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HSBC SWISS PRIVATE BANK SETTLES LEGACY INVESTIGATION WITH US DEPARTMENT OF JUSTICE

GENEVA – HSBC Private Bank (Suisse) SA ('HSBC Swiss Private Bank') has reached a settlement with the U.S. Department of Justice to resolve an investigation into its legacy business with U.S. clients.

Under the three-year deferred prosecution agreement that relates to activities from at least 2000 to 2010, HSBC Swiss Private Bank will pay US\$192.35 million to the U.S. authorities. The amount has been fully provisioned.

HSBC Swiss Private Bank proactively contacted the Justice Department a number of years before the U.S.-Swiss Bank Program was announced in 2013 and self-reported its past activities. It has cooperated extensively with U.S. authorities, in compliance with Swiss law, to bring this investigation to a close.

"We are pleased to resolve this legacy matter. Over the past decade we have strengthened our compliance function, enhanced our control framework and put in place a comprehensive client tax transparency policy," said Alex Classen, CEO of HSBC Private Bank (Suisse) SA.

"Today the Swiss subsidiary operates under new management and is focused on a smaller set of markets and clients. Based on this strong foundation, and as the longstanding U.S. investigation comes to a close, HSBC's Swiss subsidiary is fully focused on growing its business in a sustainable way," Classen said.

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Note to editors:

About HSBC Private Banking

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