HSBC The world's local bank

Analyst Roadshow to Asia-Pacific

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We have some

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Shifting macro-economic environment

macroeconomic changes. The first is the ageing of the population. The Asia population has become older in 2020, over 800m over 60 years on Asia. Look for opportunities for retirement products. The second, the population are moving more and more. Non-resident Indians send money to India. Cross-border Chinese. The Chinese on the Taiwan or Hong Kong and mainland China compound a very big Chinese population.

We have a lot of opportunities. First of all it is to increase the share of wallet of our customers mainly in Hong Kong. We have a very big premium base here, it continues to grow a very big customer base.

We have strong wealth management propositions. And we deployed last year a totally new platform called WealthMaster to increase our capabilities to offer the best product for our customers.

If you look outside Hong Kong we are in the investment mode. We are investing a lot of in Taiwan we just bought a bank there. India, Indonesia, Vietnam, Philippines. A lot of countries we're investing.

Financial performance

Last year we had an outstanding year. We grew our profit in over 51%. We're talking about total profit of $4.7b, that is a huge amount, it is -- if you compare the total it's about 80% of total PFS profit if you add in the US operations. We have over 12m customers. That is -- then we continue to grow in our profit in mainly our cross selling. We're increasing our customers and increasing the cross selling with this type of customers.

Competitive advantage

We have a competitive advantage if you compare with our local and global competitors. Citibank, Standard Chartered or local competitors then the first thing is the growth of Premier customer base and to grow against the share of wallet I've discussed. That is the first thing. We have the people that was training and know how to interact, how to service this type of customer. We have the common -- the standards, how to operate premier. And we are - we have a very strong mystery shopping that is done almost every month that goes in our tier one branches to audit the way that we are operating with our customers. And the second most important thing is an important thing too, how we're going to increase deployment of a global platform like for example on the credit card processing systems in order to capture the real advantage of economy of scale. We are deploying the One HSBC cards in India and in Indonesia, we already deploy them in Australia. We add now Malaysia. And then we are building a real common platform to processing credit cards. With this type of thing we can have a strong competitive advantage over them.

Opportunities and challenges

Opportunities and challenges all the time. Obviously we are in the Asia in organic growth mode. Then we are growing our branch network. For example where it's possible we're growing in China, we're growing in Indonesia, we are growing in Malaysia with the Islamic. That is - on Philippines. And we are growing organically where it's possible. We have some acquisition in Taiwan to integrate the Greater China proposition. Then we have very tough regulatory but we have a lot of opportunities ahead. We are going to grow and continue to grow our operation.

And again in some acquisitions, I can talk about TCB in Taiwan and Investsmart on India, that will provide us with a strong footprint to grow Wealth Management in India.

The Sharia banking opportunity

We have a very big Islamic population in Asia. Indonesia is the largest Islamic country in the world. We have put in place a very good proposition in Malaysia.

Oh it's very, very big. About 51% of the population or 51% of our target market, target population on Malaysia. 80% of population of Indonesia are Islamic, again over 200m people. Look for the size of this population and there is a market to offer Sharia compliant products with them.

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Key strengths

think about four things. The first is people. People with passion, people with passion to serve our customers. The second is process. Common platforms, straight to process, in order to drive our unitary costs down. The third is the branding. How our customers perceive our branding. We have a strong branding in all Asia Pacific countries. And the fourth is customers. We have over 12m customers in Asia. Look for opportunities to cross-sell with people, with process and branding.

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