

## HSBC Private Bank (Suisse) SA victim of data theft and apologises to clients

**11 March 2010**

HSBC Private Bank (Suisse) SA (the 'bank') today reported on the extent of a serious data theft in Switzerland affecting a proportion of its Swiss-based accounts. Earlier this month, the Swiss authorities passed data files to the bank which showed that client information had been compromised. As a result, the bank is contacting customers to explain and apologise for the threat to their privacy. The bank does not believe that the stolen data has or will allow any third party to access any client account.

It is now clear that the theft, which was perpetrated by a former IT employee about three years ago, involves approximately 15,000 existing clients who had accounts with the bank in Switzerland before October 2006. The stolen client information is limited to accounts in Switzerland, excluding ex-HSBC Guyerzeller accounts. There is no data compromised for any branches of the bank outside Switzerland, which operate on separate systems and security, or other entities within the HSBC Group,

"We deeply regret this situation and unreservedly apologise to our clients for this threat to their privacy," said Alexandre Zeller, CEO of HSBC Private Bank (Suisse) SA. "We are determined to protect our clients' interests and are taking every necessary measure to do so, actively contacting all our clients with Swiss-based accounts."

Copies of a significant portion of the data were returned to the bank on 3 March 2010 by the Swiss Federal Prosecutor. The French authorities had previously seized the files from the former IT employee, who absconded from Switzerland while under investigation, before passing copies to the Swiss Federal Prosecutor.

The bank is doing its utmost to ensure that this cannot happen again and has already made significant improvements to its security, spending over SFR100 million to upgrade systems and improve security.

The bank is cooperating with the Swiss authorities and continues its own investigations, and a criminal investigation led by the Swiss Federal Prosecutor is underway. The Swiss authorities confirmed to us that they will not support the use of the stolen data to answer requests from foreign authorities. The French authorities have informed the Swiss authorities that the data they hold will not be used inappropriately.

Private Banking is a core business of the HSBC Group. The strength of HSBC's brand, capital position and extensive global network provides a foundation from which Private Banking will continue to deliver professional and personal services in Switzerland and the rest of the world.