

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 NINE MONTHS 2015 RESULTS

- Net fee income increased to €328.7m (9M2014: €287.7m)
- Net interest income improved to €133.7m (9M2014: €130.4m)
- Administrative expenses rose to €407.6m (9M2014: €379.5m)
- Profit before tax was up at €166.5m (9M2014: €152.5m)
- Operating revenue of €545.0m (9M2014: €515.4m)

Overview

HSBC Trinkaus & Burkhardt AG ('the Bank') continues its path of strategic growth. Net fee income – a major indicator of growing business with clients – grew by 14.3% compared to the prior-year period. By expanding our product offering for internationally operating Mid Market Enterprises and multinational corporations, extending the range of our target clients and acquiring new clients, we continue to implement the Bank's strategy of becoming the 'Leading International Bank'.

The Bank's profit before tax increased to €166.5m compared to €152.5m for the first nine months of 2014. Profit after tax increased by 12.1% to €114.6m (9M2014: €102.2m). Despite moderate global growth, high regulatory costs and the continuing low interest rate environment, profit before tax grew in the Global Banking & Markets, Retail Banking and Wealth Management and Commercial Banking segments, and remained broadly unchanged in Private Banking compared to the same period in 2014.

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The Bank maintains a strong and liquid balance sheet. Both the total regulatory capital ratio and tier 1 capital fell compared to the end of the previous year to 12.3% (31Dec2014: 13.0%) and to 10.0% (31Dec2014: 10.4%), respectively.

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 2.5% to €133.7m (9M2014: €130.4m). This increase was primarily due to higher interest income based on increased client lending volumes, but partly offset by ongoing pressure on margins and lower interest income from financial investments.

Net fee income rose by 14.3% to €328.7m (9M2014: €287.7m), due to increased net fee income from securities transactions, including alternative investments, fund management and custodian bank operations as well as foreign exchange and derivatives transactions.

Net trading income remained broadly unchanged at €82.2m (9M2014: €82.3m).

Income from financial investments increased from €20.6m to €22.3m, primarily due to higher than expected gains realised on the disposal of impaired financial investments.

Net loan impairment and other credit risk provisions were €1.5m in the first nine months of the year (9M14: €3.4m), driven by collectively assessed impairments as a result of the further increase in lending volumes. The Bank continues to have a conservative approach in relation to the assessment of default risks.

Administrative expenses rose by 7.4%, from €379.5m to €407.6m, reflecting the higher costs for implementing the growth strategy, including higher staff expenses and the charges for the new bank levy. The cost efficiency ratio remained nearly unchanged in the first nine months at 70.8% compared to 70.9% in the prior-year period.

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Total assets increased by 9.6% to €24.3bn as at the balance sheet date (31Dec2014: €22.2bn). Customer deposits of €14.2bn (31Dec2014: €13.1bn) continue to be our most important source of funding.

Outlook

The Bank will continue to implement its growth strategy and is still forecasting a small increase in revenues as well as a slight improvement in profit before tax for 2015. The expansion of the Bank's business activities and client base was accompanied by a significant increase in staff numbers, the extension of the Bank's product offering and investment in IT systems and service divisions. The targeting of new client groups in the corporate banking business will demand higher capital requirements.

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Notes to editors:

1. HSBC Trinkaus & Burkhardt AG

HSBC Trinkaus & Burkhardt AG is a leading client-oriented commercial bank with now 230 years of experience. It is part of the globally-operating HSBC Group. With more than 2,700 employees, the Bank can be found in 11 locations in Germany, in addition to the head office in Duesseldorf. 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 €24.3bn and €208.1bn 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 30 September 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 6,100 offices in 72 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.

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