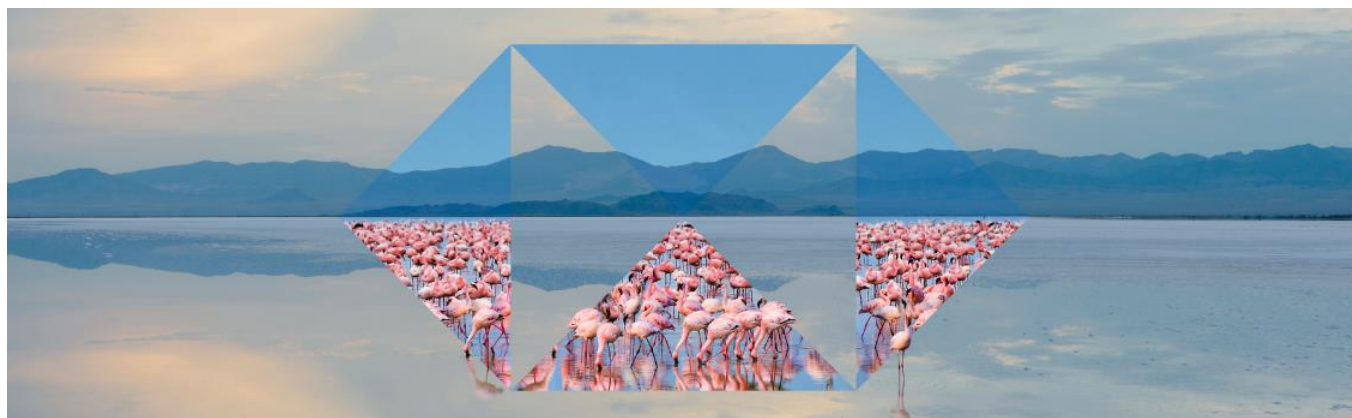


Investor Newsletter



Welcome message from Investor Relations



Welcome everybody, I'm Richard O'Connor, Global Head of Investor Relations for HSBC. We're launching this quarterly newsletter to give you updates on HSBC developments in areas such as ESG, digital & technology, and to provide links to other useful information sources and HSBC Insights.

I hope you find this helpful and would of course love to hear any feedback or suggestions for future content. In the interview below, I discuss the role of virtual and face to face Roadshows. Enjoy and have a great summer in the meantime. Thank you – Richard

Q1. Do you think Investors absorb the meeting content when all meetings are virtual?

The answer is yes, we've found that investors are fully engaged, asking the sort of questions we'd get in a face to face meeting. But I do think we miss something intangible on the personal relationship side – building that relationship, building that trust and understanding. So, whilst I'm fully supportive of virtual meetings - I think they are a great addition to our Investor Relations Programme - I think they should complement face to face meetings. The classic model would be to hold a formal meeting with a shareholder, or indeed a non-shareholder, 3 or 4 times a year, and I think at least one of them should be face to face, with others potentially held virtually, and virtual conferences as a part of that.

Q2. Do you think relationships can be formed virtually?

I think that trusted relationships built over many years from face to face meetings can evolve fairly easily into a virtual relationship. I am a fan of a mixed model of virtual and face to face meetings and I think we need the two to complement each other.

Q3. Do you think travel for "Global Non-Deal Roadshows" will resume once Covid has passed?

Once Covid has passed, I think that the roadshows and travel will resume, but slowly and at a much lower level. They will build up over time but I don't think it will go back to what it was 10 or 20 years ago where all contact was face to face. So yes, there is definitely a role for travel to meet with investors but I think it will be as part of a much broader engagement strategy.

Useful Links

- [HSBC Leadership Team](#)
- [HSBC Investors](#)
- [Investor Factbooks](#)
- [Financial Calendar](#)
- [Results](#)
- [HSBC Centre of Sustainable Finance](#)
- [ESG Investors](#)
- [HSBC - Industry Awards](#)
- [Global Banking & Markets](#)
- [Commercial Banking](#)
- [Wealth & Personal Banking](#)
- [Global Asset Management](#)
- [LinkedIn](#)
- [Twitter](#)
- [Investor information in Chinese
投資者資訊 \(中文\)](#)
- [Contact Us](#)

Our Interim Results 2020

We published our Interim Results for 2020 on Monday 3rd August.

Click on the links to download the key documents:

[Results Presentation to Investors and Analysts](#)

[2Q 2020 Earnings Release](#)

What is featured in this quarter's Newsletter...

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HSBC senior management changes



Chira Barua is appointed Group Head of Strategy, with effect from 1 May 2020. In this role, Chira will work closely with the Group Executive Committee in shaping and driving our strategic agenda.

Chira joins HSBC from McKinsey & Company, where, as a Partner, he co-led McKinsey's 'Bank of the future' work globally and their SME service line in Europe. In this role he also advised management and boards across a variety of topics globally, ranging from corporate finance and strategy to digital builds. Chira was also the lead author on McKinsey's flagship 'Global Banking' annual report.

Before McKinsey, Chira spent seven years at Sanford C. Bernstein, where he led the research team on UK and Swiss banks. He has also held strategic and transformation roles at Standard Chartered and Citigroup.

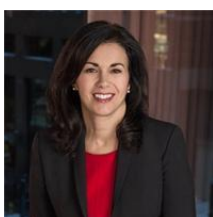


Richard Gray is appointed interim Chief Legal Officer with effect from 1 July 2020.

Richard joined HSBC in 2008 and has held several roles including Global General Counsel with accountability for Businesses and Regions. He has also served as interim Group Company Secretary for HSBC Holdings plc. Richard is a qualified solicitor both in the UK and Hong Kong.



Stuart Levey, Chief Legal Officer, has decided to leave the Group to return to the United States and pursue an opportunity as the CEO of The Libra Association.



Linda Seymour is appointed President and Chief Executive Officer, HSBC Canada, effective 1 September 2020 and is also appointed Group General Manager of HSBC Holdings plc, effective 1 June 2020.

A 30-year veteran of HSBC, Linda has an extensive background in commercial and retail banking. She has been Executive Vice President and Head of Commercial banking for Canada since 2012, is a member of the HSBC Group's global Commercial Banking Executive Committee and a longstanding member of the Canadian bank's Executive Committee.



Linda succeeds **Sandra Stuart** who informed HSBC Holdings plc and the HSBC Canada Board of Directors of her retirement plans in late 2019.

News and Insight from HSBC

Environmental, Social and Governance



HSBC is taking action to improve opportunities for Black and ethnic minority employees and boost the diversity of its senior leadership.

For the detailed article: [Noel Quinn: Our race commitments](#)
27 July 2020 | Source: HSBC.com

The coronavirus pandemic is a wake-up call that shows why we must build a more sustainable economy, says HSBC Group Chief Executive Noel Quinn.

For details of the full interview with Noel Quinn: [Investing in a sustainable recovery](#)
10 July 2020 | Source: HSBC.com



Daniel Klier, our Global Head of Sustainable Finance, talks to the 'NewClimateCap' about green finance and the importance of resilience during the crisis, and what to expect in the post-pandemic recovery. He will address what the impact of COVID-19 on sustainable investing is? What trends are emerging and what to expect in the post-crisis recovery?

Please click on the link below for the podcast [Will the pandemic be green finance's breakthrough moment?](#)

29 May 2020 | Source: New Climate Capitalism



Companies around the world are making significant changes to how they operate, after many found their contingency plans couldn't cope with COVID-19.

For the detailed article: [Navigating a crisis and emerging resilient](#)
21 July 2020 | Source: HSBC.com



Helping high-carbon companies transition toward net zero emissions is a vital part of combating climate change – and banks, investors and policymakers must step up their support.

This is the key message in a paper published by HSBC today ahead of London Climate Action Week Digital (1 July – 3 July).

For the detailed article: [Why transition finance is essential](#) & [The whitepaper](#)
29 June 2020 | Source: HSBC.com



The degradation of the natural world threatens economic prosperity. It is in investors' interests to step up and protect the planet.

For the detailed article: [Biodiversity in the balance](#)
17 June 2020 | Source: HSBC.com



The transport sector is second only to electricity generation in terms of carbon output, responsible for 15 per cent of global greenhouse gas emissions. Heavy goods vehicles (HGVs) generate 25 per cent of global transport CO2 emissions.

For the detailed article: [Cut the muck from trucks](#)
12 June 2020 | Source: HSBC.com

News and Insight from HSBC

Digital & Technology Insights



Using information smartly and responsibly is key to serving customers better, says HSBC's Global Head of Data Analytics in Wealth and Personal Banking business

For the detailed article: [Getting smart about using data](#)
22 July 2020 | Source: HSBC.com



We think the official launch of China's central bank digital currency is drawing closer. This could put China in the vanguard of innovation to make payments safer, quicker and more efficient.

For the detailed article: [A new digital currency for China](#)
9 July 2020 | Source: HSBC.com

Digital & Technology Developments



As part of our COVID-19 response, our teams have supported over 600 Government mandated COVID relief programs, delivered more than 40 new Wholesale products and 30 automation solutions in record time to support customer forbearance and relief measures.



As most customers could no longer visit branches or use wet signatures, we launched LiveSign, an end-to-end digital signature and document capability in less than two weeks. It's now being rolled out for multiple services in 19 markets.



We have enabled over 220,000 HSBC colleagues across the world to work securely from home, including 96% of our Global Service Centre teams, and for the first time in the bank's history, Global Markets traders. We securely rolled-out Zoom video conferencing globally - currently ~900,000 Zoom meetings with 3 million participants each week.



Our iCash automated teller machine (ATM) replenishment solution, designed and built by our Operations and Technology teams, has now been rolled out to all 1,100 ATMs in Hong Kong. This uses machine learning to predict cash replenishments - reducing trips to refill ATMs by 15% and delivering USD 710k of savings so far.



In June we completed our two-year global programme to demise legacy technology platforms (2G demise) and rollout new ones. We launched new mobile banking apps across 12 priority markets, as well as re-platforming Online Banking and Secure Access in 16 core markets. We also upgraded 26 Public Websites. As a result, over 1.8m customers are now benefitting from an improved log-on, security experience, user interface and better response times. In May 50% of our customers were digitally active – up 9% year-on-year.



For Wealth customers in China, we have introduced Wealth Assistant – a bot which supports customers' wealth needs 24/7 and helps them to make investment decisions. The bot can answer customers' enquiries on wealth management and schedule meeting with a relationship manager; analyse their holdings with the bank by asset class, currency and gain-and-loss status; provide them with real-time market data as well as comprehensive and timely insights on global markets by experts.

News and Insight from HSBC

Digital & Technology Developments

We opened new communication channels for our customers to help them bank digitally:

- Jade and Premier customers in **Hong Kong** and **Mainland China** can now speak to their relationship managers via video conferencing
- In **Singapore**, we have integrated video conferencing for new home loan applications and deposit account openings
- **UK** mortgage customers can now arrange their finance via a video call with an advisor. Wealth customers can also communicate with Relationship Managers.
- In the **US** and **UK**, we have launched Apple Business Chat to enable customers to engage with the bank via iMessage.



We've seen more of our corporate clients turning to our mobile solutions during COVID-19.

HSBCnet Mobile stats:



KPI	Q2 20	Vs. Q1 20		Vs. Q2 19	
	Total	#	Change %	#	Change %
Downloads	32,332	19,737	64%	10,665	203%
Payment Volume	914,470	539,074	70%	512,236	79%
Payment Value (\$mn)	71,440	20,985	240%	22,305	220%

We introduced the **HSBC Cash Flow Forecasting** at a critical time as businesses faced unprecedented cash flow pressures. The tool enables clients to model and stress test their funds, supporting support business resilience.

For further details: [HSBC launches new cash flow forecasting tool](#)

1 June 2020 | Source: GBM.HSBC.com



We launched **Mobile Remote Deposit Capture** in the US and Canada, which enables clients to deposit cheques by taking a photo on their phone. This is supporting businesses unable to go into branches, or scan checks from machines in their offices.

For further details article: [HSBC](#)

1 June 2020 | Source: GBM.HSBC.com



We rolled out **Data Mesh** to clients, laying the foundation for a self-service Securities Services-wide platform that will improve client experience, enable the launch of new products and services, and reduce costs.



We joined the **Proximity consortium** to offer enhanced investor communications services to its Global Custody clients, including a real-time and fully transparent electronic proxy voting platform that is expected to reduce operational inefficiencies and enhance the service to clients through real-time digital data transfers. This real-time speed to market of voting and shareholder information across the full Custody network complements the bank's One Custody Program, bringing clients closer to market.



Private Placement Exchange (PPX) for Bonds is an innovative digital portal within the HSBC Evolve platform that is designed to help connect investor demand to issuer needs. PPX Bonds allows Sales users to capture and segment client bond interest. This is then aggregated for Global Banking colleagues to provide market intelligence and help identify deal opportunities. It is live for all ICG Sales across APAC and EMEA and is currently being rolled out in the Americas. Future use cases including Loans, Illiquid Credit and Equities are planned for 2020/21.



News and Insight from HSBC

Business & Economy



Pay.UK has published data that shows UK current account switches have fallen as social distancing measures were introduced. The Pay.UK data shows that HSBC was the highest net gainer of 33,994 full account switches for the first full quarter of 2020.

30 July 2020



The Chinese recovery is set to gain momentum. After a tough first quarter where GDP shrank 6.8 per cent year-on-year, several sectors are showing clear signs of renewal, with public investment and infrastructure leading the way.

For the detailed article: [China's uneven recovery](#)
17 July 2020 | Source: HSBC.com



The COVID-19 pandemic has produced unprecedented and unpredictable shifts in unemployment across the world. It is vital for government support schemes to adapt, targeting help where it is needed most and reskilling people for the jobs of the future.

For the detailed article: [A difficult job](#)
13 July 2020 | Source: HSBC.com



Lockdowns may be easing in some places. But the battle against the epidemic has hardly been won. Growth may struggle for a while to return to its former vibrancy; such are the lasting economic scars that pandemics inflict.

For the detailed article: [Why investment needs to carry growth](#)
7 July 2020 | Source: HSBC.com



Consumer spending on goods has rebounded. But Asia, Europe and the US have shown that returning production towards pre-pandemic levels is easier than restoring demand for consumer-facing services, particularly in countries where virus infections are high.

For the detailed article: [Reopening the world economy](#)
3 July 2020 | Source: HSBC.com



More investors in emerging markets (EM) expect economic recovery in 2021 than in the second half of this year, according to a major new survey from HSBC Global Research.

For the detailed article: [Investors cautious on emerging market outlook](#) & read further analysis of the inaugural findings on [HSBC's Global Banking & Markets website](#)
24 June 2020 | Source: HSBC.com



Alongside the immediate and obvious changes in Asian consumer behaviour caused by COVID-19 – the shift away from cash, the further growth of online interactions – other, deeper trends are being accelerated by the crisis.

For the detailed article: [COVID-19 accelerates change for Asian consumers](#)
9 June 2020 | Source: HSBC.com



Negative rates are back in the spotlight as COVID-19 pushes many central banks to cut interest rates close to zero. Our Global Economist, explains how the benefits of sub-zero rates are not immediately clear.

For the detailed article: [Sub-zero rates are no silver bullet](#)
1 June 2020 | Source: HSBC.com



Open trade and investment has a key role to play in tackling coronavirus. Healthcare research and development (R&D) is heavily concentrated geographically, with 90 per cent of the leading firms in the sector registered in just 10 countries.

For the detailed article: [Trade barriers hamper COVID fight](#)
28 May 2020 | Source: HSBC.com

Coronavirus - our response



HSBC provided USD25 million in charitable donations to support COVID-19 relief and recovery efforts around the world.

The HSBC Group first [announced its COVID-19 donation fund](#) on 26 March 2020. It focused on three challenges:

- providing immediate medical relief
- access to food and
- care for the most vulnerable people.

We have made two global donations:

- USD1 million to the International Federation of Red Cross and Red Crescent Societies' COVID-19 Emergency Appeal
- USD1 million to the World Health Organization's COVID-19 Solidarity Response Fund through The United Nations Foundation and Swiss Philanthropy Foundation

We have committed to local and regional projects, identified by local employees who knew their communities best.

The link detailed below will summarise some of the ways in which the money has been distributed

For the detailed article:

[Our COVID-19 donation fund](#)

20 May 2020 | Source: HSBC.com

The COVID-19 pandemic has created a great deal of uncertainty and disruption for the people, businesses and communities we serve across the globe. It is affecting everyone in different ways, with markets at different stages of the crisis.

We are tailoring our response to the different circumstances and situations in which our customers find themselves. So far we have introduced a range of special measures to [support individuals, businesses and communities](#).

The bank has committed hundreds of thousands of dollars to [local projects across the Asia-Pacific](#) region.

HSBC has played a lead role in 11 social and coronavirus relief bonds so far in 2020, with proceeds earmarked to support responses to the pandemic.

These include boosting medical supplies, providing loans to companies and small enterprises adjusting to the more challenging business environment, and funding projects aimed at combatting the [social and economic impact of the virus](#).

HSBC has taken a range of measures to [support communities in Hong Kong](#), personal customers and businesses as Hong Kong tackles the challenges of COVID-19.

"For our customers, I have a simple message – we will always do our best to support you", [a message from our Group Chief Executive](#).

For the full details of the articles on the COVID-19 pandemic:

[Coronavirus](#)

30 April 2020 | Source: HSBC.com

Our recent award wins



HFM
EUROPEAN SERVICES
AWARDS 2020

Winner

Best prime broker in emerging markets

HSBC Prime

HFM European Hedge Fund Services Awards 2020

May 2020

- Best Prime Broker in Emerging Markets




PWM
WEALTH TECH
AWARDS 2020

PWM Wealth Tech Awards 2020

June 2020

- Best Global Private Bank for Digital Customer Experience
- Best Global Private Bank for Portfolio Management Technology



PRIVATE BANKING AWARDS 2020
ASI MONEY

June 2020

HSBC has won two awards at the Asiamoney Private Banking Awards this year:

- Best Domestic Private Bank
- Best for ESG



EUROMONEY
AWARDS FOR EXCELLENCE
2020

Euromoney Awards for Excellence 2020

July 2020

In total HSBC won 12 awards, including two for the way we led the banking industry's response to the COVID-19 pandemic:

Asia

- Best Bank for Financing
- Best Bank for Sustainable Finance
- Hong Kong's Best Bank
- Hong Kong's Best Investment Bank
- Excellence in Leadership (for our COVID-19 response)

Western Europe

- Best Bank for Sustainable Finance

Middle East

- Best Investment Bank
- Best Bank for Transaction Services
- Best Bank for Sustainable Finance
- Excellence in Leadership (for our COVID-19 response)
- Kuwait's Best Investment Bank
- Oman's Best Investment Bank

Disclaimer

Important notice

The information, statements and opinions set out in this news release and accompanying discussion (“this News Release”) are for informational and reference purposes only and do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

The information used in preparing this News Release was obtained from publicly available sources or proprietary data believed to be reliable.

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Forward-looking statements

This News Release may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, strategy and business of the Group which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “seek”, “intend”, “target” or “believe” or the negatives thereof or other variations thereon or comparable terminology (together, “forward-looking statements”), including the strategic priorities and any financial, investment and capital targets described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this News Release is available in our Annual Report and Accounts for the fiscal year ended 31 December 2019 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 19 February 2020, our 1Q 2020 Earnings Release furnished to the SEC on Form 6-K on 28 April 2020, and our Interim Financial Report for the six months ended 30 June 2019 which we furnished to the SEC on Form 6-K on 3 August 2020.