

24 January 2012

HSBC AGREES SALE OF ITS BUSINESSES IN COSTA RICA, EL SALVADOR AND HONDURAS

****HSBC to sell the businesses for a consideration of US\$801m***
Branches continue to offer full customer services during transition*

HSBC Bank (Panama) S.A., an indirect, wholly owned subsidiary of HSBC Holdings plc (“HSBC”), has entered into an agreement to sell the whole of its banking operations in Costa Rica, El Salvador and Honduras to Banco Davivienda S.A. (“Davivienda”), a Colombian-listed banking group, for a total consideration of US\$801m in cash. The transaction is subject to regulatory and other approvals and is expected to complete in the fourth quarter of 2012.

The sale represents further progress in HSBC's execution of the strategy set out in May 2011. Commenting on the transaction, Antonio Losada, CEO-designate of HSBC Latin America, said: “We are pleased to have reached this agreement. The transaction demonstrates our commitment to driving growth and improving returns in Latin America by divesting of businesses that do not meet our investment criteria. I would like to thank the management teams and employees for their dedication and wish them every success for the future.”

HSBC is pleased to be working with Davivienda, Colombia's third-largest bank, on this transaction, given its strong commitment to building a presence in Central America and to maintaining relationships with HSBC's staff and customers.

As at 30 September 2011, the businesses consisted of 136 branches across the three countries and held approximately US\$4.3bn of assets and US\$2.5bn in loans.

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HSBC agrees sale of its businesses in Costa Rica, El Salvador and Honduras/2

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Notes to editors:

'HSBC' means HSBC Holdings plc or one of the Latin American companies in the HSBC Group, as the context may require.

1. HSBC Costa Rica

HSBC Costa Rica serves retail, commercial and corporate banking clients from 29 branches. It had total assets of US\$1.4bn at 30 September 2011.

2. HSBC El Salvador

HSBC El Salvador serves retail, commercial, corporate and insurance clients from 57 branches. It had total assets of US\$1.9bn at 30 September 2011.

3. HSBC Honduras

HSBC Honduras serves retail, commercial, corporate banking and insurance clients from 50 branches. It had total assets of US\$1.0bn at 30 September 2011.

4. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,500 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, the Middle East and Africa. With assets of US\$2,716bn at 30 September 2011, HSBC is one of the world's largest banking and financial services organisations.

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