



CA INDOSUEZ (SWITZERLAND) SA
HONG KONG BRANCH

Key Financial Information Disclosure Statement
For the Year ended 31 December 2022

CA Indosuez (Switzerland) SA

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Incorporated in Switzerland
with members' limited liability
於瑞士成立的公司, 其成員的
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CA INDOSUEZ (SWITZERLAND) SA

HONG KONG BRANCH

We enclose herewith the disclosure statement for the year ended 31 December 2022 which is prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Olivier LIVENAIS

Chief Executive

A handwritten signature in black ink, appearing to read 'Olivier Livenaïs', is written over the printed name and title. The signature is fluid and cursive, with a long horizontal stroke at the end.



CA Indosuez (Switzerland) SA, Hong Kong Branch
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Section A: Hong Kong Branch Information

I Income Statement Information

(in thousands of Hong Kong Dollars)

For the year ended 31 December 2022

	31-Dec-22	31-Dec-21
Interest income	216,826	77,453
Interest expenses	<u>(160,528)</u>	<u>(46,321)</u>
Net interest income	56,298	31,132
Other operating income		
Gain less losses arising from trading in foreign currencies	73,896	78,970
Gain less losses arising from trading in other derivatives	56	(56)
Net fees and commission income	208,412	251,577
- gross fees and commission income	259,567	314,594
- gross fees and commission expenses	<u>(51,155)</u>	<u>(63,017)</u>
Others	<u>(4)</u>	<u>(35)</u>
Total income	338,658	361,588
Operating expenses	(344,024)	(352,440)
Staff and rental expenses	(215,479)	(221,422)
Other expenses	<u>(128,545)</u>	<u>(131,018)</u>
Impairment losses and provision for loans and receivables	(320)	(45)
Gains less losses from the disposal of property, plant and equipment and investment properties	<u>-</u>	<u>-</u>
Profit/(loss) before taxation	(5,686)	9,103
Tax expenses	<u>421</u>	<u>(1,521)</u>
Profit/(loss) after taxation	<u>(5,265)</u>	<u>7,582</u>



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II Balance Sheet

(in thousands of Hong Kong Dollars)

	31-Dec-22	30-Jun-22
Assets		
Due from Exchange Fund	151,697	126,878
Balances with banks	19,190	18,153
Amount due from overseas offices of the institution	6,114,255	5,653,437
Loans and receivables	2,826,603	2,699,603
Investment securities	946,533	449,022
Property, plant and equipment and investment properties	1,858	1,550
Total assets	<u>10,060,136</u>	<u>8,948,643</u>
Liabilities		
Deposits and balances from banks	-	-
Deposits from customers		
- demand deposits and current accounts	1,563,426	2,915,051
- time, call and notice deposits	4,886,902	3,314,182
Amount due to overseas offices of the institution	3,187,333	2,422,767
Other liabilities	422,475	296,643
Total liabilities	<u>10,060,136</u>	<u>8,948,643</u>



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III Additional Balance Sheet Information

(in thousands of Hong Kong Dollars)

(1) Loans and receivables

	31-Dec-22	30-Jun-22
Loans and advances to customers	2,424,630	2,438,426
Accrued interest and other accounts	402,493	261,631
Provision for impaired loans and receivables		
- Collective provisions	(520)	(454)
	<u>2,826,603</u>	<u>2,699,603</u>

(2) Breakdown of gross amount of loans and advances to customers by industry sectors

	31-Dec-22	30-Jun-22
Loans and advances for use in Hong Kong		
Industrial, commercial and financial		
- Financial concerns	602,660	190,885
- Other	1,235,168	915,727
Individuals		
- Loans for the purchase of other residential properties	61	-
- Other	493,287	1,193,277
Loans and advances for use outside Hong Kong	<u>93,454</u>	<u>138,537</u>
	<u>2,424,630</u>	<u>2,438,426</u>
Breakdown by Secured and Unsecured		
Secured	2,424,630	2,438,426
Unsecured	-	-
	<u>2,424,630</u>	<u>2,438,426</u>

The following breakdown is based on the location of counterparties. Major country or geographical area constitutes 10% or more of the aggregate loans and advances to customers after adjusting transfer of risk as defined by Hong Kong Monetary Authority:

	31-Dec-22	30-Jun-22
Major countries or geographical areas		
Hong Kong	1,092,709	1,026,661
Samoa	729,348	768,906
British Virgin Islands	326,157	326,794
Other	276,416	316,065
	<u>2,424,630</u>	<u>2,438,426</u>

There were no impaired loans, repossessed assets, overdue loans and advances nor rescheduled assets to customers, banks and other financial institutions as at 31 December 2022 and 30 June 2022



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(3) Geographical disclosure of international claims

The geographical disclosure of international claims is based on the location of the counterparty after adjusting risk transfer set out in the HKMA return of "International Banking Statistics" (MA(BS)21).

(in millions of Hong Kong Dollars)

As at 31 Dec 2022

	Bank	Official Sector	Non-bank private sector			Total
			Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	99			47	-	146
<i>of which Switzerland</i>	99			-	-	99
Offshore centres	6,037	-		1,757	-	7,794
<i>of which Hong Kong</i>	7	-		687	-	694
Developing Latin America and Caribbean	-		-	-	-	-
Developing Asia and Pacific	-	-	-	215	-	215
	6,136	-	-	2,019	-	8,155

As at 30 Jun 2022

	Bank	Official Sector	Non-bank private sector			Total
			Non-bank financial institution	Non-financial private sector	Unallocated	
Developed countries	181	-	-	47	-	228
<i>of which Switzerland</i>	181	-	-	-	-	181
Offshore centres	5,479	-	-	1,798	-	7,277
<i>of which Hong Kong</i>	2	-	-	687	-	689
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Asia and Pacific	-	-	-	254	-	254
	5,660	-	-	2,099	-	7,759



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(4) Non-bank Mainland Exposures

(in thousands of Hong Kong Dollars)

As at 31 Dec 2022	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	305,804	-	305,804
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	305,804	-	305,804

Total assets after provisions 10,060,136

On-balance sheet exposures as percentage of total assets 3.04%

As at 30 Jun 2022	On-balance sheet exposures	Off-balance sheet exposures	Total exposures
Type of counterparties			
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	295,592	-	295,592
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	295,592	-	295,592

Total assets after provisions 8,948,643

On-balance sheet exposures as percentage of total assets 3.30%



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(5) Currency Risk

(In millions of Hong Kong Dollars)

As at 31 Dec 2022

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	4,340	147	126	617	51	520	347	262	89	81	76	532	7,188
Spot liabilities	4,337	146	126	617	50	519	347	261	89	81	76	530	7,179
Forward purchases	2,365	5	12	19	807	23	27	25	34	7	12	329	3,665
Forward sales	2,367	5	12	19	807	23	27	25	34	7	12	329	3,667
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	1	1	-	-	1	1	-	1	-	-	-	2	7

As at 30 Jun 2022

	USD	GBP	JPY	EUR	CNY	CAD	CHF	AUD	SGD	NZD	GOL	Others	Total
Spot assets	3,433	78	308	457	71	85	248	179	161	358	115	1,552	7,045
Spot liabilities	3,431	78	308	457	70	85	248	179	161	358	115	1,548	7,038
Forward purchases	1,533	107	27	25	2	68	76	47	24	63	-	408	2,380
Forward sales	1,535	107	27	25	2	68	76	47	24	63	-	408	2,382
Net option position	-	-	-	-	-	-	-	-	-	-	-	-	-
Net long (or net short) position	-	-	-	-	1	-	-	-	-	-	-	4	5

The basis of calculation for the above currency risk is based on the notional value set out in the HKMA return "Foreign Currency Position" (MA(BS)6).

There were no foreign currency net structural positions as at 31 December 2022 and 30 June 2022



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(6) Off-balance sheet exposures

(in thousands of Hong Kong Dollars)

	31-Dec-22	30-Jun-22
Contingent liabilities and commitments		
Direct credit substitutes	-	-
Other commitments	182,915	298,808
	<u>182,915</u>	<u>298,808</u>
Derivatives - contractual / notional amount		
Exchange rate	17,170,730	13,679,811
Equity and other contracts	1,904,836	1,262,084
	<u>19,075,566</u>	<u>14,941,895</u>

	31-Dec-22		30-Jun-22	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Exchange rate	67,793	67,973	218,373	219,224
Equity and other contracts	17,090	17,090	16,008	16,008
	<u>84,883</u>	<u>85,063</u>	<u>234,381</u>	<u>235,232</u>

The fair values of the above derivatives do not take into account the effect of bilateral netting arrangement.

(7) Liquidity Information

(a) Liquidity maintenance ratio

The Branch complies with the minimum requirement of liquidity maintenance ratio ("LMR") on a daily basis, in accordance with the Banking (Liquidity) Rules.

	For the quarters ended	
	31-Dec-22	31-Dec-21
Average LMR for the period	54.34%	51.50%

The Liquidity maintenance ratio ("LMR") is prepared in accordance with the Banking (Liquidity) Rules ("BLR") issued by the Hong Kong Monetary Authority ("HKMA"). The average LMR for the quarter is calculated based on the arithmetic mean of the Branch's average LMR for each calendar month in that quarter, as reported in the liquidity position return submitted to the HKMA.



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(b) Approach to liquidity risk management

CA Indosuez (Switzerland) SA, Hong Kong Branch ("CAI HK") has primary responsibility for ensuring that it has sufficient funds to meet all its immediate and future payment obligations. The purpose of liquidity risk management is to analyse and monitor on a daily basis the global risk exposure of liquidity by managing the use and the availability of funds.

CAI HK has two sources of liquidity to meet its funding: client deposits and intra-group funding from Head Office. The Branch has no liquidity gap identified at this stage and, as sound and caution management, maintains a liquidity buffer by local clearing accounts (HKD and CNY) sufficient to cover the intraday and potential stress situations.

On a day to day basis, the CA Indosuez (Switzerland) SA's Treasury ("CAI Treasury") runs in centralised manner to formulate the funding strategy, manages the liquidity and funding needs of the Branch.

As a branch, CAI HK has exactly the same liquidity policy as CA Indosuez (Switzerland) SA ("CAI") based on the principles of Credit Agricole Corporate & Investment Bank ("CACIB") liquidity policies. Liquidity stress tests are performed at a consolidated / group level and the liquidity policy is monitored and managed by CAI Asset and liability Committee ("CAI ALCO").

However, the liquidity risk management is reviewed and supervised by CA Indosuez (Switzerland) SA, Hong Kong Branch's Asset and liability Committee ("CAI HK ALCO") held on a quarterly basis.

In the event of a potential or actual crisis, CAI HK has in place a set of liquidity contingency and recovery plans to ensure that decisive actions are taken to ensure that the Branch maintains adequate liquidity.

CAI Hong Kong Asset and liability Committee ("CAI HK ALCO")

CAI HK ALCO is responsible for:

- The monitoring of the correct application of the Assets and Liability Management ("ALM") rules set by CACIB's Finance/ALM function and CAI's Finance/ALM division (including liquidity);
- The handling of Treasury specific issues;
- The monitoring of local liquidity ratios,
- The development, review, approval, and on-going maintenance of the Recovery Plan for Hong Kong Branch submitted to HKMA

CAI HK ALCO comprises the following permanent members:

- CAI Chief Financial Officer
- CAI Head of ALM
- CAI Head of Capital Markets
- CAI Head of Treasury
- CAI Asia Chief Executive Officer
- CAI Head of RPC Asia
- CAI Hong Kong Chief Executive
- CAI Hong Kong Chief Operating Officer



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Its duties include reviewing the limits, monitoring all internal and local regulatory ratios relating to liquidity risks. The funding and liquidity risk management policy ("the Policy") is reviewed and approved by the CAI HK ALCO on an annual basis. However, it is likely that the Policy can be adjusted on a more frequent basis as business activity changes in response to a changing regulatory environment. The Branch also follows the guidance set forth by the HKMA in Supervisory Policy Manual LM-1 (Regulatory Framework for Supervision of Liquidity Risk) and LM-2 (Sound Systems and Controls for Liquidity Risk Management).

Once a year if any significant change, CAI HK ALCO ensures the maintenance of the plan and on ad-hoc basis, the change on Recovery Plan components that need to be reflected in the Recovery Plan.

Recovery Plan for CAI Hong Kong

Hong Kong Branch draw on the Recovery Plan developed by CAI which meet HKMA standards required by the SPM RE-1 "Recovery Planning" in respect of their operations in Hong Kong.

Missions related to the Recovery Plan are formalized in the Branch's policy defining the funding and liquidity Risk Management Policy of the Hong Kong Branch:

- To enable CAI Head Office to oversee the development of the Hong Kong specific elements of the recovery plan;
- To decide of the governance and organization required to the definition and the maintenance of the plan by designating the Hong Kong Chief Operating Officer ("HK COO") as key point of contact with HKMA;
- To oversee with the Head Office the maintenance and the annual review of the plan if any significant change;
- To be informed by CAI Head Office of the scope and the content of the plan (options, scenarios, triggers, communication plan, etc.);
- To ensure the Recovery Plan is compliant with HKMA requirement.

If there is any material change in the Recovery Plan, HK COO as key point of contact handle the responsibility to notify the HKMA once the review is completed.

Finally, if any shortfalls and gaps in the Recovery Plan are identified, the Bank will addressed in a timely manner by setting out a remedial plan to lay out the necessary remedial actions along with an indicated timeframe for their necessary completion.

Conclusion

Liquidity limits are established to ensure the Branch maintains appropriate liquidity under both normal and stressed conditions. CAI HK policy is to maintain a conservative level of liquid funds to meet all obligations. As such CAI HK has defined internal liquidity buffers in excess of statutory Liquidity Maintenance Ratio ("LMR") in its policy. Proper escalation and notification processes to report breaches of any liquidity limits are established. CAI Treasury will identify any abnormal mismatch and take the necessary steps to close the gap. In addition, Head Office conducts stress tests on a daily basis on a centralised group basis. As one of the main overseas branches, CAI HK may fully rely on Head Office for liquidity at all times and in the event of any funding crises. (c) Contractual maturity profile



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(c) Contractual maturity profile

The table below analyses assets and liabilities based on the remaining period as at the end of the reporting period to the contractual maturity dates:

31 December 2022

in HK\$ millions	Next day	Less than 1 month	month up to 3 months	Over 3 month up to 1 year	Over 1 year	Unallocated	Total
Assets							
- Due from bank	1,417	3,216	921	752	-	-	6,306
- Debt securities held							
(a) readily monetarizable	947						947
(b) not readily monetarizable							-
- Loans and advances to customers	417	873	764	375	-	-	2,429
Amount receivable arising from							
- derivative contracts	55	293	1	1	-	-	350
- Others	3	13	-	1	-	11	28
Total assets	2,839	4,395	1,686	1,129	-	11	10,060
Liabilities							
- Due to banks	499	1,740	869	87	-	-	3,195
- Deposits from customers	1,883	2,973	1,187	425	-	-	6,468
Amount payable arising from							
- derivative contracts	53	254	39	2	-	-	348
- Others	3	3	33	7	3	-	49
Total liabilities	2,438	4,970	2,128	521	3	-	10,060
Contingent and commitments							
- Commitments	-	-	-	-	-	-	-
- Contingent liabilities	-	183	-	-	-	-	183
Net liquidity mismatch	401	(758)	(442)	608	(3)	11	(183)
Cumulative liquidity mismatch	401	(357)	(799)	(191)	(194)	(183)	(366)

30 June 2022

in HK\$ millions	Next day	Less than 1 month	month up to 3 months	Over 3 month up to 1 year	Over 1 year	Unallocated	Total
Assets							
- Due from bank	2,718	2,698	299	89	-	-	5,804
- Debt securities held							-
(a) readily monetarizable	449						449
(b) not readily monetarizable							-
- Loans and advances to customers	693	1,187	271	121	168	-	2,440
Amount receivable arising from							
- derivative contracts	29	150	40	16	-	-	235
- Others	-	-	-	5	-	15	20
Total assets	3,889	4,035	610	231	168	15	8,948
Liabilities							
- Due to banks	1,128	843	287	165	-	-	2,423
- Deposits from customers	3,871	1,897	147	317	2	-	6,234
Amount payable arising from							
- derivative contracts	28	107	83	16	-	-	234
- Others	9	2	13	24	1	8	57
Total liabilities	5,036	2,849	530	522	3	8	8,948
Contingent and commitments							
- Commitments	-	-	-	-	-	-	-
- Contingent liabilities	-	299	-	-	-	-	299
Net liquidity mismatch	(1,147)	887	80	(291)	165	7	(299)
Cumulative liquidity mismatch	(1,147)	(260)	(180)	(471)	(306)	(299)	(598)



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Note: Positive indicates a position of liquidity surplus and negative indicates a liquidity shortfall that has to be funded.

Liquidity disclosures as required by the Banking (Disclosure) Rules are available on our website:

<https://www.ca-indosuez.com/hongkong/en/indosuez-in-hong-kong>

(8) Disclosure on remuneration

Pursuant to section 3 of "Supervisory Policy Manual (CG-5) - Guideline on a Sound Remuneration System" issued by the HKMA, the Branch complies with the requirements and has adopted the remuneration systems of the Head Office. Please refer to CA Indosuez (Switzerland) SA Year 2022 annual report for details.



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Section B: Group information (consolidated basis)

(in thousands of Swiss Francs)

Financial highlights of CA Indosuez (Switzerland) SA Group (consolidated basis):

	31-Dec-22	30-Jun-22
Capital and capital adequacy ratio		
Capital adequacy ratio (Note)		
Common Equity Tier 1 capital ratio	17.25%	15.91%
Tier 1 capital ratio	17.25%	15.91%
Total capital ratio	20.97%	19.35%
Total shareholders' equity	1,865,975	1,858,813
Other financial information		
Balance sheet:		
Total assets	16,789,924	18,565,499
Total liabilities	15,168,260	16,976,876
Total loans and advances	7,681,250	8,453,608
Total customer deposits	11,072,237	11,528,705
	31-Dec-22	30-Jun-22
Profit and Loss:		
Profit/ (loss) before income taxes	65,367	27,287

Note:

The capital ratio is computed in accordance with the Swiss Ordinance on Capital Adequacy and Risk Diversification for Banks and Securities Dealers (Capital Adequacy Ordinance, CAO) of 1 June 2012.