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GRUPO FINANCIERO HSBC, S.A. DE C.V. TO SELL HSBC AFORE, S.A. TO PRINCIPAL FINANCIAL GROUP, S.A. DE C.V.

Grupo Financiero HSBC, S.A. de C.V. has signed an agreement to sell HSBC Afore, S.A. de C.V., its pension funds management business, to Principal Financial Group, S.A. de C.V. ('Principal') for a cash consideration of Mexican Pesos 2,360m (approximately US\$198m).

Grupo Financiero HSBC and Principal will work together to ensure a smooth transition and have agreed to establish an exclusive distribution agreement, under which Principal will continue the sale and servicing of its pension fund products through the Grupo Financiero HSBC retail banking network in Mexico.

The transaction, which is subject to regulatory approvals, is expected to be completed in the third quarter of 2011.

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Note to editors:

HSBC Afore, S.A. de C.V. is fully owned by Grupo Financiero HSBC, S.A. de C.V., one of the leading financial groups in Mexico with 1,144 branches, 6,331 ATMs, approximately eight million total customer accounts and more than 20,000 employees.

Grupo Financiero HSBC, S.A. de C.V. is a 99.99% directly owned subsidiary of HSBC Latin America Holdings (UK) Limited, which is a wholly owned subsidiary of HSBC Holdings plc, and a member of the HSBC Group. With around 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa and assets of US\$2,455bn at 31 December 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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