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HSBC AND ALLIANZ CEMENT GLOBAL RELATIONSHIP IN AUSTRALIA

HSBC Bank Australia and Allianz Australia have entered an agreement to offer general insurance products as well as personal loan, mortgage protection and simple term life insurance under the HSBC brand in Australia.

The agreement with Allianz complements other insurance relationships that HSBC has for the provision of complex life risk and credit card insurance. Travel insurance will also be offered by Mondial, which is also an Allianz Group company and a world leader in emergency assistance and travel insurance.

Previously HSBC's provision of insurance to Australian customers was through a combination of insurers.

HSBC Bank Australia's decision to review and consolidate its local insurance providers is part of the HSBC Group's Preferred Strategic Partners (PSP) program. The PSP program is a strategic initiative to consolidate HSBC's insurance relationships globally. Following a comprehensive internal review process, Allianz was identified as the most appropriate insurance provider for HSBC in Australia.

Stuart Davis, chief executive officer of HSBC Bank Australia said, "Allianz and HSBC have worked together successfully in numerous markets around the world since HSBC's PSP program commenced.

"This new partnership with Allianz in Australia provides HSBC with the best possible products and services at the best possible terms for our customers," Davis said.

Terry Towell, managing director of Allianz Australia said, "Allianz Australia is excited about this new local partnership with HSBC, which aligns the relationship between our two companies in Australia, with a global partnership between Allianz and HSBC.

"Our organisations both offer local expertise with a global perspective and Allianz looks

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forward to bringing our high quality and competitive general and life insurance products and our focus on excellent customer services to this new partnership with HSBC.”

Globally the HSBC Insurance business generated US\$3.1 billion in profit before tax in 2007, a contribution of 13 per cent to the Group’s pre-tax profit. The HSBC Group believes there is an opportunity to increase insurance’s contribution to the Group to 20 per cent.

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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. Complex life risk and credit card insurance are provided to HSBC by American International Group. 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’.

Allianz Australia Group

The Allianz Australia Group operates in Australia and New Zealand. It is one of Australia’s largest general insurers, a leading private workers’ compensation insurer, and also provides life insurance. Allianz Australia delivers a wide range of personal, commercial and corporate insurance products and services. AAL is proud to be of service to more than 2 million policy holders and over 50% of Australia’s top 200 BRW listed companies have some form of insurance cover with the group.

Allianz Australia has approximately 3300 staff. In 2007, the company achieved a gross written premium exceeding AU\$2.4 billion and investment assets of approximately AU\$5.5 billion. Allianz Australia Insurance Limited has a Standard and Poor’s rating of ‘AA-’. Allianz Australia Group is a wholly owned subsidiary of the worldwide Allianz Group, one of the world’s largest financial services companies.

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