HSBC Wealth & Personal Banking

Charlie Nunn, Wealth & Personal Banking CEO

June 2020
Agenda

Introduction to Wealth & Personal Banking (WPB)

Three opportunities for WPB

1) Wealth

2) International

3) Digital

Conclusion
Introduction
Wealth & Personal Banking provides retail banking and wealth products and services to individuals and small businesses.

Retail Banking and Wealth Management (RBWM) and Global Private Banking (GPB) have combined to form WPB.
An integral part of the HSBC Group

% of Group

<table>
<thead>
<tr>
<th>FY19</th>
<th>RBWM</th>
<th>GPB</th>
<th>Numbers in the pie charts denote total Group</th>
</tr>
</thead>
</table>

**Adjusted revenue**

- RBWM: $55bn (42%)
- GPB: $22bn (36%)
- Total: $77bn

**Deposits**

- RBWM: $1.4tn (48%)
- GPB: $0.4tn (4%)
- Total: $1.8tn

**Customer lending**

- RBWM: $1.0tn (38%)
- GPB: $0.1tn (5%)
- Total: $1.1tn

**Adjusted PBT**

- RBWM: $22bn (36%)
- GPB: $5bn (2%)
- Total: $27bn

**RWAs**

- RBWM: $843bn (16%)
- GPB: $33bn (2%)
- Total: $876bn

Delivering **accretive returns**

**RoTE**

- RBWM: 20.5%
- GPB: 11.1%

Note: RBWM reported PBT included $1.3bn of customer redress costs in 2019 which are excluded from adjusted PBT. For a reconciliation of reported to adjusted results, see the HSBC Holdings plc Annual Report and Accounts 2019. For information on the impact of COVID-19, refer to p.3 of the HSBC Holdings plc Q1 Earnings Release 2020.
We serve >39 million customers

Wealth

Introduction

International

Digital

Ultra high net worth

$30m

High net worth

$5m

Jade

$1m

Premier

$100k

Personal banking

$100k

Number of customers

>10k

>30k

>160k

>4m

>35m

Eligibility criteria

1 Customer number for personal banking includes Retail Business Banking, PayMe, and Hang Seng customers

2 Indicates investable assets, representing indicative eligibility criteria for each tier. Eligibility criteria vary by market.
Across 37 markets in 5 regions

Excludes Private Bank representative offices and countries with only a Global Asset Management presence. We have a presence in Saudi Arabia through our associate, Saudi British Bank.
Anchored by our scale markets, with opportunities to grow in all three

**Adjusted PBT**
- **Mexico**: Others 2%, HK 82%, UK 13%
- **Others**: Mexico 2%, UK 2%
- **2019 vs. 2018**: $8.5bn, +3%

**Deposits**
- **Mexico**: Others 2%, HK 43%, UK 30%
- **Others**: Mexico 2%
- **2019 vs. 2018**: $752bn, +3%

**Customers**
- **Hong Kong**: 8 million, +3%
- **UK**: 14 million, +3%
- **Mexico**: 5 million, +9%

**Market shares**
- **Hong Kong**: Deposits 28.3%, Insurance 19.5%
- **UK**: Current accounts 14.2%, Mortgages 6.8%
- **Mexico**: Deposits 7.8%, Credit cards 5.6%

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1. Numbers presented are the sum of FY19 RBWM and FY19 GPB
2. HSBC UK, our UK ring-fenced bank
3. RBWM only unless otherwise stated. Hong Kong deposit market share reflects total bank deposits, source HKMA. Hong Kong Insurance market share is for 1Q20 determined by ANP, source Insurance Authority annual and quarterly statistics.

UK market share sources: current accounts CACI, mortgages the BoE. Mexico market share sources: National Commission of Banking and Securities
Delivering franchise growth

**Active customer numbers**, m

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>36.4</td>
<td>36.6</td>
<td>37.8</td>
<td>39.5</td>
</tr>
<tr>
<td>CAGR</td>
<td>2%</td>
<td></td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

**Digitally active customers**, %

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>38%</td>
<td>41%</td>
<td>45%</td>
<td>49%</td>
</tr>
<tr>
<td>CAGR</td>
<td>12%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted deposits, $bn**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>629</td>
<td>65</td>
<td>649</td>
<td>689</td>
</tr>
<tr>
<td>CAGR</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted loans, $bn**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>338</td>
<td>40</td>
<td>368</td>
<td>395</td>
</tr>
<tr>
<td>CAGR</td>
<td>8%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Active customers are defined as customers holding at least one active product satisfying either the transaction (customer has made a financial transaction in the last 12 months) or balance based activity criteria. RBWM only
2. Digitally active customers are defined as customers using digital banking in the last 90 days. RBWM only
Wealth
Asia continues to drive global growth in wealth

Global wealth\(^1\), $tn

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2018</th>
<th>2023E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia ex Japan</td>
<td>159</td>
<td>206</td>
<td>272</td>
</tr>
<tr>
<td>N. America</td>
<td>46%</td>
<td>20%</td>
<td>43%</td>
</tr>
<tr>
<td>L. America</td>
<td>23%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>W Europe</td>
<td>16%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>E Europe</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Japan</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>MEA</td>
<td>7.9%</td>
<td>5.4%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

\(^1\) Source: BCG wealth report, 2019. Includes: life insurance and pensions, unlisted equity, other equity, Equity, bonds, investment funds, currency and deposits, and other smaller asset classes. The growth assumptions published in this report may be adversely affected by the impact of the Covid-19 pandemic.
Wealth is a significant contributor to WPB revenue, anchored by our strength in Asia.

FY19 Adjusted revenue

- **Wealth Management**: $6.7bn
  - Life insurance manufacturing: $2.5bn
  - Asset management: $1.0bn
  - Investment distribution: $3.3bn
- **Private Bank**: $1.8bn
  - Manufacturing: $1.0bn
  - Distribution: $1.8bn
- **Retail Banking and Other**: $25.2bn
  - Wealth: $8.6bn
  - Asia: ~65%
    - EMEA: ~25%
    - Americas: ~10%

Note: Premier and Jade deposits of $428bn are managed as part of Wealth, but the related revenue is reported within Retail Banking and Other. Numbers may not cast due to rounding.
HSBC covers the full spectrum of wealth customers, from mass to UHNW

Wealth share of revenue grows as net assets increase

- Ultra high net worth: >$30m (Revenue multiple: >250x)
- High net worth: >$5m (Revenue multiple: >30x)
- Jade: >$1m (Revenue multiple: >4x)
- Premier: >$100k (Revenue multiple: 1x)

Eligibility criteria

1 FY19 revenue per customer as a multiple of personal banking customers. Analysis excludes PayMe, Hang Seng, John Lewis and M&S, as well as life insurance manufacturing and asset management revenue. GPB data excludes Private Wealth Solutions revenue, revenue from closed clients and revenue not associated with client relationships.
Personal banking: simple, low-cost wealth solutions accessible to everyone

**FlexInvest**
- Start investing in funds with as little as $15
- No minimum top-up amount
- Intuitive, informative digital tools

**EasyInvest**
- Trade single-name securities on an execution-only basis
- Access to markets news and research

**Digital sales of insurance**
- Simple, digital-only product sales
- Wealth products available on a self-directed basis
Premier: a differentiated offering for our mass-affluent customers

**Customer benefits**

- **Access to Relationship Managers**
- **Global View** and **Global Transfer**, with instant payments between accounts
- **Foreign currency and cross-border accounts**
- **Worldwide travel insurance**
- **Access to selected wealth products and services**, such as:
  - Financial planning advice
  - Structured products
  - Dual-currency investments

**Customer numbers, m**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.3</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Rest of world</td>
<td>3.7</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Asia</td>
<td>5% CAGR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Jade: a new level of recognition for an underserved customer segment

All the benefits of Premier, plus:

✓ Specialist Relationship Manager and dedicated service line

✓ Full portfolio advisory

✓ 24/7 concierge services\(^1\)

✓ Curated Jade “Enrich List” experiences

✓ Access to sophisticated wealth products and services, such as:
  ※ Deep portfolio insights powered by Aladdin
  ※ Primary market bond issues
  ※ Investment and margin financing

Customer numbers\(^2\), ‘000s

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>76</td>
<td>81</td>
<td>92</td>
</tr>
<tr>
<td>Rest of world</td>
<td>122</td>
<td>137</td>
<td>157</td>
</tr>
</tbody>
</table>

\(^{1}\) Provided by Ten Lifestyle Group

\(^{2}\) Jade customer growth positively impacted by the roll out of the Jade proposition to new markets, including new to bank and existing customers
Private Bank: well-positioned to capture the fastest-growing HNW and UHNW segments

We have **privileged access to fast-growing pools of wealth** in Asia and the Middle East

- **A brand backed by 155 years of heritage**

- **Deep relationships with Asian wealth-creators** through our CMB and GB&M businesses

Presence in key booking centres for Asian and Middle Eastern clients

<table>
<thead>
<tr>
<th>Channel Islands</th>
<th>Hong Kong</th>
<th>Singapore</th>
<th>Switzerland</th>
<th>UK</th>
<th>US</th>
</tr>
</thead>
</table>

**Collaboration-driven growth**

<table>
<thead>
<tr>
<th>Net new money (NNM), $bn</th>
<th>Client assets, $bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td>FY19</td>
</tr>
<tr>
<td>9.5</td>
<td>22.6</td>
</tr>
<tr>
<td>7.1</td>
<td>14.5</td>
</tr>
<tr>
<td>4.4</td>
<td>0.1</td>
</tr>
<tr>
<td>FY18</td>
<td>FY19</td>
</tr>
<tr>
<td>309</td>
<td>151</td>
</tr>
<tr>
<td>124</td>
<td>171</td>
</tr>
<tr>
<td>36</td>
<td>39</td>
</tr>
</tbody>
</table>

In 2019, NNM from collaboration with other businesses was ~$15bn; up from ~$9bn in 2018

1 Other booking centres include: China, Taiwan, Luxembourg, France and Germany
Investing for growth in our Jade and Private Banking segments

More front-line staff in Asia

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>~3,000</td>
</tr>
<tr>
<td>2019</td>
<td>~3,600</td>
</tr>
</tbody>
</table>

- Relationship managers
- Product specialists
- Portfolio managers
- Other front-line staff

Investing in skills

- A bespoke **three year training programme for front-line staff**, designed in partnership with INSEAD
- Combines online training with in-person learning at INSEAD’s campuses in Singapore and Paris
Investing for growth in our Jade and Private Banking segments

**Investing in world-class technology**

Our Wealth Portfolio Intelligence Service, powered by Aladdin, enables RMs to provide deep insights and advice:

- Look through all of a client’s holdings – mutual funds, insurance products, ETFs and single stocks – and analyse the client’s underlying exposures (to single names, currencies, sectors, and regions)

- Run highly-customisable stress scenarios, such as the impact of Covid-19 and an oil price shock

- Receive a real-time alert if a client’s exposures exceed a pre-agreed risk limit
Insurance and Asset Management: our manufacturing businesses give us control over the value chain

**Insurance**

**Growth priorities:**
- Innovate around products: investment and savings insurance; protection and health
- Build and grow in Hong Kong
- Accelerate growth in China, India, Singapore, Mexico and UK

**Global Asset Management**

**Growth priorities:**
- Customers: Wealth and private banking customers; Institutional clients, including insurers, pension funds, sovereign wealth funds; and corporate treasurers
- Products where we have specialist expertise: Wealth solutions; Emerging Markets, alternative investments and ESG; and liquidity products

**Value of new business (VNB), $bn**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>847</td>
<td>1,038</td>
<td>1,225</td>
</tr>
<tr>
<td>Rest of world</td>
<td>72</td>
<td>79</td>
<td>105</td>
</tr>
</tbody>
</table>

15% CAGR

**Assets under management, $bn**

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>462</td>
<td>444</td>
<td>506</td>
</tr>
<tr>
<td>EMEA</td>
<td>250</td>
<td>237</td>
<td>293</td>
</tr>
<tr>
<td>Americas</td>
<td>44</td>
<td>43</td>
<td>52</td>
</tr>
</tbody>
</table>

5% CAGR
Merging the strengths of RBWM and GPB for the benefit of customers

- Digital capabilities
- Transaction banking capabilities
- Capacity to invest at scale

- Specialist wealth and lending products and services
- Discretionary portfolio management expertise

Seamless client continuum
International
 Positioned to be the international bank of choice

**Key diasporas for HSBC**

- Overseas Chinese
- Overseas Indian
- Western expats

**Markets they move to or have banking needs in**

<table>
<thead>
<tr>
<th>Australia</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>UAE</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>US</td>
</tr>
<tr>
<td>Malaysia</td>
<td>UK</td>
</tr>
</tbody>
</table>

77% of the world’s 85m mass affluent international customers are within our footprint\(^1\)

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\(^1\) 85m mass affluent international customers source: RFI Research; International Banking Report 2H18
Our unique offering meets the complex needs of international customers, enabled by digital tools

- **Cross-border account opening**
  Open an account in another country without leaving home

- **Global view and Global transfer**
  View your accounts worldwide in one screen and transfer money instantly

- **International credit score**
  Get a local mortgage and credit card without a local credit history

- **Wealth and FX solutions**
  Specifically tailored to international customers
Because of their relatively greater affluence and more complex banking needs, international customers generate more revenue per customer.

Revenue per customer vs. domestic

Opportunity

~40% of our international customers have banking needs elsewhere in our footprint, but only bank with us in one country.

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1 Analysis of our top 11 International markets: Australia, Canada, Channel Islands and Isle of Man, mainland China, Hong Kong (excl. Hang Seng), India, Malaysia, Singapore, the UAE, the UK and the US. RBWM only, excluding life insurance manufacturing and asset management revenue.

2 International customers are those that: have banking needs in more than one market; are non-resident, with an address that is different to the market they bank in; or are a resident foreigner, whose nationality is different to the market they bank in.
Case Study: Overseas Chinese
With >35m overseas, Chinese are the world’s largest diaspora

Markets Overseas Chinese move to or have banking needs in
With banking needs typically orchestrated from Hong Kong

Core activities

Travel
- ~3m Chinese tourists visit the US\(^1\) and spend an average of $6,500 per person\(^2\)

Invest
- Chinese HNW individuals are currently putting 12.5% of their wealth into overseas assets\(^3\)

Overseas university education
- China has 847,000 students studying abroad\(^4\)

Purchase overseas properties
- In the UK, Chinese accounted for 13.4% of international house purchases valued >£1 million\(^5\)

Emigrate
- >35m overseas Chinese\(^6\), with ~21m in our top 11 markets

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1 Source: US National Travel and Tourism Office, 2019
2 Source: U.S. Travel Association, China international inbound travel market profile, 2018
3 Source: Hurun Chinese Luxury Consumer Survey 2020
4 Source: Institute of International Education: Project Atlas, Global Mobility Trends, 2019
5 Source: Knight Frank, 2020
6 Source: Statista, using the top 22 countries with the largest number of overseas Chinese, 2012
Case study: International students
We meet both parents’ and students’ needs throughout the overseas education life cycle

Parents

We make paying foreign tuition fees easy

✓ Select the university and pay the tuition fees through our mobile app
✓ We handle all FX and foreign exchange controls

Simplifying foreign property acquisition

✓ Customers in Asia have access to Mandarin-speaking mortgage and property advisors in the US
✓ Loans underwritten on the basis of parents’ home market credit score

Students

✓ Summer camps and bespoke tours of elite international universities
✓ Student pre-departure events, such as advice from admission councillors and networking events
✓ Local bank account and credit card ready when you arrive
Our focus on international has driven growth, with the potential to accelerate.

### New to bank international customers

<table>
<thead>
<tr>
<th>Year</th>
<th>Referrals</th>
<th>Walk-ins</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>550</td>
<td>48</td>
</tr>
<tr>
<td>2018</td>
<td>630</td>
<td>64</td>
</tr>
<tr>
<td>2019</td>
<td>723</td>
<td>84</td>
</tr>
</tbody>
</table>

- **CAGR 15%**

### Proactive referrals across corridors

<table>
<thead>
<tr>
<th>Year</th>
<th>Referrals</th>
<th>Walk-ins</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>502</td>
<td>48</td>
</tr>
<tr>
<td>2018</td>
<td>566</td>
<td>64</td>
</tr>
<tr>
<td>2019</td>
<td>640</td>
<td>84</td>
</tr>
</tbody>
</table>

- **CAGR 32%**

### Driving increasing new to bank customers through:

- Product design
- Digital and cross-border acquisition
- Enabling all our front line staff to talk to our international offering
- Collaboration with other global businesses, particularly Global Banking

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1. Analysis of our top 11 International markets: Australia, Canada, Channel Islands and Isle of Man, mainland China, Hong Kong (excl. Hang Seng), India, Malaysia, Singapore, the UAE, the UK and the US. RBWM only.
Digital
Our bank in your pocket

**Vision**

- **Mobile centred banking**, supported by the expertise of our people

**Outcomes**

- Improved customer satisfaction
- Scalable growth
- Lower cost to serve
We offer our customers state of the art digital functionality

**PayMe**
- 4.7★
- Our HK digital wallet
- >2m users
- 70% market share of P2P payments

**FlexInvest**
- Wealth made easy.
- Start with as little as $15

**EasyInvest**
- Online equities trading for more sophisticated investors
- 4.6★

**Mobile App**
- 4.7★
- HK
- 4.8★
- UK

**Our flagship banking app**

**Live Connect**
- Video conferencing with a Wealth or Mortgage advisor
Increasingly sophisticated services, entirely on mobile

**Virtual card sent directly into your digital wallet**

Instantly provides customers with their card details, enabling them to start transacting digitally.

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**Fully mobile new-to-bank account opening**

From selfie to new account in minutes.

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**Global view and global transfer**

View your global accounts and instantly transfer between them.

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**Advised wealth and insurance sales**

The same level of advice and service you would get in branch, on your mobile.
Digital creates new opportunities to serve our customers

PayMe is our digital wallet, launched in 2017
- Can be topped up from any bank account or credit card
- Instant peer-to-peer transfers with just a phone number
- Person-to-merchant (P2M) launched in March 2019

Over 2m customers
70% market share\(^1\) of person to person payments
2.9m P2M transactions\(^2\)

1 70% of peer-to-peer transactions by value during 4Q19
2 Cumulative transactions from launch to end-May
Digital investments have enabled us to grow faster with a lower cost of acquisition

**UK product sales¹ by channel**

<table>
<thead>
<tr>
<th>Channel</th>
<th>2017</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional</td>
<td>68%</td>
<td>47%</td>
</tr>
<tr>
<td>Digital²</td>
<td>32%</td>
<td>53%</td>
</tr>
</tbody>
</table>

### Hong Kong: Credit cards
Applications can be completed in **less than 5 minutes**

### UK: End-to-end digital loan sales
80% of loan sales were fulfilled digitally end-to-end in 2019, growing at a **30% CAGR** since 2017

### Mexico: Payroll lending
Applications can be completed in **under 6 minutes**

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¹ HSBC UK product sales of current accounts, personal loans, credit cards and savings account; excludes first direct, M&S Bank and John Lewis Financial Services

² Includes assisted digital sales
Merging human and digital channels to help customers get the help they need more quickly, at a lower cost to serve

Customers begin a conversation in Mobile X

AI answers the simplest questions immediately and can manage up to 51%\(^1\) of incoming chat volume

More complex problems are handed off to a frontline colleague

89% customer satisfaction\(^2\)

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1 51% of chat volumes contained by chatbots over February 2020 in Hong Kong. RBWM only
2 89% of UK customers gave a satisfaction rating of 4/5 or 5/5 after chatting to our in-app chatbot, January – March 2020. RBWM only
Standardising our digital infrastructure to enable ‘build once, deploy everywhere’ and achieve global economies of scale

Planned completion of accelerated rollout of **global strategic platforms** by 2021
Intelligence Hub, our real-time data analytics platform: enabling personalisation, automation and improved risk management

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**Disparate data sources**
- Customer data
- Transaction history
- Fraud systems
- Market information
- Other internal / external data

**Selected outcomes**
- Automation of manual processes
- Real-time fraud analytics with fewer false positives
- Customer-level risk and reward models for optimised pricing
- Real-time dashboards, delivering better insight and enabling better decision making

Customer trust underpinned by consent and responsible use of their data
Convenience is driving increasing use of digital channels

**Digital / mobile active customers¹, %**

<table>
<thead>
<tr>
<th>Year</th>
<th>Digitally Active</th>
<th>Mobile active</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>38%</td>
<td>12%</td>
</tr>
<tr>
<td>2017</td>
<td>41%</td>
<td>17%</td>
</tr>
<tr>
<td>2018</td>
<td>45%</td>
<td>25%</td>
</tr>
<tr>
<td>2019</td>
<td>49%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**CAGR**

**Digital transactions / retail sales², %**

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital transactions</th>
<th>Digital sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>75%</td>
<td>24%</td>
</tr>
<tr>
<td>2017</td>
<td>79%</td>
<td>25%</td>
</tr>
<tr>
<td>2018</td>
<td>84%</td>
<td>25%</td>
</tr>
<tr>
<td>2019</td>
<td>89%</td>
<td>33%</td>
</tr>
</tbody>
</table>

**VC enabled front-line colleagues**

- Jan-20: ~300
- May-20: ~11,000

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¹ Digital active: Customers using digital banking in last 90 days; Mobile active: Customers using mobile app in last 30 days. RBWM only

² Digital retail sales include current accounts, savings accounts, cards, loans, overdrafts and mortgages. RBWM only
Our most valuable customers use both digital and physical channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Revenue per customer^1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-digital</td>
<td>1.0x</td>
</tr>
<tr>
<td>Multi-channel customers</td>
<td>2.5x</td>
</tr>
<tr>
<td>Customers who only use digital</td>
<td>1.1x</td>
</tr>
</tbody>
</table>

^1 Represents multiples of revenue per customer across the UK, Hong Kong (excl Hang Seng) and Singapore, using revenue per non-digital customer as the base. RBWM only, excludes life insurance manufacturing and asset management revenue. Full year 2018 data was used for Hong Kong and Singapore; annualised 1Q19 data was used for the UK.
Investments in digital have enabled higher staff productivity and improved customer satisfaction

**Fewer branches**
Number of branches

- 2016: 3,792
- Mar-20: 3,025
- CAGR: (7)%

**Improved Customer Satisfaction**
Customer satisfaction\(^1\), %

- 2016: 72
- 2019: 76
- Branch: 83
- Contact centre: 84

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\(^1\) Internal customer satisfaction surveys. RBWM only
Conclusion
Wealth and International are significant and enduring opportunities, and our heritage and footprint uniquely position us to capture them.

We will continue to leverage our proven digital capabilities with the aim of delivering higher customer satisfaction, faster growth and a lower cost to serve.
Management view of adjusted revenue

<table>
<thead>
<tr>
<th>RBWM, $m</th>
<th>FY18</th>
<th>FY19</th>
<th>Δ</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking</td>
<td>14,866</td>
<td>15,840</td>
<td>974</td>
<td>7</td>
</tr>
<tr>
<td>Current accounts, savings and deposits</td>
<td>8,356</td>
<td>9,492</td>
<td>1,136</td>
<td>14</td>
</tr>
<tr>
<td>Personal lending</td>
<td>6,510</td>
<td>6,348</td>
<td>(162)</td>
<td>(2)</td>
</tr>
<tr>
<td>Mortgages</td>
<td>1,867</td>
<td>1,610</td>
<td>(257)</td>
<td>(14)</td>
</tr>
<tr>
<td>Credit cards</td>
<td>2,804</td>
<td>2,893</td>
<td>89</td>
<td>3</td>
</tr>
<tr>
<td>Other personal lending</td>
<td>1,839</td>
<td>1,845</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>5,986</td>
<td>6,746</td>
<td>760</td>
<td>13</td>
</tr>
<tr>
<td>Investment distribution</td>
<td>3,324</td>
<td>3,269</td>
<td>(55)</td>
<td>(2)</td>
</tr>
<tr>
<td>Life insurance manufacturing</td>
<td>1,625</td>
<td>2,455</td>
<td>830</td>
<td>51</td>
</tr>
<tr>
<td>Asset management</td>
<td>1,037</td>
<td>1,022</td>
<td>(15)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other</td>
<td>522</td>
<td>814</td>
<td>292</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>21,374</td>
<td>23,400</td>
<td>2,026</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GBP, $m</th>
<th>FY18</th>
<th>FY19</th>
<th>Δ</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>706</td>
<td>777</td>
<td>71</td>
<td>10</td>
</tr>
<tr>
<td>Lending</td>
<td>383</td>
<td>424</td>
<td>41</td>
<td>11</td>
</tr>
<tr>
<td>Deposit</td>
<td>491</td>
<td>462</td>
<td>(29)</td>
<td>(6)</td>
</tr>
<tr>
<td>Other</td>
<td>177</td>
<td>185</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>1,757</td>
<td>1,848</td>
<td>91</td>
<td>5</td>
</tr>
</tbody>
</table>

1 FY18 figures are retranslated at FY19 rates. A reconciliation of adjusted to reported revenue can be found in HSBC Holdings plc’s 2019 Annual Report and Accounts.
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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 2019 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 19 February 2020 (the “2019 Form 20-F”) and our 1Q 2020 Earnings Release furnished to the SEC on Form 6-K on 28 April 2020 (the “1Q 2020 Earnings Release”).

Non-GAAP financial information

This Presentation contains non-GAAP financial information. The primary non-GAAP financial 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 non-GAAP financial measurements and the most directly comparable measures under GAAP are provided in our 2019 Form 20-F, our 1Q 2020 Earnings Release and the Reconciliations of Non-GAAP Financial Measures document, each of which are available at www.hsbc.com.

Information in this Presentation was prepared as at 06 June 2020. The information included in this presentation is as at 31 December 2019, unless otherwise stated.