

25 May 2010

NOTICE OF REDEMPTION BY HSBC CAPITAL FUNDING (DOLLAR 1) L.P. ('THE LIMITED PARTNERSHIP')

NOTICE TO HOLDERS OF THE US\$1,350 MILLION 9.547 PER CENT NON-CUMULATIVE STEP-UP PERPETUAL PREFERRED SECURITIES (THE 'PREFERRED SECURITIES') ISSUED BY THE LIMITED PARTNERSHIP ON 17 APRIL 2000 (REG S ISIN: USG4637HAA61 AND RULE 144A ISIN: US40427LAA26)

Notice is hereby given to the holders of the Preferred Securities that, pursuant to the terms and conditions of the 9.547 per cent Non-cumulative Step-up Preferred Securities, HSBC (General Partner) Limited, in its capacity as general partner of the Limited Partnership, will exercise its right to redeem all of the Preferred Securities on 30 June 2010.

Accordingly, on 30 June 2010 all of the Preferred Securities issued by the Limited Partnership shall be redeemed in whole for cash at a redemption price equal to the Optional Redemption Price (as such term is defined in the Limited Partnership Agreement relating to the Preferred Securities).

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Note to editors:

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'.

ends/all