



31 July, 2009

**HSBC PREMIER LAUNCHES NEW VARIABLE ANNUITY
PRODUCT OFFERING A GUARANTEED MINIMUM ANNUITY
CAPITAL AMOUNT REGARDLESS OF
INVESTMENT PERFORMANCE
FIRST PRODUCT OF ITS KIND TO BE SOLD IN JAPAN**

HSBC Premier, the international wealth management service of the HSBC Group, one of the world's largest banking and financial organisations, has entered into an agreement with Allianz Life Insurance Japan Ltd., to commence offering a new variable individual annuity product with a guaranteed minimum annuity capital amount. Sales of the new product, "Erde", the first of its kind to be launched in Japan¹, are scheduled to begin on 3 August, 2009.

One of the key features of Erde is that at maturity, a minimum amount of the annuity capital, equivalent to a single premium (benefit base), is guaranteed, through the use of an investment method that flexibly responds to changes in the market environment. Furthermore, Erde has a 'step-up' feature through which the minimum guaranteed amount of the annuity capital/death benefit increases depending on investment performance during the accumulation period. This allows the benefit base (amount equivalent to a single premium paid) to increase incrementally by 5% between a range of 105-150%, depending on investment performance.

This is the first product of its kind in Japan to feature asset allocation which is evaluated on a weekly basis and adjusted to balance the allocation of assets between those which are invested for growth and those which are invested to minimise risk, depending on the amount by which the price of the assets has fluctuated.

Francois Moreau, Managing Director and Head of Personal Financial Services in Japan, commented, "To help prepare for a comfortable post-retirement life, we are seeing an increasing demand for variable annuity products. However, since people are concerned about protecting their investment outlay, particularly when the market experiences periods of volatility, we have decided to offer this new product which guarantees a minimum amount of capital, regardless of investment performance."

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Principal members of HSBC in Japan are:
The Hongkong and Shanghai Banking Corporation Limited
HSBC Securities (Japan) Limited
HSBC Global Asset Management (Japan) K.K.

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Key Features of Erde

Asset Type (Allocation Rate)

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Pursuing Earnings Assets	Japanese Equity (5%)	Foreign Equity (Hedged) (30%)	Japan Bond (15%)	Foreign Bond (Unhedged) (50%)
Avoiding Risks Assets	Money Market Instrument (-)			

Contract Conditions

Issue Age (Insured person)	0 – 75 years (at last birthday)
Single Premium (Benefit Base)	JPY2 million -500 million (unit: JPY10,000) * Benefit base will be aggregated by each insured person. In the case of a single insured person with multiple policies issued by Allianz Life Insurance Japan Ltd., the total benefit base (sum insured) can not exceed JPY500 million
Premium Payment	Single premium only
Accumulation Period	10 – 90 years (unit: 1 year) *The age of the insured person on the annuitisation date should be between 50 - 90 years *Accumulation Period can not be altered
Annuity Option/The age of the insured person on the annuitisation date	【Annuity certain and life】 50 – 90 years 【Annuity certain and life (Guaranteed Minimum Income Benefit type)】 50 – 90 years 【Annuity certain】 10 – 90 years
Riders	Annuity Payment Rider for the Bereaved
Increase of the sum insured	None
Cooling-off Period	Applicants or policy holders can cancel their application in writing within 8 days from the date of application

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Notes:

1. Among variable annuity products as of 31 July, 2009. Source: Allianz Life Insurance Japan Ltd.

Notes to editors:

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1. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,527 billion at 31 December 2008, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

2. The Hongkong and Shanghai Banking Corporation Limited in Japan

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. It established its first branch in Japan in Yokohama in 1866, making it the oldest bank operating in Japan today. It has branch offices in Tokyo and Osaka, providing commercial banking, private banking and personal wealth management services.

3. HSBC Premier

Launched in 2000 and with international services starting in May 2007, HSBC Premier is the first truly global personal wealth management service offering individually tailored financial solutions for the growing number of mass affluent individuals. Globally, HSBC Premier serves over 2.6 million customers through 300 international Premier Centres in 42 countries and territories. In Japan, HSBC Premier launched in January 2008 targeting individuals with liquid financial assets exceeding JPY10 million. HSBC Premier operates seven branches in the Tokyo Metropolitan (Akasaka, Ginza, Hiroo, Ikebukuro, Marunouchi, Yokohama) and Kansai (Kobe) areas.

4. About Allianz Group

Allianz is one of the world's leading insurers and financial services providers. Founded in 1890, Allianz is now present in more than 70 countries with over 153,000 employees. Allianz provides its more than 75 million customers worldwide with a comprehensive range of services in the areas of property and casualty insurance, life and health insurance, banking and asset management. Allianz has top positions in Germany, France, Italy, the US, as well as in the core growth regions of Asia Pacific and Central and Eastern Europe. Total assets of the group are 545 billion euros worldwide (as of Mar 31, 2009). Standard and Poor's has affirmed the insurer financial strength rating of AA for Allianz SE and its subsidiaries. (Allianz Group URL: <http://www.allianz.com>)

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