

11 May 2012

HSBC AGREES TO SELL ITS BUSINESSES IN COLOMBIA, PERU, URUGUAY AND PARAGUAY

HSBC Latin America Holdings (UK) Limited, together with other wholly owned subsidiaries of HSBC Holdings plc ('HSBC Group companies'¹), has entered into an agreement with the Colombian banking entity controlled by the Gilinski Group², Banco GNB Sudameris S.A., to sell the HSBC Group's businesses in Colombia, Peru, Uruguay and Paraguay for a total consideration of US\$400m in cash, subject to adjustment to reflect the net asset value in each of the businesses at completion.

These transactions are subject to the requisite regulatory approvals in each jurisdiction, as well as other conditions. The sales of the businesses in Colombia and Peru are expected to complete in the fourth quarter of 2012 and the sales of the businesses in Uruguay and Paraguay are expected to complete in the first quarter of 2013.

These transactions represent further progress in the execution of the HSBC Group strategy. Antonio Losada, President and CEO of HSBC Latin America and the Caribbean, said: "We are pleased to have reached this agreement with Banco GNB Sudameris as we seek to focus on our operations where we see the greatest potential for sustainable growth for HSBC. I would like to thank the management teams and employees for their dedication and wish them every success for the future."

At 31 December 2011, the businesses to be sold had 62 branches across the four countries and a gross asset value of US\$4.4bn.

Media enquiries to:

Enrique de la Madrid	+5255 5721 3723	enrique.delamadrid@hsbc.com.mx
Lyssette Bravo	+5255 5721 2888	lyssette.bravo@hsbc.com.mx
Brendan McNamara	+44 20 7991 0655	brendan.mcnamara@hsbc.com

Investor relations enquiries to:

London		
Guy Lewis	+44 (0)20 7992 1938	guylewis@hsbc.com
Robert Quinlan	+44 (0)20 7991 3643	robert.quinlan@hsbc.com
Hong Kong		
Hugh Pye	+852 2822 4908	hugh.pye@hsbc.com

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Footnote:

¹ The HSBC Group companies that are parties to the agreement are: Colombia - HSBC Bank (Panama) and HSBC Securities (Panama); Peru - HSBC Latin America Holdings (UK) Ltd. ('HLAH') and HSBC Inversiones; Paraguay - HLAH and HSBC Servicios e Participaciones; and Uruguay – HLAH.

² Banco GNB Sudameris is controlled by the Gilinski Group. Jaime Gilinski is a party to the sale agreement.

Notes to editors:

1. Uruguay

HSBC in Uruguay serves retail, commercial, corporate banking and insurance clients from 11 branches and had gross assets of US\$1.0bn at 31 December 2011.

2. Paraguay

HSBC in Paraguay serves retail, commercial, corporate banking and insurance clients from seven branches and had gross assets of US\$0.6bn at 31 December 2011.

3. Colombia

HSBC in Colombia serves retail, commercial, corporate banking and insurance clients from 20 branches and had gross assets of US\$1.5bn at 31 December 2011.

4. Peru

HSBC in Peru serves retail, commercial, corporate banking and insurance clients from 24 branches and had gross assets of US\$1.3bn at 31 December 2011.

5. The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,200 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, and the Middle East and North Africa. With assets of US\$2,637bn at 31 March 2012, the HSBC Group is one of the world's largest banking and financial services organisations.

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