

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

Disclosure Statement

for the six months ended 30 June 2018

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 six months ended 30 June 2018 is as follows:

Section A – Branch information (Hong Kong office only)

I – Income statement information

	30 June 2018 HK\$m	30 June 2017 HK\$m
Operating expenses		
- Other expenses	-	-
Loss before taxation	-	-
Tax income	-	-
Loss after taxation	-	-

II – Balance sheet information

<u>Assets</u>	30 June 2018 HK\$m	31 December 2017 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 2018	31 December 2017
	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 2018 or 31 December 2017

IV – Liquidity information

	Half - year ended	Half - year ended
	30 June 2018	30 June 2017
	%	%
Average liquidity maintenance ratio (“LMR”) for the six months ended	99,999,999	50,002,867

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 2017.

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 2018	31 December 2017
	CHF'm	CHF'm
Shareholders' funds	1,468	1,498
Total capital ratio	21.0%	21.3%
Of which Tier 1 capital ratio	16.9%	17.4%

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 2018	31 December 2017
	CHF'm	CHF'm
Total assets	13,108	15,719
Total liabilities	11,640	14,220
Total loans and advances	9,703	10,396
Total customer deposits	6,298	7,536
	Half – year ended	Half – year ended
	30 June 2018	30 June 2017
	CHF'm	CHF'm
Pre-tax loss	(26)	(7)