

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

Disclosure Statement

for the six months ended 30 June 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, as amended by the Banking (Disclosure) (Amendment) Rules 2014.

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 this branch for the period ended 30 June 2016 is as follows:

Section A – Branch information (Hong Kong office only)

I – Income statement information

| | 30 June 2016 HK\$m | 30 June 2015 HK\$m |
|----------------------|-------------------------------------|-------------------------------------|
| Operating expenses | | |
| - Other expenses | (1) | (1) |
| Loss before taxation | <u>(1)</u> | <u>(1)</u> |
| Taxation charge | - | - |
| Loss after taxation | <u><u>(1)</u></u> | <u><u>(1)</u></u> |

II – Balance sheet information

| | 30 June 2016 HK\$m | 31 December 2015 HK\$m |
|-----------------------------|-------------------------------------|---|
| <u>Assets</u> | | |
| Amount due from head office | 15 | 16 |
| Due from Exchange Fund | 1 | 1 |
| Total assets | <u><u>16</u></u> | <u><u>17</u></u> |
| <u>Liabilities</u> | | |
| Reserves | 16 | 17 |
| Total liabilities | <u><u>16</u></u> | <u><u>17</u></u> |

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:

| | 30 June 2016 HK\$m | 31 December 2015 HK\$m |
|--------------------|-------------------------------------|---|
| | USD | USD |
| Spot assets | - | - |
| Spot liabilities | (16) | (17) |
| Net short position | <u>(16)</u> | <u>(17)</u> |

There is no net options position held as at 30 June 2016 or 31 December 2015.

IV – Liquidity information

| | Half – year ended 30 June 2016 % | Half – year ended 30 June 2015 % |
|---|---|---|
| Average liquidity maintenance ratio for the half year ended | 50,003,177 | 9,677 |

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 HBSC Group's approach in liquidity risk management, which is available in the HSBC Bank Plc Annual Report and Accounts 2015.

Section B

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

I – Capital and Capital adequacy

HSBC Private Bank (Suisse) SA

| | 30 June 2016 CHF 'm | 31 December 2015 CHF 'm |
|-------------------------------|-------------------------------|-----------------------------------|
| Shareholders' funds | 2,707 | 2,744 |
| Total capital ratio | 37.9% | 34.1% |
| Of which Tier 1 capital ratio | 37.9% | 34.1% |

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

II – Other financial information

| | 30 June 2016 CHF'm | 31 December 2015 CHF'm |
|--------------------------|------------------------------|----------------------------------|
| Total assets | 22,791 | 24,894 |
| Total liabilities | 20,084 | 22,150 |
| Total loans and advances | 9,888 | 11,260 |
| Total customer deposits | 9,559 | 10,374 |

| | Half - year ended 30 June 2016 CHF'm | Half - year ended 30 June 2015 CHF'm |
|--------------|--|--|
| Pre-tax loss | (33) | (37) |