

Business

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Legal & General, the largest shareholder in [HSBC](#), has broken ranks and offered public support for activist investor Eric Knight.

The insurer, which holds 3.23% of HSBC's shares, says the bank should answer questions he has raised over the bank's strategy.

[Knight Vinke](#), the investment firm run by Knight, has been pressing HSBC management to conduct a wholesale strategic review of the business. He has also raised questions over directors' bonuses and its [US](#) business.

"Eric has asked some very sensible questions, well at least some of his questions are sensible, and the market deserves a response," said Legal & General Investment Management chief executive Peter Chambers. "Eric has done more work for the banking industry than anybody else I know," he added.

HSBC had continued to rebuff Knight Vinke's arguments in meetings - at which LGIM was present - conducted during the past two weeks. A Legal & General spokesman declined to say whether Chambers' comments had been prompted by any particular development.

An HSBC spokesman said: "HSBC's strategy is clear It is built on the foundation of maintaining financial strength and we continue to focus on execution for the benefit of all stakeholders,"

Knight Vinke has always insisted it had support from major shareholders but none had offered public backing until now.
