



1 September 2008

HSBC TO PROVIDE ALTERNATIVE FUND SERVICES IN AUSTRALIA

HSBC has announced the establishment of alternative fund services operations in Australia. The new business will provide local fund accounting, investor servicing and financial reporting to hedge fund managers, fund of hedge fund managers, absolute return fund managers as well as private equity partners.

HSBC's alternative fund services business will form part of HSBC Securities Services (HSS) in Australia – part of the bank that has expanded through both acquisition and organic growth in recent years. In 2006 HSBC acquired Westpac's sub-custody business in Australia and New Zealand for A\$150 million. The acquisition made HSS the largest sub-custody provider in Australia and made the Australian business the third largest HSS sub-custody market in the region. Since the acquisition, HSBC has continued to grow the sub-custody business organically and has been successful in winning a number of large mandates. It has A\$382 billion in funds under custody as at July 2008.

Lillian Wong, Head of Fund Services, Asia Pacific said, "HSBC has seen increasing demand from our global hedge fund clients for onshore servicing in Australia as they target the superannuation dollar.

"Our ability to leverage our global footprint and provide our clients with a seamless service for their Australian domiciled business is a powerful story," she said.

Stuart Davis, Chief Executive Officer of HSBC Bank in Australia added, "The establishment of HSBC's alternative fund services business in Australia supports HSBC's local strategy, making full use of the HSBC Group's global scale and international connectivity and participating in areas where these give us a competitive advantage in Australia.

"We continue to look for opportunities in Australia's wealth management value chain to leverage the scale and international connectivity of the HSBC Group. Earlier this year, we announced the launch of our Funds and Investments wholesale wealth management business and also entered the structure product market, focusing on international and emerging markets investments."

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HSBC's new alternative fund services division will be led by Howard Yip, Head of Alternative Fund Services, HSS, and will report functionally to Lillian Wong. HSS is a key component of the wider HSBC Global Banking business led by Janie Wanless in Australia.

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Notes to editors

HSBC Bank Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody. Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162) and The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970). HSBC is marketed worldwide as 'the world's local bank'.

HSBC Securities Services

HSBC Securities Services (HSS) provides comprehensive global, regional and domestic securities services to corporate and institutional clients through its three component business units, namely: Corporate Trust and Loan Agency, Custody and Fund Services. HSS operates in 50 countries and territories worldwide, including Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. HSS has assets under custody of US\$5.1 trillion and assets under administration of US\$3.3 trillion as at 30 June 2008.

HSBC's global alternative fund services operates in 12 markets worldwide with US\$271.5 billion assets under administration as at July 2008. HSBC's global alternative fund services business provides fund administration service to 471 clients with over 1,700 funds across hedge funds, emerging market funds and private equity funds.