



HSBC Wealth and Personal Banking

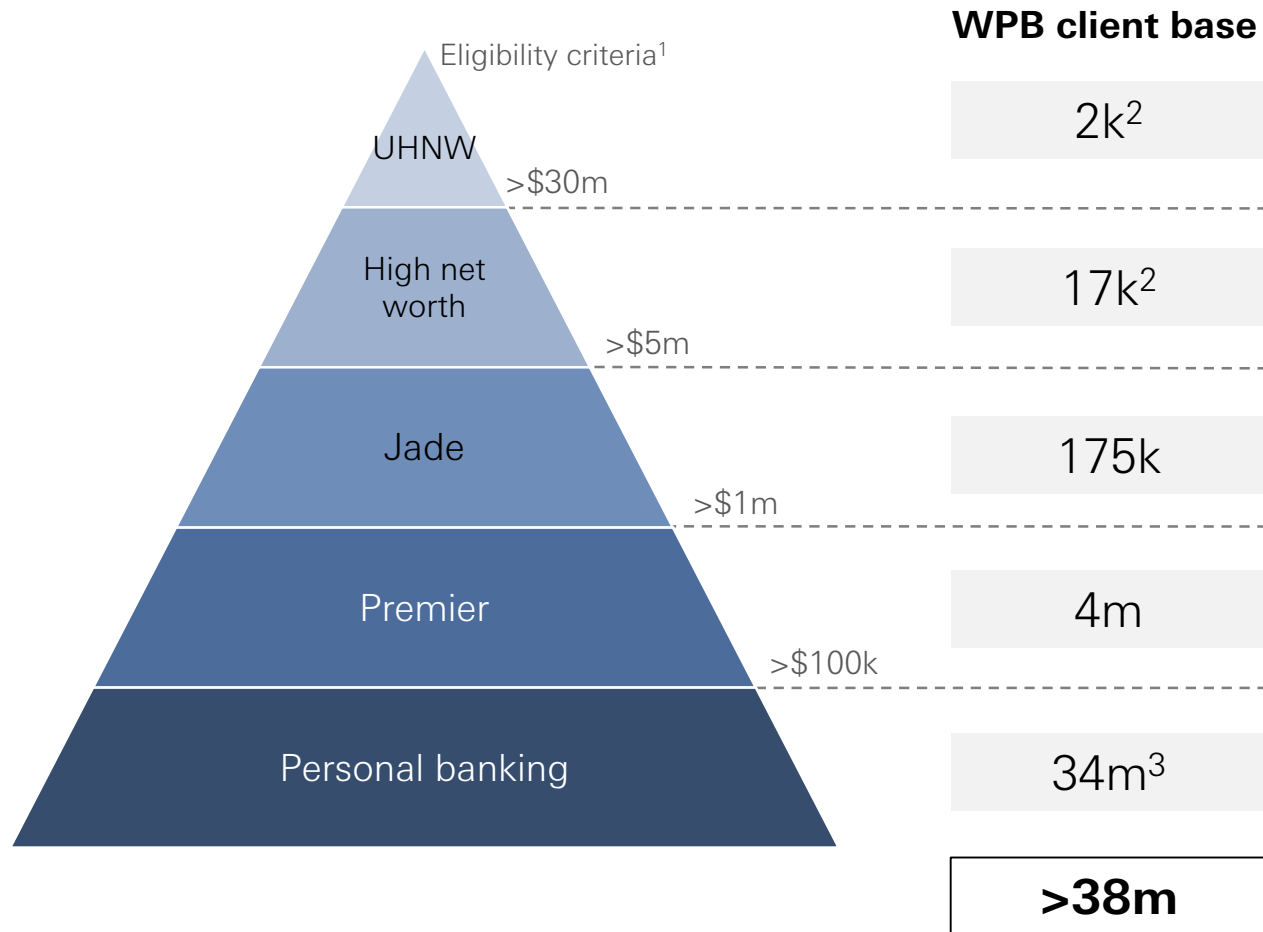
Nuno Matos, WPB CEO

June 2021

WPB overview

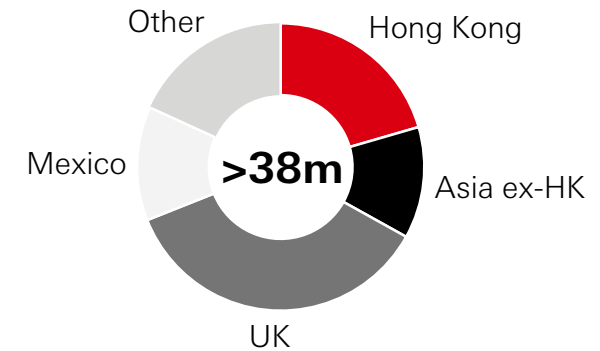
WPB provides retail banking and wealth products and services across the customer spectrum in 37 markets worldwide

As at FY20

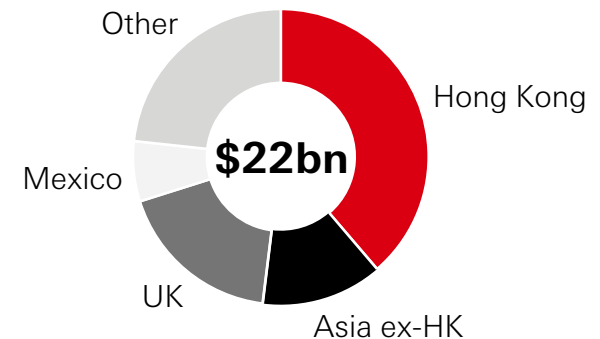


Anchored by our scale markets

Active customers



Adjusted Revenue



Unless otherwise stated, the remainder of this presentation is on an adjusted basis

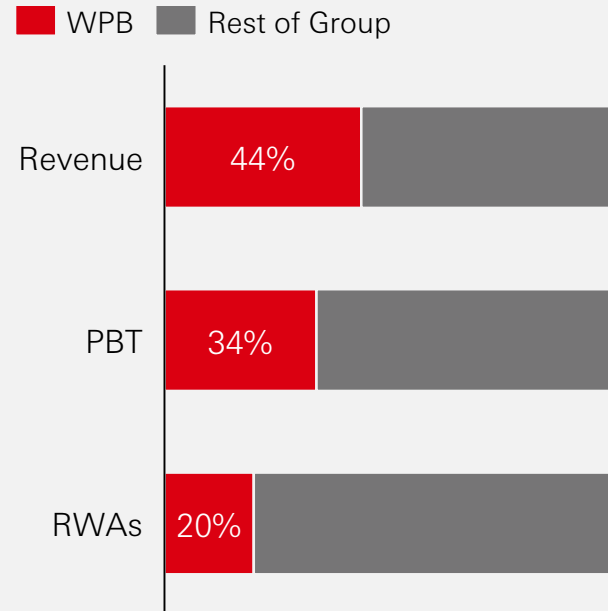
1. Investible assets. Eligibility criteria for each tier vary by market 2. GPB segments its clients based on relationships within households/family and not individual clients 3. Customer number for personal banking includes Retail Business Banking, PayMe, and Hang Seng customers

A high-return business, with a strategy to accelerate growth

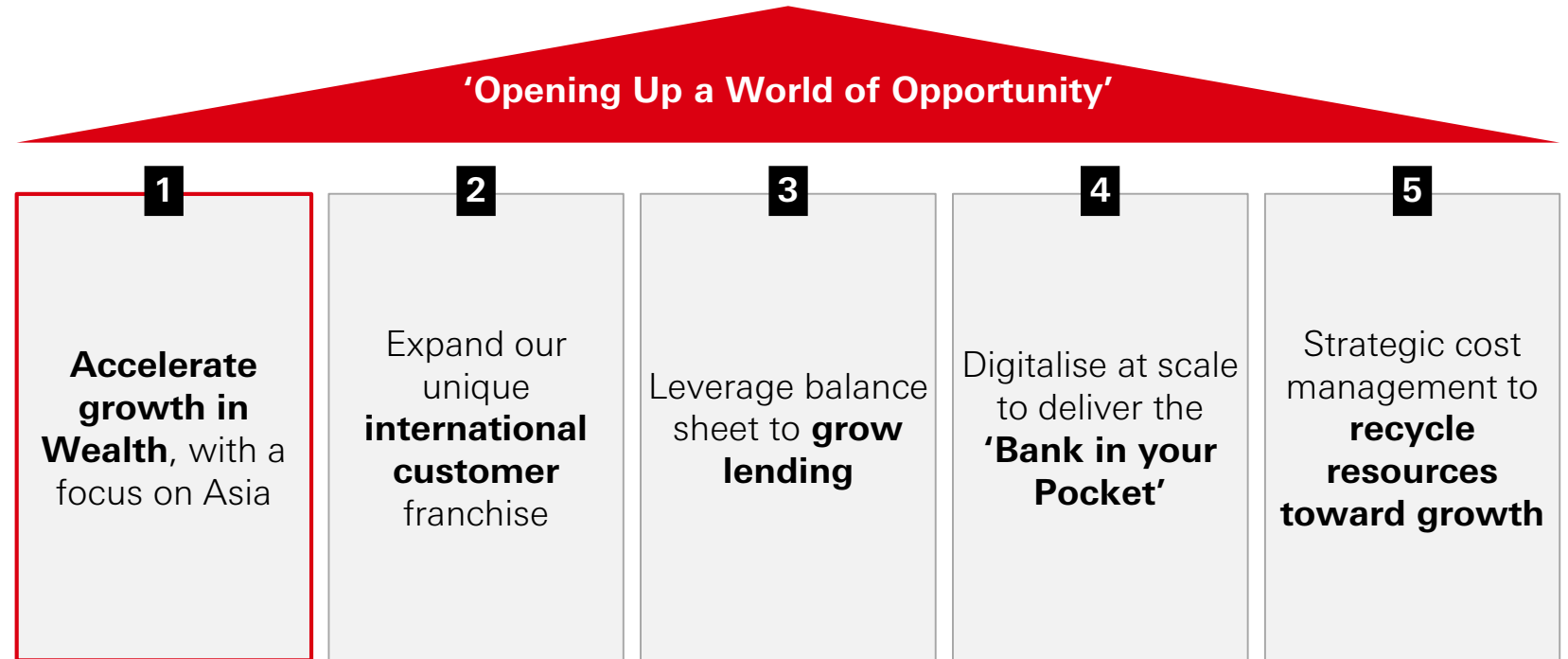
A high-return business

WPB RoTE ¹	2020	9.1%
	2019	19.7%

% of HSBC Group (FY20)



Our strategy

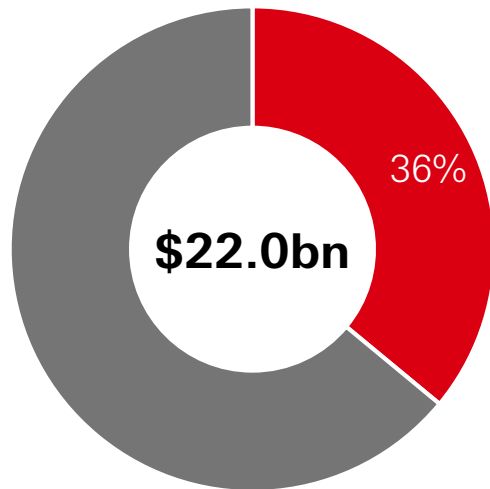


1. RoTE by global business excludes significant items and the UK bank levy

Wealth is a meaningful part of WPB

A meaningful part of WPB revenue

WPB adjusted revenue, FY20

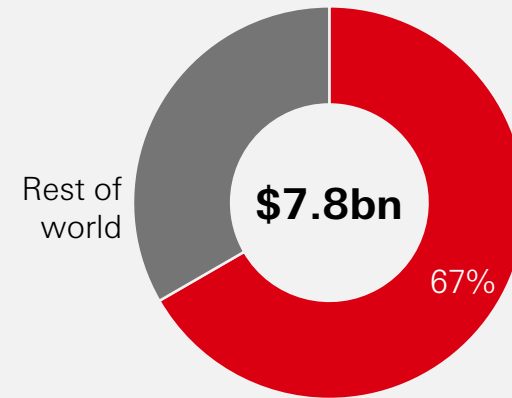


Wealth
\$7.8bn

Other WPB

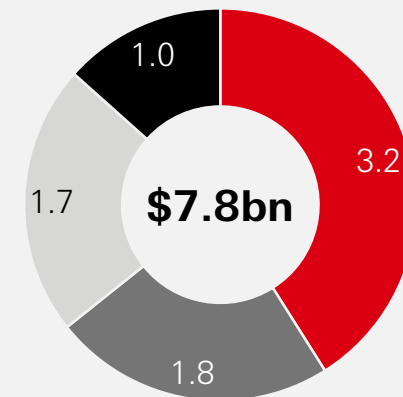
Largely driven by Asia

Wealth – adjusted revenue by region



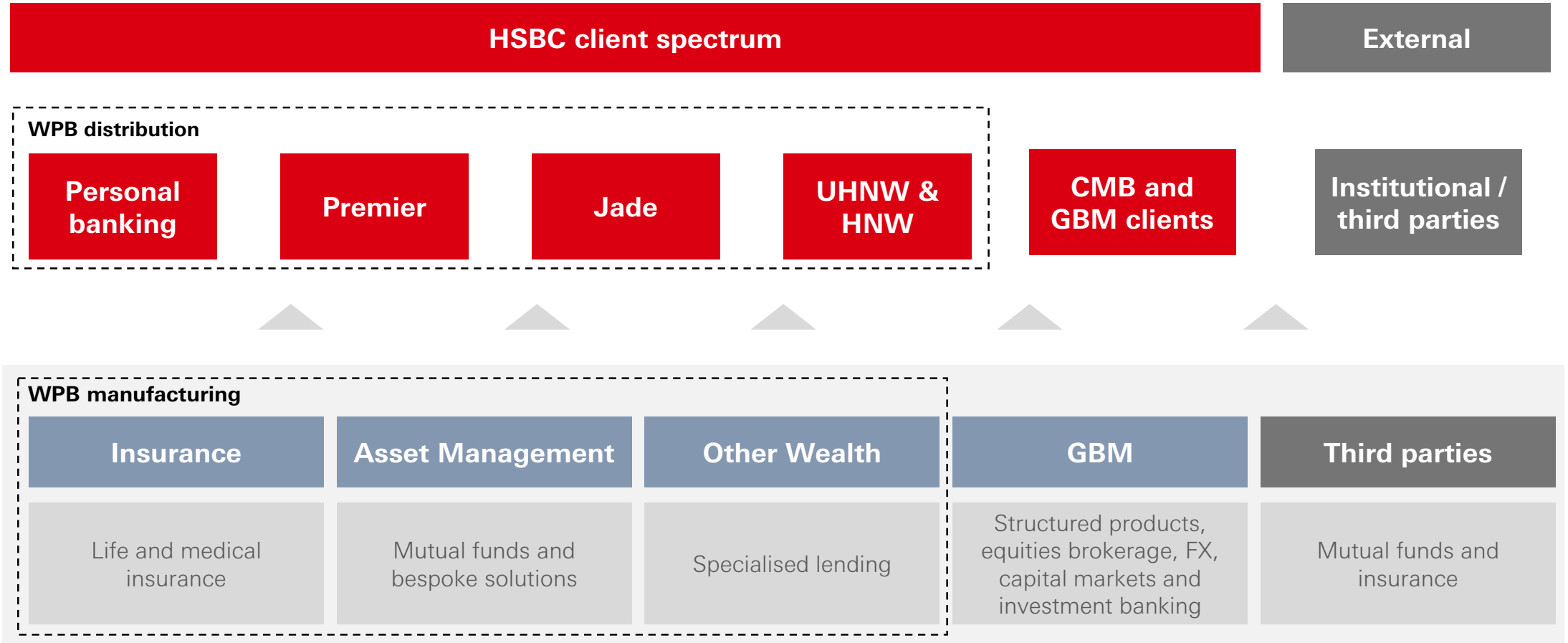
Asia
\$5.2bn

Wealth – adjusted revenue by product, \$bn



- Investment distribution
- Life insurance manufacturing
- Private Banking
- Asset management

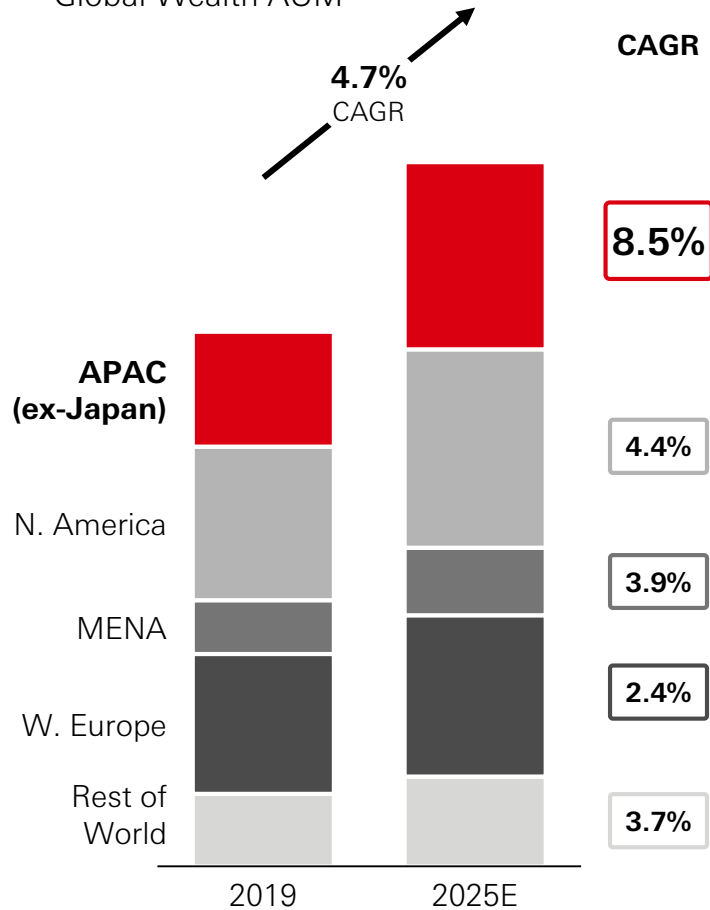
With manufacturing and distribution capabilities supporting our customers' wealth needs



Asian Wealth: an exciting growth opportunity where we have a right to win

Strong structural growth

Global Wealth AUM¹



Distinct competitive advantages



Our **full 'client continuum'**

>4m

Mass affluent to UHNW clients



Our **significant wholesale franchise**

>60%

of GPB and Asset Management Net New Money (NNM) from corporate and institutional clients in 2020



Full range of **in-house manufacturing capabilities**

\$3.0bn

of Group revenue generated from asset management and life insurance manufacturing in 2020



Our **international network**

11

booking centres in all key global hubs for on-shore and offshore wealth²

1. Source: internal and external benchmarks, data and industry experts, 2019. N. America and Japan only include Private Banking; AUM number is inclusive of Insurance 2. Hong Kong, Singapore, mainland China, Taiwan, US, Switzerland, UK, Channel Islands, Luxembourg, France and Germany

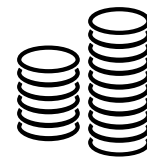
Asian Wealth: a plan to grow, backed by a bold investment programme

Our growth ambitions¹

Grow Asian wealth AUM **faster than the market**

Grow global wealth revenues at **>10% CAGR**

Backed by a bold investment programme



>\$3.5bn Growth investment in WPB²



>5,000 Planned hires for client facing wealth staff, nearly doubling our front office staff

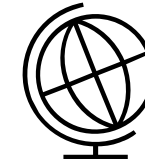
1. To be achieved over the medium to long term, including doubling GPB PBT and RoTE. Medium term is defined as 3-4 years; long term is defined as 5-6 years (including build-out of front line staff). Over 5 years, 2020 – 2025

2. Expected. 'Growth investment': investment in strategic business growth

Key growth opportunities in Asian Wealth



Retail Wealth



Private Banking



Insurance



Asset Management

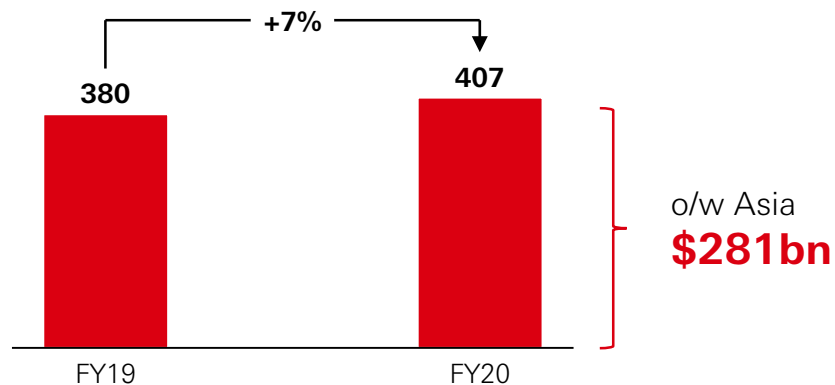
Retail Wealth

Retail Wealth is a competitive differentiator for HSBC

Retail Wealth is the largest revenue contributor to our Wealth franchise

- ◆ Retail Wealth covers Personal Banking, Premier and Jade
- ◆ **\$3.2bn of investment distribution revenue** in FY20, c.40% of Wealth revenue
- ◆ Distributed products include mutual funds, insurance, structured products, equities and FX
- ◆ Personal Banking, Premier and Jade customers: \$752bn deposits / \$418bn loans at FY20

Global reported Retail Wealth balances, \$bn



Our strategy to capture growth

◆ Make investing **easy**, with fully mobile Wealth capabilities

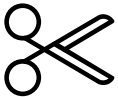
◆ Expand Wealth capabilities to **more markets**, particularly in Asia

◆ Make GBP products available to top-end Retail Wealth clients

Making investing easy: our vision for a full wealth proposition in your mobile banking app



Full digital investment account opening in your mobile app



Journeys **tailored to your level of sophistication**



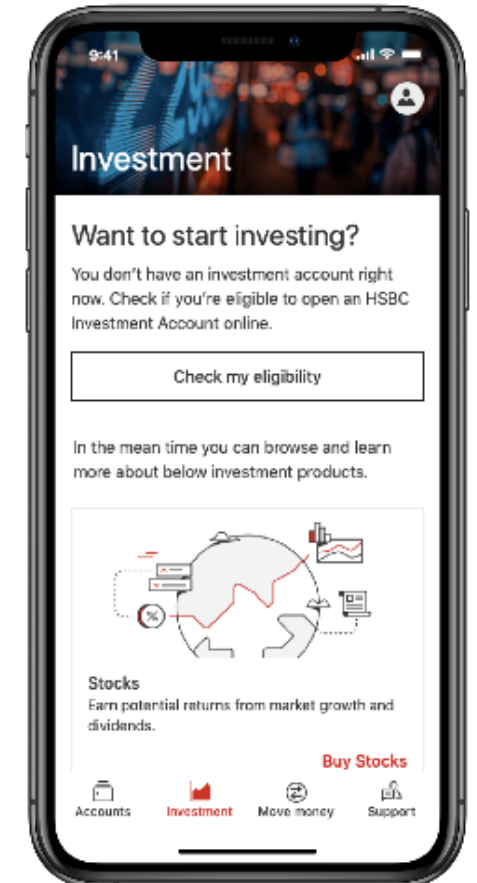
View all of your portfolio — funds, equities, bonds, insurance — on a single app



Full **trade execution** capabilities



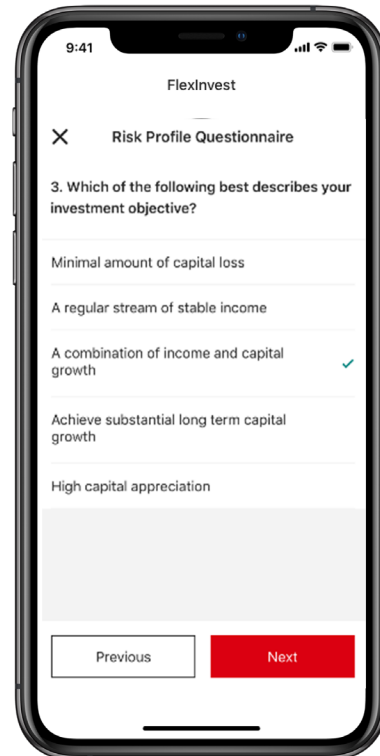
Personalised investment insights based on your preferences and investment activity



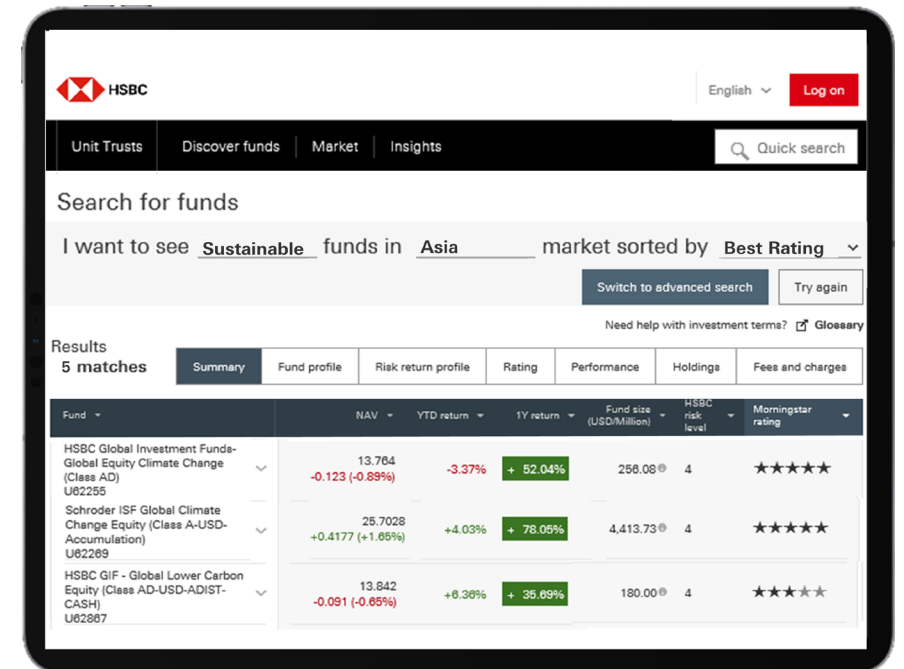
Journeys tailored to your level of sophistication

Whether you are just starting your journey...

Tell us your investment needs and goals



And we will create personalised recommendations for you



Journeys tailored to your level of sophistication

Or know exactly what you want

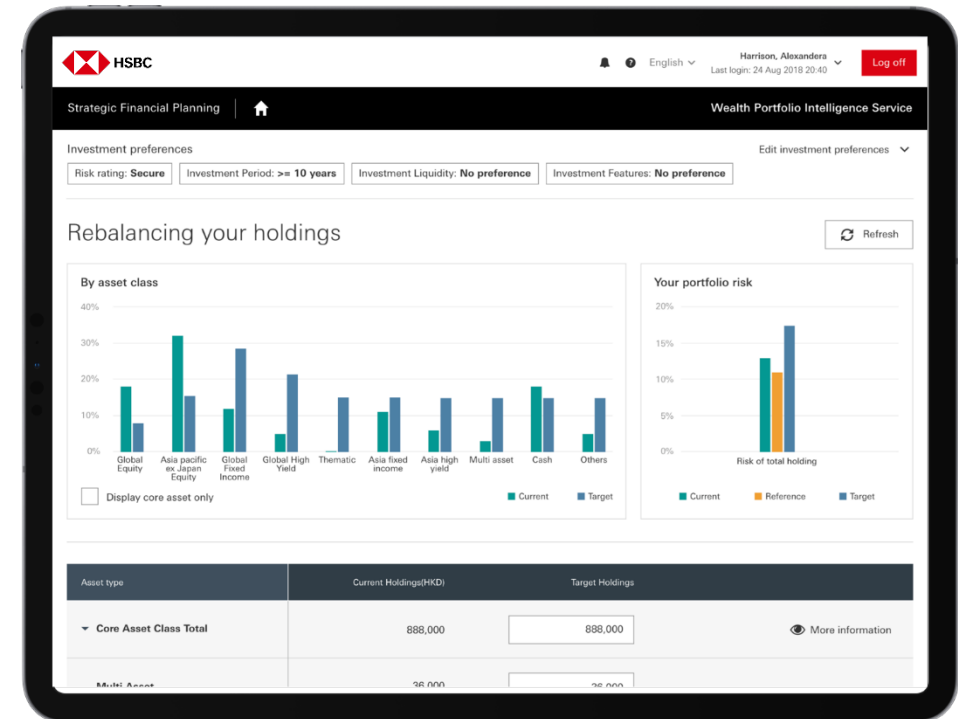
Click and transact individual securities



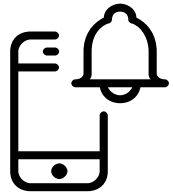
And optimise your portfolio with advanced analytics



Would you like to see how your portfolio performs in our Covid-19 scenario?



Supported by our people when our customers need us



In-app chat messaging



24/7 contact centre



Video chat via Zoom



In-branch meeting

Deploying these capabilities into more markets



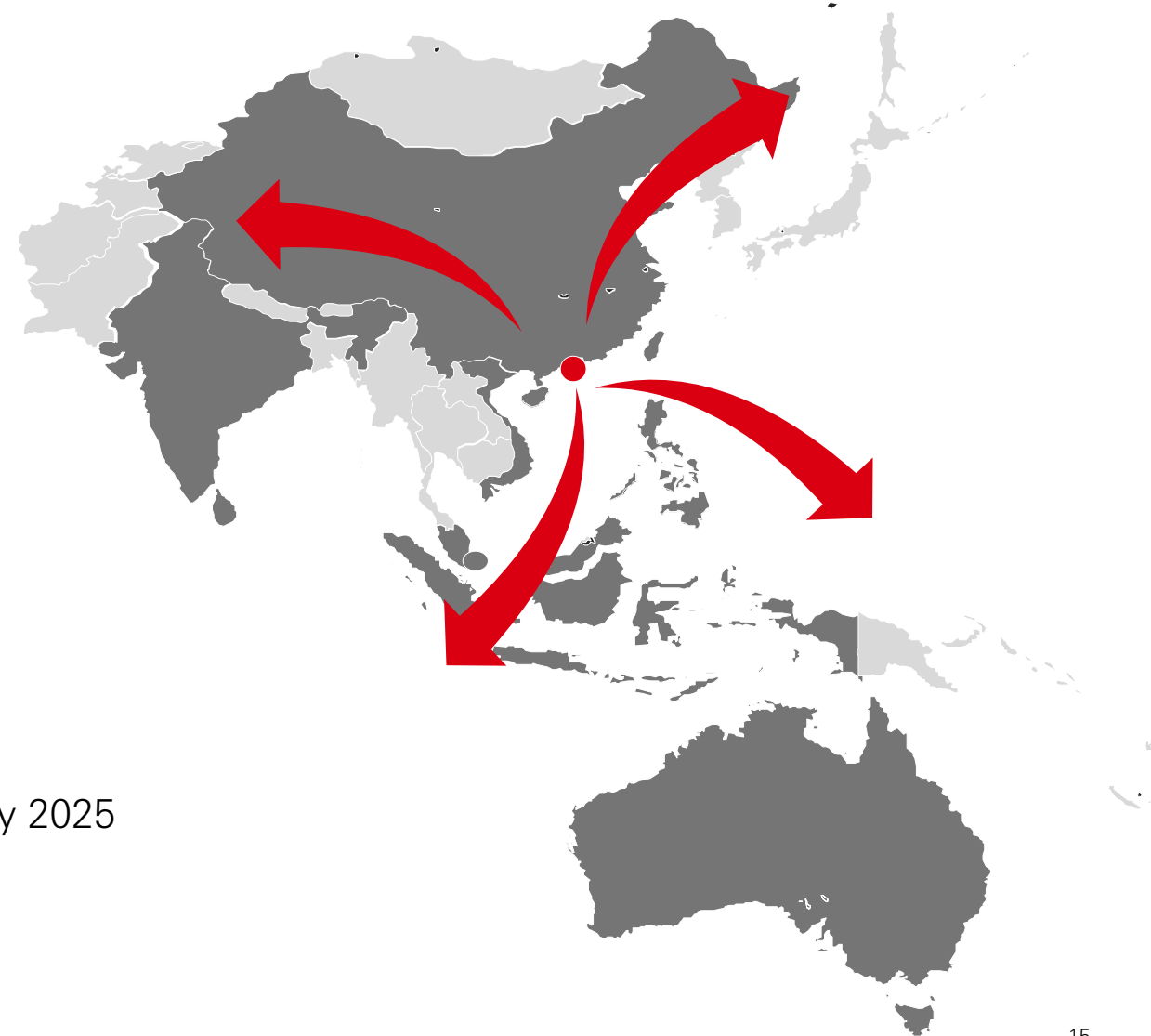
Our **scalable technology stack** will enable us to deploy our retail wealth capabilities to more markets



Deploying in our top markets from 2021 - 2023



>1,400 planned new frontline colleagues in Asia by 2025



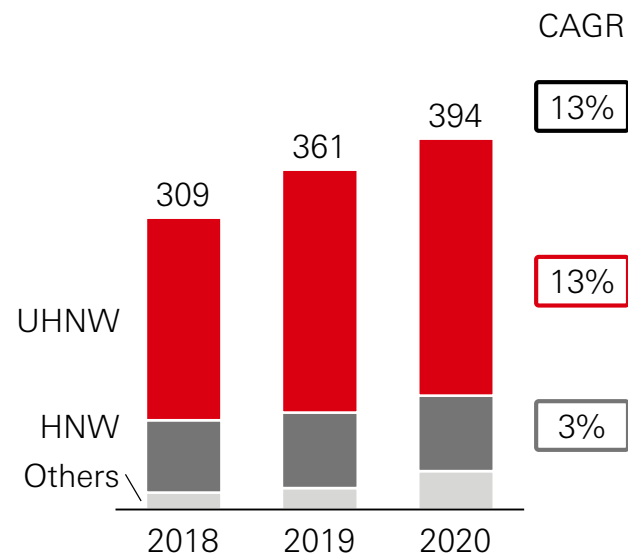
Private Banking

A truly global private bank with opportunities to capture share

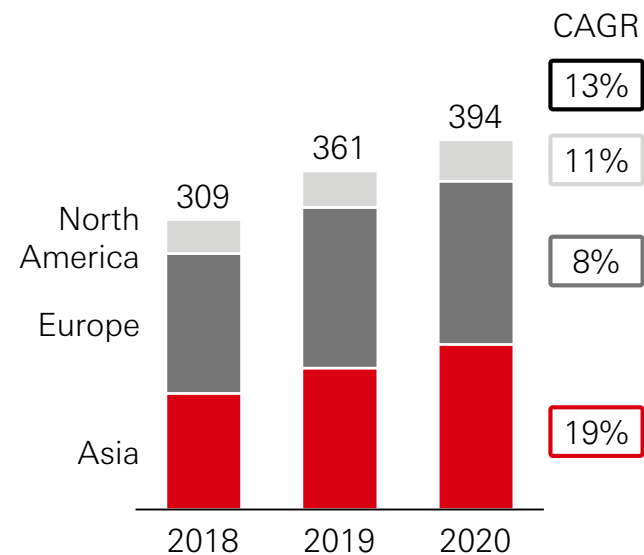
A truly global private bank

- ◆ Presence in 11 booking centres **covering all key wealth hubs**
- ◆ **\$1.7bn of revenue** in FY20, with Asia contributing c.50%
- ◆ **c.75% of NNM from collaboration** with CMB, GBM and retail / mass affluent segment in the last 5 years

GPB reported client assets by segment



GPB reported client assets by region



Opportunities to capture share

◆ Grow **Ultra High Net Worth**

◆ Expand and **deepen geographic** footprint

◆ Leverage **client continuum** and **group connectivity**

Stepping up our UHNW capabilities

New specialist client coverage model



- ◆ Newly-created team of **specialist UHNW Relationship Managers**
- ◆ RMs supported by teams of **dedicated product experts**
- ◆ **Investing in UHNW RM talent** and capabilities
- ◆ **Joint coverage** of Family Offices with GBM, and of entrepreneurs with CMB

Bespoke products leveraging strength of HSBC manufacturing

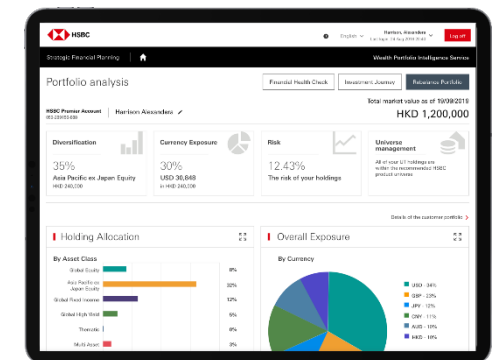


- ◆ Exclusive access to **institutional-style products**
- ◆ Alternatives and Bespoke mandates from **Asset Management**
- ◆ Prime services, private credit and direct investments from **GBM**
- ◆ **Increasing focus on sustainability** across all products

World-class platforms and digital



- ◆ **Industry-leading portfolio management and analytics**, powered by BlackRock Aladdin



Planning to nearly double our front office bankers in Asia over the next five years, to deepen footprint and expand into new markets

Hong Kong

Grow UHNW and capture a greater share of offshore Chinese wealth in **Hong Kong**

Singapore

Scale-up **Singapore** as a key offshore hub for ASEAN and Middle Eastern clients

Mainland China

Develop an advisory-led proposition in **mainland China**, increasing presence from 3 to 10 cities

Taiwan

Expand onshore coverage to better address the **Taiwan** wealth pool

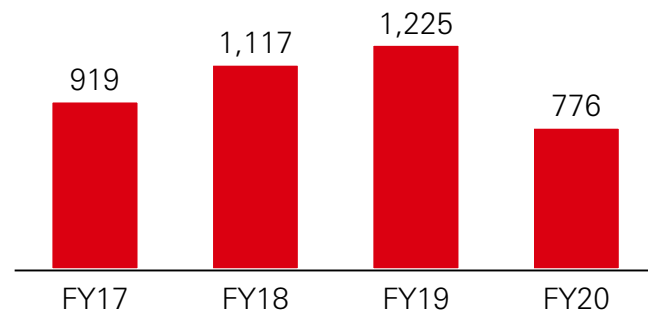
Insurance manufacturing

Insurance manufacturing: a key component of HSBC's Wealth offering, with opportunities for significant growth

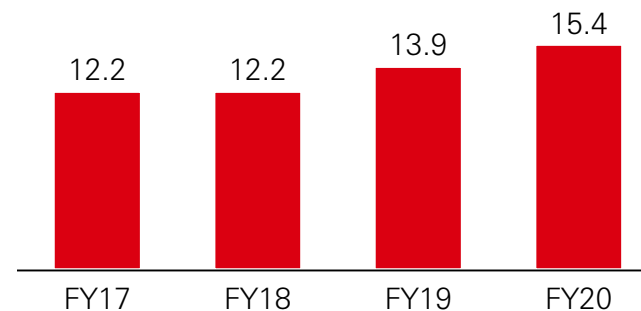
A key component of HSBC Wealth

- ◆ Manufacturing savings & investment, health and protection products in **nine markets**, including **four in Asia**
- ◆ Contributed **\$1.9bn of revenue / \$1.3bn of PBT** to WPB in FY20¹
- ◆ **#1 life insurer in Hong Kong**²

Reported VNB³, \$m



Reported EV⁴, \$bn



Opportunities for significant growth

◆ **Grow in mainland China**, through Pinnacle

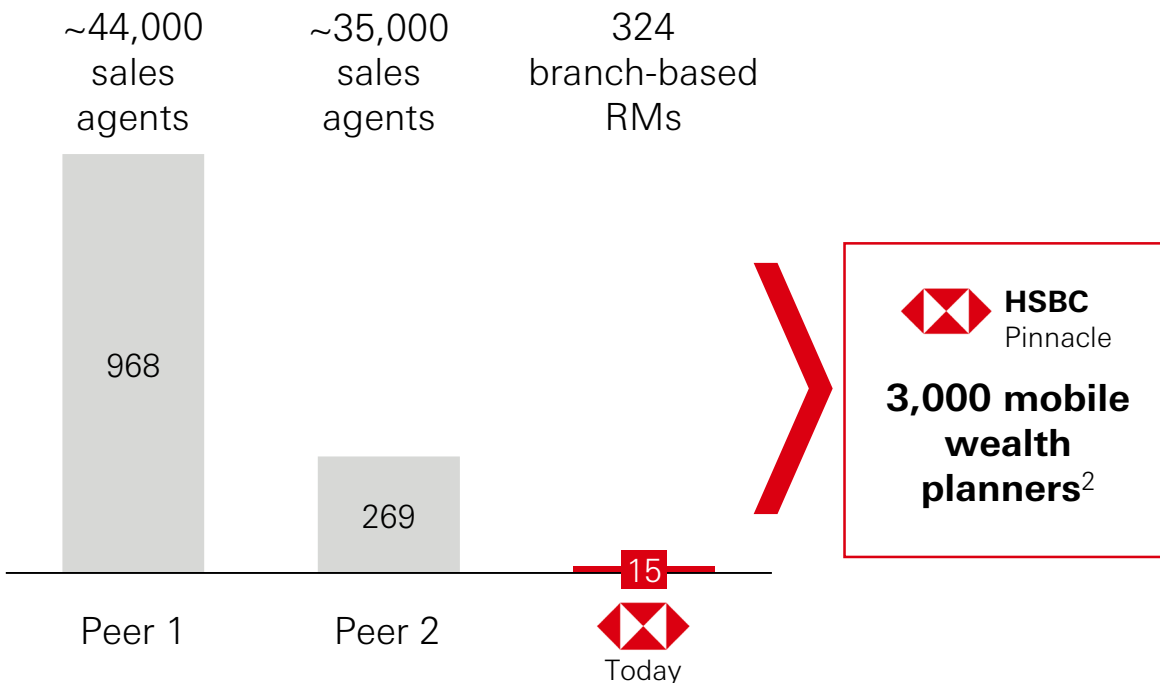
◆ Continue to **gain share** in **Hong Kong**

◆ Expand our presence and capabilities in **Singapore** and **India**

Mainland China: Pinnacle is our engine of growth

A 10x increase in physical distribution (VNB¹, \$m)

Select international peers



China Insurance and Wealth expansion through Pinnacle

Holistic financial planning, addressing a critical gap in the market, particularly for mass affluent customers

Mobile wealth planners who can meet customers at a place convenient to them, on Zoom or on mobile

Traditional business model

- ◆ Insurance agents
- ◆ Commission-based
- ◆ Product sales-led

Pinnacle business model

- ◆ Full-time employees
- ◆ Salary and bonus based on balanced scorecard
- ◆ Wealth planning needs-led

Note: Financial results for the Insurance business, plans and projections presented are prepared on the current IFRS4 basis and, as such, do not reflect any potential impacts of IFRS17

1. VNB is the embedded value of new business written in the year, as measured at the point of sale, calculated net of the distribution commissions paid to channels

2. Planned hires over the next 3-5 years

Pinnacle: advanced digital capabilities, maximising convenience and productivity

Connect with customer through WeChat



Engaging mobile content

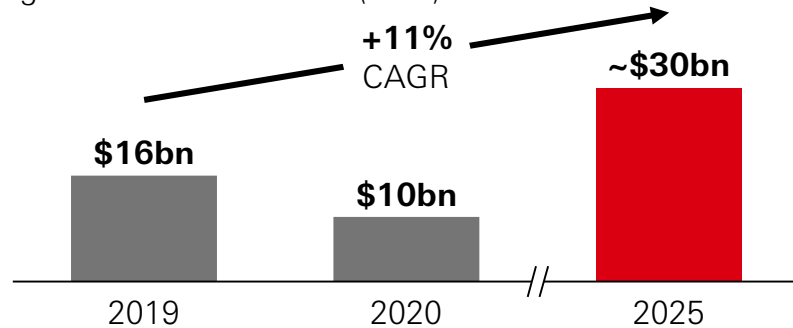


Advanced AI guides the wealth planner to achieve optimal client outcomes

Hong Kong: a fast-growing market where we plan to take further share

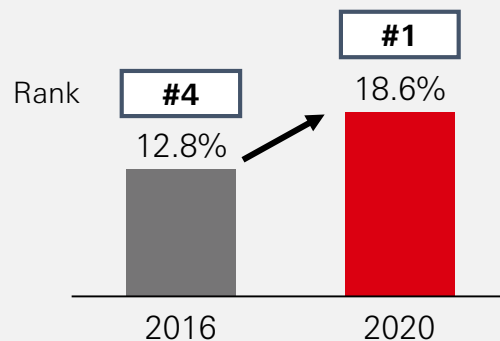
Hong Kong continues to be a fast-growing market

Hong Kong life insurance market (ANP)¹



A track record of investment-led market share gains

Hong Kong life insurance market share²



Gains driven by:

- ◆ **A refreshed product offering**
- ◆ **Investments** in digital and marketing
- ◆ **More front-line insurance specialists**

With a plan to take further share

In direct-to-customer

Well+, our digitally-integrated retail health and wellbeing platform, targeted at a younger demographic

Integration of insurance propositions into HSBC's mobile banking app, which has 1.5 million active users³

Video-enabled insurance specialists, supplemented with straight-through digital fulfilment, for greater breadth of distribution

In employee benefits

Our **first employee benefits platform** was launched to the external market in 1Q21

Benefits+ app enables employees to file e-claims, search for doctors, book appointments, and receive lifestyle assessments and health tips

Opportunity to penetrate our **CMB and GBM client base**

Note: Financial results for the Insurance business, plans and projections presented are prepared on the current IFRS4 basis and, as such, do not reflect any potential impacts of IFRS17. 1. By annualised new business premiums, Hong Kong Insurance Authority (HKIA) Market Statistics for 2019, 2020 data; Boston Consulting Group Insights for 2025F. 2. Including Hang Seng; By annualised new business premiums. Hong Kong Insurance Authority (HKIA) Market Stats, FY20. 3. Based on 30 day activity, as of April 2021

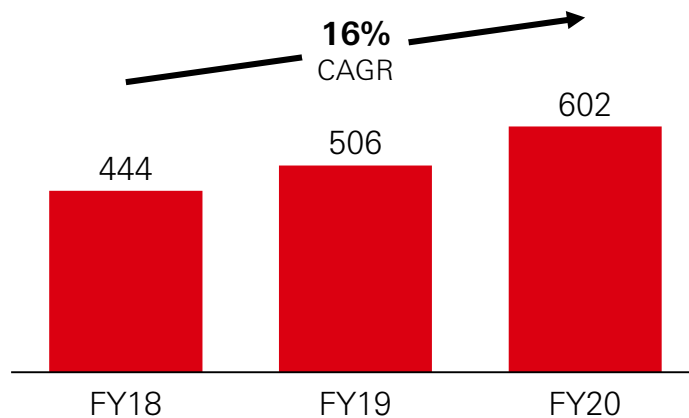
Global Asset Management

A global asset manager, with a focus on Asia

A top 50 global asset manager¹

- ◆ **\$602bn AUM** (+19% YoY)
- ◆ **\$1bn revenue** contribution to WPB in FY20
- ◆ Presence in 24 countries and territories, including **all major Asian markets**
- ◆ **50% of net new revenue generated in Asia** in 2020

Funds under management, \$bn



Strategy to drive growth

- ◆ Increase our focus on **high-value-add products and solutions** and deepen the product shelf
- ◆ Invest in relationships with private banks, wealth platforms, partnerships and joint ventures **to increase third-party distribution**
- ◆ Launched **HSBC Asset Management as a distinct brand** with targeted marketing campaigns

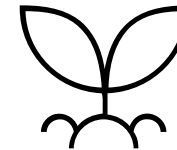
Increase our focus on high-value-add products and solutions and deepen the product shelf

Initiatives in Retail Wealth, Private Banking and Insurance will **increase demand** for Asset Management products

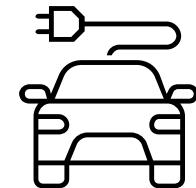
Manufacturing products that are most meaningful to our Asset Management customers will be **critical to the success** of our Wealth ambitions, therefore we plan to:

- ◆ **Invest in manufacturing capabilities**, particularly in Asia
- ◆ Drive **investment performance**

High-value-add products and solutions



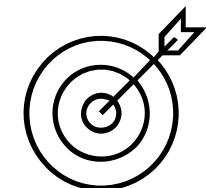
Sustainable Investing



High Conviction



Alternatives



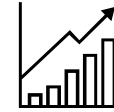
Thematic Products

Conclusion

Conclusion



Our **opportunity in Asian Wealth** is the most compelling in WPB



We plan to grow wealth revenues **>10% CAGR – faster than market**



We are **putting the right capabilities in place** – people and platforms – to capture this opportunity



With **>\$3.5bn growth investment** and an **additional 5k client-facing wealth staff** in Asia

Appendix

WPB FY20 adjusted financial performance

\$m	FY20	FY19		Δ
Wealth	7,818	8,633	▼	(9)%
Investment distribution	3,209	3,268	▼	(2)%
Life insurance manufacturing	1,816	2,464	▼	(26)%
Private Banking	1,746	1,878	▼	(7)%
Asset Management	1,047	1,023	▲	2%
Personal Banking	12,938	15,655	▼	(17)%
Other ¹	1,257	1,277	▼	(2)%
Revenue	22,013	25,565	▼	(14)%
ECL	(2,855)	(1,348)	▼	(112)%
Costs	(15,024)	(15,388)	▼	2%
Share of profits in associates and JVs	6	54	▼	(89)%
Adjusted PBT	4,140	8,883	▼	(53)%
Significant items and FX translation	(436)	(2,064)	▼	79%
Reported PBT	3,704	6,819	▼	(46)%

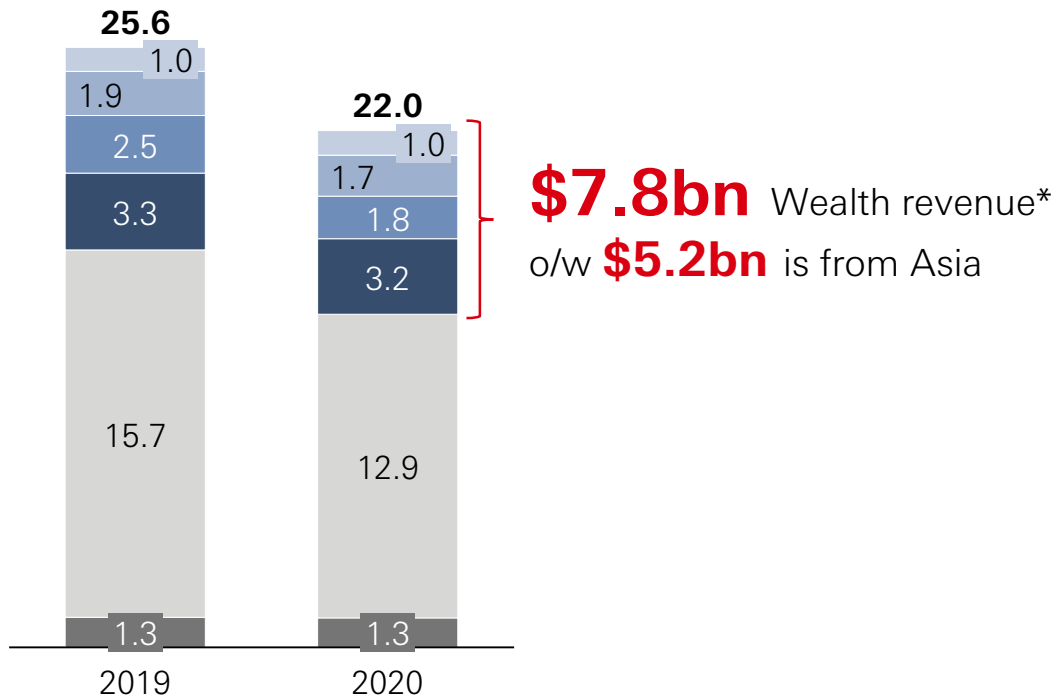
\$m	FY20	FY19		Δ
Customer loans	469	456	▲	3%
Customer deposits	835	768	▲	9%
RWAs	173	165	▲	5%
RoTE, % ²	9.1%	19.7%	▼	10.6ppts

1. Includes Markets Treasury allocations, Holdings interest expense and Argentina hyperinflation. 2. RoTE by global business excludes significant items and the UK bank levy. For a reconciliation of reported to alternative performance measures, see the HSBC Holdings plc Annual Report and Accounts 2020

Wealth: additional detail

A meaningful part of WPB

Adjusted revenue, \$bn

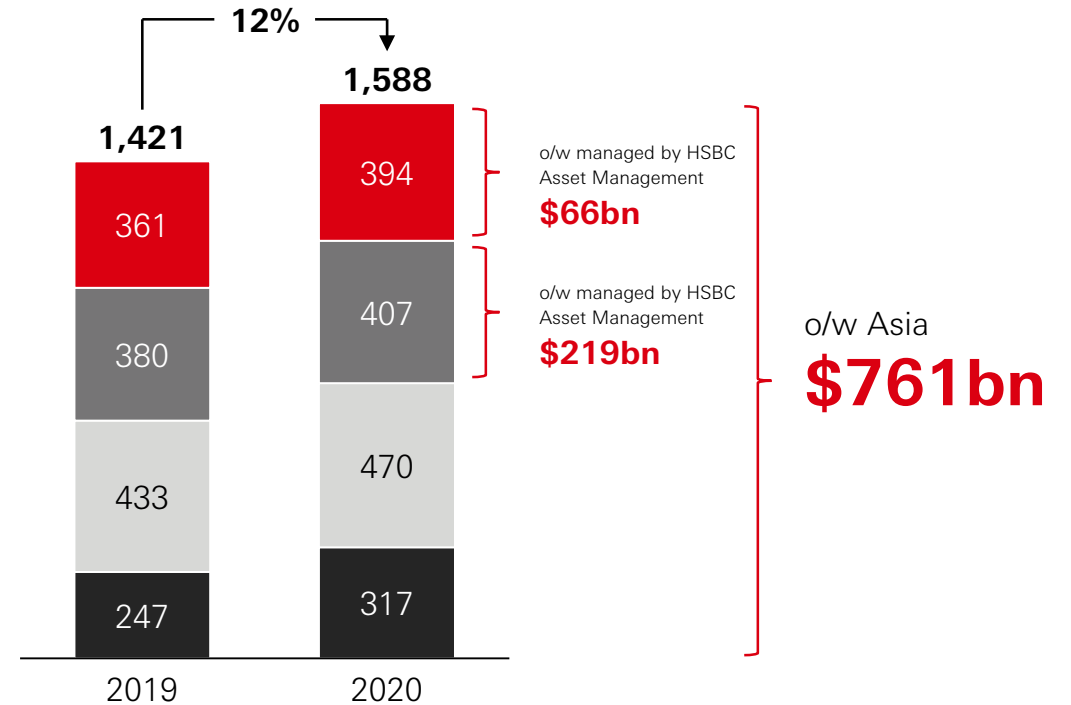


- Asset management
- Private Banking
- Life insurance manufacturing
- Investment distribution
- Retail Banking
- Other

*Note: of which c.50% is net fee income

Growing Wealth balances

Global reported Wealth balances, \$bn



- Global Private Banking Client Assets
- Premier and Jade deposits
- Retail Wealth Balances
- Asset Management third party distribution

Private bank: additional detail

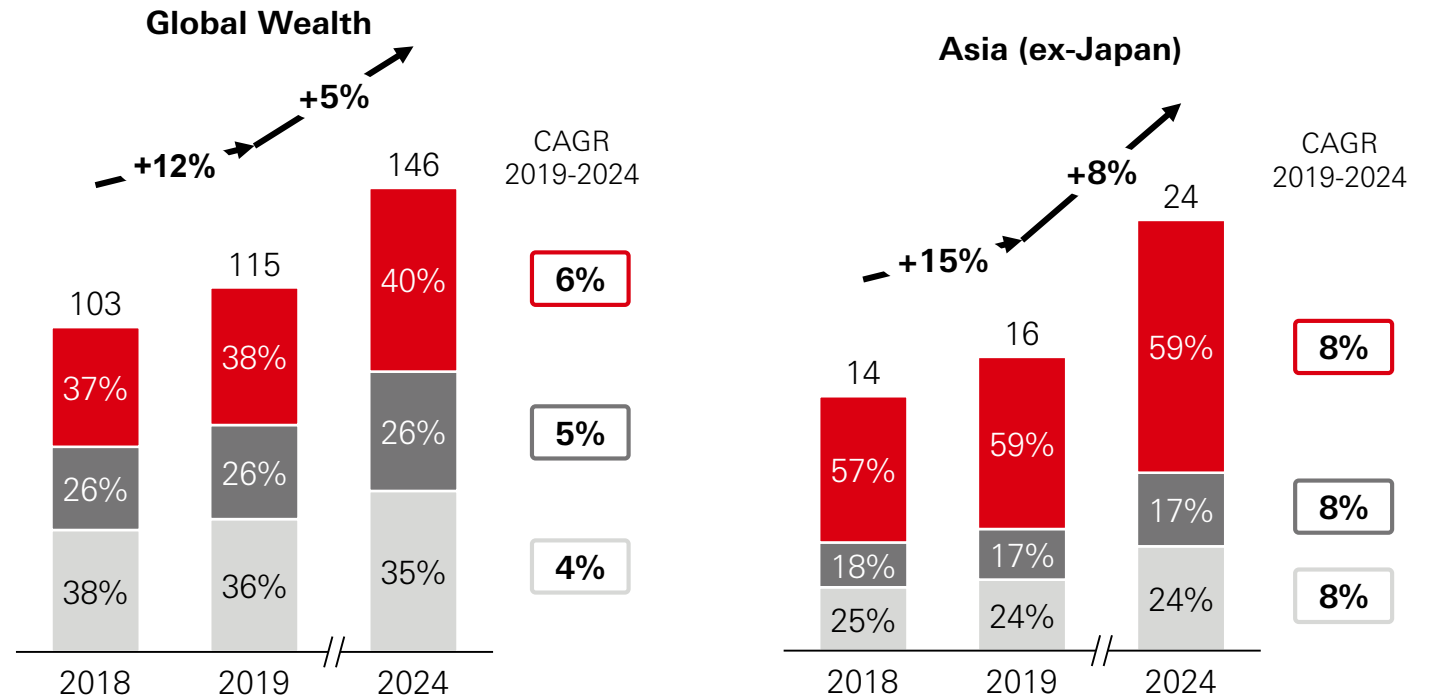
Our product suite

- Annuities
- Brokerage & trading
- Lending (incl. Lombard lending and specialised asset)
- Investments (incl. mutual funds, brokerage, structured products)
- Financing (including aircraft, fine art, life insurance policies, private equity and intellectual property)

A fast growing market¹

Wealth Market (\$1m+ net worth), \$tn

\$20m+ \$5-20m \$1-5m



1. Source: BCG Summer 2020, based on optimistic recovery scenario

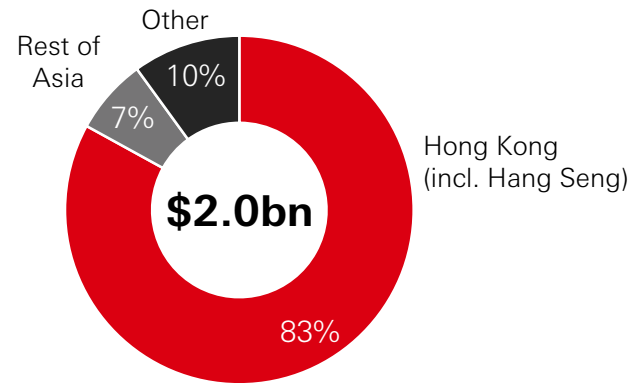
HSBC Life: additional detail

HSBC Life today

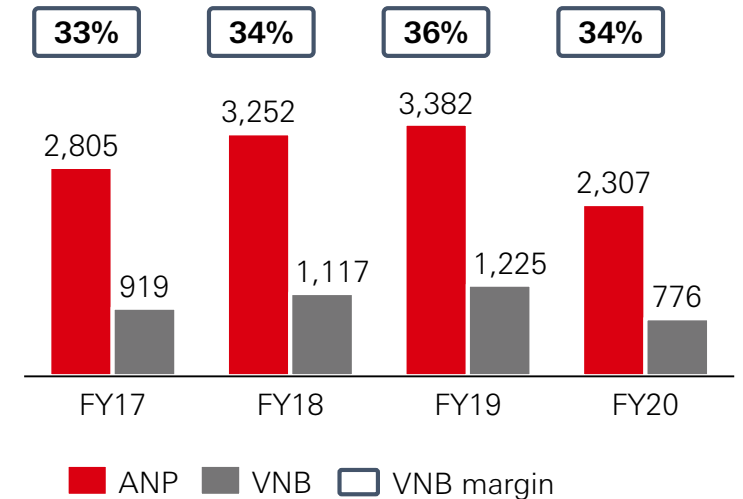
- ◆ \$2.0bn of manufacturing revenue in FY20, of which: **\$1.9bn generated in WPB**
- ◆ In addition, WPB generated **\$0.8bn** of insurance distribution income in FY20¹
- ◆ Generated **\$1.3bn of manufacturing PBT** for WPB in FY20; **\$1.4bn of total manufacturing PBT** (\$2.2bn in FY19)
- ◆ **\$15.4bn** of embedded value at FY20

Key Performance Metrics

FY20 manufacturing revenue by region



Reported ANP and VNB², \$m



1. Included within 'investment distribution' in the management view of adjusted revenue on p.31
 2. Metric excludes CHOICe, our Indian associate

HSBC Life: Hong Kong Health and Wellness platforms

Direct-to-customer: Well+

- ◆ **Launched Well+**, our retail health and wellbeing platform, in December 2020
- ◆ **Fully integrated** with HSBC Mobile Banking App and into Apple Health App
- ◆ Customers get the opportunity to earn an **Apple watch** or other rewards, through the achievement of certain monthly health goals (e.g. step count)
- ◆ **Engaging** with our customers to be a partner in their **physical, financial** and **mental** well-being
- ◆ Attractive to a **younger demographic**



c.50%

customers are new-to-bank¹

33%

customers purchase through digital channel¹

c.75%

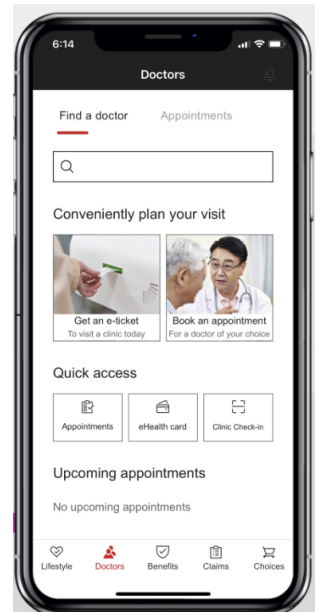
aged between 20-40 years¹

>9,000

median daily steps taken by customers¹

Employee wellbeing and benefits: Benefits+

- ◆ **Launched Benefits+** in November 2020
- ◆ **Digitally-integrated** life and health solutions for corporates and their employees
- ◆ Benefits+ app provides employees with a **one-stop** shop for **e-claims, doctor search** and appointments, lifestyle assessment and health tips
- ◆ Wide range of exclusive Health & Wellness marketplace offers
- ◆ Supporting employers to be a **partner in their employees' wellbeing**



>24,500

registered users¹

167

marketplace offers on the platform¹

22

vendors on the platform¹

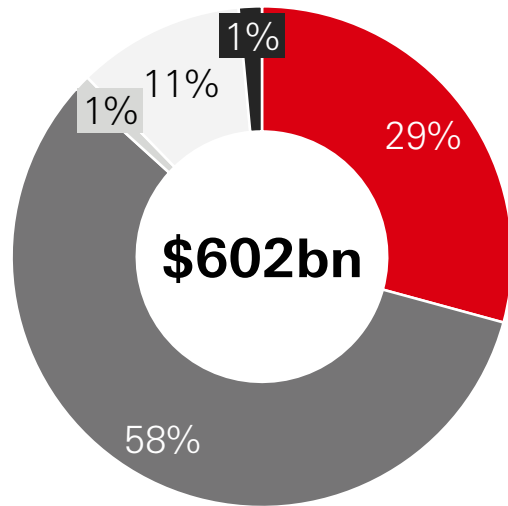
37k

successful e-claims YTD¹

Asset Management: additional detail

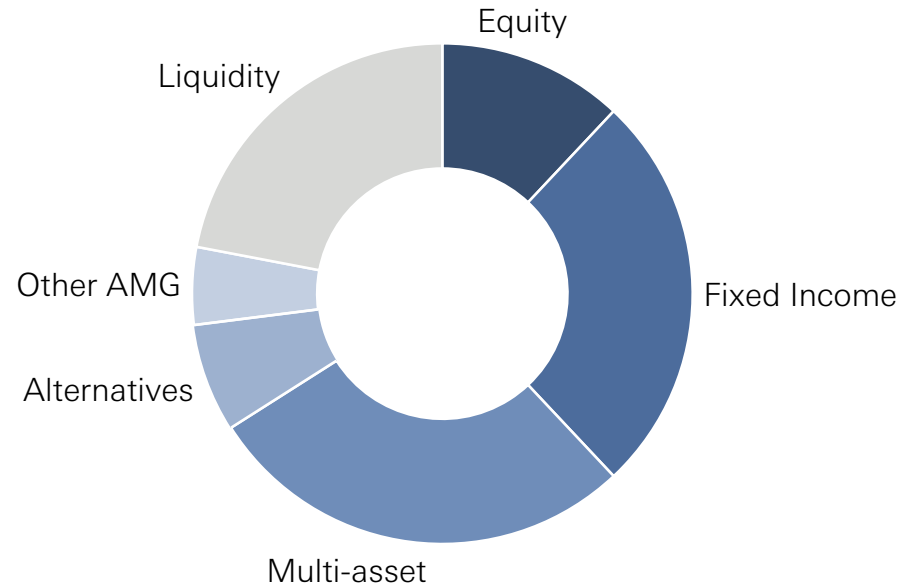
Balanced business across geographies, products & clients

FY20 FUM by region



- Asia
- Europe
- North America
- Latin America
- MENA

FY20 product mix



FY20 client mix



- Retail
- Private Banking
- Insurance
- External wholesale
- External institutional
- Other

Disclaimer

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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 2020 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 24 February 2021 (the “2020 Form 20-F”) and our 1Q 2021 Earnings Release which was furnished to the SEC on Form 6-K on 27 April 2021 (the “1Q 2021 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 2020 Form 20-F and our 1Q 2021 Earnings Release, when filed, each of which are available at www.hsbc.com.

Information in this Presentation was prepared as at 03 June 2021.

