

11 December 2017

HSBC HOLDINGS PLC EXPIRATION OF 2012 DEFERRED PROSECUTION AGREEMENT

HSBC Holdings Plc (“HSBC”) today announced that its five-year Deferred Prosecution Agreement (“DPA”) entered on 11 December 2012 with the US Department of Justice has expired. HSBC lived up to all of its commitments, and, therefore, under the DPA, the Department of Justice will file a motion with the US District Court for the Eastern District of New York seeking the dismissal of the charges deferred by the agreement.

HSBC is pleased that the Department of Justice has recognised HSBC’s progress in strengthening its anti-money laundering and sanctions compliance capabilities over the past five years. HSBC is working to ensure that the reforms it has put in place are both effective and sustainable over the long-term, and, given the increasing sophistication of criminal networks that seek to circumvent banks’ controls, HSBC intends for its programme to evolve and improve further over time. HSBC’s work in this area will continue to be consistent with its strategic objective of implementing the highest or most effective standards to combat financial crime across its operations globally.

“HSBC is able to combat financial crime much more effectively today as the result of the significant reforms we have implemented over the last five years. We are committed to doing our part to protect the integrity of the global financial system, and further improvements to our own capability and contributions toward the partnerships we have established with governments in this area will remain a top priority for the Bank into 2018 and beyond,” said Chief Executive Stuart Gulliver.

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Under the DPA, an independent compliance monitor was appointed in July 2013 to produce annual assessments of the effectiveness of the Group's anti-money laundering and sanctions compliance programme. The Monitor has also been serving since July 2013 as HSBC's Skilled Person under a 2012 Direction issued by the UK Financial Conduct Authority and will continue in that capacity for a period of time at the FCA's discretion.

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Note to editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,526bn at 30 September 2017, HSBC is one of the world's largest banking and financial services organisations.

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