

The following text is the English version of a news release issued in Germany by HSBC Trinkaus & Burkhardt AG, an 80.7% indirectly owned subsidiary of HSBC Holdings plc.

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HSBC TRINKAUS & BURKHARDT AG
2015 PRELIMINARY RESULTS
GROWTH INITIATIVE IMPLEMENTED SUCCESSFULLY

- Profit before tax was up at €17.4m (2014: €11.8m**)
- Operating revenue of €721.3m (2014: €686.7m)
- Net interest income grew to €177.5m (2014: 174.7m)
- Net fee income increased to €441.2m (2014: €389.7m)

Overview

2015 was a challenging year for the HSBC Trinkaus & Burkhardt Group ('the Bank') due to the overall economic situation, the low interest rate environment and growing regulatory requirements. The Bank nevertheless expanded its growth, generated further business volume and gained market share. The success of the Bank's growth strategy, which has been largely implemented, can be seen above all in the business with clients. The growth strategy is aimed at extending the client base, expanding the product offering as well as closer global cooperation within the HSBC Group, becoming the 'leading international bank' in Germany.

In line with the forecast, the Bank's profit before tax increased to €17.4m (2014: €11.8m**). Net profit after tax grew to €52.1m (2014: €144.7m**). The strongest increase in earnings was seen in Global Banking & Markets thanks to the improvement in net fee income from foreign exchange, custody and alternative investment transactions. In Commercial Banking, the success of the growth strategy is reflected in the volume-based increase in interest income in the lending business and higher fee income in the foreign exchange business. Asset Management almost

maintained its results thanks to higher fee income in the special and mutual funds business as against higher administrative expenses, while Global Private Banking, which was impacted most by the unfavourable interest rate environment, was not able to repeat its prior-year result, despite growth in the portfolio management business.

The regulatory capital ratio declined slightly to 12.6%* (31 December 2014: 13.0%) and the tier 1 capital ratio stands at 10.3%* (31 December 2014: 10.4%). HSBC Trinkaus & Burkhardt AG, the HSBC Group's principal subsidiary in Germany, is rated 'AA- (Stable)' by Fitch Ratings.

Financial commentary

Net interest income increased by 1.6% to €177.5m (2014: €174.7m). Interest income in the client lending business improved substantially in particular, while interest income in the deposit business and from financial assets remained under major pressure due to the low interest rate policy pursued by the central banks.

Net loan impairment and other credit risk provisions were €0.2m in the 2015 financial year after €4.0m the previous year. The expected strong increase in the risk provisioning requirements failed to appear on account of the robust economic trend in Germany. The Bank continues to have a conservative approach in relation to the assessment of default risks.

Net fee income rose by 13.2% to €441.2m (2014: €389.7m), due to increased net fee income from securities transactions, in particular alternative investments, fund management and custodian bank operations as well as foreign exchange and derivatives transactions.

Net trading income declined by 6.1% to €9.3m (2014: €105.8m). Net income from trading with equities and equity derivatives as well as from foreign exchange and derivatives held in the bank book was not able to compensate for lower net income from trading with bonds and interest rate derivatives.

Administrative expenses rose by 7.4% to €530.4m (2014: €494.0), reflecting the higher costs for implementing the growth strategy and the increase in the number of

employees. Overall, the cost efficiency ratio stands at 70.9% (69.6%**), which is in line with the previous year's forecast.

Income from financial investments declined by 31.2% to €15.0m (2014: €21.8m) primarily due to lower than expected gains realised on the disposal of impaired financial investments.

Total assets declined slightly to €21.7bn as at the balance sheet date 31 December 2014 (€22.1bn). The client lending business grew by 20 % to €7.8bn, compensating for the decline in trading assets. Customer deposits of €12.9bn (31 December 2014: €13.1bn) continue to be our most important source of funding and account for 60% of total assets. We regard the high level of deposits as a clear commitment on the part of the Bank's clients to its solid business policy and high credit standing.

Outlook

The Bank will follow its expansion strategy with an enlarged client base, provided there are no significant critical escalations leading to turbulence on the capital markets this year. Although the low level of interest rates as well as further statutory and regulatory provisions will put notable pressure on the Bank's revenues, it is still forecasting a small increase in revenues and in profit before tax for 2016 based on growth rates above the market average and clear market share gains. Administrative costs should grow at a slower pace in 2016 after the significant investments in previous years. The continuation of our growth strategy in the corporate banking business, in which we will focus more strongly on the earnings-oriented expansion of client relationships, will also demand higher capital requirements alongside the higher risk provisioning requirements planned.

* Following confirmation of the balance sheet

** Prior-year figures adjusted due to the change in the recognition of the share-based payment component

The final business results for 2015 are scheduled to be published on 13 April 2016.

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Notes to editors:

1. HSBC Trinkaus & Burkhardt AG

HSBC Trinkaus & Burkhardt AG is a leading client-oriented commercial bank with more than 230 years of experience. It is part of the globally-operating HSBC Group. With around 2,790 employees, the Bank can be found in 11 locations in Germany, in addition to the head office in Düsseldorf, and has access to the network of the HSBC Group, one of the world's largest banks. Germany is a priority growth market for the HSBC Group. HSBC Trinkaus & Burkhardt AG's particular strength lies in the comprehensive servicing of its clients, its detailed knowledge of the international markets, mainly the emerging markets, as well as its global network which helps clients grasp international opportunities. HSBC Trinkaus & Burkhardt AG, the HSBC Group's principal subsidiary in Germany, is rated 'AA-(Stable)' by Fitch Ratings. The Bank has total assets of €21.7bn and €15.3bn in funds under management and administration. The Bank's central target groups are corporate clients, institutional clients and high net worth private clients (all figures as at 31 December 2015).

HSBC Trinkaus & Burkhardt's press releases can be found on the www.hsbc.de homepage under 'Press'

2. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,000 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,410bn at 31 December 2015, HSBC is one of the world's largest banking and financial services organisations.

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