

**HSBC Private Bank (Suisse) SA
Hong Kong Branch**

Disclosure Statement

for the year ended 31 December 2016

Introduction

The information contained in this Disclosure Statement is for HSBC Private Bank (Suisse) SA – Hong Kong branch ('the branch'). This document serves to comply with the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance.

References to 'HSBC', 'Group' or 'HSBC Group' within this document mean HSBC Holding plc together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. The abbreviations 'HK\$m' represent millions of Hong Kong dollars.

While the Disclosure Statement is not required to be externally audited, the document has been verified internally in accordance with the Group's policies on disclosure and its financial reporting and governance processes.

In November 2013, the business of the branch was acquired by The Hongkong and Shanghai Banking Corporation Limited.

The Chief Executive of HSBC Private Bank (Suisse) SA, Hong Kong Branch, announces that the key financial information of the branch for the year ended 31 December 2016 is as follows:

Section A – Branch information (Hong Kong office only)

I – Income statement information

	31 December 2016 HK\$m	31 December 2015 HK\$m
Operating expenses		
- Other expenses	(1)	(1)
Loss before taxation	(1)	(1)
Tax income	-	-
Loss after taxation	(1)	(1)

II – Balance sheet information

	31 December 2016 HK\$m	30 June 2016 HK\$m
<u>Assets</u>		
Amount due from head office	15	15
Due from Exchange Fund	1	1
Total assets	16	16
<u>Liabilities</u>		
Reserves	16	16
Total liabilities	16	16

III – Additional balance sheet information

Currency risk

The branch had the following non-structural foreign currency positions that were not less than 10% of the net non-structural positions in all foreign currencies:

	31 December 2016	30 June 2016
	HK\$m	HK\$m
	USD	USD
Spot assets	-	-
Spot liabilities	(16)	(16)
Net short position	<u>(16)</u>	<u>(16)</u>

There is no net options position held as at 31 December 2016 or 30 June 2016.

IV – Liquidity information

	31 December 2016	31 December 2015
	%	%
Average liquidity maintenance ratio (“LMR”) for the year ended	66,668,787	50,004,838

The average LMR is the simple average of each calendar month’s average LMR ratio as reported in Part 1 (II) of the Liquidity Position Return (MA(BS)1E).

The funding source of the branch is from head office. The branch follows the Group’s approach in liquidity risk management, which is available in the HSBC Holding plc Annual Report and Accounts 2016.

Section B

Bank information (on a consolidated basis based on the most recent annual and interim accounts)

I – Capital and Capital adequacy

HSBC Private Bank (Suisse) SA

	31 December 2016 CHF 'm	30 June 2016 CHF 'm
Shareholders' funds	2,363	2,707
Total capital ratio	33.3%	37.9%
Of which Tier 1 capital ratio	33.3%	37.9%

The capital adequacy ratio was computed in accordance with the Basel III Capital Accord.

II – Other financial information

Financial highlights of HSBC Private Bank (Suisse) SA (on a consolidated basis based on the most recent annual and interim accounts):

	31 December 2016 CHF'm	30 June 2016 CHF'm
Total assets	24,711	22,791
Total liabilities	22,348	20,084
Total loans and advances	12,391	9,888
Total customer deposits	9,278	9,559

	31 December 2016 CHF'm	31 December 2015 CHF'm
Pre-tax loss	(367)	(98)