

The following is the text of an announcement which will be published in the press in Brazil at 28 February 2008 by HSBC Seguros (Brasil) S. A., a 97.9 per cent directly held subsidiary of HSBC Holdings plc

28 February 2008

## **HSBC'S INSURANCE OPERATIONS IN BRAZIL 2007 ANNUAL RESULTS – HIGHLIGHTS**

*The financial statements have been prepared and presented in accordance with the provisions of the Corporate Law 6.404/76, which requires adherence to Brazilian GAAP (generally accepted accounting principles), and have been audited by KPMG.*

*HSBC Seguros (Brasil) S. A. is required by regulation to file financial information for each semester and this information must be made available to the market within 60 days after balance sheet date and therefore for the semester ended 31 December 2007, the deadline for the publication of the financial statements is 28 February 2008. The financial statements of HSBC Seguros (Brasil) S. A. are presented on a consolidated basis comprising the following subsidiaries:*

*HSBC Vida e Previdência (Brasil) S. A.;  
HSBC Empresa de Capitalização (Brasil) S. A.; and  
HSBC Capitalização (Brasil) S. A.*

*Figures are stated in both Brazilian reais (BRL) and US dollars (US\$).*

### **Financial highlights for the year ended 31 December 2007**

---

- Profit before tax was BRL273 million (US\$125 million) in 2006, up 16.5 per cent, compared to BRL318 million (US\$163 million) in 2007.
- Net profit up 14.9 per cent from BRL179 million (US\$82 million) in 2006 to BRL206 million (US\$106 million) in 2007.
- Earned premiums up 14.3 per cent from BRL505 million (US\$232 million) in 2006 to BRL578 million (US\$297 million) in 2007.
- Technical reserves related to insurance, pension and investment contracts up 40.7 per cent from BRL3,442 million (US\$1,612 million) in 2006 to BRL4,843 million (US\$2,718 million) in 2007.
- Total assets up 38.3 per cent from BRL4.379 million (US\$2,051 million) in 2006 to BRL6,056 million (US\$3,398 million) in 2007.
- Return on average shareholders' equity of 25.7 per cent (34.1 percent in 2006).

## **HSBC Seguros (Brasil) S. A. 2007 Annual Results - Highlights**

The translation rates from Brazilian Real to the US Dollar were respectively, an average rate of 1.946861 for the P&L and a year end rate of 1.781700 for the Balance Sheet.

### **Media enquiries to:**

**Celso H Feldmann**  
**HSBC Brasil**  
**+55 41 37 77 81 14**  
**celso.h.feldmann@hsbc.com.br**

**Neil Brazil**  
**HSBC Group**  
**+44 (0)20 7992 1572**  
**neilbrazil@hsbc.com**

#### ***1. HSBC Seguros (Brasil) S. A.***

*HSBC Seguros (Brasil) S.A. is a subsidiary of HSBC Bank Brasil S.A. – Banco Múltiplo, and it is part of an integrated financial services business, with a total of 976 employees at 31 December 2007. The company manufactures life and personal accident policies and pension plans, sold through the HSBC Brazil branch network, as well as independent brokers.*

#### ***2. HSBC Holdings plc***

*The HSBC Group serves over 125 million customers worldwide through some 10,000 offices in 83 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets of US\$2,150 billion at 30 June 2007, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.*