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HSBC COMPLETES THE ACQUISITION OF CITI'S RETAIL WEALTH MANAGEMENT PORTFOLIO IN MAINLAND CHINA[#]

HSBC Bank (China) Company Limited ("HSBC China"), a wholly-owned subsidiary of HSBC Holdings plc, has completed the acquisition of Citi's retail wealth management portfolio in mainland China. The portfolio of investment assets and deposits, and associated wealth customers, covering 11 major citiesⁱ in mainland China has been integrated into HSBC China's Wealth and Personal Banking ("WPB") operations. Over 300 employees have also joined HSBC.

Nuno Matos, Chief Executive Officer, Wealth and Personal Banking, said: "HSBC's ambition is to be the leading international wealth manager for mass affluent and high-net-worth ("HNW") individuals in mainland China. This portfolio complements our growing set of wealth businesses in the country, demonstrating our commitment to the Chinese market and to helping our clients diversify their assets and enhance their long-term returns."

HSBC has one of the largest wealth service networks of foreign banks in mainland China and is the largest Qualified Domestic Institutional Investor ("QDII") quota-holding bankⁱⁱ. HSBC's wealth management investments in the country span across retail wealth, private banking, insurance, asset management and fintech. HSBC China is making good progress harnessing synergies across these capabilities to meet customers' full range of wealth management needs.

In 2023, HSBC in mainland China grew wealth invested assets by 53% and its wealth client base by more than 30% year on year. In 1Q24, HSBC in mainland China recorded an almost two-fold increase in Net New Invested Assets (NNIA) year on year, contributing to Asia's 33% growth year on year in NNIA to USD19 billion. This transaction marks another milestone as HSBC further strengthens its wealth capabilities in both mainland China and Asia.

Recent investments in HSBC's mainland China wealth capabilities:

- In January 2024, its flagship wealth centre was launched in Shanghai.
- HSBC China offers more than 700 funds across onshore and offshore asset classes and, under the Cross-boundary Wealth Management

Connect Scheme, 'Southbound' investors have access to over 100 mutual funds investing in Asian or global markets.

- Under QDII, HSBC China provides an extensive range of offshore funds in various asset classes and currencies from a large number of offshore fund house partners. HSBC was one of the first foreign banks to distribute the Qualified Domestic Limited Partnership ("QDLP") scheme to qualified HNW investors in mainland China.
- In 2023, HSBC Insurance Brokerage Company Limited became the first international wealth management institution in mainland China to hold dual licenses for insurance brokerage and fund sales, offering clients both insurance products from HSBC Life and mutual funds.
- As the *Best International Private Bank* in mainland Chinaⁱⁱⁱ, HSBC Global Private Banking launched industry 'firsts' in the last two years, including hedge funds through trust plans, family trust advisory service, and client account services and investments via its mobile app.
- HSBC's Pinnacle mobile financial planning business employs over 1,700 personal wealth planners and is on track to reach 1,900 by end of 2024.

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

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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 62 countries and territories. With assets of US\$3,001bn at 31 March 2024, HSBC is one of the world's largest banking and financial services organisations.

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ⁱ The 11 cities are Beijing, Shanghai, Guangzhou, Shenzhen, Dalian, Chengdu, Hangzhou, Nanjing, Chongqing, Tianjin, and Changsha.

ⁱⁱ According to data from State Administration of Foreign Exchange of China

ⁱⁱⁱ Asian Private Banker, 2022 and 2023.