

NOTICE OF EMIR INTRAGROUP EXEMPTIONS FROM EXCHANGE OF INITIAL MARGIN & VARIATION MARGIN

The following applications by HSBC Private Bank (Luxembourg) S.A. for an exemption from initial margin and variation margin in respect of intragroup margin requirements under EU Regulation 648/2012 (“**EMIR**”), have been authorized by the Commission de Surveillance du Secteur Financier (CSSF):

1. Applicant Counterparty: HSBC Bank Plc (LEI: MP615ZYZBEU3UXPYFY54).

HSBC Bank Plc is part of the HSBC group ultimately owned by HSBC Holdings PLC which is also the ultimate owner of HSBC Private Bank (Luxembourg) S.A.

The exemption is a full exemption and relates to the following classes of derivatives:

Asset class	Notional aggregate amount:
Commodities	0 – 1 mio eur
Currency	0 – 24 407 mio eur
Interest rates	0 – 1 mio eur
Equity	0 – 1 053 mio eur

2. Applicant Counterparty: HSBC Private Bank Switzerland S.A.: (LEI: 549300LM7URE8RZR5X06).

HSBC Private Bank Luxembourg S.A. is a subsidiary of HSBC Private Bank Switzerland S.A.

The exemption is a full exemption and relates to the following classes of derivatives:

Asset class	Notional aggregate amount:
Commodities	0 – 25 mio eur
Currency	0 – 6 647 mio eur

As this exemption is pursuant to a derogation for an intragroup transaction between an EU counterparty and a counterparty established in a third country in accordance with Article 36(2) of the Commission Delegated Regulation (EU) 2016/2251 supplementing the EMIR Regulation (the “Margin RTS”), this is a time-limited exemption which will expire on either:

- 1) if no equivalence decision has been adopted in respect of the relevant third country, 4 January 2020, or
- 2) if an equivalence decision has been adopted in respect of the relevant third country, the later of 4 months after the entry into force of such equivalence decision and the date on which the margin requirements takes effect (counterparties will need to reapply under EMIR Article 11 to benefit from the exemption).

The use of **both exemptions** is dependent on the on-going compliance of the counterparties detailed within the submission with the conditions set out in Article 11 of the EU Regulation 648/2012, the EMIR Regulation.