

2 July 2008

HSBC AND BFBP COMPLETE SALE OF SEVEN FRENCH REGIONAL BANKS

HSBC France has completed the sale of its seven French regional banks to Banque Fédérale des Banques Populaires ("BFBP") for €2.1 billion.

The seven banks are Société Marseillaise de Crédit, Banque de Savoie, Banque Chaix, Banque Marze, Banque Dupuy, de Parseval, Banque Pelletier and Crédit Commercial du Sud Ouest. They have 2,950 employees in 400 branches serving 425,000 customers and will retain their brands within BFBP's decentralised management structure.

In 2007¹, the Regional Banks generated total operating income of €440 million and net income of €100 million. At 31 December 2007¹, shareholders' equity stood at €64 million and total assets at €8,380 million.

Following the acquisition, BFBP will retain 100 per cent of Société Marseillaise de Crédit. For the other six banks, a 51 per cent stake will be sold shortly after acquisition to the relevant regional bank of the Banques Populaires Group: Banque Populaire Provençale et Corse for Banque Chaix; Banque Populaire du Sud-Ouest for CCSO and Banque Pelletier; Banque Populaire des Alpes for Banque de Savoie; and Banque Populaire du Sud for Banque Dupuy, de Parseval and Banque Marze.

Media enquiries to:

HSBC France
Chantal Nedjib
Head of Corporate Communications
+33 1 40 70 77 29
chantal.nedjib@hsbc.fr

Sophie Ricord
Senior Press Relations Manager
+33 1 40 70 33 05
sophie.ricord@hsbc.fr

Footnote

1. Aggregated financial information for 2007, under IFRS, before adjustment for the sale of nine branches of Société Marseillaise de Crédit to HSBC France.

About Groupe Banque Populaire

Groupe Banque Populaire is a mutual bank active in all segments of the retail banking business. It comprises twenty Banques Populaires (18 Regional Banques Populaires, Casden Banque Populaire and Crédit Coopératif) as well as Crédit Maritime Mutuel and the mutual guarantee companies. With 7.8 million customers and 2,938 branches, it is one of the main banking networks in France. In 2007, Groupe Banque Populaire generated net banking income of €7.4 billion and net profit attributable to the group of €1 billion. At 31 December 2007, the group had Tier One capital of €19.8 billion.

The HSBC Group and HSBC in France

HSBC Holdings plc serves over 128 million customers worldwide through around 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of some US\$2,354 billion at 31 December 2007, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'. For France, HSBC posted a total operating income of €3,089 millions for 2007, and develops activities of universal banking for personal and corporate customers, capitalizing on the Group's differentiating assets.