



HSBC HOLDINGS PLC

The following is the text of an announcement released to the other stock exchanges on which HSBC Holdings plc is listed.

15 December 2008

MADOFF INVESTMENT SECURITIES LLC

HSBC notes various articles appearing in the press today regarding the Group's exposure to the alleged fraud at Madoff Investment Securities LLC ("Madoff"), which is under criminal investigation in the USA.

In the interests of clarity, HSBC confirms that it has provided financing to a small number of institutional clients who invested in funds with Madoff. On the basis of information presently available, HSBC is of the view that the potential exposure under these financing transactions is in the region of US\$1 billion.

Also, in the context of its normal global custody business, HSBC has custody clients who have invested with Madoff. HSBC does not believe that these custodial arrangements should be a source of exposure to the Group.

ends/more

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The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from more than 9,500 offices in 85 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,547 billion at 30 June 2008, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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The Board of Directors of HSBC Holdings plc as at the date of this announcement are: S K Green, M F Geoghegan, S A Catz[†], V H C Cheng, J D Coombe[†], J L Durán[†], R A Fairhead[†], D J Flint, A A Flockhart, W K L Fung*, S T Gulliver, J W J Hughes-Hallett[†], W S H Laidlaw[†], J R Lomax[†], Sir Mark Moody-Stuart[†], G Morgan[†], N R N Murthy[†], S M Robertson[†], J L Thornton[†] and Sir Brian Williamson[†].

[†] Independent non-executive Director

* Non-executive Director

Hong Kong Stock Code: 5