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HSBC ESTABLISHES STRATEGIC ALLIANCE IN ENERGY TRADING WITH TOTSA

HSBC Bank plc ('HSBC') today announced the establishment of a strategic alliance in energy trading with Total Oil Trading SA ('TOTSA'), the trading arm of Total. The alliance will open up new segments of the markets to both partners and will enable HSBC to offer energy-specific OTC derivative products to its clients. The alliance aims to deliver strong, sustainable and worldwide solutions starting with crude oil and petroleum products. Discussions continue regarding the development of further energy products by the alliance.

Each partner will focus on its core expertise: deal origination and credit risk management for HSBC; and oil trading for TOTSA. HSBC will benefit from TOTSA's experience in managing exposure to energy by combining physical infrastructure and risk management capabilities to deliver energy derivatives. HSBC will retain the relationship with its clients and the associated counterparty risks. The alliance will be placed under the joint supervision of senior executives from the two companies.

Samir Assaf, Head of Global Markets at HSBC, said: "The suite of products stemming from this alliance will represent a very important component of the overall product offering to our clients, many of whom are based in emerging markets where commodities play a crucial role in economic development. The alliance will support their risk management, investment, and financing needs."

HSBC and TOTSA have agreed the terms of the alliance, are finalising the initial product suite and operational platform, and expect to offer the first products in the next few months, subject to any necessary regulatory approvals or authorisations.

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Note to editors:

1. 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 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'.

HSBC Global Banking and Markets is an emerging markets-led and financing-focused business that provides tailored financial solutions to major government, corporate and institutional clients worldwide. Global Banking and Markets has offices in more than 60 countries and territories. Managed as a global business, it offers clients geographic reach and deep local knowledge.

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