

## **MARSH TO ACQUIRE HSBC INSURANCE BROKERS AND ENTER INTO PREFERRED STRATEGIC PARTNERSHIP WITH HSBC BANK**

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Deal will expand presence in key markets; boost client services and solutions; secure preferred access to HSBC corporate and private clients LONDON--(BUSINESS WIRE)--December 18, 2009-- Marsh, the world's leading insurance broker and risk adviser, today announced it has reached an agreement to acquire HSBC Insurance Brokers Ltd (HIBL), a wholly owned subsidiary of HSBC Bank. Under the terms of the agreement, Marsh will acquire HIBL in consideration of (GBP)135 million, comprising a mixture of Marsh & McLennan Companies, Inc. stock and cash. The transaction, which is subject to all relevant regulatory approvals, is expected to close in the first quarter of 2010. Concurrent with this transaction, Marsh has entered into a Preferred Strategic Partnership (PSP) with HSBC, one of the world's largest financial institutions, which will provide additional revenue opportunities to the company. Under the terms of the PSP, Marsh will have preferred access to provide insurance broking and risk management services to HSBC's corporate and private clients.

HIBL, an international provider of risk intermediary and risk advisory services headquartered in London, has approximately 1,400 employees located in 30 offices in the UK, Middle East and Asia. Ranked among the top brokers in the UK, HIBL holds prominent market positions in other countries where Marsh has both a significant presence and major plans to grow, including the UAE, Saudi Arabia, Qatar, China, Hong Kong, India, Singapore, South Korea and Taiwan. It also enjoys strong market positions in such important sectors as Education, Marine and Specie.

"Acquiring HIBL is a great opportunity for Marsh, our clients, our colleagues and for the HIBL team. We are particularly excited by the opportunities available to us through the PSP with HSBC. It will enable us to leverage HSBC's global network and banking relationships to generate new business," said Dan Glaser, Marsh Inc's Chairman and CEO.

"We also see good growth potential in placing third party business generated via HIBL's Accident, Health and Contingency, Cargo, Specie and North American Practices. We will manage this specialist business through a dedicated business unit, called Gibbs Hartley Cooper -- reviving the name of the venerable independent broker which can trace its roots back to 1808."

Clive Bannister, Group Managing Director, Insurance, HSBC Holdings plc, said: "The beauty of this agreement is that on the one hand we are improving the breadth and sophistication of HSBC broking services for our customers, while at the same time sharpening our strategic focus on the bancassurance model with emphasis on life, pensions and investments."

"As one of the UK's leading insurance brokers, HIBL's activities dovetail excellently with our own, from an operational, cultural and geographic standpoint," said Alex Moczarski, President of Marsh's International Division. "This is a strong complementary fit and will deepen our global presence in high growth areas."

"My UK colleagues and I look forward to welcoming HIBL's team to Marsh," added Martin South, CEO of Marsh UK. "Together, we will continue our shared commitment to delivering superb products, solutions and service to our clients as the UK's pre-eminent broker and risk adviser."

### **About Marsh**

Marsh, the world's leading insurance broker and risk adviser, has over 23,000 employees and provides advice and transactional capabilities to clients in over 100 countries. Marsh is a unit of Marsh & McLennan Companies (MMC), a global professional services firm with approximately 52,000 employees and annual revenue of \$11 billion. MMC also is the parent company of Guy

Carpenter, the risk and reinsurance specialist; Kroll, the risk consulting firm; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman, the management consultancy. MMC's stock (ticker symbol: MMC) is listed on the New York, Chicago and London stock exchanges. MMC's Web Site is <http://www.mmc.com>. Marsh's Web site is <http://www.marsh.com>.

### **HSBC Insurance Brokers Limited**

HSBC Insurance Brokers is one of the largest international insurance broking and risk management organisations in the world. Founded in 1808 in London as Antony Gibbs & Sons, today the company has offices in 18 countries and territories in Europe, the Asia-Pacific Region, the Middle East and the Americas, and operates on all international markets and at Lloyd's. HSBC Insurance Brokers placed premiums of over (GBP) 1billion at 31 December 2008. Find out more at <http://www.insurancebrokers.hsbc.com>

### **HSBC Holdings plc**

HSBC Holdings plc, the parent of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. With assets US\$2.422 billion at 31 June 2009, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

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