HSBC Asia Seminar for Investors and Analysts
Day 2 presentations

Date: 10 April 2018
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This presentation contains non-GAAP financial information. The primary non-GAAP financial measure we use is 'adjusted performance' 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 non-GAAP financial measurements and the most directly comparable measures under GAAP are provided in the 2017 20-F and the Reconciliations of Non-GAAP Financial Measures document which are both available at www.hsbc.com.

Information in this presentation was prepared as at 6 April 2018.
## Day 2 presentations

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RBWM Intro

10 April 2018

Charlie Nunn
Chief Executive Officer, RBWM
RBWM intro

RBWM serves 37 million active customers across more than 30 markets

RBWM present across more than 30 markets with 18 priority markets, including 2 home markets

Active customers by region (m)

Revenue by Region $bn

PBT by region $bn

Customer loans and advances by region $bn

Customer accounts by region $bn

1. 2017 financial data presented on an adjusted basis
2. Revenue by region includes intra-regional transactions
## Customer focus

### Customer Recommendation Index¹ (2017 vs 2016)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Hong Kong</th>
<th>Malaysia</th>
<th>Mexico</th>
<th>UAE</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>=1ˢᵗ</td>
<td>1ˢᵗ</td>
<td>1ˢᵗ</td>
<td>=2ⁿᵈ</td>
<td>4ᵗʰ</td>
</tr>
<tr>
<td></td>
<td>🔺</td>
<td>🔺</td>
<td>🔺</td>
<td>🔺</td>
<td>🔺</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rank</th>
<th>France</th>
<th>Canada</th>
<th>China</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>=2ⁿᵈ</td>
<td>=3ʳᵈ</td>
<td>1ˢᵗ</td>
<td>5ᵗʰ</td>
<td>5ᵗʰ (last)</td>
</tr>
<tr>
<td></td>
<td>🔺</td>
<td>🔻</td>
<td>🔺</td>
<td>🔺</td>
<td>🔺</td>
</tr>
</tbody>
</table>

### Customer satisfaction by channel² (2017 vs 2016)

#### Branch

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>87%</td>
<td>86%</td>
</tr>
</tbody>
</table>

#### Contact Centre

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>78%</td>
<td>80%</td>
</tr>
</tbody>
</table>

#### Relationship Manager

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>87%</td>
<td>86%</td>
</tr>
</tbody>
</table>

### Online Banking

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>76%</td>
<td>81%</td>
</tr>
</tbody>
</table>

### Drivers of customer satisfaction / dissatisfaction

- **STAFF KNOWLEDGE**
- **RESOLUTION**
- **ACCESSIBILITY**
- **FEES & CHARGES**
- **COMPLEXITY**

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1. Source: HSBC Customer Recommendation Index 2017 YTD, Kantar TNS Global
RBWM Asia

Agenda

- Business coverage in Asia
- Financial performance
- Key achievements
- Strategic priorities
- Key markets
A glimpse of our strategy and footprint in Asia

HSBC RBWM footprint in Asia

- **Greater China** – *defend leadership in Hong Kong, invest to build up scale for the future*
  - Hong Kong (incl. Hang Seng), mainland China / Pearl River Delta, Taiwan

- **Other Priority Markets** – *continue to expand scale and deepen penetration of mass affluent, including offshore wealth in Singapore and rapidly grow millennial segment; use digital capabilities to grow the unsecured franchise*
  - Singapore, Malaysia, Indonesia, Australia, India

- **Network markets** – *meet needs of international customers and capture market share through unsecured strategy; support other global businesses in funding*
  - Bangladesh, Mauritius, Macau, New Zealand, Philippines, Sri Lanka, Vietnam

**RBWM snapshot¹:**
- 12.5m active customers
- c.1.4m active Premier customers
- 828 branches across 15 countries and territories²
- 29.5k full-time equivalents (FTE)

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¹. All figures include Hang Seng, as of Dec YTD 2017
². Branches (incl. Hang Seng) refer to all types of branches accessible to RBWM customers, including self-service branches and Commercial Service Centres. China Rural banks, South Korea and Brunei branches are excluded.
RBWM Asia generated USD5.4bn PBT in 2017

**RBWM Asia financials (Reported view)**

<table>
<thead>
<tr>
<th>USDbn</th>
<th>2016</th>
<th>2017</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>8.6</td>
<td>10.1</td>
<td>18%</td>
</tr>
<tr>
<td>LICs</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>11%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(4.2)</td>
<td>(4.5)</td>
<td>(7)%</td>
</tr>
<tr>
<td>Share of profit in associates and joint ventures</td>
<td>0.02</td>
<td>0.01</td>
<td>(45%)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>4.1</td>
<td>5.4</td>
<td>31%</td>
</tr>
<tr>
<td>Cost efficiency ratio (%)</td>
<td>49%</td>
<td>44%</td>
<td></td>
</tr>
</tbody>
</table>

**Key performance drivers**

- Reported PBT FY17 up 31% Y-o-Y
- Strong revenue growth driven by balance sheet growth, insurance performance (including market impact), interest rate rises and wealth distribution
- Excluding market impacts for insurance manufacturing (Y-o-Y USD0.5bn), revenue growth of 11% Y-o-Y
- Investments to support growth in Hong Kong, mainland China, and digital enablement across the region
Growth across key metrics

RBWM Asia – Quarterly trend

**Revenue, USDbn**

<table>
<thead>
<tr>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>2.3</td>
<td>2.1</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td></td>
</tr>
</tbody>
</table>

**Customer accounts, USDbn**

<table>
<thead>
<tr>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>311.8</td>
<td>315.4</td>
<td>326.5</td>
<td>327.1</td>
<td>333.8</td>
<td>338.2</td>
<td>342.2</td>
<td>345.7</td>
</tr>
</tbody>
</table>

**Active customers (‘k)**

<table>
<thead>
<tr>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,120</td>
<td>12,112</td>
<td>12,276</td>
<td>12,386</td>
<td>12,464</td>
</tr>
</tbody>
</table>

**RBWM Wealth FUM**, USDbn

<table>
<thead>
<tr>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>171.3</td>
<td>177.5</td>
<td>180.9</td>
<td>182.4</td>
<td>195.3</td>
<td>202.7</td>
<td>211.9</td>
<td>225.4</td>
</tr>
</tbody>
</table>

**Loans and advances to customers (net), USDbn**

<table>
<thead>
<tr>
<th>Q1'16</th>
<th>Q2'16</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>118.9</td>
<td>118.7</td>
<td>120.0</td>
<td>120.7</td>
<td>123.5</td>
<td>126.9</td>
<td>130.1</td>
<td>134.2</td>
</tr>
</tbody>
</table>

**Key drivers of performance**

- Strong Wealth AUM growth
- Continuous deposit growth
- USD15.3bn growth in lending over previous 8 quarters, predominantly from mortgage growth in Hong Kong, mainland China and Australia
- Uptick in customer growth over 2017, primarily in mainland China and Indonesia (due to integration of Bank Ekonomi)

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1. All numbers on a reported basis
2. Wealth FUM includes investments managed on behalf of our clients, wealth insurance distribution and insurance manufacturing balances. Includes third party investment sales. Differs from ARA FUM disclosures, which exclude third party investment sales
Key achievements over 2016-17

<table>
<thead>
<tr>
<th>Wealth</th>
<th>Insurance</th>
<th>Retail Banking</th>
<th>Digital – foundational banking capabilities</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wealth Distribution</strong></td>
<td><strong>Insurance</strong></td>
<td><strong>Retail Banking</strong></td>
<td><strong>Digital – foundational banking capabilities</strong></td>
<td><strong>Other</strong></td>
</tr>
<tr>
<td>◆ Wealth revenue (Asia) growth of 24% Y-o-Y</td>
<td>◆ Insurance ANP (Asia) growth of 8% Y-o-Y</td>
<td>◆ Mortgage balances growth of 12% Y-o-Y (on a gross basis), reaching USD110bn (FY17)</td>
<td>◆ Mobile X²: up from &lt;20% to 30%+ of the base on mobile with more logins than on browser</td>
<td>◆ Retail Business Banking launched in PRD³; new Fusion brand launched with first 500 customers booked</td>
</tr>
<tr>
<td>◆ Launched Jade proposition in Hong Kong, mainland China and Singapore</td>
<td>◆ Expanded distribution – e.g. 143 insurance specialists in Hong Kong</td>
<td>◆ New cards increased by 48% Y-o-Y - reaching 1.6m¹</td>
<td>◆ Mobile Z²: launched 5* rated app across Apple, Baidu, Tencent play stores</td>
<td>◆ Singapore: Local incorporation of its core retail banking business (excl. Insurance and Asset Management) completed in May 2016</td>
</tr>
<tr>
<td>◆ Launched Portfolio Advisory Service (PAS) in Hong Kong, mainland China, India, Taiwan, Malaysia (to help customers to manage investment portfolio)</td>
<td>◆ Launched several new products (Hong Kong), e.g.:</td>
<td>◆ Launched mainland China Cards – issued &gt;500k cards since launch</td>
<td>◆ Embedded secure access features – e.g. Touch ID, Facial recognition</td>
<td>◆ Indonesia: integration with banking subsidiary – Bank Ekonomi Rahardja, completed in April 2017</td>
</tr>
<tr>
<td>◆ Initiatives to improve efficiency and customer experience – e.g. Wealth Platforms incl. Wealth Tablets and Total FX in Hong Kong</td>
<td>◆ Award winning OneDNA program</td>
<td>◆ Expanded channels – e.g. third party sales agents and mobile sales force in key sites</td>
<td>◆ PayMe: payment app in Hong Kong; consistently #1 or #2 in the Finance Section of App Store</td>
<td></td>
</tr>
<tr>
<td>◆ Launched ‘EasylInvest’ stock trading app in Hong Kong (turnover of HKD9bn in 2 months)</td>
<td>◆ Wealth Goal Insurance Plan</td>
<td>◆ Transformed end-to-end origination journey in key sites – new cards growth of 27% Y-o-Y in 2017</td>
<td>◆ WeChat banking: Full integration with WeChat in mainland China</td>
<td></td>
</tr>
<tr>
<td></td>
<td>◆ Launched manufactured product distribution in 3 new cities in mainland China (Foshan, Dongguan and Zhuhai)</td>
<td>◆ Launched Digital Term and Cancer products (Hong Kong)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>◆ Launched Digital Term and Cancer products (Hong Kong)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Excludes Hang Seng
2. Mobile X and Mobile Z are versions of HSBC mobile banking app
3. Pearl River Delta
RBWM Asia strategic priorities: continuing growth momentum

Focus on the customer experience and profitable, accelerated growth in market share

Enhance **Wealth advisory and Insurance** capabilities

Continue to drive growth in **Jade, Premier** and **International** customers

Continue to develop **digital capabilities** and **partnerships**

Expand **Advance, Personal Banking** and **Retail Business Banking** customers

Build capabilities to support **Borrowing-First** customer needs (unsecured strategy)

Continue to embed financial crime risk and conduct risk programs
Customers at the heart of our strategy

Leading customer recommendation in key markets – 2017 (year end)¹

Customer Recommendation Index (CRI) survey score, based on % of surveyed customers responding to “How likely is it you would recommend this brand for their products and services to family and friends?”

<table>
<thead>
<tr>
<th>Hong Kong²</th>
<th>Mainland China³</th>
<th>Malaysia⁴</th>
<th>Singapore⁵</th>
</tr>
</thead>
<tbody>
<tr>
<td>HSBC</td>
<td>76</td>
<td>85</td>
<td>83</td>
</tr>
<tr>
<td>Hang Seng</td>
<td>76</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Int’l Bank 1</td>
<td>73</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Int’l Bank 2</td>
<td>69</td>
<td>83</td>
<td>81</td>
</tr>
<tr>
<td>Local/Regional Bank 1</td>
<td>68</td>
<td>81</td>
<td>79</td>
</tr>
<tr>
<td>Local/Regional Bank 2</td>
<td>66</td>
<td>81</td>
<td>78</td>
</tr>
</tbody>
</table>

Average: 70

Average: 82

Average: 79

Average: 75

Hong Kong’s mobile app rating = 4.7 out of 5* (from Apple App Store)¹

Sample responses to “Where do you feel HSBC has an advantage over other brands?”

“Easy to access, professional Financial Advisors, competitive products and fees and generally is a reliable and trustworthy bank”

“HSBC has a strong financial background and high class reputation, staff are approachable and professional”

Customer in Hong Kong

Customer in Malaysia

2. Base sizes for YE. Hong Kong respondents: HSBC n=1023, Hang Seng n=578
3. Base sizes for YE. Mainland China respondents: HSBC n=270
4. Base sizes for YE. Malaysia respondents: HSBC n=615 (note an International Bank and Local / regional bank’s responses in 1H was considered too low; YE score calculated as true average with H1 and H2 scores contributing to the YE score relative to the base sizes over the period)
5. Base sizes for YE. Singapore respondents: HSBC n=506
**Wealth and Insurance**
Focus on growth and market share gains

**Wealth**
RBWM Asia Wealth FUM growth\(^1\): USDbn

<table>
<thead>
<tr>
<th>Year</th>
<th>RBWM Asia Wealth FUM (USDbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>182</td>
</tr>
<tr>
<td>2017</td>
<td>225</td>
</tr>
</tbody>
</table>

24% growth from 2016 to 2017

**Key priorities:**
- Maintain robust sales process centred around identification of customer needs
- **Product range expansion** to support more sophisticated needs of Jade clients
- Continue **simplification of sales journeys**
- On-going roll out of **staff enablement** tools – e.g. wealth tablets, advisory support tools
- **Digital enhancements** – expanding range of digital wealth products / solutions

**Insurance**
Revenue growth, USDbn

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Growth (USDbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.5</td>
</tr>
<tr>
<td>2017</td>
<td>1.8</td>
</tr>
</tbody>
</table>

24% growth from 2016 to 2017

**Key priorities:**
- **Distribution** – continue to expand distribution e.g. “general bankers” in the Retail network, brokers, digital
- **Innovation agenda** – innovative product offerings, greater leverage of bank analytics and mobile / digital platforms
- **Partnerships** – working closely with key partners: AXA (Property and Casualty) and Allianz (Life products in non-manufacturing markets)
- **Fundamentals** – bancassurance model, new market opportunities, continued leverage of Asset Management and Global Markets capabilities

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1. Wealth FUM includes investments managed on behalf of our clients, wealth insurance distribution and insurance manufacturing balances. Includes third party investment sales. Differs from ARA FUM disclosures, which exclude third party investment sales.
RBWM Asia: Strategic priorities

Jade, Premier and International customers
Continue to deepen relationship and drive customer growth

Sizeable contributor to RBWM Asia
FY17

- Premier (including Jade / Top Tier): 12.5m
- Other: USD10.1bn

Growth Priorities

**Differentiated propositions**
- **Jade**: expanded eligibility, differentiated wealth solutions and services
- **Enhanced Premier**: to acquire and retain high potential clients at younger age
- **International**: tailored solutions for families, investors and expats

**Multichannel and digital solutions**
- Enhanced multi-channel client journeys deployment
- Digitally enable Relationship Managers and customers with best-in-class digital solutions

**Enhanced product capabilities**
- Leveraging our balance sheet and manufacturing competitive advantages
- New products and services to support distinctive propositions

Market opportunity in Asia

- **Rising middle class**
  - Significant increase expected from 28% in 2009 to 66% in 2030\(^1\)

- **Internationalisation of needs**
  - Customers investing and having children abroad

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1. Source: BCG Global Wealth 2017 – Transforming the Client Experience; Asia-Pacific excl. Japan
Digital
Delivering digital capabilities to enhance customer experiences

1. Put customers first by creating engaging mobile experiences and customer-led design:
   - Mobile X (Hong Kong, mainland China): 4.7 Star app store rating
   - PayMe (Hong Kong): #1 in app store under finance category (Nov 2017)

2. Solidify digital capabilities in key local markets:
   - Implement a consistent operating model
   - Accelerate delivery: Average one release per every 2 weeks
   - Conversational banking

3. Create innovation through digitally-led propositions:
   - PayMe: Designed, developed and launched market wide within ~1 year
   - Mainland China: First foreign bank integrated with WeChat

4. Build great originations experiences to support growth in Borrowing-First customers:
   - Straight-through-digital journeys (99% Hong Kong account opening via staff tablet)
   - Acquire credit card customers digitally
   - Reduce on-boarding time

5. Identify partnership approaches to drive new growth and revenue opportunities:
   - New distribution
   - New insights and journey
   - New capability, products, services
   - New business model

6. Broaden agile capabilities and way of working in Digital and wider RBWM:
   - SIMPLER, FASTER, BETTER
   - Cross-functional teams accountable for end-to-end delivery using agile methodology
   - 3,000+ individuals across the Group empowered to ramp up productive capacity in digital
## RBWM Asia: Strategic priorities

### Advance, Personal Banking and Retail Business Banking

Continue to drive customer growth

<table>
<thead>
<tr>
<th>Advance</th>
<th>Personal Banking</th>
<th>Retail Business Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>♦ 1.4m customers; 10% Y-o-Y revenue growth&lt;sup&gt;1&lt;/sup&gt;</td>
<td>♦ 6.6m customers&lt;sup&gt;3&lt;/sup&gt;; 2% Y-o-Y revenue growth&lt;sup&gt;1&lt;/sup&gt;</td>
<td>♦ <strong>New proposition</strong> launched in 2017 – live in 3 markets (PRD, Malaysia, Indonesia)</td>
</tr>
<tr>
<td>♦ Global brand but <strong>locally relevant value propositions</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>♦ <strong>Simplified</strong> customer journeys with mobile / digital enablement</td>
<td>♦ Focused on serving <strong>simple</strong> needs of <strong>small businesses</strong> (&lt;USD5m of annual sales turnover)</td>
</tr>
<tr>
<td>♦ <strong>Straight-through</strong> journeys to upgrade customers</td>
<td>♦ Tailored <strong>digital propositions</strong> and <strong>digital origination</strong> as key enablers for customer growth</td>
<td>♦ Offering strong <strong>integration</strong> between <strong>business</strong> and <strong>personal</strong> banking needs</td>
</tr>
<tr>
<td>♦ <strong>Dedicated servicing model</strong> with Advance Engagement Managers to meet customers’ needs</td>
<td>♦ <strong>Multichannel capabilities</strong> (e.g. Live Chat, Live Share, Chatbots) to improve servicing support</td>
<td>♦ Through <strong>retail network</strong> blended with <strong>digitally enabled</strong> services</td>
</tr>
<tr>
<td>♦ <strong>Industrialised customer life cycle management</strong> to deepen relationship</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1. Active customers count and revenue at FY Dec 2017. All figures exclude Hang Seng.
2. e.g. Perks@Work (Employee Banking proposition) in Malaysia and Advance open-card in Singapore
3. Personal Banking customers include PayMe customers for Hong Kong HSBC.
Borrowing-First customers
Re-energise growth with digital enablement

Unsecured lending growth

New cards issued, 000s

- 2015: 1,043
- 2016: 1,078
- 2017: 1,598

Building capabilities to support customer needs

2017 Cards
- Singapore (Phase 1), Malaysia, Taiwan, Philippines

1H 2018 Cards
- Singapore (Phase 2), India, Indonesia, Vietnam

2H 2018 Loans
- Singapore, Taiwan, Malaysia, India

Cards performance improvement

- Singapore
  - 40% improvement in turnaround time

- Malaysia
  - 96% applications received decisions-in-principle

- Taiwan
  - 54% of the completed applications approved within 24 hours
  - 1.2 days average turnaround time and 40% straight-through processing (STP)

- Philippines

Key initiatives

- Accelerate growth in mainland China – credit cards and loans
- Digitisation of end-to-end journeys – e.g. Cards servicing mobile app, mobile payments
- Differentiated product offering
- Strengthened risk management – e.g. enhanced leverage of data / analytics for credit decisioning and fraud risk management

1. All figures refer to Asia excluding Hang Seng
2. Refer to Asia RBWM Priority markets only
3. Performance improvement post credit cards / unsecured loans customer journey transformation (end-to-end origination)
RBWM Asia: Key markets

Hong Kong
Maintain leadership position

2017 financial highlights

<table>
<thead>
<tr>
<th>Reported</th>
<th>USDbn</th>
<th>2017</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7.7</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>PBT</td>
<td>5.0</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Cost Efficiency Ratio (%)</td>
<td>33%</td>
<td>(6.6)%</td>
<td></td>
</tr>
<tr>
<td>Jaws</td>
<td>+15%</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>LICs / Loans and advances</td>
<td>&lt;20bps</td>
<td>n/a</td>
<td></td>
</tr>
</tbody>
</table>

Customer accounts

| USDbn
| 269 +6% | 288 |

Loans and advances to customers (net)

<table>
<thead>
<tr>
<th>USDbn</th>
<th>2016</th>
<th>2017 +10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>86</td>
<td></td>
</tr>
</tbody>
</table>

Leading position

- **37.2% mortgage market share**¹, #1 market rank
- **16.4% insurance market share**²
- **>40% credit card market share**³

Strategic priorities

- Grow key customer segments – e.g. millennials, international
- Expand core propositions
- Capture share in Insurance
- Strengthen digital capabilities and enhance customer experience
- Enhance usage of data and analytics
- Modernise the brand

---

¹ Source: Legal Mortgages – Market share based on new business count from mReferal 2017
² Market share based on FY17 Annual New business Premiums. Source: Insurance Authority (Hong Kong)
³ As at FY2017
Mainland China and ASEAN
Invest for growth (mainland China) and deepen penetration of mass affluent (ASEAN)

Mainland China

2017 Mainland China reported revenue of USD0.5bn

Pearl River Delta
- Grow credit card market share sustainably
- Payroll and digitally led customer acquisition
- Liquidity solutions (e.g. online savings account)
- Grow Retail Business Banking

Digital
- Continuous enhancements
- Strategic partnerships
- Data infrastructure

Premier and Wealth
- Expand sales capacity
- Domestic wealth capabilities
- Cross-border propositions for international customers

ASEAN

2017 ASEAN reported revenue of USD0.8bn

- Expand the International Wealth Centre (RBWM Wealth FUM growth of 35% Y-o-Y)
- Grow domestic market share across key segments / products
- Ramp-up investments in digital
- Expand insurance and asset management capabilities

- Grow Advance customers and unsecured lending through new product offerings and partnerships (credit card spend growth of 7% Y-o-Y)
- Expand Premier and wealth offering via products and customer insights
- Enhance digital capabilities
- Scale up Retail Business Banking

Singapore

- Leverage joint network to grow customer base across Advance and Personal Banking propositions (99 branches, post integration)
- Grow unsecured lending
- Continue to leverage strength in Wealth
- Enhance digital capabilities
- Scale up Retail Business Banking

Malaysia

- Grow unsecured lending
- Continue to leverage strength in Wealth
- Enhance digital capabilities
- Scale up Retail Business Banking

Indonesia

- Grow unsecured lending
- Continue to leverage strength in Wealth
- Enhance digital capabilities
- Scale up Retail Business Banking

Continued growth in Insurance and Asset Management
In summary – key opportunities focused on capturing quality growth

<table>
<thead>
<tr>
<th>HSBC RBWM Asia strategic priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Deliver Wealth and Insurance growth via enhanced capabilities and solutions</td>
</tr>
<tr>
<td>2. Expand distinctive Jade, Premier and International propositions that meet client needs and improve experience</td>
</tr>
<tr>
<td>3. Strengthen Advance, Personal Banking and Retail Business Banking customer growth through propositions and insight</td>
</tr>
<tr>
<td>4. Focus on unsecured strategy to support Borrowing-First customers via best-in-class products and propositions, digital enablement and streamlined processing</td>
</tr>
<tr>
<td>5. Continue to deliver digital architecture and capabilities, and develop key partnerships</td>
</tr>
<tr>
<td>6. Capture growth opportunities in Hong Kong, mainland China / Pearl River Delta, ASEAN and other markets in the region</td>
</tr>
</tbody>
</table>

**Focussed on capturing quality growth**

- Strong growth momentum across Asia
- Delivered while maintaining primacy of delivering fair outcomes for our customers
- Enabled by our investments in people and technology
- Well positioned to continue
Key messages

Wealth Management key messages

1. Our Wealth and Premier propositions are highly profitable and major contributors to RBWM’s results

2. Asia is a large attractive growth market for Wealth and Premier, and HSBC is well-positioned to capture this opportunity

3. Over the last 3 years, through strategic changes and innovation, we have strengthened our franchise across:
   A. Wealth distribution
   B. Jade
   C. Premier
   D. International
   E. Asset management

Market opportunity drivers

Asia with significant growth in mass affluent segments and Wealth opportunity

- Rising middle-class
- Customers’ needs increasingly international

Rising middle-class
Customers’ needs increasingly international
Our Wealth propositions and solutions are tailored to the needs of affluent customers

<table>
<thead>
<tr>
<th>Propositions</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HSBC Jade</strong></td>
<td><strong>RBWM International</strong> Solutions and services for customers with international needs, incl.</td>
</tr>
<tr>
<td>- Exclusive membership proposition offering the best of HSBC</td>
<td>- Global view and global transfer  - Investments / property  - Education  - International mobility</td>
</tr>
<tr>
<td>- Targeting customers with USD1m+ liquid assets</td>
<td><strong>Retail Banking</strong> Transactional and lending banking products, incl.</td>
</tr>
<tr>
<td><strong>HSBC Premier</strong></td>
<td><strong>Wealth Manufacturing</strong> Product manufacturing for HSBC and 3rd party customers</td>
</tr>
<tr>
<td>- Affluent proposition for customers and their families who hold a sizeable relationship with us</td>
<td>- Mortgages  - Credit cards  - Loans  - Deposits  - Transactional banking</td>
</tr>
</tbody>
</table>
Wealth is a key contributor with potential for growth in penetration.

**Group RBWM revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Wealth</th>
<th>Retail</th>
<th>Other</th>
<th>Growth 2016 to 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>12.5</td>
<td>0.6</td>
<td>0.6</td>
<td>6%</td>
</tr>
<tr>
<td>2016</td>
<td>18.8</td>
<td>5.7</td>
<td>0.6</td>
<td>18%</td>
</tr>
<tr>
<td>2017</td>
<td>20.3</td>
<td>5.3</td>
<td>0.6</td>
<td>9%</td>
</tr>
</tbody>
</table>

**Composition of Wealth revenue 2017**

- Distribution: 100% = USD3.3bn
  - Unit trusts: 64%
  - Insurance distribution: 36%
  - Brokerage: 6%
  - FX: 5%
  - Other: 1%

- Manufacturing: 100% = USD2.9bn
  - Asset Management: 36%
  - Insurance: 64%

**Investment & Insurance (I&I) penetration**

Percent of Jade and Premier customers holding at least one I&I product

- Hong Kong: 22% (75%)
- China: 13%
- Singapore: 13%
- Malaysia: 23%
- Taiwan: 26%

---

1. Adjusted basis, excluding Brazil
2. Retail includes other non-Wealth revenue such as Retail Business Banking
3. Approximated as maximum of penetration across Unit Trusts, Structured Products, or Wealth Insurance, respectively, in each market
4. 75% penetration of stock holdings
Jade and Premier are key contributors to RBWM

Significant share of RBWM’s total portfolio ...

<table>
<thead>
<tr>
<th>Clients</th>
<th>Revenue</th>
<th>Deposits</th>
<th>Mortgages</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.6m</td>
<td>20.3</td>
<td>640</td>
<td>291</td>
</tr>
<tr>
<td>c.10%</td>
<td>&gt;30%</td>
<td>&gt;50%</td>
<td>&gt;40%</td>
</tr>
</tbody>
</table>

... with high revenues per customer ...

Average revenue per customer:
- Jade: ~8x
- Premier: ~3x
- Other RBWM

... and a diversified business mix

Jade and Premier revenue mix 2017

Wealth distribution:
- Deposits
- Lending
Asia has shown significant growth in mass affluent segments and represents a significant wealth opportunity

### Mass affluent customers

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>World ex Asia-Pacific</td>
<td>70%</td>
<td>65%</td>
</tr>
</tbody>
</table>

### Private financial wealth

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>World ex Asia-Pacific</td>
<td>77%</td>
<td>72%</td>
</tr>
</tbody>
</table>

### Drivers of growth

- **Rising middle class**
  - The rising middle class has been a key source of wealth creation across many Asia markets
  - By 2030, Asia is expected to account for 66% of the world’s total middle class population from 28% in 2009

- **Internationalisation of needs**
  - Each year 0.5m Chinese students pursue overseas education, with US, UK, Canada, Australia main destinations
  - Hong Kong represented nearly 41% of all foreign inflows to London real estate in 2017, up from 17% the year before
  - Singapore and Hong Kong as key hubs for Asian offshore wealth
  - Asia remains a key destination for Western expats

---

1. Source: Credit Suisse Global Wealth Databook 2014, 2017
3. Source: OECD, Middle class defined as households with daily expenditures between USD10 and USD100 per person in purchasing power parity term
4. Source: Gallop 2015 report
5. Source: JLL – Global Capital Markets Research Q4 2017
With our presence in Asia we are in a strong position to capitalise on the opportunity

<table>
<thead>
<tr>
<th></th>
<th>Size of market opportunity 2017¹</th>
<th>RBWM presence and capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population, millions</td>
<td>Mass affluent customers, millions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>7</td>
<td>1.4</td>
</tr>
<tr>
<td>China</td>
<td>1,407</td>
<td>30.4</td>
</tr>
<tr>
<td>Singapore</td>
<td>6</td>
<td>2.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>31</td>
<td>0.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>24</td>
<td>8.2</td>
</tr>
</tbody>
</table>

1. Credit Suisse Global Wealth Databook 2017
2. Full service branches
3. Green tick indicating Wealth Investment Product + FX capabilities; grey tick for FX capabilities only
Wealth

Wealth – strong track record of delivery

Wealth revenue range 2014-16 vs. 2017
Percent of 2014-16 average (=100%)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014-16 Average</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>100</td>
<td>112%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equities</td>
<td>100</td>
<td>99%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash FX</td>
<td>100</td>
<td></td>
<td>102%</td>
<td></td>
</tr>
<tr>
<td>Insurance distribution</td>
<td>100</td>
<td></td>
<td></td>
<td>109%</td>
</tr>
<tr>
<td>Other investments</td>
<td>100</td>
<td></td>
<td></td>
<td>123%</td>
</tr>
<tr>
<td>Insurance manufacturing</td>
<td>100</td>
<td></td>
<td></td>
<td>131%</td>
</tr>
<tr>
<td>AMG</td>
<td>100</td>
<td></td>
<td></td>
<td>109%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td></td>
<td></td>
<td>114%</td>
</tr>
</tbody>
</table>

Year of highest revenue 2014-2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>2017</td>
</tr>
<tr>
<td>Equities</td>
<td>2015</td>
</tr>
<tr>
<td>Cash FX</td>
<td>2016</td>
</tr>
<tr>
<td>Insurance distribution</td>
<td>2017</td>
</tr>
<tr>
<td>Other investments</td>
<td>2017</td>
</tr>
<tr>
<td>Insurance manufacturing</td>
<td>2017</td>
</tr>
<tr>
<td>AMG</td>
<td>2017</td>
</tr>
<tr>
<td>Total</td>
<td>2017</td>
</tr>
</tbody>
</table>

Growth in key Wealth metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>2015</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealth AuM¹ (USDbn)</td>
<td>173</td>
<td>225</td>
</tr>
<tr>
<td>Financial reviews²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Needs fulfilled²</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Wealth FUM includes investments managed on behalf of our clients, wealth insurance distribution and insurance manufacturing balances. Includes third party investment sales. Differs from ARA FUM disclosures, which exclude third party investment sales
2. Per Premier Relationship Manager per working day
**3A Market deep dive – Hong Kong**

### Highlights of market position

- Leading domestic and international bank with approx. 600k Premier and 60k Jade customers
- Market leader with 38% average market share\(^1\) in unit trusts gross sales in 2017, up from 34% in 2015

### Example initiative – “EasyInvest”

- Standalone stock trading app launched OCT17
- Features – intuitive user interface Quick Buy / Interactive charts / Sector heatmap / Custom news
- By 2017 year-end, the app had 16k traders generating 113k transactions worth HKD9bn turnover
- Plan for 2018 – advanced technical insights, social trading, gamification

### Highlights of recent initiatives

- Simplified sales journeys – revised end-to-end customer journeys for investments and insurance produces, releasing 1 hour of RM capacity per day
- Portfolio Allocation Services (PAS) – developed simple portfolio review approach suitable for Retail customers, including the delivery of advisory, investment insights and product support
- Financial Health Check – developed a new methodology to assess key customer needs for an objective financial plans
- Digital – developed digital journeys for needs assessment, advisory and improved tools for self-directed customers

---

\(^1\) Source for market data: Hong Kong Investment Funds Association (HKIFA)
**Market deep dive – China**

### Highlights of market position
- Leading international bank in China
- USD3.4bn QDII\(^1\) quota (24% of aggregate quota among all banks in China)
- From 2015 to 2017, customer number and FUM grew 55% and 13%

### Example initiative – Online Structured Products (SP)
- Added new interface and full product range to China online SP platform beginning of 2017
- Features includes 'sentence builder' for intuitive product filtering, product cards explaining return profile, and dynamic scenario analysis
- Online SP transactions share increased to 30% (up from 3% year on year), contributing significantly to 240% growth in China SP revenue 2017

### Highlights of recent initiatives
- **Jade** – Launched Jade proposition in Beijing, Shanghai and Shenzhen
- **Portfolio Allocation Services** – introduced Local Asset Allocation (fulfilment by local funds) in addition to Global Asset Allocation (fulfilment by QDII funds)
- **WeChat** – 350k+ followers, engaging customer through ecosystem on health, education, travel advice
- **Mobile Z** – launched QDII trading, RPQ update and CPI trading on HSBC’s mobile platform. Local UT online trading target to launch 2H18

---

1. China’s qualified domestic institutional investor (QDII) scheme allows Chinese domestic investors to gain access to foreign securities via a limited number of approved institutions that have been awarded quotas.
Continue strong growth in Jade as a key priority for 2018 and beyond

What did we do to improve the quality of our franchise?

- First launched in 2016 in Hong Kong, Singapore, and 2017 in China.
- Jade distinctiveness built around 4 pillars
  - Wealth Solutions – offering more sophisticated investment products and insights
  - Dedicated team – Jade RMs with enhanced qualification and lower portfolio loading
  - Prioritised service – improved speed of delivery on day-to-day banking services
  - Lifestyle – Jade lifestyle app, offers by external partners, and concierge service access
- Double-digit growth in Jade proposition in 2017, with significant number of mid-tier Premier ‘topping up’ to meet USD1m TRB\(^1\)
- In 2018, expanded qualification criteria to include high potential with a lower TRB plus high salary / mortgage
- Establishing Jade as standalone proposition in 2018, with stronger focus on new-to-bank, supported by new branding collateral

---

1. Total Relationship Balance: Investment & Insurance balances and Deposits
Premier evolving to support customer needs beyond Wealth

**What did we do to improve the quality of our franchise?**

- Repositioned Premier proposition following customer insights
  - Broaden focus from Wealth-only to include property / transactional needs
  - Be more relevant to customers and their families at different life stages
  - Acquire and retain high potential customers at younger age

- Broadened qualification criteria to achieve growth
  - Avoid downgrade / attrition of customers with significant non-Wealth relationship, e.g. mortgage, high salary
  - Achieved mid-single digit growth both in active Premier customers and revenue per customer in 2017, supported by 27% reduction in Premier downgrades

- Refreshed Premier proposition roll-out supported by new branding and marketing creative

**Catering for different needs of our Premier customers**

Premier ‘archetypes’, share of Premier

- Wealth (I&I³)
- Property (Mortgage, no I&I⁴)
- Premium Banking (no mortgage, no I&I)

---

1. ‘Archetypes’ classify Premier customers according to their product holding with HSBC (Wealth / Mortgage / Premium Banking).
2. Split as of January 2016
3. Customers with Insurance and/or Investment product holding
4. Customers with mortgage but no Insurance and/or Investment product holding
Leading position to capture the growing market opportunity in international Wealth

What did we do to improve the quality of the franchise?

- Focus on international needs with highest potential and capturing growth RBWM’s network
  - e.g. International education – RBWM covers top 10 countries where parents seek to send children abroad for higher education and 9 out of 10 top destinations attracting these students
- Driving innovation on customer journeys and experience along
  - International account opening
  - International mortgage
  - Cross-border payment and foreign currencies
  - International investments
  - Arriving and leaving a country
- Implementing bespoke channel strategies for each key pool of needs
- Engaging in partnerships with, for example
  - Corporates to bring HSBC service to professional expatriates
  - Education agencies

Example solution – International Education

International Education Payment Solution (IEPS)

- Easily make payments to education providers overseas (covering 1,100 international universities to date)
- Launched in China via WeChat and HSBC China Mobile Banking
- Complemented by series of external partnerships, customer events and digital campaigns, e.g. HSBC x China Thinks Big Competition Partnership, hosted by Harvard Shanghai Centre
- Solutions in preparation for Singapore and India
**HSBC Asset Management (AMG) with strong footprint and growth trajectory in Asia**

**AMG globally**

<table>
<thead>
<tr>
<th>Adjustment PBT, USDm</th>
<th>2016</th>
<th>2017</th>
<th>Y-o-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue¹</td>
<td>987</td>
<td>1,055</td>
<td>7%</td>
</tr>
<tr>
<td>Costs</td>
<td>(660)</td>
<td>(691)</td>
<td>(5)%</td>
</tr>
<tr>
<td>PBT</td>
<td>327</td>
<td>364</td>
<td>11%</td>
</tr>
<tr>
<td>AUM², USDbn</td>
<td>410</td>
<td>462</td>
<td>13%</td>
</tr>
</tbody>
</table>

- 16 Manufacturing / 26 Distribution markets globally
- c.2,500 staff / c.600 investment FTE
- 2017 positive net flows over USD8bn

**AMG in Asia**

<table>
<thead>
<tr>
<th>Asia AuM, USDbn</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>116</td>
<td>129</td>
<td>145</td>
<td>172</td>
</tr>
</tbody>
</table>

+49%

**What did we do to improve the quality of the franchise?**

- Aligned business to long-term industry growth themes
- Enhanced collaboration with HSBC’s global businesses, to better service the Group’s customer franchise
- Deepened understanding, planning and servicing for AMG’s priority customers

---

1. Revenue on an adjusted, page 52 of the HSBC 2017 Report and Accounts
2. Net AuM on a reported basis, page 60 of the HSBC 2017 Report and Accounts
3. The Mandatory Pension Fund (MPF) is a compulsory saving scheme (pension fund) for the retirement of residents in Hong Kong
4. The Mutual Recognition of Funds (MRF) scheme is an arrangement between the Hong Kong Securities and Futures Commission (SFC) and the China Securities Regulatory Commission (CSRC). Under the scheme, eligible Mainland Chinese and Hong Kong funds can be distributed in each other’s market through a streamlined vetting process
Key messages

Wealth Management key messages

1. Our Wealth and Premier propositions are highly profitable and major contributors to RBWM’s results

2. Asia is a large attractive growth market for Wealth and Premier, and HSBC is well-positioned to capture this opportunity

3. Over the last 3 years, through strategic changes and innovation, we have strengthened our franchise across:
   A. Wealth distribution
   B. Jade
   C. Premier
   D. International
   E. Asset management

Market opportunity drivers

Asia with significant growth in mass affluent segments and Wealth opportunity

- Rising middle-class
- Customers’ needs increasingly international
Agenda

Integrated bancassurance model

Asia business mix

Strengths and opportunities

Conclusion
Integrated bancassurance model

Insurance is core to our universal banking approach

HSBC Insurance: Who we are

- Leading global integrated bancassurer
- Serving customers across Retail, Wealth, Corporate and Private Bank
- Proprietary and complementary Partner product solutions
- Selective NTB customer acquisition: IFAs, brokers, digital

What we deliver

- Underwrite the needs of our customers:
  - Save & Retire; Protect; Health & Lifestyle; Commercial
- World class advice and conduct
- Synergies with Asset Management & Global Markets

Operating in key bancassurance “sweet spots”

% life premiums from bancassurance channel¹

- Hong Kong: 48%
- Singapore: 37%
- China: 39%
- India: 53%

1. Sources: Hong Kong Insurance Authority, Singapore Life Insurance Association and Insurance Regulatory and Development Authority of India 2017 published statistics; EY publication ‘Rethinking the success of bancassurance’
**HSBC Insurance overview**

### Manufacturing

2017 Manufacturing revenue

- **USD2.2bn**

- **Asia**:
  - HK: HSBC
  - HK: Hang Seng
  - China
  - India
  - Singapore
  - Malaysia

- **Europe**:
  - France
  - UK

- **Americas**:
  - Argentina
  - Mexico

### Distribution

2017 Distribution revenue

- **USD0.6bn**
- **USD0.4bn**

**HSBC products**

- **3rd party products**

**Distribution markets**

- 11 markets distributing both HSBC and 3rd party products
- 22 markets distributing only 3rd party products
  - Including North America, Middle East and rest of Asia

**World-class strategic partnerships**

- Allianz
- Aviva
- AXA
- Bupa
- Euler Hermes
- Zurich

---

1. USD0.2bn manufacturing revenue from CMB. GPB revenue included within RBWM
2. China and Malaysia are 50% and 49%-owned joint ventures respectively, but consolidated as subsidiaries for accounting purposes
3. India is a 26%-owned joint venture and accounted for as an associate
## Insurance

### Scale and growth

#### 2017 financial highlights

<table>
<thead>
<tr>
<th>Asia</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>USD73bn</strong></td>
</tr>
<tr>
<td><strong>Embedded Value</strong></td>
<td><strong>USD10.1bn</strong></td>
</tr>
<tr>
<td><strong>Manufacturing PBT</strong></td>
<td><strong>USD1.5bn</strong></td>
</tr>
<tr>
<td><strong>Policies in force</strong></td>
<td><strong>3 million</strong></td>
</tr>
<tr>
<td><strong>Gross Premium Income</strong></td>
<td><strong>USD8.1bn</strong></td>
</tr>
<tr>
<td><strong>Value of New Business</strong></td>
<td><strong>USD0.8bn</strong></td>
</tr>
</tbody>
</table>

#### 2017 Manufacturing contribution to Group

| of Total Adjusted PBT | 9% | 8% |
| of RBWM Adjusted PBT | 26% | 25% |

#### Asia growth trajectory (USDm)

- **Manufacturing PBT**
  - 2015: USD1,045bn
  - 2016: USD1,078bn
  - 2017: USD1,516bn
- **Embedded Value**
  - 2015: USD7,961bn
  - 2016: USD8,738bn
  - 2017: USD10,137bn
- **Manufactured annualised new business premiums, (ANP)**
  - 2015: USD1,986bn
  - 2016: USD2,249bn
  - 2017: USD2,436bn
- **Value of new business (VNB)**
  - 2015: USD642bn
  - 2016: USD779bn
  - 2017: USD847bn
- **HSBC distribution revenue**
  - 2015: USD439bn
  - 2016: USD477bn
  - 2017: USD491bn
- **3rd party distribution revenue**
  - 2015: USD173bn
  - 2016: USD195bn
  - 2017: USD207bn

1. HSBC’s embedded value accounting is stated net of the cost of options and guarantees and gross of the cost of capital
2. India is accounted for as an associate and therefore included within PBT but not included within ANP, Gross Premium and VNB figures presented on this slide
3. Adjusted basis

---

CAGR +22%
Insurance

Asia business mix

Manufactured product mix: ANP 2017

Manufactured product mix: VNB 2017

3rd party retail product mix: GWP 2017

Short premium terms and long duration contracts

2017 Hong Kong new business

Payment Term

Contract Tenor

High quality credit risk profile

Asia, 31 Dec 2017

1. Payment Term and Contract Tenor on an ANP basis
2. Unrated assets principally comprise blue-chip listed companies with investment grade characteristics
3. Assets backing participating business also include equities, investment property and other alternative investment classes
Manufacturing markets: HSBC Hong Kong

Growing market share in 2017

Market share¹ (12m trailing average)

Targeted investment

Sales specialists and Support roles

Marketing spend

Growth through innovation

Increased protection focus

Greater capital efficiency

Market leading digital offering

Award Winning - ONEdna

Wealth Goal Insurance Plan

Term Life Online

Cancer Term

1. ANP basis. Source: Hong Kong Insurance Authority. HSBC Hong Kong includes Hang Seng
Manufacturing markets: Rest of Asia

**Singapore**
Diversified multi-channel distribution

- Tier 1 insurer status achieved in 2017 (USD5bn+ balance sheet)
- Diversified distribution across RBWM, brokers and 3rd party banks
- Increased focus on GPB & international
- Entry plans to high growth financial advisor segment

**Manufactured ANP**

<table>
<thead>
<tr>
<th>Year</th>
<th>RBWM</th>
<th>Broker</th>
<th>3rd Party Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>65</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>60</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>2017</td>
<td>61</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

**China**
Accelerated growth

- 50% JV with National Trust (est. 2009)
- 2018 - new product platform and materially strengthen capabilities
- Accelerate branch footprint expansion
- Materially increase RBWM new business share and selectively grow external distribution

**Tier 1 cities**

- BEIJING (2014)
- TIANJIN (set-up)
- SHANGHAI (2009)
- GUANGZHOU (2015)
- SHENZHEN (application)

**Manufactured ANP**

<table>
<thead>
<tr>
<th>Year</th>
<th>RBWM</th>
<th>Broker</th>
<th>3rd Party Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>37</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2016</td>
<td>52</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>2017</td>
<td>72</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

**India**
Accelerated growth

- JV launched with 2 banks (Canara Bank and Oriental Bank of Commerce) in 2008 (HSBC 26% stake)
- Top 10 private insurer
- Profitable since 2013; Costs c.14% of premiums
- Accelerated access to c.80m customers in 8,000+ branches

**Retail ANP**

<table>
<thead>
<tr>
<th>Year</th>
<th>RBWM</th>
<th>Broker</th>
<th>3rd Party Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>57</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>2016</td>
<td>83</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>2017</td>
<td>131</td>
<td>5</td>
<td>30</td>
</tr>
</tbody>
</table>

**Market CAGR:** +26%

- Protection +79%
- Traditional +136%
- ULIP +25%
Growth opportunities for Insurance through leveraging HSBC’s scale

Current strengths in Asia

- HSBC’s Global Brand:
  - 12.5m RBWM customers
- Close customer relationships:
  - 1.7m financial reviews conducted in 2017
  - 97%¹ sales quality achieved through focus on customer needs
- Scale and a high quality book:
  - USD73bn balance sheet
  - 95%² persistency
  - 15% cost-efficiency ratio
- World class complementary insurance partnerships

Key strategic priorities

1. Regain market leadership in Hong Kong:
   Continued investment in sales specialists, marketing and product innovation

2. Accelerated scale in Singapore, China & India:
   Channel diversification, strengthened capabilities & increased customer access

3. Increase penetration of Advance, Personal and Business Banking:
   0.5m Business banking and 11m Advance & Personal segment customers

4. Grow distribution through alternative channels:
   Increase engagement with brokers, financial advisors and third-party banks

5. Leverage HSBC’s USD2.3bn Global digital transformation:
   Build on existing momentum of 1.3m digital sales monthly in the bank

¹ Sales quality passes over sale cases checked
² Premium-weighted 12 month persistency
Private Bank Asia

10 April 2018

Siew Meng Tan
Regional Head of Global Private Bank, Asia-Pacific
Agenda

Organisation

Asia

Conclusion
Vision
To be the Private Bank of choice to the families of the owners and principals of the Group's corporate clients and help them preserve their wealth from generation to generation

Private Banking
Ultra High Net Worth
High Net Worth

Jade

Premier

Advance

Personal Banking

Serving HNW and UHNW clients globally

- 11 booking centres in strategic locations including 4 in Asia
- Unrivalled Group client base rooted in the bank's commercial banking origins
- Unique client solutions leveraging HSBC Asset Management and Global Markets

Investment Management
Trusted and succession planning
Bespoke financing solutions
Alternative investments
11 strategic booking centres and 34 target markets globally

**2017 Key financials** (USDbn)

- Revenue: 1.7
- PBT: 0.3
- Client assets: 330
- Lending: 40
- Net new money: 15

---

**Revenue mix by booking centre (2017)**

- Hong Kong: 38%
- Singapore: 18%
- US: 11%
- Switzerland & Channel Islands: 16%
- Others: 10%

---

**Focus on Group clients**

- c.60% of new clients sourced from Group referrals
- c.USD8.5bn Net New Money from Group clients
- c.USD550m revenue synergies from other global businesses

---

1. Financials on an adjusted basis, reconciliation of reported and adjusted items details in HSBC Holdings plc ARA 2017 (p49)
2. Client Assets defined as Funds under management and customer deposits
3. In key markets targeted for growth
4. 2017
Asia-Pacific – largest and fastest growing region for GPB

2017 Key financials¹ (USDbn)

- Revenue: 0.7
- PBT: 0.3
- Client Assets²: 129
- Lending: 14.7
- Net new money³: 7.6

- Annual wealth expansion in Asia-Pacific is projected to remain at nearly double-digit growth through 2021⁴

- Chinese market HNWI investable financial wealth represents USD6-8tn⁵ including USD2tn⁶ estimated to be located Offshore mainly in Hong Kong (36%) and Singapore (17%)⁷

---

¹. Financials on an adjusted basis - PBT reconciliation in Appendix
². Client Assets = Funds under Management and customer deposits
³. Range combining estimates by BCG, Bain and Cap Gemini
⁴. In key markets targeted for growth
⁵. BCG – Global Wealth 2017 – Transforming the Client Experience
⁶. Share offshore based on 25% estimate, as per the Bain 2017 Report ‘China’s Private Wealth Machine
⁷. Cap Gemini Asia-Pacific wealth report 2017
**Asia-Pacific – building on strong growth in 2017**

### 2017 Key financials

#### Revenue
- USDm
- **2016**: 576
- **2017**: 665
  - +15%

#### PBT
- USDm
- **2016**: 214
- **2017**: 305
  - +42%

#### Net new money
- USDbn
- **2016**: -0.5
- **2017**: 7.6
  - +19%

#### Client assets
- USDbn
- **2016**: 108
- **2017**: 129
  - +19%

### Future priorities

- **Deepen collaboration with all global businesses and grow NNM from Group relationships**
- **Continue to increase penetration of mandated assets to meet client needs and improve revenue sustainability** (16.4% in 2016 vs. 18.5% in 2017)
- **Further expand Managed Solutions in conjunction with HSBC Asset Management**
- **Fully implement Client Service Model Transformation**
- **Number of Investment Counsellors and support increased by 34%**
- **Leverage the Group’s balance sheet strength to increase lending penetration** (lending grew 25% in 2017 from USD11.6bn to USD14.5bn)
- **Grow bespoke solutions (e.g. single share financing)**

---

1. Reported view except PBT on adjusted basis - PBT reconciliation in Appendix
2. In key markets targeted for growth
Key messages

Priority areas

1. Use HSBC’s international connectivity to serve Chinese HNWs’ international global needs
   - Capture growth from existing Hong Kong book
   - Work closely with CMB, GB&M and RBWM to grow ASEAN business

2. Continue to grow referrals from all global businesses and leverage product capabilities across the Group
   - Leverage Group’s technology and digital capabilities

3. Tailored proposition focused on wealth preservation and investment advice to the next generation of today’s UHNW clients

4. Asian clients looking at diversifying their portfolio outside of Asia
   - Offshore clients looking for opportunities in Asia

Key priorities

- Key growth markets
- Collaboration
- Next generation of today’s UHNW clients
- Global connectivity
Digital: Building the future bank

10th April 2018

Josh Bottomley
Global Head of Digital, Data and Development, RBWM

Andrew Connell
Head of Digital, RBWM Asia-Pacific
Global Head of Innovation and Partnerships, RBWM Digital
We shared with you our Digital ambition back in April 2016

Organisational alignment

2016
Quick wins / building capabilities

- Identify and leverage sources of customer insight e.g.
  - Customer relationship index
  - Customer feedback
  - Analytics

2017
Innovation structuring

- Map efforts against growing market segments and integrate with existing innovation initiatives e.g.
  - Innovation catalyst programme

Unmet User needs

Strategic opportunities

Digital capabilities

- Work closely with Digital Centre of Excellence to showcase capabilities e.g. Tagging, A/B Testing, analytics, user design, insight activation

On-going initiatives

Build
- Hong Kong new customer tools
- Pearl River Delta innovation centre
- WeChat AI-powered mobile account servicing

Partner
- Scope potential major partnerships
- Scope mobile partnership (carrier or handset manufacturer)
- Other digital ecosystem partnership

Incubate
- HK PolyU Designathon
- Asia / PRD FinTech assessment, community building

Investment

- In 2017, we have invested USD5.3bn in total technology spend across the Group

2017 technology spend
USD 5.3bn

2015 and 2017
USD 2.3bn

1. Reported 2017 Income statement expense
Digital: Building the future bank

Build: we have delivered digital features to our customers across markets

Delivered 100 + digital features globally

Key examples delivered in Asia-Pacific in 2017

**PayMe** - a first peer-to-peer payment app in Hong Kong is ranked #1 (finance) and #5 (all category) in Hong Kong App Store

15,000 people enjoy easy trading via **HK Easy Invest**, a new standalone app for stock trading in Hong Kong and China

Mobile X - Our **new banking app** is rated 4.7/5 in app store in Hong Kong (and in UK)
Partner: we have been actively building our digital ecosystem

Recent partnerships

First foreign bank in China to have integrated WeChat, enabling HSBC Banking access to over 800m WeChat customers

Contactless mobile payment feature delivered for customers in Asia-Pacific

**Apple Pay**: Deployed in Hong Kong, Singapore, China, Australia. Enabled our mobile app to add a card directly into Apple Pay wallet in Hong Kong and Singapore

**Google Pay** (Previously known as Android Pay): Hong Kong, Taiwan, Australia

**Samsung Pay**: Hong Kong

On-going focus

Working on innovative solutions through existing relationships

Multiple streams of technology

+ Business partnerships

Multiple streams of technology

Data + ecosystem

Proofs of concept + development
Incubate: we have transformed the way we do business

Matured digital foundation

- **Over 3 million** live chat engagements were completed globally
- **14 markets** have now migrated to a unified, more secure online platform
- **17 mobile payment deployments in 2017** – largest of any retail bank in the world

Key achievements in Asia-Pacific in 2017

- Migrated branch transactions to digital with **digital transactions up by 36% Y-o-Y** (Hong Kong)
- Branches in Hong Kong complete 99% of **account opening** now via staff tablet
- Credit card: **straight-through process** ‘from 2 weeks to 2 minutes’
Financial Services market continues to evolve

Changes in the market ...

Financial Services market continues to evolve

Changes in the market ...

- USD16.6 billion VC-backed investment in FinTech companies in 2017¹
- Globally 25 FinTech unicorns² are valued at USD75.9 billion in 2017¹
- Tech giants (e.g. GAFA) exploring opportunities in financial services
- Alibaba to acquire 33% stake in Ant Financial, deepening its financial sector involvement³
- The number of mobile phone users in the world is expected to pass the five billion mark by 2019⁴
- Blockchain could save up to USD12 billion a year in back-office cost⁵

... resulting in changing customer behaviours

Customer expectation

Experience  Engagement  Connectivity and Contextual

Banking channel trend⁸

41% of RBWM customers are digitally active

Over the past 5 years we have seen a 333% increase in mobile banking customers

1. Source: CBInsights
2. A unicorn is a privately held startup company with a current valuation of USD1 billion or more
3. Source: FT (Feb, 2018)
4. Source: Statista
5. Source: Accenture analysis of Blockchain for investment bank
7. Source: Salesforce (2017)
8. Source: HSBC ESG Update April 2018
We are committed to take advantage of these changes

Mobile Centred Banking

Personal and Relevant Customer Experience

Leverage and Contribute to HSBC’s Scale and Ecosystem

“The adoption of rapidly evolving digital technologies by our customers is arguably the most transformative force for the financial services industry”

- Stuart Gulliver (2016 Annual Report, HSBC)
Mobile centred banking: a potential mobile-only banking option for customers, who prefer mobile as exclusive banking channel

Making it easier for customers, keeping people in the online channel, growing customer satisfaction and retention

Digitising processes to remove manual intervention

Harnessing the power of data to deliver a more personalised and relevant experience

Responding to Open Banking to deliver new commercial opportunities
### Personal and relevant customer experience: personalised communications to customers on HSBC products and services relevant to their life events / journeys

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Reasons to communicate</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ Messaging via push notification, emails, SMS, etc.</td>
<td>◆ Reasons: know me; keep me informed; secure and protect me</td>
</tr>
<tr>
<td>◆ Integrated journeys (e.g. insurance)</td>
<td>◆ Outcomes: reduced effort; proactive rewards; fraud avoidance</td>
</tr>
<tr>
<td>◆ Data and insights to drive real-time decision-making across digital channel</td>
<td>◆ Indicators: lower call volumes; higher feature usage; higher advocacy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating processes and roles</th>
<th>New internal “communities” to focus on maximising our investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ New internal “communities” to focus on maximising our investments</td>
<td>◆ Revenue engagement</td>
</tr>
<tr>
<td>• Revenue engagement</td>
<td>◆ Customer experience</td>
</tr>
<tr>
<td>• Customer experience</td>
<td>◆ Features adoption</td>
</tr>
<tr>
<td>• Features adoption</td>
<td></td>
</tr>
</tbody>
</table>
Leverage and contribute to HSBC’s scale and ecosystem: deliver digital features at scale to customers

**Economies of Scale**
- Centralised product management
- Local customisation
- Digital as a channel

**Transfer of Learnings**
- Market to market shared learnings
  - Organisational
  - Customer
  - Market

**International Propositions**
- International payments
- Asset allocation / Global model
- International Customer Onboarding (ICO)
Apart from these three priorities, we are also working on a lot more this year.
Discussion

Mobile Centred Banking

Personal and Relevant Customer Experience

Leverage and Contribute to HSBC’s Scale and Ecosystem
Global manufacturing: Sources of earnings

**Embedded value accounting**

(2017, USDbn)

<table>
<thead>
<tr>
<th>PVIF accounting</th>
<th>Statutory Net Asset Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2</td>
<td>5.4</td>
</tr>
<tr>
<td>6.9</td>
<td></td>
</tr>
</tbody>
</table>

**Change in PVIF of long-term insurance business**

<table>
<thead>
<tr>
<th>2017</th>
<th>USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of New Business</td>
<td>919</td>
</tr>
<tr>
<td>Extant Book: changes in PVIF</td>
<td>-895</td>
</tr>
<tr>
<td>Amortisation of PVIF asset</td>
<td>-599</td>
</tr>
<tr>
<td>Sharing of investment performance</td>
<td>-141</td>
</tr>
<tr>
<td>Offset of regulatory-driven changes</td>
<td>-98</td>
</tr>
<tr>
<td>Assumption changes</td>
<td>-41</td>
</tr>
<tr>
<td>FX and other</td>
<td>-16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>

**Profit After Tax sensitivities**

- **Economic risks**
  - 100bps fall in interest rates: 42
  - 10% increase in equity prices: 223
  - 100bps increase in interest rates: (140)
  - 10% fall in equity prices: (225)

- **Other risks**
  - +10% increase in mortality/morbidity rates: (77)
  - -10% decrease in mortality/morbidity rates: 82
  - 10% increase in lapse rates: (93)
  - 10% decrease in lapse rates: 106

**Statutory income (ex PVIF overlay)**

<table>
<thead>
<tr>
<th>2017</th>
<th>USDm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premium income</td>
<td>9,779</td>
</tr>
<tr>
<td>Investment income</td>
<td>5,098</td>
</tr>
<tr>
<td>Net claims and benefits paid</td>
<td>-5,409</td>
</tr>
<tr>
<td>Net movement in liabilities to policyholders</td>
<td>-6,922</td>
</tr>
<tr>
<td>Operating expenses, Fee expenses and Other operating income</td>
<td>-825</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,721</strong></td>
</tr>
</tbody>
</table>

1. PVIF equity comprises: USD6.6bn gross PVIF asset less USD1.2bn deferred tax liability
2. Refer to pages 115 to 116 of 2017 ARA for further details
3. Shown net of reinsurance
## GPB Asia selected financial performance

<table>
<thead>
<tr>
<th>USDm</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted PBT</strong></td>
<td>305</td>
<td>214</td>
</tr>
<tr>
<td><strong>Significant items &amp; foreign currency translation</strong></td>
<td>(19)</td>
<td>46</td>
</tr>
<tr>
<td><strong>Reported PBT</strong></td>
<td>286</td>
<td>260</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>A/D ratio</td>
<td>Ratio of loans and advances to customers to customer accounts</td>
<td></td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
<td></td>
</tr>
<tr>
<td>Adjusted performance</td>
<td>Adjusted performance excludes the year-on-year effects of foreign currency translation differences and significant items which distort the year-on-year comparison of reported results. The term significant items collectively describes the group of individual adjustments excluded from reported results when arriving at adjusted performance and which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the trends of the business</td>
<td></td>
</tr>
<tr>
<td>AIIB</td>
<td>Asian Infrastructure Investment Bank</td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>Asset Management</td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>Asia-Pacific</td>
<td></td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
<td></td>
</tr>
<tr>
<td>AU</td>
<td>Australia</td>
<td></td>
</tr>
<tr>
<td>AUC</td>
<td>Asset Under Custody</td>
<td></td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
<td></td>
</tr>
<tr>
<td>AUM</td>
<td>Assets under management</td>
<td></td>
</tr>
<tr>
<td>BARC</td>
<td>Barclays Bank PLC</td>
<td></td>
</tr>
<tr>
<td>BCG</td>
<td>Boston Consulting Group</td>
<td></td>
</tr>
<tr>
<td>bn</td>
<td>billion</td>
<td></td>
</tr>
<tr>
<td>BoAML</td>
<td>Bank of America Merrill Lynch</td>
<td></td>
</tr>
<tr>
<td>BRI</td>
<td>Belt and Road Initiative</td>
<td></td>
</tr>
<tr>
<td>BSM</td>
<td>Balance Sheet Management</td>
<td></td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound annual growth rate</td>
<td></td>
</tr>
<tr>
<td>CC</td>
<td>Corporate Centre</td>
<td></td>
</tr>
<tr>
<td>CER</td>
<td>Cost efficiency ratio</td>
<td></td>
</tr>
</tbody>
</table>
## Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client revenue</td>
<td>Client revenue data sourced HSBC internal client MI, which differs from reported revenue. Excludes synergies with other global businesses and excludes internal costs of funds.</td>
</tr>
<tr>
<td>CMB</td>
<td>Commercial Banking</td>
</tr>
<tr>
<td>CNY</td>
<td>Chinese Yuan Renminbi</td>
</tr>
<tr>
<td>CS</td>
<td>Credit Suisse Group AG</td>
</tr>
<tr>
<td>CSRC</td>
<td>China Securities Regulatory Commission</td>
</tr>
<tr>
<td>DB</td>
<td>Deutsche Bank AG</td>
</tr>
<tr>
<td>DCM</td>
<td>Debt capital markets</td>
</tr>
<tr>
<td>DTC</td>
<td>Digital transformation for Corporates</td>
</tr>
<tr>
<td>ECM</td>
<td>Equities capital markets</td>
</tr>
<tr>
<td>EMEA</td>
<td>Europe, Middle East and Africa</td>
</tr>
</tbody>
</table>

### Ernst & Young (“EY”) methodology

1. Estimated Market share is calculated by taking HSS’s Asia Pacific AUC (provided by HSS) divided by Total Asia Pacific AUC (using Tricumen data, which is estimated to cover c.60% of Asia Pacific AUC)
2. Estimated Market Positioning is derived comparing HSS’s AUC in Asia Pacific to 10 Asset Servicing Asia Pacific AUC values that EY holds data for, assuming these 11 Asset Servicing companies (including HSS) are the largest in Asia Pacific

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETF</td>
<td>Exchange Traded Funds</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FICC</td>
<td>Fixed Income, Currencies &amp; Commodities</td>
</tr>
<tr>
<td>FIG</td>
<td>Financial Institutions Group</td>
</tr>
<tr>
<td>FUM</td>
<td>Funds under management</td>
</tr>
<tr>
<td>FX</td>
<td>Foreign Exchange</td>
</tr>
<tr>
<td>GAFA</td>
<td>Google, Apple, Facebook, Amazon</td>
</tr>
<tr>
<td>G10 Currencies</td>
<td>G10 currencies include United States dollar, Euro, Japanese yen, Pound sterling, Swiss franc, Australian dollar, New Zealand dollar, Canadian dollar, Swedish krona, Norwegian krone</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>-------</td>
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</tr>
<tr>
<td>GB</td>
<td>Global Banking</td>
</tr>
<tr>
<td>GB&amp;M</td>
<td>Global Banking and Markets</td>
</tr>
<tr>
<td>GBA</td>
<td>Greater Bay Area</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross domestic product</td>
</tr>
<tr>
<td>GFC</td>
<td>Group Finance Companies</td>
</tr>
<tr>
<td>GLCM</td>
<td>Global Liquidity and Cash Management</td>
</tr>
<tr>
<td>GM</td>
<td>Global Markets</td>
</tr>
<tr>
<td>GPB</td>
<td>Global Private Banking</td>
</tr>
<tr>
<td>GS</td>
<td>Goldman Sachs Group Inc</td>
</tr>
<tr>
<td>GTRF</td>
<td>Global Trade and Receivables Finance</td>
</tr>
<tr>
<td>HKMA</td>
<td>Hong Kong Monetary Authority</td>
</tr>
<tr>
<td>HKQAA</td>
<td>Hong Kong Quality Assurance Agency</td>
</tr>
<tr>
<td>HSS</td>
<td>HSBC Securities Services</td>
</tr>
</tbody>
</table>

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<tr>
<th>Term</th>
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</tr>
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<tbody>
<tr>
<td>IDBC</td>
<td>Industrial and Commercial Bank of China Limited</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>Inbound revenue</td>
<td>Client revenue booked in Country A where the primary relationship is managed outside of Country A</td>
</tr>
<tr>
<td>Jaws</td>
<td>Percentage change in revenue over the percentage change in costs</td>
</tr>
<tr>
<td>JPM</td>
<td>JPMorgan Chase &amp; Co</td>
</tr>
<tr>
<td>JV</td>
<td>Joint Venture</td>
</tr>
<tr>
<td>LATAM</td>
<td>Latin America</td>
</tr>
<tr>
<td>LICs</td>
<td>Loan impairment charges and other credit risk provisions</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>Mergers and Acquisitions</td>
</tr>
</tbody>
</table>
## Glossary of terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>MLA</td>
<td>Mandated Lead Arranger</td>
</tr>
<tr>
<td>MNCs</td>
<td>Multi-national corporations</td>
</tr>
<tr>
<td>MS</td>
<td>Morgan Stanley</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
</tr>
<tr>
<td>NDB</td>
<td>New Development Bank</td>
</tr>
<tr>
<td>NIM</td>
<td>Net interest margin</td>
</tr>
<tr>
<td>NZ</td>
<td>New Zealand</td>
</tr>
<tr>
<td>ODI</td>
<td>Outward Direct Investment</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>Outbound revenue</td>
<td>Client revenue relating to clients where the primary relationship is managed in Country A, but the revenue is booked outside of Country A</td>
</tr>
<tr>
<td>PBT</td>
<td>Profit before tax</td>
</tr>
<tr>
<td>PRD</td>
<td>Pear River Delta</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Term</th>
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</thead>
<tbody>
<tr>
<td>QFII</td>
<td>Qualified Foreign Institutional Investor</td>
</tr>
<tr>
<td>RBWM</td>
<td>Retail Banking and Wealth Management</td>
</tr>
<tr>
<td>RCF</td>
<td>Revolving Credit Facility</td>
</tr>
<tr>
<td>Reported results</td>
<td>Reported view of performance is determined on an International Financial Reporting Standards (&quot;IFRS&quot;) basis as reported in HSBC’s annual report and accounts and other financial and regulatory reports</td>
</tr>
<tr>
<td>RMB</td>
<td>Renminbi</td>
</tr>
<tr>
<td>RMBI</td>
<td>Renminbi Internationalisation</td>
</tr>
<tr>
<td>RoRWA</td>
<td>Return on risk-weighted assets</td>
</tr>
<tr>
<td>RoTE</td>
<td>Return on tangible equity</td>
</tr>
<tr>
<td>RQFII</td>
<td>Renminbi Qualified Foreign Institutional Investor</td>
</tr>
<tr>
<td>RWAs</td>
<td>Risk-weighted assets</td>
</tr>
<tr>
<td>SAFE</td>
<td>State Administration of Foreign Exchange</td>
</tr>
<tr>
<td>SG</td>
<td>Société Générale</td>
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<tbody>
<tr>
<td>TLA</td>
<td>Term Loan A</td>
</tr>
<tr>
<td>tn</td>
<td>trillion</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>ULIP</td>
<td>Unit linked insurance plan</td>
</tr>
<tr>
<td>USD</td>
<td>US Dollar</td>
</tr>
<tr>
<td>VNB</td>
<td>Value of new business</td>
</tr>
<tr>
<td>Y-o-Y</td>
<td>Year-on-year</td>
</tr>
<tr>
<td>YTD</td>
<td>Year-to-Date</td>
</tr>
</tbody>
</table>