

9 October 2023

**HSBC SIGNS AGREEMENT TO ACQUIRE CITI'S
RETAIL WEALTH MANAGEMENT PORTFOLIO IN CHINA#****** Accelerating expansion of HSBC's wealth business in mainland China ****

HSBC Bank (China) Company Limited, a wholly-owned subsidiary of HSBC Holdings plc (HSBC), has entered into an agreement to acquire Citi's retail wealth management portfolio in mainland China. The portfolio comprises c.US\$3.6bn in assets and deposits (as of August 2023), and the associated wealth customers across 11 major cities#.

The transaction will be another milestone as HSBC further strengthens its wealth capabilities in Asia. Upon completion, the acquired business will be integrated into HSBC Bank China's Wealth and Personal Banking operations. HSBC plans to extend offers to in-scope employees supporting Citi's local consumer wealth business in China.

HSBC has pursued a combination of organic and inorganic initiatives to scale up its capabilities and deepen coverage of its mainland China wealth customers, with a particular focus on the affluent and emerging affluent sectors. These include the acquisition of the remaining 50% stake in HSBC Life China for full ownership, the launch of Global Private Banking across six cities in mainland China, and the ongoing buildout of a team of more than 1,400 Pinnacle mobile wealth planners. Earlier this year, HSBC became the first financial institution in mainland China to hold licences for both insurance brokerage and fund sales.

Nuno Matos, Chief Executive Officer, Wealth and Personal Banking at HSBC, said: "Mainland China is central to our ambition to be the leading wealth manager in Asia. This investment will allow us to further build out our core wealth business in HSBC Bank China. It accelerates the positive momentum we've set, scaling up our capabilities and deepening our wealth coverage, through our innovative Pinnacle venture, our wholly owned Insurance manufacturing business, our expanding Global Private Banking footprint and solutions platform, and HSBC Jintrust, our Asset Management joint venture. We are excited by the opportunities that lie ahead, as we continue our journey to be the leading bank for the affluent and international retail customers in mainland China."

David Liao, HSBC Asia Pacific Co-CEO, said: "Our agreement to acquire Citi's wealth management portfolio in China is a testament to our confidence in the country's long-term economic development. We're making investments across all areas of our business in this market. Particularly, we are focused on fulfilling local wealth needs while continuing to offer HSBC's unparalleled global connectivity and international expertise. Our strong foundation as part of the HSBC Group enables us to serve them with excellence."

HSBC signs agreement to acquire Citi's retail wealth management portfolio in China /2

Today, mainland China accounts for almost 50% of Asia's financial wealth – an almost 9-fold increase since 2006¹. HSBC expects the number of adults in mainland China with at least US\$250,000 in net wealth to double to around 351 million by 2030, accounting for approximately 31% of the population. Amidst this rapid growth, the Greater Bay Area spanning Guangdong, Hong Kong and Macau stands out as a unique wealth opportunity.

#The portfolio excludes credit cards, mortgages and other loans of Citi China.

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Note to editors

HSBC Bank (China) Company Limited

HSBC was one of the first foreign banks to locally incorporate its operations in mainland China, establishing HSBC Bank (China) Company Limited in April 2007. HSBC China's network currently comprises about 140 outlets across more than 50 major cities. HSBC China's head office is based in Pudong, Shanghai.

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of US\$3,041bn at 30 June 2023, HSBC is one of the world's largest banking and financial services organisations.

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¹ HSBC Global Research, The rise of Asian wealth: Building depth and resilience, 2022