

18 June 2010

HSBC SELLS BRITISH ARAB COMMERCIAL BANK SHAREHOLDING

HSBC Bank Middle East Limited ('HBME') has agreed to sell its 48.9 per cent shareholding in British Arab Commercial Bank PLC ('BACB') to Libyan Foreign Bank ('LFB') for £56.7 million (approximately \$82.8 million) in cash.

As a result of the transaction, which is expected to complete in the fourth quarter of 2010, LFB will be the majority shareholder in BACB with a shareholding of 75.2 per cent.

The transaction is subject to regulatory and other approvals.

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Notes to editors:

1. HSBC Bank Middle East Limited

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, Algeria, 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 another member of the HSBC Group, HSBC Bank Egypt SAE; and by its associated companies: The Saudi British Bank; HSBC Saudi Arabia Limited; SABB Securities Limited; SABB Takaful Co.; and Dar Es Saalam Investment Bank.

2. British Arab Commercial Bank

Established in London in June 1972, BACB is a leading provider of trade and project finance for Arab markets. Building on a successful track record in the Arab Mediterranean region, market coverage has expanded steadily in recent years and the bank is now able to handle business throughout the Gulf.

3. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,000 offices in 88 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,364 billion at 31 December 2009, 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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