Extract of the Wolfsberg Group Correspondent Banking Due Diligence Questionnaire (CBDDQ)
as available on SWIFT KYC Registry for:

HSBC BANK USA, NATIONAL ASSOCIATION

Office type: Head Office / Subsidiary
BIC: MRMDUS33XXX
LEI: 1IE8VN30JCEQV1H4R804
Location: NEW YORK, NY, United States Of America
**Entity information**

<table>
<thead>
<tr>
<th>Legal name</th>
<th>HSBC BANK USA, NATIONAL ASSOCIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered address</td>
<td>1800 TYSONS BOULEVARD, SUITE 50 TYSONS VIRGINIA 22102 United States Of America</td>
</tr>
<tr>
<td>Trading name</td>
<td>HSBC BANK USA, N.A.</td>
</tr>
<tr>
<td>Operating address</td>
<td>452 FIFTH AVENUE NEW YORK, NY 10018 United States Of America</td>
</tr>
<tr>
<td>BIC</td>
<td>MRMDUS33XXX</td>
</tr>
</tbody>
</table>
Legal name: HSBC BANK USA, NATIONAL ASSOCIATION

Legal name in local language: HSBC Bank USA, National Association

Registered address:
- Building name: Not applicable
- Apartment / floor / office number: Not applicable
- PO Box: Not applicable
- Street name: 1800 TYSONS BOULEVARD
- Street/house number: SUITE 50
- City: TYSONS
- Postal / ZIP code: 22102
- County / Province / State / District: VIRGINIA
- Country: United States

Operating address:
- Building name: Not applicable
- Apartment / floor / office number: Not applicable
- PO Box: Not applicable
- Street name: 452 FIFTH AVENUE
- Street/house number: Not applicable
- City: NEW YORK
- Postal / ZIP code: 10018
- County / Province / State / District: NEW YORK
- Country: United States

Date of incorporation/establishment: 31 Mar 2004

Type of ownership: Privately held

Optional clarification if privately held: Not applicable

Shareholding entities statement:
We confirm that the shareholding entities of the entity are as follows and that no other entity owns or controls directly and/or indirectly 10 % or more of the entity's shares.

Shareholding entities (threshold 10% mandatory):
- Legal name: HSBC North America Holdings Inc.
  - % shares diluted: 100
- Legal name: HSBC Overseas Holdings (UK) Limited
  - % shares diluted: 100
- Legal name: HSBC Holdings plc
  - % shares diluted: 100
- Legal name: HSBC USA Inc.
We confirm that no natural person controls or owns directly and/or indirectly 10% or more of the entity's shares.

Is the entity able to issue bearer shares? No

Does the entity, or any of its branches, operate under an offshore banking license (OBL)? No

Name of primary financial regulator/supervisory authority: Office of the Comptroller of the Currency

LEI: 1IE8VN30JCEQV1H4R804

Full legal name of the ultimate parent, if different from the entity completing the DDQ: HSBC Holdings plc

Jurisdiction of licensing authority and regulator of ultimate parent: HSBC Group is globally supervised in UK by FCA.

Select the business areas applicable to the entity:

- Retail Banking: Yes
- Private Banking / Wealth Management: Yes
- Commercial Banking: Yes
- Transactional Banking: Yes
- Investment Banking: Yes
- Financial Markets Trading: Yes
- Securities Services / Custody: Yes
- Broker / Dealer: No
- Multilateral Development Bank: No
- Other: Not applicable

Does the Entity have a significant (10% or more) portfolio of non-resident customers or does it derive more than 10% of it's revenue from non-resident customers? (Non-resident means customers primarily resident in different jurisdiction to the location where bank services are provided.) Yes

Provide the top five countries where the non-resident customers are located: Canada, China, Hong Kong, Netherlands, United Kingdom

Number of employees: 1001-5000

Total asset size in reporting currency: Greater than $500 million

Are all answers provided to CBDDQ Questions 1 - 15b representative of all the legal entity's branches? No

Clarify which questions the difference(s) relate to and the branch(es) that this applies to: Answers in this section apply to the HSBC entity and its domestic branches (if any).

Additional information/ context to CBDDQ Question 1 - 15b: Not applicable

Does the Entity offer the following products and services:

- Correspondent Banking: Yes
  
  Does the entity offer Correspondent Banking services to domestic banks? Yes
  
  Does the entity allow domestic bank clients to provide downstream relationships? Yes
  
  Does the entity offer Correspondent Banking services to Foreign Banks? Yes
17a6. Does the entity allow downstream relationships with Foreign Banks? ................................................................. Yes

17a8. Does the entity offer Correspondent Banking services to regulated MSBs/MVTS? .................................................. Yes

17a9. Does the entity allow downstream relationships with MSBs/MVTS? ................................................................. Yes

17b. Private Banking (domestic & international) ................................................................. Yes

17c. Trade Finance .................................................................................................................................................. Yes

17d. Payable through accounts ................................................................................................................................. No

17e. Stored Value Instruments ................................................................................................................................. No

17f. Cross Border Bulk Cash Delivery ...................................................................................................................... No

17g. Domestic Bulk Cash Delivery ........................................................................................................................... No

17h. International Cash Letter ................................................................................................................................. Yes

17i. Remote Deposit Capture .................................................................................................................................. Yes

17j. Virtual / Digital Currencies ............................................................................................................................... No

17k. Low Price Securities ......................................................................................................................................... No

17l. Hold Mail ............................................................................................................................................................ No

17m. Cross Border Remittances ............................................................................................................................... Yes

17n. Sponsoring Private ATMs .................................................................................................................................... No

17o. Other high risk products and services identified by the Entity ........................................................................... Not applicable

17a4. Does the entity have processes and procedures in place to identify downstream relationships with domestic banks? ....... Yes

17a7. Does the entity have processes and procedures in place to identify downstream relationships with Foreign Banks? .......... Yes

17a10. Does the entity have processes and procedures in place to identify downstream relationships with MSB / MVTS? ................. Yes

17n. Does the entity provide products or services to walk-in customers (non-account holders)? ................................................................. Yes

18. Are all answers provided to CBDDQ Questions 17 - 17p representative of all the legal entity's branches? .................. No

18a. Clarify which questions the difference(s) relate to and the branch(es) that this applies to ..................................... Answers in this section apply to the HSBC entity and its domestic branches (if any).

18b. Additional information/ context to CBDDQ Questions 17 - 17p ........................................................................ Not applicable

19. Does the entity have a programme that sets minimum AML, CTF & Sanctions standards regarding the following components:

19a. Appointed Officer with sufficient experience/expertise .......... Yes

19b. Cash Reporting .................................................................................................................................................... Yes

19c. Customer Due Diligence (CDD) .......................................................................................................................... Yes

19d. Enhanced Due Diligence (EDD) .......................................................................................................................... Yes

19e. Beneficial Ownership .......................................................................................................................................... Yes

19f. Independent Testing ............................................................................................................................................... Yes

19g. Periodic Review .................................................................................................................................................... Yes

19h. Policies & Procedures ........................................................................................................................................... Yes

19i. Risk Assessment ..................................................................................................................................................... Yes

19j. Sanctions ............................................................................................................................................................... Yes
19. PEP Screening ................................................................. Yes
19. Adverse Information Screening ........................................ Yes
19m. Suspicious Activity Reporting ........................................ Yes
19n. Training & Education ................................................... Yes
19o. Transaction Monitoring ................................................ Yes
20. How many full time employees are in the entity's AML, CTF & Sanctions Compliance Department? ................................. 50+
21. Is the entity's AML, CTF & Sanctions policy approved at least annually by the board or equivalent senior management committee? ........................................ No
22. Does the Board or equivalent senior management committee receive regular reporting on the status of the AML, CTF & Sanctions programme? ........................................ Yes
22. How often does the board or senior committee receive AML management information? ........................................ Monthly
23. Does the entity use third parties to carry out any components of its AML, CTF & Sanctions programme? .......................... Yes
23a. Provide further details ..................................................... HSBC outsources some activities to third parties, including other HSBC entities, subject to HSBC’s FC Policies & Programme eg audit requirements. HSBC will not outsource any Compliance function(s) which are prohibited under local regulations.
24. Are all answers provided to CBDDQ Questions 19-24 representative of all the legal entity's branches? ................................. Yes
24b. Any additional information/ context to CBDDQ Questions 19-24 ............................................................................. Additional clarification to Question CBDDQ 21: HSBC’s Global AML and Sanctions Policies are approved annually by the Group Head of Financial Crime and presented to the Group Risk Committee, a sub-committee of the HSBC Holdings PLC Board of Directors.
Additional clarification to Question CBDDQ 22: The Group Financial Crime Risk Appetite Metrics are reported monthly to the Group Risk Management Meeting (GRMM) and Group Risk Committee (GRC).
In addition, a Financial Crime Risk and Compliance update by the Group MLRO is provided monthly to the Non Financial Risk Management Board and to every standard GRMM and GRC.
In addition, the Group MLRO publishes an annual report to the GRMM and GRC.
Additional clarification to Question CBDDQ 24: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these. https://www.hsbc.com/who-we-are/esg-and-responsible-business/fighting-financial-crime/financial-crime-risk-policies
25. Has the entity documented policies and procedures consistent with applicable ABC regulations and requirements to (reasonably) prevent, detect and report bribery and corruption? ........................................................................ Yes
26. Does the entity have an enterprise wide programme that sets minimum ABC standards? .............................................. Yes
27. Has the entity appointed a designated officer or officers with Yes

Page 4
28. Does the entity have adequate staff with appropriate levels of experience/expertise to implement the ABC programme? Yes

29. Does the entity's ABC programme apply to:
   - Joint ventures: Yes
   - Third parties acting on behalf of the entity: Yes

30. Does the entity have a global ABC policy that:
   - Prohibits the giving and receiving of bribes? Yes
       - This includes promising, offering, giving, solicitation or receiving of anything of value, directly or indirectly, if improperly intended to influence action or obtain an advantage
   - Includes enhanced requirements regarding interaction with public officials: Yes
   - Includes a prohibition against the falsification of books and records (this may be within the ABC policy or any other policy applicable to the Legal Entity): Yes

31. Does the entity have controls in place to monitor the effectiveness of their ABC programme? Yes

32. Does the entity's board or senior management committee receive regular Management Information on ABC matters? Yes

33. Does the entity perform an Enterprise Wide ABC risk assessment? Yes

33a. At which frequency? 12 months

34. Does the entity have an ABC residual risk rating that is the net result of the controls effectiveness and the inherent risk assessment? Yes

35. Does the entity's ABC Enterprise Wide Risk Assessment cover the inherent risk components detailed below:
   - Potential liability created by intermediaries and other third-party providers as appropriate: Yes
   - Corruption risks associated with the countries and industries in which the entity does business, directly or through intermediaries: Yes
   - Transactions, products or services, including those that involve state-owned or state-controlled entities or public officials: Yes
   - Corruption risks associated with gifts and hospitality, hiring/internships, charitable donations and political contributions: Yes
   - Changes in business activities that may materially increase the entity's corruption risk: Yes

36. Does the entity's internal audit function or other independent third party cover ABC policies and procedures? Yes

37. Does the entity provide mandatory ABC training to:
   - Board and senior committee management: Yes
   - 1st Line of Defence: Yes
   - 2nd Line of Defence: Yes
   - 3rd Line of Defence: Yes
37e. 3rd parties to which specific compliance activities subject to ABC risk have been outsourced .................................................. Not applicable

37f. Non-employed workers as appropriate (contractors/consultants) .................................................. Yes

38. Does the entity provide ABC training that is targeted to specific roles, responsibilities and activities? .................................................. Yes

39. Are all answers provided to CBDDQ Questions 25-39 representative of all the legal entity's branches? ................................. Yes

39b. Any additional information/context to CBDDQ Questions 25-39 ........................................................................................................ Additional clarification to Question CBDDQ 39: Group Anti Bribery & Corruption Policy applies as a minimum to all HSBC Group Entities globally. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity (subsidiary or foreign branch) has published a separate CBDDQ detailing these.


40. Has the entity documented policies and procedures consistent with applicable AML, CTF & Sanctions regulations and requirements to reasonably prevent, detect and report:

40a. Money laundering? ................................................................. Yes

40b. Terrorist financing? ............................................................... Yes

40c. Sanctions violations? ............................................................. Yes

41. Are the entity’s policies and procedures updated at least annually? ................................................................. Yes

42. Are the entity’s policies and procedures gapped against/compared to:

42a. US Standards? ........................................................................ Yes

42a1. Does the entity retain a record of the results? ......................... Yes

42b. EU Standards? ........................................................................ Yes

42b1. Does the entity retain a record of the results? ......................... Yes

43. Does the entity have policies and procedures that:

43a. Prohibit the opening and keeping of anonymous and fictitious named accounts ................................................................. Yes

43b. Prohibit the opening and keeping of accounts for unlicensed banks and/or NBFIs ................................................................. Yes

43c. Prohibit dealing with other entities that provides banking services to unlicensed banks ................................................................. Yes

43d. Prohibit accounts/relationships with shell banks ......................... Yes

43e. Prohibit dealing with another entity that provides services to shell banks ................................................................. Yes

43f. Prohibit opening and keeping of accounts for Section 311 designated entities ................................................................. Yes

43g. Prohibit opening and keeping of accounts for any of unlicensed/unregulated remittance agents, exchanges houses, casa de cambio, bureaux de change or money transfer agents ................................................................. Yes

43h. Assess the risks of relationships with domestic and foreign PEPs, including their family and close associates ......................... Yes

43i. Define escalation processes for financial crime risk issues ...... Yes
43j. Define the process, where appropriate, for terminating existing customer relationships due to financial crime risk .......................... Yes

43k. Specify how potentially suspicious activity identified by employees is to be escalated and investigated ............................................. Yes

43l. Outline the processes regarding screening for sanctions, PEPs and negative media ........................................................................................................................................... Yes

43m. Outline the processes for maintenance of internal “watch lists” ............................................................................................................ Yes

44. Has the entity defined a risk tolerance statement or similar document which defines a risk boundary around their business? ........................................................................................................... Yes

45. Does the entity have record retention procedures that comply with applicable laws? ............................................................................................................ Yes

45a. What is the retention period ................................................................................................................................................. 5 years or more

46. Are all answers provided to CBDDQ Questions 40 - 46 representative of all the legal entity's branches? ........................................ Yes

46b. Any additional information/ context to CBDDQ Questions 40 - 46 .......................................................................................................................... Additional clarification to Question CBDDQ 46: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.

47. Does the entity's AML & CTF Enterprise Wide Risk Assessment cover the inherent risk components detailed below:

47a. Client ......................................................................................................................................................................................... Yes

47b. Product ................................................................................................................................................................................... Yes

47c. Channel ................................................................................................................................................................................ Yes

47d. Geography ........................................................................................................................................................................... Yes

48. Does the entity's AML & CTF Enterprise Wide Risk Assessment cover the controls effectiveness components detailed below:

48a. Transaction Monitoring ...................................................................................................................................................... Yes

48b. Customer Due Diligence .................................................................................................................................................... Yes

48c. PEP identification ................................................................................................................................................................. Yes

48d. Transaction Screening ........................................................................................................................................................... Yes

48e. Name Screening against Adverse Media & Negative News ........................................................................................................... Yes

48f. Training and Education ........................................................................................................................................................... Yes

48g. Governance ........................................................................................................................................................................... Yes

48h. Management information ........................................................................................................................................................... Yes

49. Has the entity's AML & CTF Enterprise Wide Risk Assessment been conducted in the last 12 months? ........................................................................................................... Yes

50. Does the entity's sanctions Enterprise Wide Risk Assessment cover the inherent risk components detailed below:

50a. Client ......................................................................................................................................................................................... Yes

50b. Product ................................................................................................................................................................................... Yes

50c. Channel ................................................................................................................................................................................ Yes

50d. Geography ........................................................................................................................................................................... Yes

51. Does the entity's sanctions Enterprise Wide Risk Assessment cover the controls effectiveness components detailed below:
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>51a. Customer Due Diligence</td>
<td>Yes</td>
</tr>
<tr>
<td>51b. Transaction Screening</td>
<td>Yes</td>
</tr>
<tr>
<td>51c. Name Screening</td>
<td>Yes</td>
</tr>
<tr>
<td>51d. List Management</td>
<td>Yes</td>
</tr>
<tr>
<td>51e. Training and Education</td>
<td>Yes</td>
</tr>
<tr>
<td>51f. Governance</td>
<td>Yes</td>
</tr>
<tr>
<td>51g. Management information</td>
<td>Yes</td>
</tr>
<tr>
<td>52. Has the entity's sanctions Enterprise Wide Risk Assessment been conducted in the last 12 months?</td>
<td>Yes</td>
</tr>
<tr>
<td>53. Are all answers provided to CBDDQ Questions 47 - 53 representative of all the legal entity's branches?</td>
<td>Yes</td>
</tr>
<tr>
<td>53b. Any additional information/ context to CBDDQ Questions 47 - 53</td>
<td>Additional clarification to Question CBDDQ 53: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities and all HSBC countries are responsible for performing the inherent risk likelihood assessment for all applicable businesses / Assessment Units (AU) that reside in the country - including Affiliates - by responding to a standard questionnaire. Where local variations exist, these are factored in the EWRA methodology through the AUs answers to the Country Specific Risk section, which takes into account any specific risks not factored into the standard questionnaire.</td>
</tr>
<tr>
<td>54. Does the entity verify the identity of the customer?</td>
<td>Yes</td>
</tr>
<tr>
<td>55. Do the entity's policies and procedures set out when CDD must be completed, e.g., at the time of onboarding or within 30 days?</td>
<td>Yes</td>
</tr>
<tr>
<td>56. Which of the following does the entity gather and retain when conducting CDD:</td>
<td></td>
</tr>
<tr>
<td>56a. Ownership structure</td>
<td>Yes</td>
</tr>
<tr>
<td>56b. Customer identification</td>
<td>Yes</td>
</tr>
<tr>
<td>56c. Expected activity</td>
<td>Yes</td>
</tr>
<tr>
<td>56d. Nature of business/employment</td>
<td>Yes</td>
</tr>
<tr>
<td>56e. Product usage</td>
<td>Yes</td>
</tr>
<tr>
<td>56f. Purpose and nature of relationship</td>
<td>Yes</td>
</tr>
<tr>
<td>56g. Source of funds</td>
<td>Yes</td>
</tr>
<tr>
<td>56h. Source of wealth</td>
<td>Yes</td>
</tr>
<tr>
<td>57. Are each of the following identified:</td>
<td></td>
</tr>
<tr>
<td>57a. Ultimate Beneficial Ownership</td>
<td>Yes</td>
</tr>
<tr>
<td>57a1. Are ultimate beneficial owners verified</td>
<td>Yes</td>
</tr>
<tr>
<td>57b. Authorised signatories (where applicable)</td>
<td>Yes</td>
</tr>
<tr>
<td>57c. Key controllers</td>
<td>Yes</td>
</tr>
<tr>
<td>57d. Other controllers</td>
<td>Yes</td>
</tr>
<tr>
<td>57d. Other relevant parties</td>
<td>Yes</td>
</tr>
<tr>
<td>57d. Other type of relevant parties</td>
<td>The type of relevant party identified will depend on the customer type e.g. nominee companies; Settlor; Third Parties; Beneficiaries; Trustees etc.</td>
</tr>
<tr>
<td>58. At a minimum, what is the threshold applied to beneficial ownership identification?</td>
<td>25%</td>
</tr>
<tr>
<td>59. Does the due diligence process result in customers receiving a</td>
<td>Yes</td>
</tr>
</tbody>
</table>
risk classification? .................................................................

60. What factors/criteria are used to determine the customer's risk classification? .................................................................
    - Product usage
    - Geography
    - Business type / industry
    - Legal entity type
    - Adverse information
    - Other
    - Other

61. Does the entity have a risk based approach to screening customers for adverse media/negative news? .................................
    - Yes

62. When is it performed? ................................................................
    - At on-boarding
    - KYC renewal
    - Trigger event
    - Other

63. What is the method used by the entity to screen for adverse media/negative news? ..........................................................
    - Manual
    - Automated
    - Other
    - Other

64. Does the entity have a risk based approach to screening customers and connected parties to determine whether they are, or are controlled by PEPs? .................................................................
    - Yes

65. When is it performed? .................................................................
    - At on-boarding
    - KYC renewal
    - Trigger event
    - Other

66. What is the method used by the entity to screen PEPs? ..........
    - Manual
    - Automated
    - Other

67. Does the entity have policies, procedures and processes to review and escalate potential matches from screening customers and connected parties to determine whether they are PEPS, or controlled by PEPs? .................................................................
    - Yes

68. Does the entity have a process to review and update customer information based on:

68a. KYC renewal .................................................................
    - Yes

68b. Trigger Event .................................................................
    - Yes

69. Does the entity maintain and report metrics on current and past due periodic or trigger event due diligence reviews? ........
    - Yes

70. From the list below, which categories of customers or industries are subject to Enhanced Due Diligence (EDD) and/or are restricted, or prohibited by the entity's FCC programme?

70a. Non-account customers .................................................................
    - EDD & restricted on a risk based approach

70b. Non-resident customers .................................................................
    - EDD on a risk based approach

70c. Shell banks .................................................................
    - Prohibited

70d. MVTS / MSB customers .................................................................
    - EDD & restricted on a risk based approach

70e. PEPs .................................................................
    - EDD on a risk based approach

70f. PEP related .................................................................
    - EDD on a risk based approach

70g. PEP Close Associate .................................................................
    - EDD on a risk based approach

70h. Correspondent Banks .................................................................
    - EDD on a risk based approach
70h1. Does the EDD assessment contain the elements as set out in the Wolfsberg Correspondent Banking Principles 2014?  

Yes

70i. Arms, defence, military  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Additional high risk customer classification and due diligence, increased monitoring, customer selection and approval process. https://www.hsbc.com/who-we-are/our-climate-strategy/sustainability-risk

70j. Atomic power  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Restrictions will apply where a customer’s existing business is inconsistent with IAEA standards or practices listed under HSBC Energy (Sustainability Risk) policy, https://www.hsbc.com/who-we-are/our-climate-strategy/sustainability-risk

70k. Extractive industries  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Additional high risk customer classification and due diligence, increased monitoring, customer selection and approval process. https://www.hsbc.com/who-we-are/our-climate-strategy/sustainability-risk

70l. Precious metals and stones  

EDD on a risk based approach

70m. Unregulated charities  

EDD on a risk based approach

70n. Regulated charities  

EDD on a risk based approach

70o. Red light business / Adult entertainment  

EDD on a risk based approach

70p. Non-Government Organisations  

EDD on a risk based approach

70q. Virtual currencies  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Certain products prohibited; for certain customers, they must be equivalently regulated from an AML perspective, additional high risk customer classification and due diligence, increased monitoring, customer selection and approval process.

70r. Marijuana  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Direct relationships with customers in seed-to-sale supply chain are prohibited; indirect relationships with customers that provide products or services to those entities depend on a number of factors including nature of customer’s business, nature of products or services provided to such customer, and flow of funds.

70s. Embassies / Consulates  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

For certain Embassy Relationships, additional high risk customer classification and increased monitoring and approval process applies.

70t. Gambling  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Additional high risk customer classification and due diligence, increased monitoring, customer selection and approval process. Unlicensed or unregulated Gambling Operators are prohibited

70u. Payment Service Provider  

EDD & restricted on a risk based approach

71. Which restriction is applied?  

Dependent on type of PSP, its business profile and risk. All are subject to enhanced approval process.

70v. Are there other categories of customers or industries subject to EDD, restricted and/or prohibited by the AML programme?  

Yes - Entities or individuals that pose significant reputational risk to HSBC.

72. Does the entity perform an additional control or quality review on clients subject to EDD?  

Yes
73b. Additional clarification to Question CBDDQ 73: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.


74. Does the entity have risk based policies, procedures and monitoring processes for the identification and reporting of suspicious activity? Yes

75. What is the method used by the entity to monitor transactions for suspicious activities? Automated

76. What types of transactions are monitored manually? Manual

77. Does the entity have regulatory requirements to report suspicious transactions? Yes

77a. Does the entity have policies, procedures and processes to comply with suspicious transaction reporting requirements? Yes

78. Does the entity have policies, procedures and processes to review and escalate matters arising from the monitoring of customer transactions and activity? Yes

79. Are all answers provided to CBDDQ Questions 74-79 representative of all the legal entity's branches? Yes

79b. Additional clarification to Question CBDDQ 79: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.


80. Does the entity adhere to the Wolfsberg Group Payment Transparency Standards? Yes

81. Does the entity have policies, procedures and processes to (reasonably) comply with and have controls in place to ensure compliance with:

81a. FATF Recommendation 16 Yes

81b. Local Regulations Yes

81b1. Which regulation? Funds Transfer and Travel Rule 31 CFR 1020.410 (a) (banks) and 1010.410 (e) (broker-dealers)

82. Does the entity have processes in place to respond to Request for Information (RFIs) from other entities in a timely manner? Yes

83. Does the Entity have controls to support the inclusion of required and accurate originator information in international payment messages? Yes

84. Does the Entity have controls to support the inclusion of required beneficiary in international payment messages? Yes
85. Are all answers provided to CBDDQ Questions 80 - 85 representative of all the legal entity’s branches? Yes

85b. Any additional information/ context to CBDDQ Questions 80 - 85

Additional clarification to Question CBDDQ 85: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.

86. Does the entity have a Sanctions Policy approved by management regarding compliance with sanctions law applicable to the entity, including with respect to its business conducted with, or through accounts held at foreign financial institutions? Yes

87. Does the entity have policies, procedures, or other controls reasonably designed to prevent the use of another entity’s accounts or services in a manner causing the other entity to violate sanctions prohibitions applicable to the other entity (including prohibitions within the other entity’s local jurisdiction)? Yes

88. Does the entity have policies, procedures or other controls reasonably designed to prohibit and/or detect actions taken to evade applicable sanctions prohibitions, such as stripping, or the resubmission and/or masking, of sanctions relevant information in cross border transactions? Yes

89. Does the entity screen its customers, including beneficial ownership information collected by the entity, during onboarding and regularly thereafter against Sanctions Lists? Yes

90. What is the method used by the entity for the sanctions screening process? Automated

91. Does the entity screen all sanctions relevant data, including at a minimum, entity and location information, contained in cross border transactions against Sanctions Lists? Yes

92. What is the method used by the entity for the sanctions screening process? Automated

93. What are the sanctions lists used by the entity in its sanctions screening processes?

93a. Consolidated United Nations Security Council Sanctions List (UN) Used for screening customers and beneficial owners (i.e. reference data)
Used for filtering transactional data (MT fields)
Used for screening customers and beneficial owners and for filtering transactional data
Not used
Other

93b. United States Department of the Treasury's Office of Foreign Assets Control (OFAC) Used for screening customers and beneficial owners (i.e. reference data)
Used for filtering transactional data (MT fields)
Used for screening customers and beneficial owners and for filtering transactional data
Not used
Other
93c. Office of Financial Sanctions Implementation HMT (OFSI) Used for screening customers and beneficial owners (i.e. reference data) Used for filtering transactional data (MT fields) Used for screening customers and beneficial owners and for filtering transactional data Not used Other

93d. European Union Consolidated List (EU) Used for screening customers and beneficial owners (i.e. reference data) Used for filtering transactional data (MT fields) Used for screening customers and beneficial owners and for filtering transactional data Not used Other

93e. Lists maintained by other G7 member countries Used for screening customers and beneficial owners (i.e. reference data) Used for filtering transactional data (MT fields) Used for screening customers and beneficial owners and for filtering transactional data Not used Other

93f. Any other sanctions list used by the entity in its sanctions screening process? Screening customers and transactions globally against the sanctions lists issued by the UN, OFAC, EU, the United Kingdom and Hong Kong. Lists issued by G7 countries screened only in the applicable jurisdiction. Screening locally against other sanctions lists that apply to HSBC’s operations in a particular jurisdiction.

95. When regulatory authorities make updates to their Sanctions list, how many business days before the Entity updates their active manual and/or automated screening systems against:

95a. Customer Data Same day to 2 business days

95b. Transactions Same day to 2 business days

96. Does the entity have a physical presence, e.g., branches, subsidiaries, or representative offices located in countries/regions against which UN, OFAC, OFSI, EU and G7 member countries have enacted comprehensive jurisdiction-based Sanctions? No

97. Are all answers provided to CBDDQ Questions 86 - 97 representative of all the legal entity’s branches? Yes

97b. Any additional information/ context to CBDDQ Questions 86-97 Additional clarification to Question CBDDQ 90: There are a small number of instances where manual screening of Customers is undertaken (subject to governance being in place (e.g. Dispensation or Country Sanctions Policy)) but generally screening is undertaken at on-boarding and periodically using an automated solution.

Additional clarification to Question "Does the entity screen its customers, including beneficial ownership information collected by the entity, during onboarding and regularly thereafter against Sanctions Lists? How often are customers screened?": Ongoing and daily screening on Customers and Connected parties is performed on delta changes.

Additional clarification to Question CBDDQ 92: There are a small number of instances where manual screening of Transactions is undertaken (subject to governance
being in place (e.g. Dispensation or Country Sanctions Policy)) but generally screening is undertaken using an automated solution.

Additional clarification to Question CBDDQ 93e: Lists issued by relevant competent authorities in the UK (e.g. HMT's OFSI) and the US (e.g. OFAC) are screened against customers and transactions globally. Lists issued by the relevant competent authorities in the remaining G7 countries (Japan, Canada, France, Italy and Germany) are screened only in the applicable jurisdictions.”

Additional clarification to Question CBDDQ 97: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.


98. Does the entity provide mandatory training, which includes:

98a. Identification and reporting of transactions to government authorities ................................................................. Yes

98b. Examples of different forms of money laundering, terrorist financing and sanctions violations relevant for the types of products and services offered ................................................................. Yes

98c. Internal policies for controlling money laundering, terrorist financing and sanctions violations ................................................................. Yes

98d. New issues that occur in the market, e.g., significant regulatory actions or new regulations ................................................................. Yes

98e. Conduct and Culture ................................................................. Yes

99. Is the above mandatory training provided to:

99a. Board and senior committee management ................................................................. Yes

99b. 1st Line of Defence ................................................................. Yes

99c. 2nd Line of Defence ................................................................. Yes

99d. 3rd Line of Defence ................................................................. Yes

99e. 3rd parties to which specific Financial Crime Compliance activities have been outsourced ................................................................. Yes

99f. Non-employed workers (contractors/consultants) ................................................................. Yes

100. Does the entity provide AML, Sanctions & CTF training that is targeted to specific roles, responsibilities and HR products, services and activities? ................................................................. Yes

101. Does the entity provide customised training for AML and Sanctions staff? ................................................................. Yes

102. Are all answers provided to CBDDQ Questions 98 - 102 representative of all the legal entity's branches? ................................................................. Yes

102b. Any additional information/ context to CBDDQ Questions 98-102 .................................................................

Additional clarification to Question CBDDQ 102: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these.
<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>103. Are the entity's KYC processes and documents subject to quality assurance testing?</td>
<td>Yes</td>
</tr>
<tr>
<td>104. Does the entity have a programme wide risk based and independent Quality Assurance or Compliance Testing process (separate to the independent Audit function)?</td>
<td>Yes</td>
</tr>
<tr>
<td>105. Are all answers provided to CBDDQ Questions 103 - 105 representative of all the legal entity's branches?</td>
<td>Yes</td>
</tr>
<tr>
<td>105b. Any additional information/ context to CBDDQ Questions 103-105</td>
<td>Additional clarification to Question CBDDQ 105: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these. <a href="https://www.hsbc.com/who-we-are/esg-and-responsible-business/fighting-financial-crime/financial-crime-risk-policies">Link</a></td>
</tr>
<tr>
<td>106. In addition to inspections by the government supervisors/regulators, does the entity have an internal audit function, a testing function or other independent third party, or both, that assesses FCC AML, CTF and Sanctions policies and practices on a regular basis?</td>
<td>Yes</td>
</tr>
<tr>
<td>107. How often is the entity audited on its AML, CTF &amp; Sanctions programme by the following:</td>
<td></td>
</tr>
<tr>
<td>107a. Internal Audit Department</td>
<td>Component based reviews</td>
</tr>
<tr>
<td>107b. External Third Party</td>
<td>Yearly</td>
</tr>
<tr>
<td>108. Does the internal audit function or other independent third party cover the following areas:</td>
<td></td>
</tr>
<tr>
<td>108a. AML &amp; Sanctions policy and procedures</td>
<td>Yes</td>
</tr>
<tr>
<td>108b. KYC/CDD/EDD and underlying methodologies</td>
<td>Yes</td>
</tr>
<tr>
<td>108c. Transaction Monitoring</td>
<td>Yes</td>
</tr>
<tr>
<td>108d. Transaction Screening including for Sanctions</td>
<td>Yes</td>
</tr>
<tr>
<td>108e. Name Screening &amp; List Management</td>
<td>Yes</td>
</tr>
<tr>
<td>108f. Training &amp; Education</td>
<td>Yes</td>
</tr>
<tr>
<td>108g. Technology</td>
<td>Yes</td>
</tr>
<tr>
<td>108h. Governance</td>
<td>Yes</td>
</tr>
<tr>
<td>108i. Reporting/Metrics &amp; Management Information</td>
<td>Yes</td>
</tr>
<tr>
<td>108j. Suspicious Activity Filing</td>
<td>Yes</td>
</tr>
<tr>
<td>108k. Enterprise Wide Risk Assessment</td>
<td>Yes</td>
</tr>
<tr>
<td>108l. Other area</td>
<td>N/A</td>
</tr>
<tr>
<td>109. Are adverse findings from internal &amp; external audit tracked to completion and assessed for adequacy and completeness?</td>
<td>Yes</td>
</tr>
<tr>
<td>110. Are all answers provided to CBDDQ Questions 106 - 110 representative of all the legal entity's branches?</td>
<td>Yes</td>
</tr>
<tr>
<td>110b. Any additional information/ context to CBDDQ Questions 106-110</td>
<td>Additional clarification to Question CBDDQ 110: HSBC AML and Sanctions Policies apply globally to HSBC Holdings PLC and its wholly and majority owned or controlled entities. Where local variations exist to comply with local laws and regulations, the applicable HSBC Entity has published a separate CBDDQ detailing these. <a href="https://www.hsbc.com/who-we-are/esg-and-responsible-business/fighting-financial-crime/financial-crime-risk-policies">Link</a></td>
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Declaration Statement

Wolfsberg Group Correspondent Banking Due Diligence Questionnaire 2020 (CBDDQ V1.3)
Declaration Statement (To be signed by Global Head of Correspondent Banking or equivalent position holder AND Group Money Laundering Prevention Officer, Global Head of Anti-Money Laundering, Chief Compliance Officer, Global Head of Financial Crimes Compliance OR equivalent)

HSBC BANK USA, NATIONAL ASSOCIATION

(Financial Institution name) is fully committed to the fight against financial crime and makes every effort to remain in full compliance with all applicable financial crime laws, regulations and standards in all of the jurisdictions in which it does business and holds accounts.

The Financial Institution understands the critical importance of having effective and sustainable controls to combat financial crime in order to protect its reputation and to meet its legal and regulatory obligations.

The Financial Institution recognises the importance of transparency regarding parties to transactions in international payments and has adopted/is committed to adopting these standards.

The Financial Institution further certifies it complies with / is working to comply with the Wolfsberg Correspondent Banking Principles and the Wolfsberg Trade Finance Principles. The information provided in this Wolfsberg CBDDQ will be kept current and will be updated no less frequently than on an annual basis.

The Financial Institution commits to file accurate supplemental information on a timely basis.

MICHAEL M. ROBERTS, HSBC BANK USA (Global Head of Correspondent Banking or equivalent), certify that I have read and understood this declaration, that the answers provided in this Wolfsberg CBDDQ are complete and correct to my honest belief, and that I am authorised to execute this declaration on behalf of the Financial Institution.

KEVIN J. LAMPER, Head of FC and BSA/AML (MLRO or equivalent), certify that I have read and understood this declaration, that the answers provided in this Wolfsberg CBDDQ are complete and correct to my honest belief, and that I am authorised to execute this declaration on behalf of the Financial Institution.

(Signature & Date)

27 February 2023

(Signature & Date)

27 February 2023