

INVESTOR BULLETIN

Strategic steps forward

From reshaping our US business to taking major strides in our ambition to transition to net zero, read the latest on HSBC's strategic progress

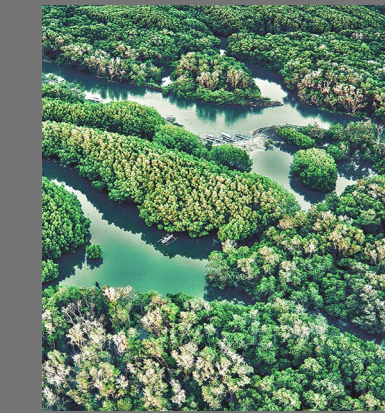


GLOBAL MONEY and GLOBAL WALLET

Your money, multiple currencies



News and Insights



Climate Solutions Partnership

We're mobilising finance and accelerating innovation to help drive the transition to a global net zero economy

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HSBC Senior Management Changes



Interview with
Michael Roberts
CEO, US and Americas



and
Kavita Mahtani
Chief Financial Officer, Americas

A glimpse into the future of HSBC in the US:
Simpler and sustainably profitable

Interview with



Michael Roberts
CEO, US and Americas



and
Kavita Mahtani
Chief Financial Officer, Americas



1. What is the vision for the US business five to ten years out?

Michael Roberts: Going forward, HSBC USA will be a more focused, simpler and sustainably profitable business. Our ambition is to be the leading international bank in the US. We will primarily be an international client-oriented wholesale business that contributes a significant amount of outbound revenue across HSBC's unparalleled global network. We will maintain a strong and stable balance sheet and focus on consistently improving returns.

2. You've retained c. 300,000 "wealth" customers. What services do these customers need that can't be provided by domestic banks?

Kavita Mahtani: We believe we can not only retain, but grow our wealth customer base by focusing on the US\$5 trillion international wealth opportunity that exists in the US. By capitalising on the strength of HSBC's network, we can deliver global coverage, holistic servicing and a seamless cross-border experience. We're continuing to invest in products and services that meet the unique needs of our wealthy international client base. For example, we recently launched Global Money, a multi-currency, mobile-only account designed for globally mobile clients. Additionally, we offer unique services for international clients looking to buy property in the US, such as the ability to apply for a mortgage without a US credit history.

3. As for your commercial business, do you now exclusively serve internationally-focused clients?

Kavita: US Corporate Banking International clients increased to nearly 90% of our US Corporate Banking clients last year. We're able to support our US CMB clients as they expand abroad and our international clients who operate in the US. We're investing in RM coverage in key markets with the highest concentration of international clients, such as Los Angeles, San Francisco, Boston, Washington DC and New York City.

"Collaboration between CMB and GBM remains a significant opportunity for us, so we are deepening sector coverage of CMB clients in key sectors, namely TMT, Industrials, Healthcare, and Consumer and Retail."

4. What role will the US play in HSBC's strategy of becoming a Top 5 global financing house?

Michael: The US is key to our ambition of becoming a Top 5 global financing house. We have the largest and deepest capital markets in the world.

"We are uniquely positioned to help our international wholesale clients by connecting US clients to HSBC's global network and global clients to US capital markets."

The infrastructure and capabilities are already largely in place today but we are simplifying the business and refocusing our resources on our areas of competitive strength – specifically Transaction Banking, Debt Capital Markets (DCM) and Leveraged and Acquisition Finance (LAF). For example, as our CMB clients grow, we're able to work more closely with our Global Banking business to offer the right products and services. We've seen significant successes through this collaboration, particularly in LAF, where underwriting fees are up 50% year over year. In LAF, partnership with CMB and with markets across our global network has resulted in a number of deal wins, including with companies such as Samsonite and Birkenstock.

"We're continuing to invest in products and services that meet the unique needs of our wealthy international client base."

Mr Roberts joined the bank as US CEO in 2019 and was given oversight of the Americas region in April 2021. Previously Mr Roberts was at Citigroup, most recently as Global Head of Corporate Banking and Capital Management and Chief Lending Officer. In these roles, he managed 1,500 bankers across 100 countries, and was responsible for lending to institutional, private banking and retail customers globally. During his 33-year career at Citi, he held various senior leadership roles in the US and abroad, including Head of Global Financial Institutions, Head of Global Automotive and Industrials, CEO of Citibank Canada, and positions in France, Belgium and Turkey

Ms Mahtani joined the bank in 2019 and is responsible for the financial operations of HSBC Bank USA, HSBC Bank Canada, and HSBC Latin America, overseeing the financial functions of HSBC Americas operations, including accounting, regulatory reporting, stress testing and capital management. Ms Mahtani has more than 25 years of experience in financial services and a broad strategic knowledge of banking. She joined HSBC from Citigroup, where she most recently served as Head of Asset and Liability Management for Citi Corporate Treasury.

Since setting out a clear strategy for the **transition to net zero** – with ambitious targets to reach net zero carbon both in our own operations and in our financed portfolios – we’ve made significant strides. [Here are just a few.](#)

SMI

Financial Services Taskforce (FSTF)

The FSTF operates as an industry sub-group of the Sustainable Markets Initiative (SMI) and is chaired by HSBC Chief Executive Noel Quinn. FSTF members are drawn from across the banking industry to work on meaningful and actionable plans to help accelerate the world’s transition to a sustainable future. The group played a significant role in climate discussions at the G7 summit in Cornwall, UK.

HSBC UK

Shaping the UK’s new green financing



As joint structuring adviser, we’ve helped shape the UK government’s new green financing framework – unveiled ahead of its inaugural green bond issuance this year.

The UK is expected to issue at least £15 billion in green gilts during this financial year alone and the framework sets out the projects eligible for funding.

NZBA

Net Zero Banking Alliance (NZBA)

In April, we joined 42 other banks from 23 countries as a founding signatory of the NZBA. The banks, with a combined total of USD28.5 trillion in assets, have founded the NZBA to bring collaboration and consistency to collective efforts to reach the Paris Agreement goals.

AGM

Shareholder climate resolution

At the Annual General Meeting in May, shareholders supported our climate resolution with 99.7% of votes in favour. The resolution commits HSBC to set short and medium-term targets to align its provision of finance to the Paris Agreement goals, and to publish a policy to phase out the financing of coal-fired power and thermal coal mining by 2030 in EU and OECD markets, and by 2040 in the rest of the world.



PCAF

Partnership for Carbon Accounting Financials (PCAF)

In March, we became the largest financial institution to date, measured by total financed assets, to commit to using the PCAF standard for calculating financed emissions.

IN BRIEF



We’ve completed the first-ever **end-to-end paperless steel trade between the UAE and India**. The live trade finance transaction between the UAE’s Universal Tubes and Plastic Industries, and India’s Tata Steel, involved end-to-end digitisation of the documentation on blockchain trade finance network Contour.

Canada has joined a growing list of markets where HSBC has led sovereign green bond programmes by selecting us as joint structural adviser for the country’s first federal government green bond issuance. We’ll help design the green bond framework and support the inaugural issuance as part of Canada’s programme to achieve its climate ambitions.

The **Greater Bay Area’s** pipeline of bankable, investment-ready green projects offers a huge opportunity to our clients, according to a Climate Bonds Initiative report we helped to produce. Investors who think only solar and wind projects qualify for green finance could miss out on the hundreds of billions that GBA local governments plan to pour into a range of sustainability projects.

We held lead roles as German vehicle giant BMW raised RMB3.5 billion through a Panda bond issued into the China Interbank Bond Market. It’s the first publicly syndicated Panda bond issuance from a foreign multinational corporation – and a big statement about our capabilities in China and Europe.

Climate Solutions Partnership

We must
work in



h a r m o n y
with
n a t u r e

We've joined up with **World Resources Institute (WRI)** and **WWF** to form a five-year philanthropic partnership to help climate solutions become commercial reality and have real-world impact.

The Climate Solutions Partnership is powered by US\$100 million of philanthropic funding from HSBC and, with a network of local partners, aims to scale up a wide range of potential breakthroughs, by combining our resources, knowledge and insight.

The Partnership is focusing its collective efforts on three global themes: climate-related innovation, nature-based solutions and energy efficiency initiatives in Asia. We see these as having the potential to make a

significant impact in the mission to achieve a net zero, resilient and sustainable future.

We have plenty of assets to bring the partnership to life on our website, including videos that explain each workstream in detail and examples of how the Partnership is making a difference including through a programme to plant two million trees in the UK, a challenge to entrepreneurs to smash greenhouse gases, and improvements to soil health for a more resilient US food system.



We must find
sustainable
ways



IN BRIEF



HSBC Asset Management has helped the **University of Cambridge** publish a new handbook aimed at understanding and identifying nature-related financial risks. Together with other financial institutions, we're working with the university's Cambridge Institute for Sustainability Leadership to create methodologies that assess specific 'use cases' to help the wider financial industry avoid risks.

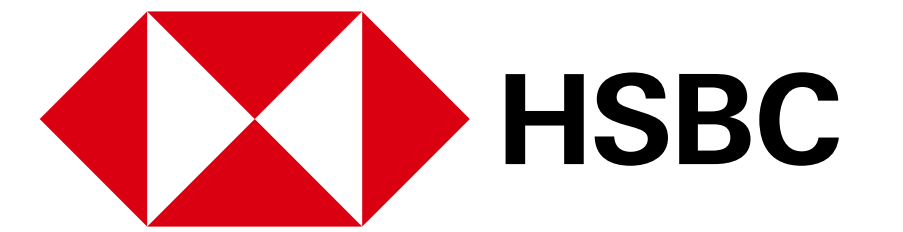
Influential ratings agency MSCI has given us a **'leader' AA rating** for environmental, social, and governance issues – up from an 'average' BBB rating in 2020. Fewer than three in 10 banks globally currently hold an AA or AAA rating on ESG. MSCI said "HSBC leads peers on most assessed key issues".




FAST-Infra has developed a new **Sustainable Infrastructure Label (SI Label)** that aims to attract investors to the trillion-dollar sustainable infrastructure investment opportunity by highlighting projects that have sustainability criteria at their core. The consultation is under way and all interested parties are encouraged to participate by 30 July.

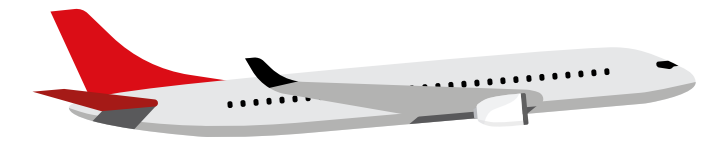
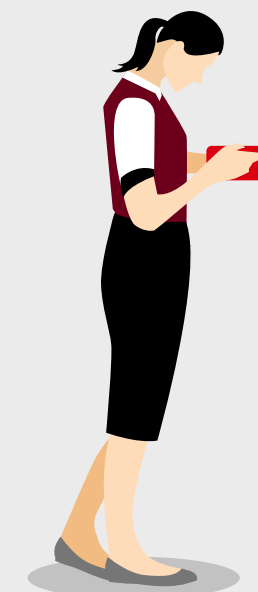
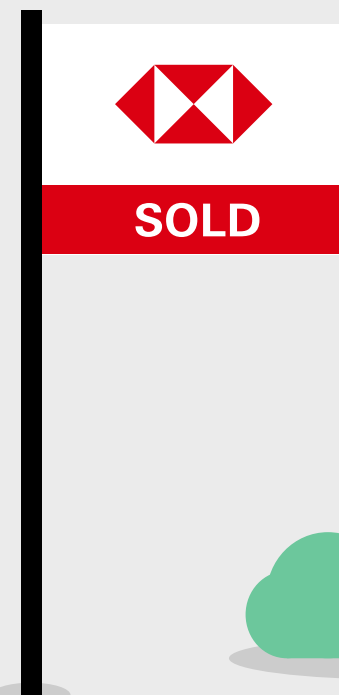
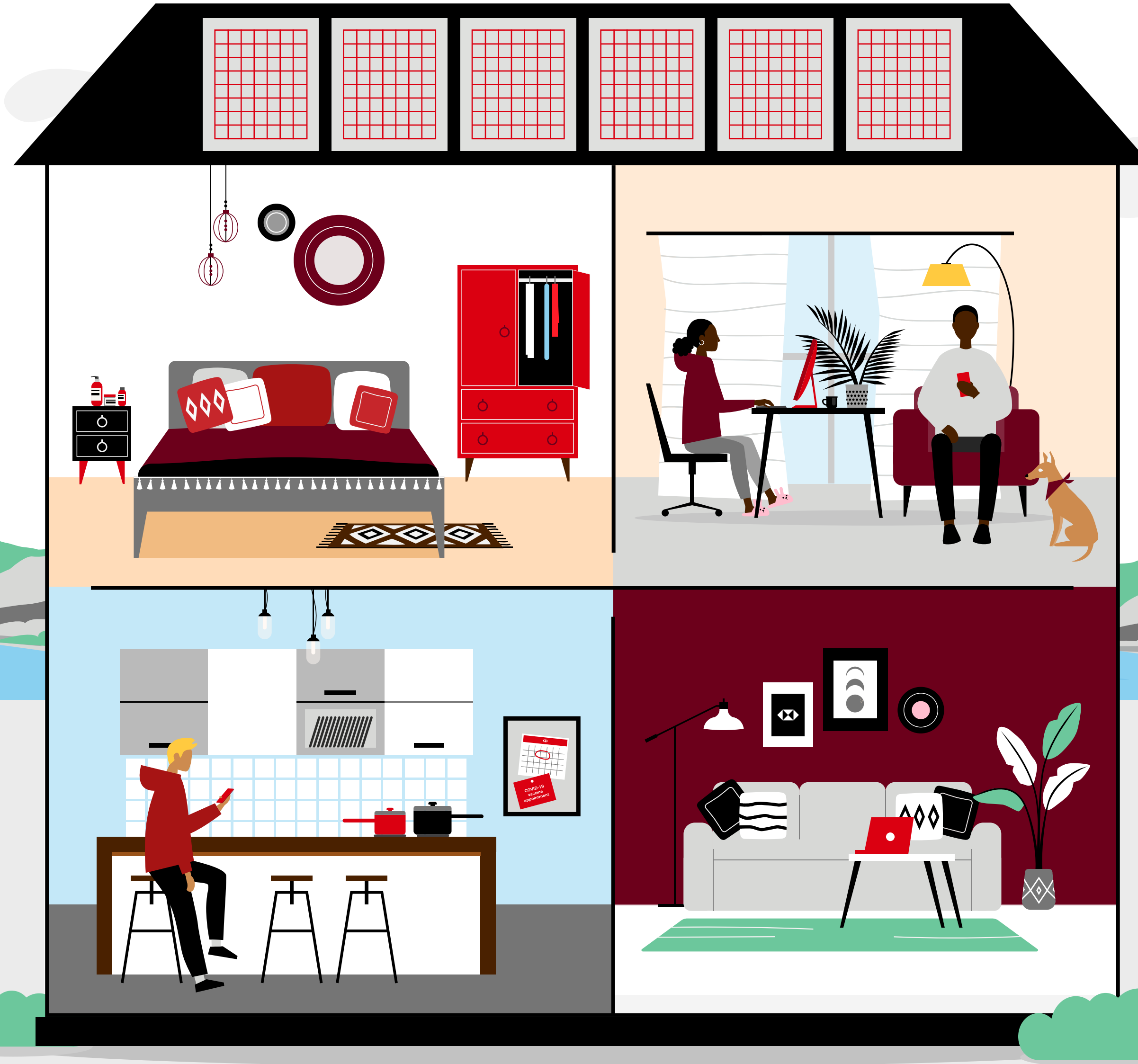
Putting you in the picture:

How our strategy is visible in your everyday life



Explore the illustration to learn more about the unique value we bring to our customers and the communities we serve. Find out about our focus on technology and how we are helping to lead the transition to a more sustainable world.

Select the numbered red diamonds  to discover more. For the best experience please view fullscreen.



Born in the UAE

Introducing **Global Money** – our new multi-currency digital account



Hold, send and convert money in up to 21 currencies, including AED, USD, EUR, GBP, JPY, HKD, SGD, AUD, SAR

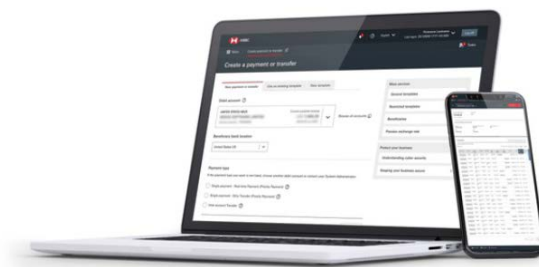
Our new mobile account that enables retail customers to hold up to 21 currencies and make free, real-time international payments has launched in the UAE.

Global Money takes the hassle out of sending money abroad, and removes the need for customers to turn to third-party providers for international transactions. Its functionality will launch in further markets this year.

With the **launch of EZInvest in Malaysia**, we've delivered a new unit trust investment app for the growing market of younger, digital-savvy investors.

The millennial and Gen-Z cohort is especially drawn to low-deposit, low-fee digital platforms like EZInvest, which uses the same technology as our popular FlexInvest platform in Hong Kong.

Customers and software developers can now use our **API Developer Portal** (Application Programming Interface) to find and securely test potential solutions for issues such as payment initiation. The portal provides mock customer data and technical documentation for testing – part of our drive to make customers' businesses more resilient and less limited by their own technology.



Our multi-currency digital wallet for businesses has launched in Singapore, the UK and US.

HSBC Global Wallet customers can hold money in at least six currencies, including USD, EUR and GBP, and 'pay like a local' to some destinations – meaning money will usually arrive within minutes of being sent.

Central Bank Digital Currencies (CBDCs)

CBDCs could replace cash and transform the banking system globally within a generation.

The benefits could include increased growth and reduced poverty in the emerging world – and even tastier drinks in your local coffee shop, according to HSBC Global Economist James Pomeroy.

CBDCs are like a 'distant cousin' of cryptocurrencies like Bitcoin. Despite being around for a number of years though, cryptocurrencies are not currently something



people can spend 'on the high street' – owing to their volatility, as well as the intensive energy usage and expense of the system that supports them. But CBDCs are likely to become mainstream methods of payment in the not-too-distant future.

Deeper digital interactions

Customers expect us to help them complete their everyday banking tasks digitally with ease, but increasingly they're also seeking broader and deeper digital interactions.

A range of HSBC voices, including Jen Flowers, Head of ASP Partnership & Innovation, Wealth and Personal Banking, outline how we're building our network to respond to these customer trends, especially in Asia-Pacific markets.

IN BRIEF

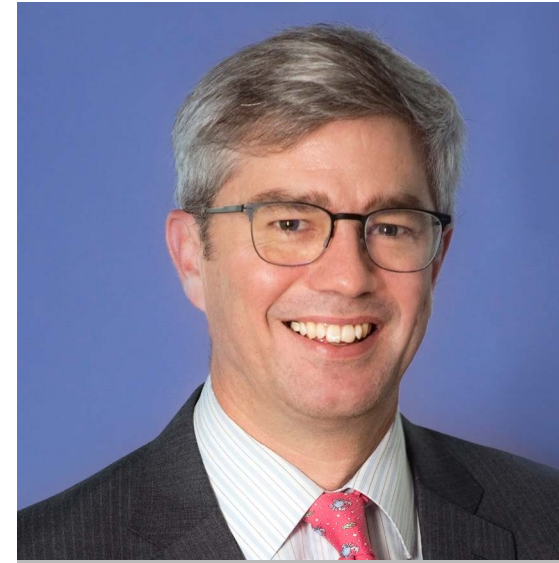
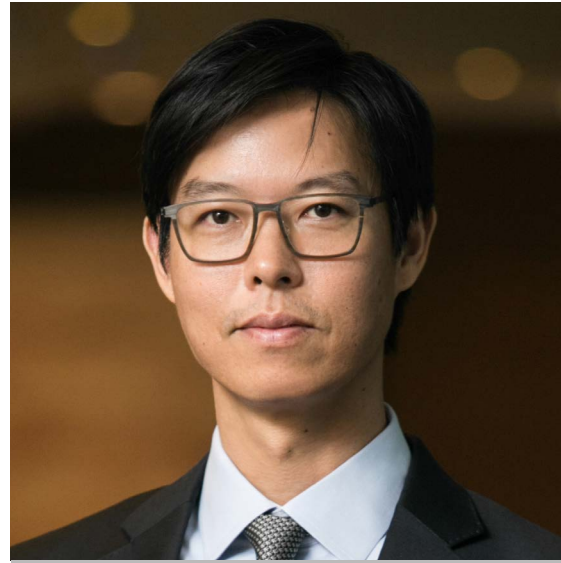
HSBC Private Banking clients in Asia can now link-up with the latest market opportunities through a newly launched Online Trading Platform offering access to 10 key financial markets in Asia, Europe and the US.

SBC US launched the AI Powered Multi Asset Index (AiMAX), the first rules-based multi-asset investment strategy to use artificial intelligence (AI) as a method for constructing a diversified growth portfolio.

HSBC UK has launched a Fraud and Cyber Awareness app that arms firms with information about new and emerging scam types and sends users notifications of what to look out for. The app is available free of charge to all businesses in the UK.

HSBC Life, our insurance arm, launched the largest global partnership of its kind to integrate dacadoo's Digital Health Engagement Platform into our own health and wellbeing platforms, which we make available to both corporate and retail customers. Using AI, data analytics and user gamification methods, HSBC Life's Well+ and Benefits+ platforms hope to motivate people to shift towards and maintain healthier and 'financially fit' lifestyles.

People Moves



David Liao and Surendra Rosha

have taken over as co-Chief Executives of HSBC Asia Pacific.

David, formerly Head of Global Banking Asia Pacific, and Surendra (known widely as Rosha), formerly CEO of HSBC India, will be based in Hong Kong and share pan-regional leadership responsibilities that include jointly leading regional businesses and functions, embedding purpose, values and culture, developing leadership and talent and overseeing risk, capital and liquidity levels.

They succeed Peter Wong, who steps into the role of non-executive Chairman of HSBC Asia-Pacific, and adviser to Group Chairman Mark Tucker and CEO Noel Quinn.

Hitendra Dave succeeds Rosha as Interim CEO of HSBC India. He brings nearly 30 years of experience in financial services, and was most recently the Head of Global Banking & Markets in India.

Kee Joo Wong

has taken over as CEO for HSBC Singapore.

Mr Wong has more than 26 years of banking experience across different markets, including the UK, Thailand, Hong Kong and China, and moves from a six-year tenure as HSBC's Regional Head of Global Payments and Cash Management for Asia-Pacific. He succeeds Tony Cripps who joined Saudi British Bank.

Matt Lobner

has been appointed as Group Chief Transformation Officer,

a role he will take up in August. Mr Lobner has extensive experience of setting direction for strategic initiatives since first joining HSBC in 2005. He is currently Head of International, Asia-Pacific. In his new role he will accelerate the delivery of HSBC's strategy through transformation, working closely with Chief Financial Officer Ewen Stevenson and the rest of the bank's executive board.

Molly Chowdhury

is rejoining HSBC as US Chief Information Officer

after a short spell away. Ms Choudhury spent more than 16 years at HSBC before leaving last summer to head up Digital Technology for Citibank's Global Commercial Cards business. Most recently at HSBC, she was Head of Architecture, US and Americas, and over her career she has delivered numerous business-led transformation projects to update our US bank's core systems.

Laura Geiger-Pancera

has joined as the UHNW Family Office Director.

Based in Switzerland, Ms Geiger-Pancera takes on a newly-created role, reporting to Tom Cerboni, overseeing and driving growth in the wealth management division serving clients with ultra-high net worth. She previously led the Global UHNW Client Strategy Office at UBS, the culmination of a 20-year career at the Swiss lender.

Lisa McGeough

has taken over as Head of Global Banking Europe and the Institutional Client Group.

Ms McGeough will spearhead client coverage across Europe and oversee regional product teams, as well as tackling first-line risk management, specifically credit, reputational, compliance and financial crime. She joins from Wells Fargo, where she held a wide range of senior positions over 15 years, including Head of Financial Institutions and Head of International. She succeeds Philippe Henry, who is retiring after 32 years.



There's no way we could reflect all of the awards won across the bank in the past few months – but here's a few we've picked as our favourites.

No. 1

We were named as the **No 1 bank for Best Overall RMB Products and Services for the 10th straight year in the Asiamoney Global RMB Poll.**

Increasing numbers of global clients are looking to transact with RMB for international trade and cross-border investment – and corporations, financial institutions and investors who responded to the poll recognised our consistent delivery of offshore and onshore support.

Provider of the Year

first direct won Current Account Provider of the Year 2021 at the UK Moneyfacts Consumer Awards.

Michele Monck, Head of Digital at Moneyfacts.co.uk, said:

“This is the second year that first direct has won this award. It was recognised by its customers for excellent customer service and the competitive rates it offered for those needing to borrow using an overdraft.”

7 Gongs

We carried off seven gongs at the prestigious **Bond Connect Awards**, a joint venture between the CEFTS and HKEX. Our wins ranged from Top Market Maker to Outstanding FX Settlement Bank and our very own Nathan Jin was named Bond Connect Top Trader.

8 Accolades

HSBC received eight accolades for outstanding digital customer experiences, innovative services and robo-advisory experience in Singapore, mainland China and Canada, at The Digital Banker's Digital CX Awards 2021.

Best Collab

The Asset Triple A named HSBC, SGX and Temasek **'Best Digital Collaboration'** for Singapore's first ever fully digitalised bond issuance in its 2021 Digital Awards.