

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

Disclosure Statement

for the six months ended 30 June 2017

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.

HSBC Private Bank (Suisse) SA – Hong Kong Branch

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 30 June 2017 is as follows:

Section A – Branch information (Hong Kong office only)

I – Income statement information

	30 June 2017 HK\$m	30 June 2016 HK\$m
Operating expenses		
- Other expenses	-	(1)
Loss before taxation	-	(1)
Tax income	-	-
Loss after taxation	-	(1)

II – Balance sheet information

<u>Assets</u>	30 June 2017 HK\$m	31 December 2016 HK\$m
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:

	30 June 2017	31 December 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 30 June 2017 or 31 December 2016

IV – Liquidity information

	Half – year ended	Half year ended
	30 June 2017	30 June 2016
	%	%
Average liquidity maintenance ratio (“LMR”) for the year ended	50,002,867	50,003,117

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)IE).

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

	30 June 2017 CHF 'm	31 December 2016 CHF 'm
Shareholders' funds	2,049	2,363
Total capital ratio	29.8%	33.3%
Of which Tier 1 capital ratio	29.8%	33.3%

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):

	30 June 2017 CHF'm	31 December 2016 CHF'm
Total assets	21,480	24,711
Total liabilities	19,430	22,348
Total loans and advances	10,831	12,391
Total customer deposits	8,379	9,278
	Half – year ended 30 June 2017	Half – year ended 30 June 2016
	CHF'm	CHF'm
Pre-tax loss	(7)	(33)