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HSBC TO ACQUIRE AXA SINGAPORE

**** A key milestone supporting HSBC's ambition to be Asia's leading insurance and wealth provider ****

**** Strengthening Singapore as a global wealth hub for HSBC ****

HSBC Insurance (Asia-Pacific) Holdings Ltd, an indirect wholly-owned subsidiary of HSBC Holdings plc (HSBC), has entered into an agreement to acquire 100% of the issued share capital of AXA Insurance Pte Limited (AXA Singapore) for US\$575m. The proposed acquisition, which is subject to regulatory approval, is a key step in achieving HSBC's stated ambition of becoming a leading wealth manager in Asia, by expanding its insurance and wealth franchise in Singapore, a strategically important scale market for HSBC, and a major hub for its ASEAN wealth business.

AXA Singapore is currently the 8th largest life insurer in Singapore by annualized new premiums, 5th largest property and casualty (P&C) insurer and a leading group health player. AXA Singapore had net assets of US\$474m, annualized new premiums of US\$85m, gross written premiums of US\$739m and profit before tax of US\$23m for the year ended 31 December 2020.

AXA Singapore is a good fit with HSBC's existing HSBC Insurance (Singapore) Pte Ltd's (HSBC Life Singapore) business. Both businesses have complementary products across the spectrum of insurance solutions and distribution channels, while AXA Singapore provides access to a sizeable tied-agency sales force, several leading independent financial advisory firms, and a large pool of insurance policyholders and corporate relationships. This combined business will not only materially scale up HSBC's presence in the regional insurance market, it will also provide an excellent platform for future growth. The combined business would be the 7th largest life insurer (based on annualized new premiums) and 4th largest retail health insurer (based on gross premiums) with over 600,000 policies in-force covering life, health and P&C¹.

Noel Quinn, Group Chief Executive, HSBC Holdings plc, commented: "This is an important acquisition that demonstrates our ambition to grow our Wealth business across Asia. Wealth is one of our highest growth and highest return opportunities, and plays to our strengths as an Asia-centred bank with global reach. We are acquiring a good business that fits well with our existing operations, and which strengthens our status as one of Asia's leading wealth and insurance providers."

Nuno Matos, Chief Executive, Wealth and Personal Banking, added: "This strategic investment is a key milestone for HSBC Life to materially scale up, grow and diversify our insurance and wealth business in Singapore. The proposed acquisition will immediately put us in a leading position in health and employee benefits, and accelerate our build out of a distinctive and holistic wealth and health planning business, operating beyond our branch network. Burgeoning affluent and high net worth populations in Singapore and across Southeast Asia will drive strong demand for an array of wealth, health and insurance solutions for individuals, their families and SMEs."

Following deal completion, which is subject to regulatory approval, the intention is to merge the operations of HSBC Life Singapore and AXA Singapore, subject to further approval by the Singapore regulator and courts.

HSBC to acquire AXA Singapore /2

The proposed acquisition will be funded from existing resources and will have a minimal (c.5bps) impact on HSBC's common equity tier 1 ratio. We expect the acquisition to be immediately accretive to the earnings of the Group upon completion.

In February 2020, HSBC combined its mass affluent, asset management, insurance and private banking businesses to create Wealth and Personal Banking. Asia generates nearly half of HSBC's US\$1.7trn global wealth balances and 65% of the Group's wealth revenues. In 2020, HSBC Insurance recorded an adjusted profit before tax of US\$1.4bn globally.

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Note to editors

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,976bn at 30 June 2021, HSBC is one of the world's largest banking and financial services organisations.

HSBC Life Insurance

HSBC Life is the insurance business of the HSBC Group. We manufacture life insurance products in Hong Kong, mainland China, Singapore, India², France, UK, Malta, Mexico and Argentina. HSBC has leading insurance capabilities that meet a broad range of protection and wealth needs, including insurance coverage, education, retirement, wealth growth and legacy planning needs. Services and products are available through HSBC banking channels, selected third-parties, including financial advisers and aggregators.

HSBC's Asian wealth strategy

HSBC's ambition is to be Asia's leading wealth manager by 2025, opening up a world of opportunities for Asian, international and HSBC-connected clients, wherever their wealth is created, invested and managed. HSBC is investing heavily in people, technology and products in the next five years, including hiring over 5,000 client-facing wealth roles across the region. As Asia's leading bank across the wealth continuum of mass affluent to HNW and UHNW clients with combined wealth balances of US\$810bn³, HSBC has a unique ability to serve the full range and progression of wealth needs – from first-time investors through to UHNW individuals, their families and businesses. HSBC will lead in offering a unified international banking and wealth experience by harnessing the Group's in-house manufacturing strengths in insurance, asset management, private banking, wealth and global markets and delivering the full capabilities of a global universal bank, including HSBC Commercial Banking and Global Banking and Markets, to extend their expertise and enable the Group to attract and deepen wealth relationships among entrepreneurs, business owners, C-suite executives and their employees. With HSBC's leading expertise and capabilities, strong Asian presence and unrivalled international connectivity, these will bring the best of HSBC to deliver a wealth experience which helps all our customers achieve sustainable prosperity.

1. *Monetary Authority of Singapore filings and Life Insurance Association of Singapore data*
2. *Through the joint venture, Canara HSBC OBC Life Insurance*
3. *Asian Private Banker Asia 2020 Wealth Continuum League Table*

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