

21 April 2009

HSBC AND BRITISH ARAB COMMERCIAL BANK

HSBC confirms that it has been in discussions concerning a reorganisation of the shareholdings in British Arab Commercial Bank Limited (BACB), including a possible reduction in the interest held by HSBC, which would be subject to approvals from BACB's shareholders and regulators in a number of countries. These discussions continue and no decision has been made. HSBC will make a further statement if or when appropriate.

HSBC is the largest international bank operating in the Middle East and North Africa region and the region remains a key element of the Group's strategic focus on fast-growing markets. For the year ended 31 December 2008, HSBC in the Middle East reported profit before tax of US\$1,746 million, a 34 per cent increase compared with the previous year (2007: US\$1,307 million).

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Notes to editors:

1. HSBC Bank Middle East Limited (HSBC)

HSBC is the largest and most widely represented international bank in the Middle East. HSBC has 46 branches throughout the United Arab Emirates, Oman, Bahrain, Qatar, Kuwait, Jordan, Lebanon, Pakistan and the Palestinian Autonomous Area. In addition to the branch network the Bank maintains representative offices in Tehran, Iran and Tripoli, Libya. This extensive regional coverage is strengthened by other members of the HSBC Group, HSBC Bank Egypt SAE and Dar Es Saalam Investment Bank; and by its associated companies: The Saudi British Bank; British Arab Commercial Bank Limited; HSBC Saudi Arabia Limited; SABB Securities Limited; and SABB Takaful Co.

2. British Arab Commercial Bank Limited

Established in London in June 1972, BACB is a leading provider of trade and project finance for Arab markets. The bank's largest single shareholder is HSBC Bank Middle East, a principal member of the HSBC Group. BACB's other shareholders comprise central banks and state-owned commercial financial institutions from the Arab world:

Shareholder	% Current Ownership
HSBC Bank Middle East Limited, Jersey	48.93
Libyan Foreign Bank, Libya	26.29
Central Bank of Egypt, Egypt	8.26
Bank Al-Maghrib, Morocco	8.26
Banque Extérieure d'Algérie, Algeria	8.26
	100.00

3. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,527 billion at 31 December 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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