which British Virgin Islands	20,505,413	19,965,004
Europe	**613,251**	**903,748**
Middle East	**3,646**	**2,896**
	44,066,847	**39,466,114**

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.

BANK JULIUS BAER & CO. LTD.
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 2019			31 Dec 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	6	0.0%	-	-	-	-
More than 6 months but not more than 1 year	2	0.0%	-	1,054	0.0%	-
More than 1 year	1,678	0.0%	-	-	-	-
Total	**1,686**	**0.0%**	-	**1,054**	**0.0%**	-

Analysis of gross amount by countries:

	HK'000	HK'000
Offshore centres	1,686	1,054
of which British Virgin Islands	1,425	1,054
of which Cayman Islands	261	-
Total	**1,686**	**1,054**

Fair value of the collateral held in respect of the overdue loans and advances to customers as at 30 June 2019 and 31 December 2018 HK$777,271,821 and HK$414,630,263 respectively.

The branch does not have any rescheduled or impaired loans and advances to customers as at 30 June 2019 and 31 December 2018.

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

The branch does not have any loans and advances to banks as at 30 June 2019 and 31 December 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$807,123 and HK$687,003 as at 30 June 2019 and 31 December 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$4,000,802 and HK$3,107,510 as at 30 June 2019 and 31 December 2018 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 2019 and 31 December 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 30 June 2019 and 31 December 2018.

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 2019 HKD million				
			Non-bank private sector		
	Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Total
Developed countries	33,518	1,513	4	693	35,728
of which Switzerland	30,599	-	2	6	30,607
Offshore centres	1,095	-	981	30,380	32,456
of which British Virgin Islands	-	-	-	20,983	20,983
Developing Europe	-	-	-	18	18
Developing Latin America and Caribbean	-	-	-	91	91
Developing Africa and Middle East	-	-	-	1,464	1,464
Developing Asia-Pacific	8,494	564	-	5,372	14,430
of which China	8,143	505	-	2,750	11,398
	43,107	**2,077**	**985**	**38,018**	**84,187**

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

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

	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**

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

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

	30 Jun 2019		
Types of counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
Central government, central government-owned entities and their subsidiaries and JVs	806	-	806
Local governments, local government-owened entities and their subsidiaries and JVs	169	-	169
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,106	11	2,117
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	3,283	70	3,353
Total	**6,364**	**81**	**6,445**
Total assets after provision as per Part 3 of the Return of Mainland Activities for the period ended 30 Jun 2019	94,044		
On-balance sheet exposures as percentage of total assets	6.77%		

	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
Local governments, local government-owened entities and their subsidiaries and JVs	-	-	-
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%		

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

12. **Foreign currency exposures**

(HKD million)

30 Jun 2019

	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	26,444	3,400	2,751	8,016	651	143	24,469	1,501	1,202	320	408	3	14	2	3	63	-	29	-	4	27	6	29	69,485
Spot liabilities	(36,292)	(3,499)	(1,299)	(2,942)	(934)	(772)	(24,541)	(1,500)	(1,202)	(320)	(408)	(3)	(14)	(2)	(3)	(63)	-	(29)	-	(4)	(27)	(1)	(32)	(73,887)
Forward purchases	16,303	1,072	1,469	4,012	815	769	887	915	97	493	1,394	3	-	-	4	2	-	18	5	15	-	-	245	28,518
Forward sales	(6,477)	(973)	(2,919)	(9,084)	(531)	(139)	(831)	(915)	(97)	(493)	(1,394)	(3)	-	-	(4)	(2)	-	(18)	(5)	(15)	-	-	(245)	(24,145)
Net options positions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (short) position	**(22)**	**-**	**2**	**2**	**1**	**1**	**(16)**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**(3)**	**(29)**
Net structural position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* 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 Jun 2019

	30 Jun 2019 HKD'000	31 Dec 2018 HKD'000
Off balance sheet exposure		
Contingent liabilities and commitments (contractual amounts)		
Direct credit substitutes	362,904	376,967
Forward forward deposits placed	4,341,699	1,552,679
Other commitments	39,122,791	36,760,356

Derivative instruments

	30 Jun 2019 HKD'000			31 Dec 2018 HKD'000		
	Fair Value		Total Notional Amount	Fair Value		Total Notional Amount
	Positive	Negative		Positive	Negative	
Exchange rate-related derivative contracts	219,340	252,544	41,610,032	150,650	148,915	21,809,368
Equity derivative contracts	186,055	186,055	8,512,158	182,564	182,560	5,007,063
Interest rate derivative contracts	-	-	-	-	-	-
Other contracts	33,832	33,832	444,488	17,365	17,365	161,273
	439,227	**472,431**	**50,566,678**	**350,579**	**348,840**	**26,977,704**

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 30 June 2019

	30 Jun 2019	30 Jun 2018
	(for 3 months period)	(for 3 months period)
Average Liquidity Maintenance Ratio	40.69%	43.49%

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 2019

	30 Jun 2019 Basel III fully-applied	**31 Dec 2018** Basel III fully-applied
Capital ratios		
CET1 capital ratio	13.1%	12.8%
Tier 1 capital ratio	20.2%	18.4%
Total capital ratio	20.7%	18.7%
	CHF' Million	CHF' Million
Total equity	6,086.7	6,041.9
Other financial information		
Balance Sheet:		
Total assets	103,654.9	102,898.3
Total liabilities	97,568.1	96,856.4
Loans	46,665.2	45,323.2
Deposits from customers	71,084.5	71,506.4
	30 Jun 2019 CHF' Million	**30 Jun 2018** CHF' Million
Profit and Loss:		
Profit before taxes	417.5	542.6

Note:
(1) For further details on Julius Baer Group Ltd. financial information, please refer to the Half-year Report 2019 Julius Baer Group Ltd.