

30 December 2009

**HSBC IN NEW ZEALAND IS A PARTICIPANT
IN THE REVISED NEW ZEALAND GOVERNMENT
RETAIL DEPOSIT GUARANTEE SCHEME**

HSBC in New Zealand is a participant in the revised New Zealand Government Retail Deposit Guarantee Scheme, which is effective 1 January 2010.

A replacement Crown Deed of Guarantee for the scheme has been signed by the Crown and The Hongkong and Shanghai Banking Corporation, incorporated in Hong Kong SAR acting through its New Zealand branch.

The changes made by the Crown are designed to continue to protect current depositors of participating financial institutions while clarifying arrangements that may arise if a deposit taking institution defaults. The expiry date of the scheme, 12 October 2010, is unchanged. Further information about the changes to the Retail Deposit Guarantee Scheme is available free of charge and at all reasonable times on the internet site maintained by, or on behalf of, the Treasury.

HSBC welcomes the New Zealand government's Retail Deposit Guarantee Scheme. While the HSBC Group is in robust financial health we realise the necessity of providing adequate support and reassurance to our customers during the crisis within the global financial services markets.

With a market capitalisation of US\$198.79 billion (as at 16 December 2009), and total assets of US\$2,422 billion as at 30 June 2009, the HSBC Group is one of the world's largest financial services organisations. Over 100 million customers worldwide entrust HSBC with US\$1.2 trillion in deposits. With a tier one capital ratio of 10.1% per cent and a loan-to-deposit ratio of 79.5 per cent as at 30 June 2009, the Group remains one of the most strongly capitalised and liquid banks in the world.

HSBC is operating normally and is gaining market share in many of its geographies. The Bank continues to invest in its operations in key geographies including New Zealand.

The Treasury website and HSBC's Deed of Guarantee can be accessed at <http://www.treasury.govt.nz/economy/guarantee/retail>

ends/more

HSBC Group in New Zealand

The principal HSBC Group member in New Zealand is The Hongkong and Shanghai Banking Corporation Limited, incorporated in Hong Kong SAR, acting through its New Zealand branch.