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HSBC TO SELL MAJORITY STAKE IN GLOBAL REAL ESTATE AND INFRASTRUCTURE PRIVATE EQUITY FUND MANAGEMENT BUSINESS

HSBC, through its wholly owned subsidiary HSBC Specialist Investments Limited, has agreed to sell 80.1 per cent of its UK-based global real estate and infrastructure private equity fund management business to the unit's senior management team. The business had consolidated gross assets of approximately £35.1 million (\$52.6 million) at 30 June 2010.

HSBC will retain a 19.9 per cent interest in the business, which will be renamed on completion.

Completion of the transaction, which is expected at the end of the first quarter of 2011, is conditional upon obtaining regulatory approvals and other consents.

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Notes to editors:

1. HSBC's global real estate and infrastructure private equity fund management business

The business is an indirectly held, wholly-owned division of HSBC Holdings plc. It invests equity capital on behalf of HSBC and third party investors in the Infrastructure and Real Estate sectors. It currently manages equity commitments of approximately US\$4 billion.

The business operates from offices in London, Hong Kong, New York and Paris. To date it has raised eleven funds and is the investment adviser to HSBC Infrastructure Company Limited, the infrastructure company listed on the London Stock Exchange.

2. HSBC Holdings plc

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 87 countries and territories in Europe, the Asia-Pacific region, North America, Latin America and the Middle East. With assets of US\$2,418 billion at 30 June 2010, 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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