



19th September 2013

Syed Adil Gilani
Transparency International-Pakistan
5-C, 2nd Floor, Khayaban-e-Ittehad
Phase VII, Defence Housing Authority
Karachi

RE: Sale of HSBC Middle East Ltd and North Africa Operation, Against payment of US\$46 Million received by HSBC in December 2013 or earlier. TIP letter dated 29th July 2013.

Dear Sir,

With reference to your letter of 31st August 2013 sent to Ms. Irene Dorner, care of HSBC USA, I wanted to take this opportunity to respond specifically to the points raised. Please note that HSBC has not received a copy of the letter you reference as having been sent on 29th July. This has not been received by either our Pakistan CEO, our Regional Head Office in Dubai, or our New York Office. We have also not received any copy of the letter from the State Bank of Pakistan that you refer to.

With regards to the specific points you raise in your letter concerning the receipt of payments, the information you state is not correct. Neither HSBC Bank Middle East Ltd (HBME), nor any other part of the HSBC Group, has received any payments in connection with the sale of HSBC's Pakistan business. Please note that the sale of HSBC's Pakistan operations is still awaiting approval from the State Bank of Pakistan, and will not progress until such approval is issued. No funds or payments have been, or will be, received until the transaction obtains formal regulatory approval, and can be legally completed.

The 2012 HSBC Group Annual Report makes reference on page 53 to a \$46m net gain relating to 'Disposals, Held for Sale and Run Off Portfolios' in the Middle East and North African Region. This figure is entirely unrelated to the sale of HSBC Pakistan, and relates instead to other disposal activity undertaken by HBME. To confirm my statement above, no funds or payments whatsoever connected to the sale of HSBC Pakistan, have been received by any part of the HSBC Group.

I trust that the above clarifies the situation, and confirms that the alleged complaint is wholly untrue and inaccurate.

Yours Sincerely,

David C Kotheimer
Regional Head of Strategy & Planning and Head of International

cc : Irene M Dorner, Group Managing Director President and CEO, HSBC USA
Secretary to the Prime Minister, Islamabad
Senator Ishaq Dar, Minister of Finance, Islamabad
DG National Accountability Bureau, Islamabad
Registrar, Supreme Court of Pakistan, Islamabad
Yaseen Anwar, Governor, State Bank of Pakistan
Ashraf Mahmood Wathra, Member Policy Board SECP and Deputy Governor State Bank of Pakistan
Mr Hidayatullah, Director, State Bank of Pakistan

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Tel: 971-4-4235170

Web: www.hsbc.ae
HIGHLY RESTRICTED
Incorporated in Jersey, Channel Islands
Regulated by the Jersey Financial Services Commission

بنك إتش إس بي سي الشرق الأوسط المحدود
مكتب الإدارة للشرق الأوسط - إعمار سكوير
ص ب: ٥٠٢٦٠١، دبي، الإمارات العربية المتحدة
هاتف: ٩٧١-٤-٤٢٣٥١٧٠
Web: www.hsbc.ae

تأسس في جيرسي، جزر القنال
خاضع للوائح مفوضية الخدمات المالية في جيرسي