

07 Mar 2012

## **HSBC TO SELL GENERAL INSURANCE BUSINESSES IN HONG KONG, SINGAPORE, ARGENTINA AND MEXICO**

HSBC and Hang Seng Bank have agreed to sell their general insurance businesses in Hong Kong, Singapore, Argentina and Mexico (the 'Sale Territories'), representing further progress in the execution of our strategy. The value of the gross assets to be sold by HSBC Group companies was US\$1,228m (net asset value US\$237m)<sup>1</sup> at 31 December 2011, of which assets to be sold to AXA represent US\$444m (net asset value US\$48m)<sup>1</sup> and assets to be sold to QBE represent US\$784m (net asset value US\$189m)<sup>1</sup>.

HSBC Insurance (Asia) Limited, HSBC Insurance (Singapore) Pte. Limited and HSBC Seguros, S.A. de C.V., Grupo Financiero HSBC, all wholly-owned subsidiaries of HSBC Holdings plc, have entered into agreements to sell their general insurance portfolios in Hong Kong, Singapore and Mexico, respectively, to AXA Group ('AXA').

HSBC Argentina Holdings S.A., and HSBC Participaciones (Argentina) S.A., each wholly-owned subsidiaries of HSBC Holdings plc, have entered into an agreement to sell HSBC Argentina Holdings S.A.'s general insurance manufacturing subsidiary, HSBC La Buenos Aires Seguros S.A., to QBE Insurance Group Limited ('QBE').

Hang Seng Bank Limited ('Hang Seng Bank'), a 62% owned subsidiary of HSBC Holdings plc, has entered into an agreement to sell its general insurance manufacturing subsidiary, Hang Seng General Insurance (Hong Kong) Company Limited, to QBE.

Following completion of relevant sales, new 10 year bancassurance agreements entered into by the HSBC Group companies listed below<sup>2</sup> and by Hang Seng Bank will become effective. AXA and QBE will become the exclusive providers of, and underwrite, general insurance products distributed by HSBC Group companies and Hang Seng Bank to retail banking and commercial banking customers in Hong Kong and Mainland China, Singapore, India, Indonesia, Mexico and Argentina ('the Distribution Territories') as described below.

AXA will become the exclusive provider of general insurance products distributed by HSBC Group companies to customers in Hong Kong and Mainland China (other than customers of Hang Seng Bank and HSBC's Chinese Rural Banks), Singapore, India and Indonesia (other than customers of PT Bank Ekonomi Raharja Tbk) and of property and casualty products distributed by HSBC Group companies to customers in Mexico.

## **HSBC to sell general insurance businesses in Hong Kong, Singapore, Argentina and Mexico**

Under similar arrangements, QBE will become the exclusive provider of general insurance products distributed by HSBC Group companies to customers in Argentina and by Hang Seng Bank to customers in Hong Kong and Mainland China.

Stuart Gulliver, HSBC Group Chief Executive, said: "This is a further step in the execution of our strategy. It will enable us to focus our capital and resources on the growth of our core businesses, including the building of our broader wealth management capabilities."

"These long term collaborations with AXA and QBE will broaden and strengthen the suite of general insurance products available to our retail banking and commercial banking customers in Hong Kong, Mainland China, Singapore, India, Indonesia, Mexico and Argentina."

The aggregate cash consideration payable by AXA and QBE for the acquisitions of the general insurance businesses in the Sale Territories, based on net asset values<sup>1</sup> as at 31 December 2011, and the opportunity under the bancassurance agreements to be the providers of general insurance products distributed by HSBC Group companies and Hang Seng Bank to customers in the Distribution Territories, is approximately US\$914m (US\$494m by AXA and US\$420m by QBE)<sup>3</sup>.

Under the 10 year bancassurance arrangements AXA and QBE will pay commissions on product sales and may make profit-related payments, to HSBC Group companies and Hang Seng Bank.

The transactions, which are subject to regulatory approvals, are expected to complete during the second half of 2012, although the transaction in Argentina may complete earlier.

HSBC was advised on all aspects of the transaction by HSBC Global Banking and Markets and was co-advised on the Latin American aspects of the transaction by Goldman Sachs.

### **Media enquiries to:**

Laine Santana  
+852 6792 8255  
lainesantana@hsbc.com

Enrique de la Madrid  
+55 5721 3640  
enrique.delamadrid@hsbc.com.mx

Lyssette Bravo  
+55 5721 2888  
lyssette.bravo@hsbc.com.mx

Brendan McNamara  
+44 (0)20 7991 0655  
brendan.mcnamara@hsbc.com

## **HSBC to sell general insurance businesses in Hong Kong, Singapore, Argentina and Mexico**

### **Footnotes:**

<sup>1)</sup> References to net asset value are to be read as references to net tangible assets when attributable to legal entities.

<sup>2)</sup> Details of the bancassurance agreements are as follows:

- An agreement between The Hongkong and Shanghai Banking Corporation Limited and AXA Asia SAS and AXA General Insurance Hong Kong Limited covers Hong Kong and Mainland China, Singapore, India and Indonesia;
- An agreement between HSBC México S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, AXA Seguros S.A. de C.V. and AXA Mediterranean Holding S.A. covers Mexico
- An agreement between HSBC Bank Argentina S.A. and QBE Holdings (Americas) Pty Limited covers Argentina
- An agreement between Hang Seng Bank Limited and QBE Holdings (AAP) Pty Limited covers Hong Kong and Mainland China.

<sup>3)</sup> Forex rate as at 2 March 2012

### ***HSBC Holdings plc***

*HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,200 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, the Middle East and Africa. With assets of US\$2,556bn at 31 December 2011, HSBC is one of the world's largest banking and financial services organisations.*

*ends/all*