

HSBC Wealth and Personal Banking

Nuno Matos, WPB CEO

8 June 2022



Business with significant scale, with a clear strategy to accelerate growth

Scale across key metrics (2021)

WPB Active Customers **>38m**

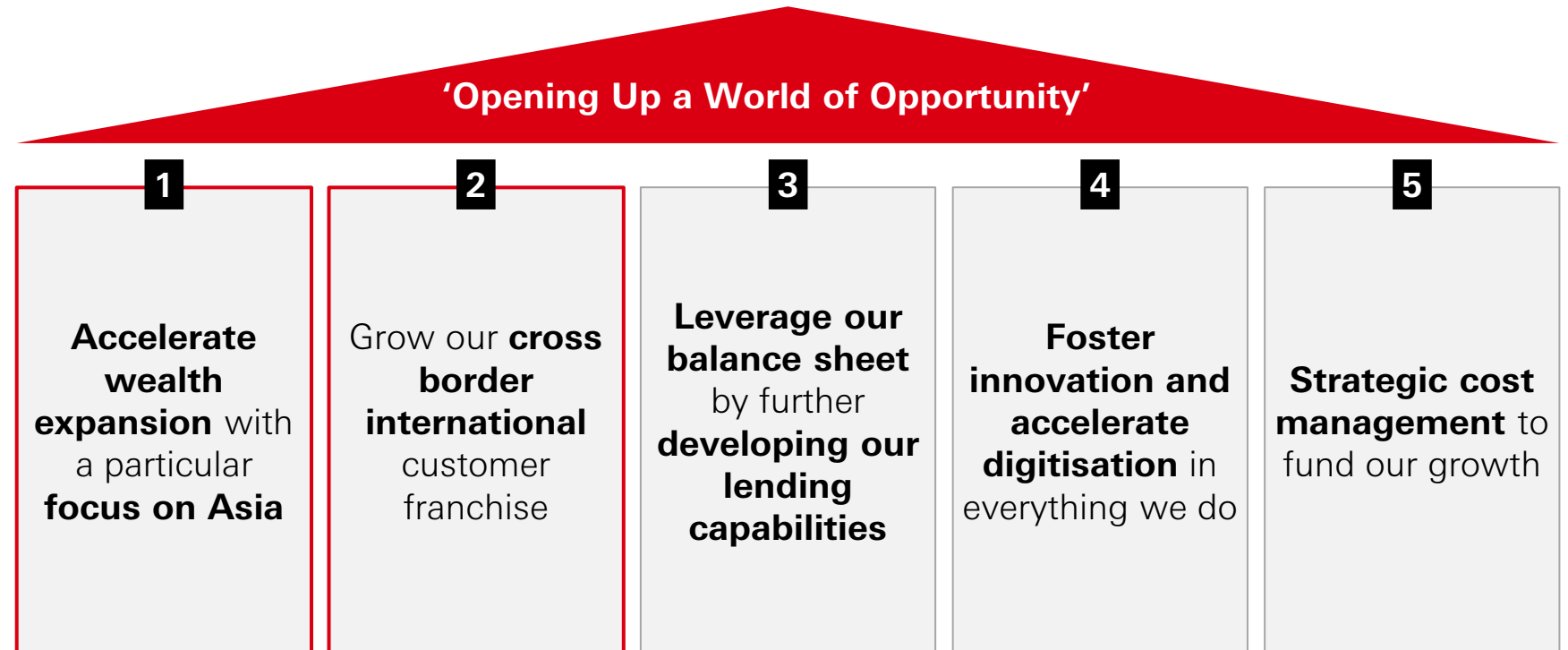
WPB Adjusted Revenue¹ **\$22bn**
 43%

WPB Adjusted PBT¹ **\$7bn**
 32%

WPB RoTE² **15.2%**

■ WPB ■ Rest of Group

Our strategy



1. For a reconciliation from reported to adjusted performance, see slide 12

2. Return on average tangible equity. Excludes significant items

Progress on our **Wealth** strategy

Progress against our Feb 2021 wealth ambitions



Grow wealth revenues >10% CAGR

1

+14% YoY global wealth revenues of which market impact is 5ppts¹



Grow Asia wealth AUM faster than the market

2

\$36bn in Asia net new invested assets, **>2x** 2020



Hire >5K client facing wealth planners over the next 3-5 years

3

>1.2K² client facing wealth planners hired



Invest >\$3.5bn

4

On track

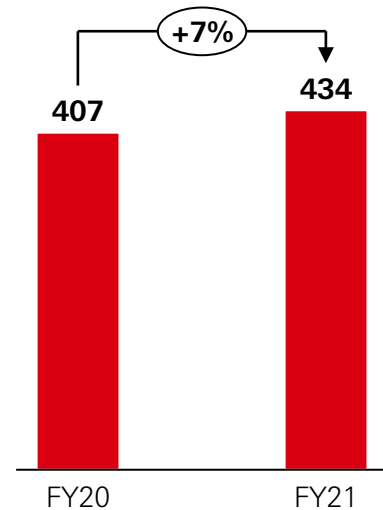
All progress figures are FY21 vs. FY20

1. 2021 Global Wealth revenues of \$9,123m (+\$1,119m YoY) included positive market impact in life insurance manufacturing of \$504m (+\$434m YoY).
2. >1.2K wealth planners refers to total gross hiring

With strong delivery across our client segments

Retail Wealth: Launched easy investment processes and more complex products in more markets

Retail Wealth Invested Assets, \$bn



Make Investing Easy

- ◆ **10 min** digital investment account application mobile journeys launched in **HK, SG, mainland China, Malaysia, India** and **Australia**

Expand Reach

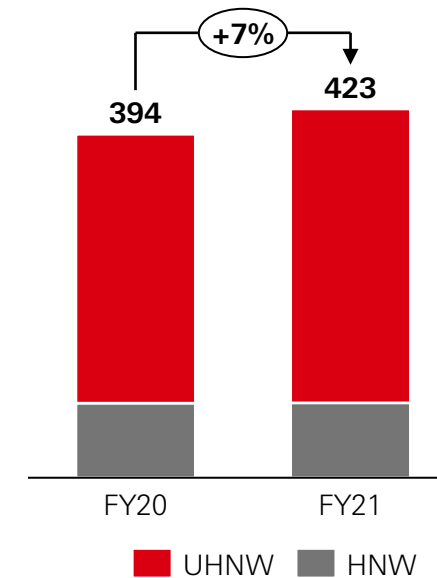
- ◆ Enabled customers to have a **holistic view on their mobile of wealth position** and performance – Hong Kong, Singapore, Australia, India, mainland China, Taiwan, Malaysia

Deepen Product Suite

- ◆ Introduced **Lombard lending** in Hong Kong and Singapore for Premier
- ◆ Deployed **Wealth Portfolio Plus**, providing investment portfolio analysis tools and scenario planning

Global Private Banking: Expanding our UHNW business and grew our footprint in Asia

Client assets by segment



UHNW

- ◆ Established **dual coverage with GBM** for **Institutional Family Offices**, delivering access to broader HSBC services
- ◆ **Significant growth in Alternatives**, diversified funds & direct investments across geographies & sectors

Expand & Deepen footprint

- ◆ **Only international Private Bank covering all 4 Tier 1 cities in mainland China**, following launch of Shenzhen office¹
- ◆ Established **new Thailand onshore business**

Client Continuum & Group Connectivity

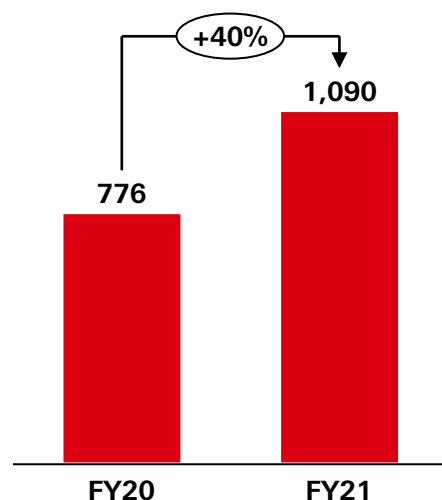
- ◆ Strong **intra-group referrals collaboration with CMB** in home markets, +87% YoY in UK and +34% in Hong Kong

1. Coverage in Beijing, Shanghai, Guangzhou and Shenzhen

And manufacturing units of HSBC Life & Global Asset Management

HSBC Life: Progress across our key markets to build out scale in Asia

Group Reported VNB¹, \$m



Mainland China

- ◆ **Expanded Pinnacle** to 6 major cities² in mainland China with **over 800 PWP**s³
- ◆ **Pinnacle River App launched in Sep-21** and has reached **c.300k**³ registered users
- ◆ **Regulatory approval to increase stake in HSBC Life China** from 50% to 100%, and **broker license**

Hong Kong

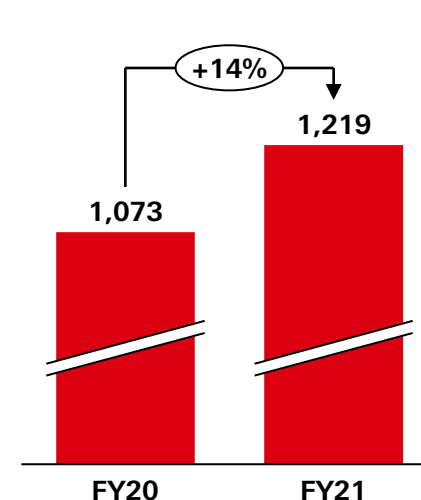
- ◆ **HSBC Life and Hang Seng Insurance** combined **ranked #1** with 21.5% market share⁴, from 17.5% in 2019

Singapore & India

- ◆ **Top 7 player and 4% market share (vs. 1.8%)** in Singapore, through **AXA acquisition** completed in FEB22
- ◆ **CHOICe ranked #10 with 32% ANP growth**, 1.5X higher than private industry growth⁵ in India

Global Asset Management: Growing higher margin products and increased reach

Revenue⁶, \$m



Alternatives

- ◆ **Setup separate Alternatives business** with **+50%** higher revenues YoY

Sustainability

- ◆ Setup **new sustainability office** – 18 new sustainability funds launched with flows **+114%** YoY

ETF and Indexing

- ◆ Won **\$13bn** mandate for Hong Kong's largest ETF (TraHK)

Expanded reach

- ◆ **L&T acquisition** in India improving distribution through **>50K independent financial advisors**, will **increase AUM to c.\$12.4bn**

1. Value of new business written. HSBC Life VNB excludes Canara HSBC OBC Life Insurance ("CHOICe"), 26% owned Indian associate

2. Expanded to Foshan in May 2022, other presence including Shanghai, Guangzhou, Hangzhou, Shenzhen and Beijing

3. Personal Wealth Planners. Data as of April 2022

4. Hong Kong Insurance Authority. Market shares and ranking based on overall annualised new business premiums ('ANP') for FY21, HSBC Life HK and Hang Seng Insurance combined.

5. Apr21 to Mar22. Source: Insurance Regulatory and Development Authority of India; Individual business only; rank among private players only; ANP = WPI: Weighted Premium Income

6. Asset Management revenues do not include JinTrust associate

Building our International strategy

HSBC is well-positioned to win in International

Who are International Customers?

- 1 Multi Country:** customers who bank in more than one market;

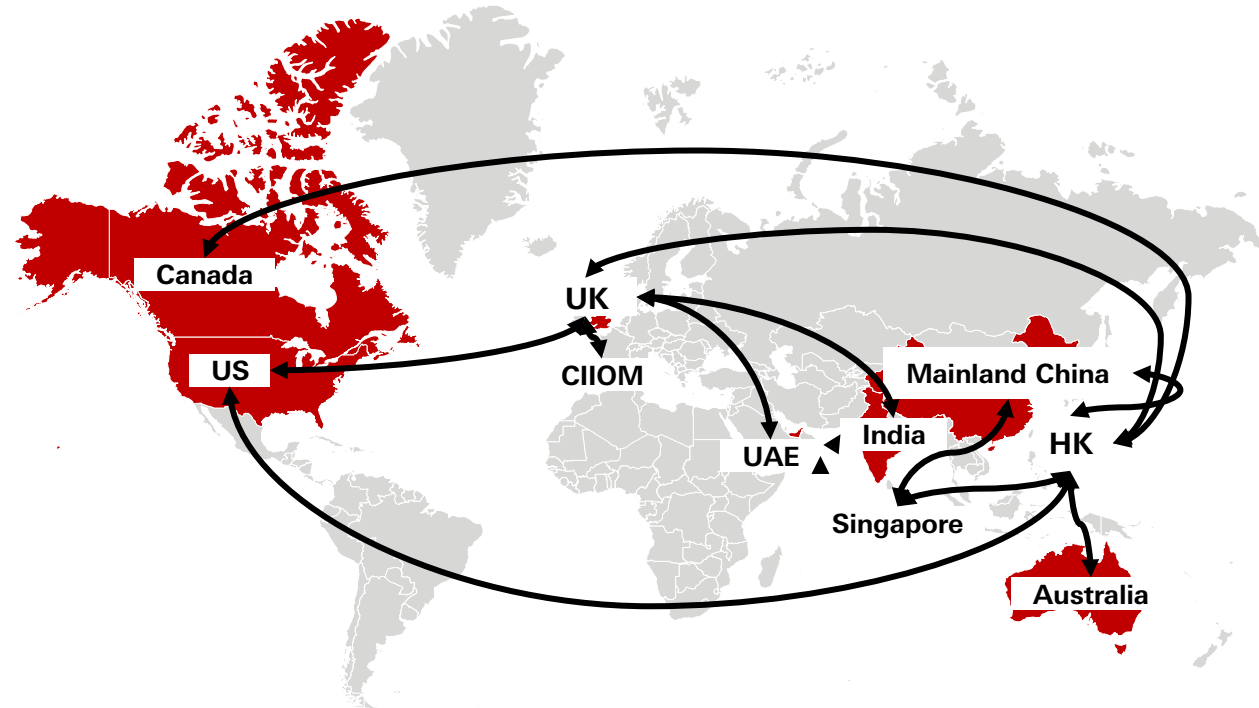
or

- 2 Non-Resident:** customers who are residing outside of their market;

or

- 3 Resident Foreigner:** customers whose nationality is different to market

Global mobility continues to expand (our key 10 markets highlighted)



>90m

International customers in 10 key markets (stock)¹

>1m

International customers moving to these markets per year (flow)¹

1. Source: United Nations Department of Economic and Social Affairs, Population Division (2020). International Migrant Stock 2020. International customers flow based on total net increase in migrant stock in our top 10 markets (from 2019 to 2020). 8

Serving customers that have attractive business outcomes

WPB has a strong platform for growth...

5.7m

Total International active customers³, 54% in the West⁴ and 46% in the East⁴

6%

Market share¹ in the 10 markets, with substantial market share in HK (60%) and UK (24%)

... with customers that drive attractive business outcomes



More likely to **recommend HSBC**

+17
points

Higher NPS versus domestic customers⁵



More willing to **centralise the relationship with HSBC**

c.2x

Higher revenue per customer vs domestic customers²



Proven **source of new to bank customer** acquisition

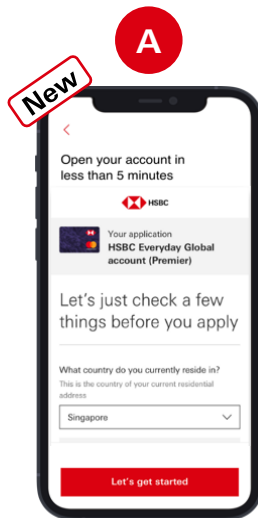
8
out of 10
markets

International customers represents >40% of new customer acquisitions in 2021

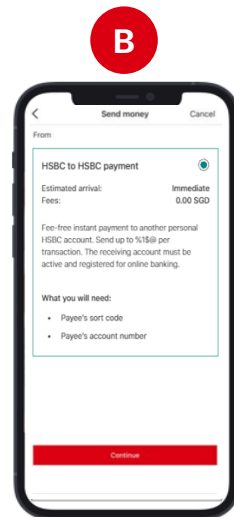
1. Market share analysis based on our active international customers as % of the United Nations data international migrant stock 2020. 10 markets include: Hong Kong, mainland China, Singapore, Australia, India, United Kingdom, United Arab Emirates, Channel Islands and Isle of Man, Canada and United States of America
2. Internal analysis based on the multiple of average revenue per international customer, compared with the average revenue per domestic customer. Analysis based on FY20 revenue in HSBC UK and FY21 revenue in Hong Kong (ex Hang Seng Bank), mainland China and UAE. These markets cover approximately 70% of the international customer base. Note, there are differences in the average revenue multiple across markets.
3. Total International customers includes multi-country customers who are counted in all markets they bank in.
4. West: Europe and North America; East: Asia and Middle East.
5. 1Q22

By bringing together a complete set of international banking and wealth management capabilities...

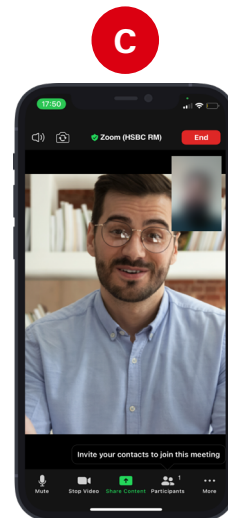
Case Study: Customer journey for an Indian customer moving to Singapore¹. To be deployed in all 10 key markets.



Digital Account opening, allowing me to **open a bank account in Singapore** before leaving India

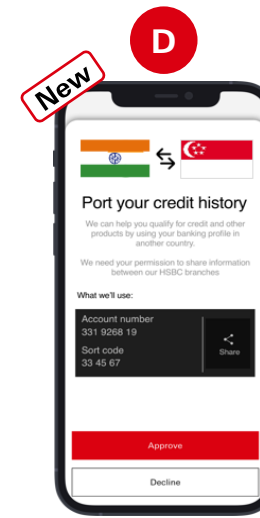


Instantly fund my **new Singapore account** with SGD via **Global Transfers** from my HSBC account in India

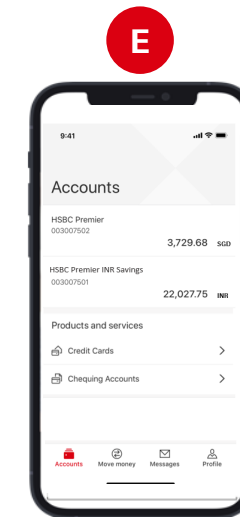


Provide me with worldwide recognition so I can enjoy my **Premier status wherever I bank**.

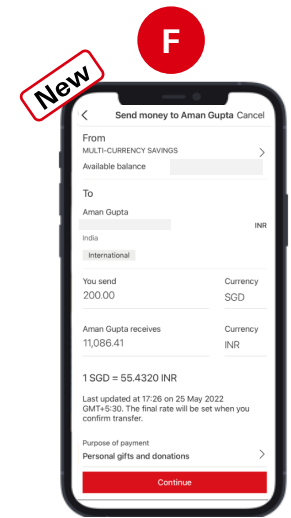
Help me plan for my **future**, by consolidating my wealth in an **International Wealth Hub**²



Give me access to **credit in Singapore**, approving a new credit card recognising the credit history I have in India via **International Credit Decisioning**.



Allow me to **view all of my holdings** in both Singapore and India through one **Global View** in my Mobile app.



Provide me with a quick, transparent and competitively priced solution to **send money back home to my family via Global Money**

... our ambition is to further consolidate HSBC as the leading bank for international customers

1. All features A-F currently live
2. International Wealth Hubs: Singapore, Channel Islands

Appendix

Reconciliation of reported and adjusted PBT

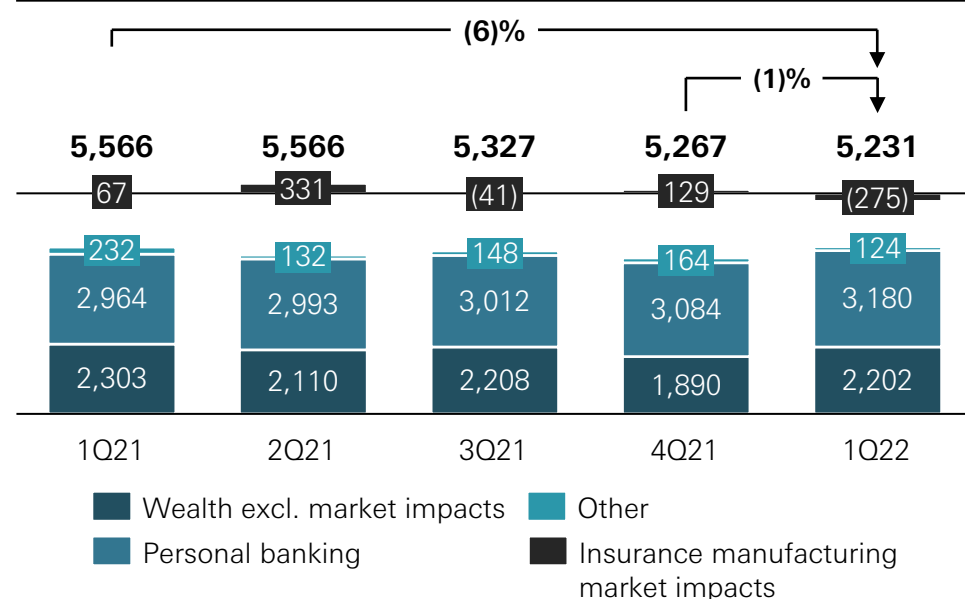
\$m	FY21	FY20
WPB reported revenue	22,117	21,999
Significant items and currency translation	(7)	572
WPB adjusted revenue	22,110	22,571
WPB reported ECL	288	(2,855)
Significant items and currency translation	—	(150)
WPB adjusted ECL	288	(3,005)
WPB reported operating expenses	(16,308)	(15,446)
Significant items and currency translation	922	3
WPB adjusted operating expenses	(15,384)	(15,443)
WPB reported share of profit in associates and joint ventures	34	6
Significant items and currency translation	—	1
WPB adjusted share of profit in associates and joint ventures	34	7
WPB reported profit before tax	6,133	3,704
Significant items and currency translation	915	426
WPB adjusted profit before tax	7,048	4,130

Wealth and Personal Banking

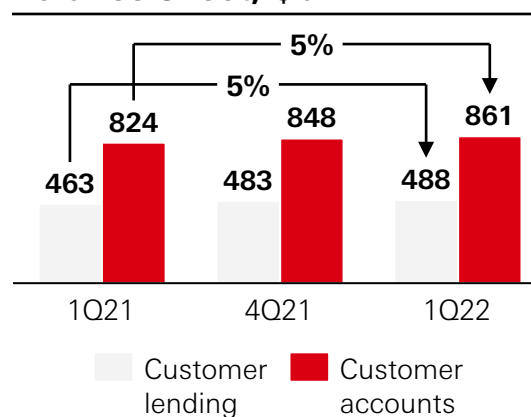
1Q22 financial highlights

Revenue	\$5.2bn	▼	(6)% (1Q21: \$5.6bn)
ECL	\$(0.3)bn	▲	>(100)% (1Q21: \$0.0bn)
Costs	\$(3.8)bn	▲	(2)% (1Q21: \$(3.7)bn)
PBT	\$1.1bn	▼	(40)% (1Q21: \$1.9bn)
RoTE	6.9%	▼	(11.9)ppts (1Q21: 18.8%)

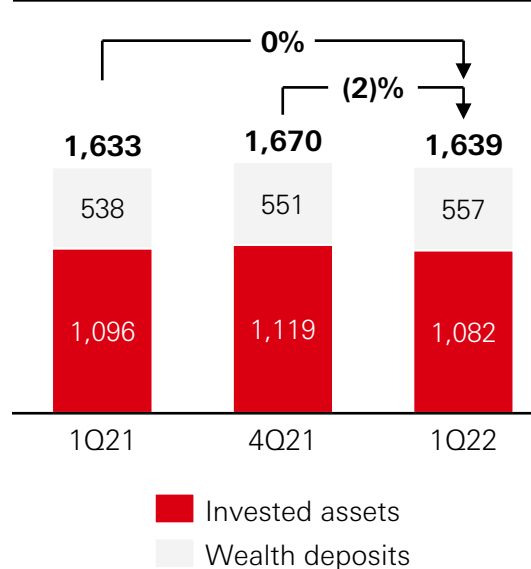
Revenue performance, \$m



Balance sheet, \$bn



Reported Wealth Balances, \$bn



1Q22 vs. 1Q21

- ◆ **Revenue** down \$335m (6%). Personal banking up \$216m (7%) from interest rate rises and balance sheet growth. Wealth down \$443m, primarily due to adverse insurance market impacts of \$342m, lower customer activity in equity markets and the impact of restrictions in Hong Kong, partly offset by higher Insurance (incl. gain on AXA acquisition of \$68m)
- ◆ **Customer lending** up \$25bn (5%), mainly mortgages (\$24bn, net of \$3bn US balances sold) and unsecured (\$1bn)
- ◆ **Customer accounts** up \$38bn (5%) across most markets, particularly in the UK (\$20bn) and HK (\$14bn), partly offset by \$10bn of reductions related to US sale
- ◆ **Wealth balances** stable, wealth deposits up \$19bn (5%) and NNIA of \$41bn over prior 4 quarters offsetting negative equity market movements on invested assets

1Q22 vs. 4Q21

- ◆ **Revenue** down \$36m (1%). Personal banking up \$96m (3%) from higher global interest rates and balance sheet growth. Wealth down \$92m (5%) including adverse insurance market impacts of \$404m, partly offset by private banking and seasonality
- ◆ **Customer lending** up \$5bn (1%), mainly mortgages (\$6bn) across most markets, particularly in the UK (\$3bn)
- ◆ **Customer accounts** up \$13bn (2%), driven by growth across most markets, particularly in Hong Kong (\$6bn) and the UK (\$4bn)
- ◆ **Wealth balances** down \$31bn (2%) primarily due to lower market levels of (\$31bn). NNIA of \$9bn, mainly in Asia (\$8bn)

Disclaimer

Important notice

The information, statements and opinions set out in this presentation and accompanying discussion (“this Presentation”) 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.

This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the “Group”) and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an “Identified Person”) as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on, the accuracy or completeness of any information contained in this Presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this Presentation or any additional information or to remedy any inaccuracies in or omissions from this Presentation. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

Forward-looking statements

This Presentation 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”, “plan”, “estimate”, “seek”, “intend”, “target”, “believe”, “potential” and “reasonably possible” 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 and any ESG related targets, commitments and ambitions 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. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions, regulatory changes, the impact of the Covid-19 pandemic or as a result of data limitations and changes in applicable methodologies in relation to ESG related matters). 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, commitments, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2021 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 23 February 2021 (the “2021 Form 20-F”), and our 1Q 2022 Earnings Release furnished to the SEC on Form 6-K on 26 April 2022 (the “1Q 2022 Earnings Release”).

Alternative Performance Measures

This Presentation contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations (“Alternative Performance Measures”). The primary Alternative Performance Measures we use are presented on an “adjusted performance” basis which is computed by adjusting reported results for the period-on-period effects of foreign currency translation differences and significant items which distort period-on-period comparisons. Significant items are those items which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the underlying trends in the business.

Reconciliations between Alternative Performance Measures and the most directly comparable measures under IFRS are provided in our 2021 Form 20-F and our 1Q 2022 Earnings Release, each of which are available at www.hsbc.com.

Information in this Presentation was prepared as at 08 June 2022, unless otherwise specified.