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HSBC TO DISPOSE OF 18.68 PER CENT INTEREST IN FINANCIERA INDEPENDENCIA, MEXICO

HSBC Overseas Holdings UK Limited (“HSBC”), a wholly owned subsidiary of HSBC Holdings plc, has signed an agreement to dispose of its entire stake of 126,999,000 shares, equivalent to 18.68 per cent of the total issued share capital, in Financiera Independencia S.A.B. de C.V. SOFOM, E.N.R. (“Independencia”). The total consideration payable for HSBC’s interest in Independencia will be MXP1,568 million (US\$145 million).

Independencia is a Mexican consumer lender with over 1,000,000 customers. HSBC acquired a stake in Independencia in 2006 and the two companies have since worked together successfully to develop products and services for Mexican consumers. HSBC has now decided to focus on its core Mexican retail financial services business.

Under an existing agreement between the controlling shareholders of Independencia and HSBC, two trusts – JP Morgan F/00474 and JPMorgan F/00479 (“the trusts”) – will acquire 76,999,000 shares, 11.32 per cent of the issued share capital of Independencia, from HSBC for a consideration of MXP951 million (US\$88 million).

At the same time, Independencia will seek shareholders’ approval for a reduction of the issued share capital of the company from 680 to 630 million shares – equivalent to HSBC’s remaining 50 million shares – at a redemption price of MXP12.35 per share, the same price at which the trusts will acquire shares directly from HSBC. Any shares retained by HSBC after the reduction will be acquired by the trusts at MXP12.35 per share.

Following the sale, the existing shareholders’ agreement between HSBC and the controlling shareholders of Independencia will be terminated. Completion is expected on or before 30 November 2008.

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Notes to editors:

1. 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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