

# HSBC Holdings plc

## 1H23 Insurance factbook

### Who we are

- ◆ A leading **global integrated bancassurer**
- ◆ Presence in **9 markets**, including **4 in Asia**<sup>1</sup>
- ◆ Serving customers across **retail, wealth, corporate/SME and private bank**
- ◆ Offering products that meet **protection, health, savings, investment, retirement and legacy planning** needs
- ◆ Complementary products from **strategic partners** in **30 markets**
- ◆ **Key pillar** of our **Asian Wealth** strategy

#### Our purpose

Opening up a world of opportunity

#### Our mission

To offer “a promise of Health, Protection and Prosperity” to our customers

#### Our strategy

Focus on  
our strengths

Digitise at scale

Energise for  
growth

Transition to  
net zero

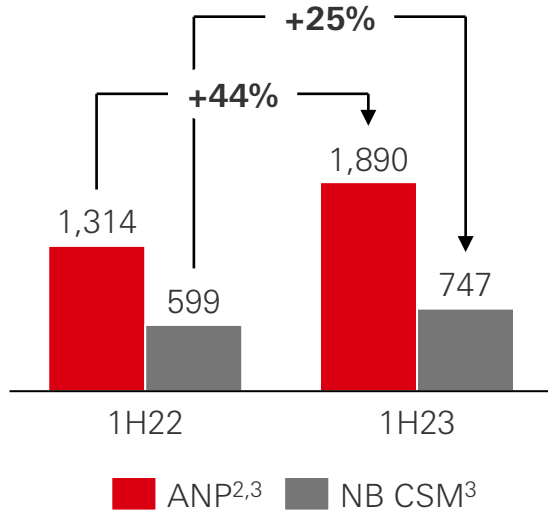
### 1H23 Business highlights

- ◆ 1H23 ANP **up 44%** and 1H23 new business (NB) CSM **up 25%** vs. 1H22, supported by border reopening in Hong Kong
- ◆ **Further growth in insurance distribution:** c.1,400 Personal Wealth Planners in Pinnacle, expansion of agencies in Singapore and the introduction of an insurance specialist model in Mexico
- ◆ **c.260k** member registrations on our **digital health and wellness platforms** in Hong Kong vs. 50k at FY21
- ◆ Completed the scheme of transfer of **AXA Singapore** in February 2023
- ◆ Hang Seng Bank entered into a new 15-year exclusive general insurance distribution partnership with Chubb in Hong Kong in March 2023
- ◆ HSBC Bank entered into a new 15-year exclusive general insurance distribution partnership with MSIG in Singapore in April 2023

# 1H23 key financials

Financial results for the Insurance business are prepared on the IFRS 17 basis. Comparisons are to 1H22 unless otherwise stated

## ANP and NB CSM, \$m



**\$136bn**

Total assets, up \$7bn vs. FY22

**\$0.5bn**

Manufacturing PBT<sup>2</sup>, up \$0.2bn

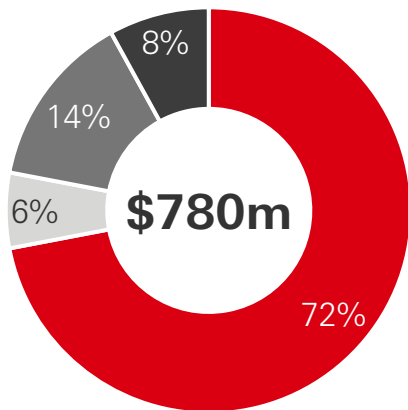
**\$0.8bn**

Manufacturing VNB

**\$16.3bn**

Equity + CSM (net of tax)<sup>3</sup>, up \$1.6bn

## 1H23 manufacturing revenue by region, \$m



■ Hong Kong incl. Hang Seng

■ Europe

■ Other Asia<sup>3</sup>

■ Americas<sup>4</sup>

## 9 Manufacturing markets + Bermuda Captive

Asia		Europe	
HK: HSBC	HK: Hang Seng	France	
Mainland China	Singapore	UK	
India <sup>1</sup>		Malta	
Americas			
Argentina	Mexico		
Bermuda Captive			

## 30 Distribution markets

22 markets distributing only Partners' products

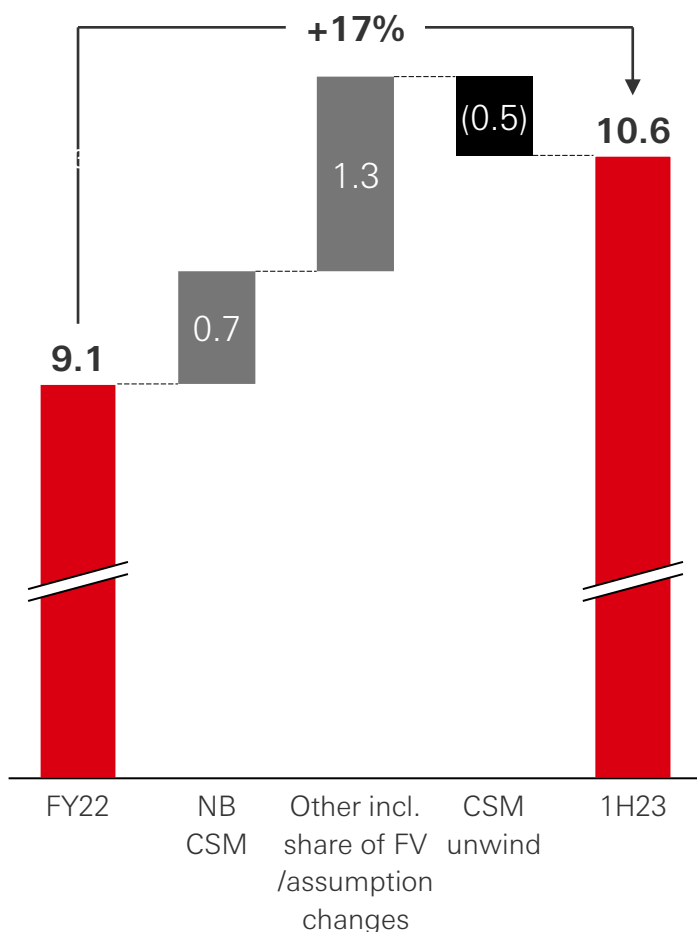
Strategic partnerships

Allianz	Aviva	AXA
Zurich	Chubb	MSIG

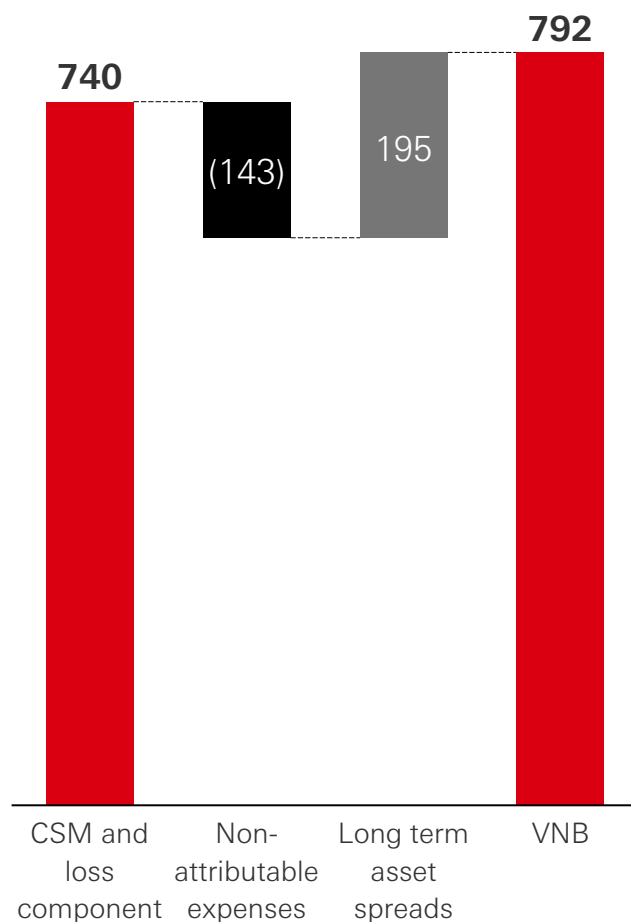
# Financial highlights

Financial results for the Insurance business are prepared on the IFRS 17 basis

## CSM liability walk, \$bn



## 1H23 CSM to VNB walk, \$m



## Insurance manufacturing

Income statement, \$m	1H23	1H22 <sup>2</sup>		Δ
<b>Revenue</b>	<b>780</b>	<b>556</b>	▲	<b>40%</b>
<i>Of which: Nil</i>	<i>155</i>	<i>187</i>	▼	<i>(17)%</i>
<i>CSM unwind</i>	<i>524</i>	<i>431</i>	▲	<i>22%</i>
<i>Onerous contracts</i>	<i>13</i>	<i>(104)</i>	▲	<i>&gt;100%</i>
<i>Net investment returns</i>	<i>—</i>	<i>(128)</i>	▲	<i>100%</i>
ECL	(3)	(4)	▼	25%
Operating expenses	(270)	(250)	▲	(8)%
Associates	28	3	▲	>100%
<b>Profit before tax</b>	<b>535</b>	<b>305</b>	▲	<b>75%</b>
Memo: Insurance equity + CSM liability (net of tax), \$bn	16.3	14.7	▲	11%

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## Footnotes

1. Manufacturing markets include Hong Kong, China, Singapore, India (reflecting Canara HSBC Life Insurance ("CHL"), 26% owned Indian associate), France, UK, Malta, Mexico and Argentina
2. 1H22 values on constant currency basis
3. Metric excludes Canara HSBC Life Insurance ("CHL"), 26% owned Indian associate
4. Metric excludes our Bermuda captive

## Glossary

ANP	Annualised new business premiums
Revenue	Net operating income before change in expected credit losses and other credit impairment charges
ECL	Expected credit losses
VNB	Insurance manufacturing value of new business
CSM	Contractual Service Margin, a component of the carrying amount of a group of insurance contract assets or liabilities which represents the unearned profit which the Group will recognise as it provides insurance contract services under the insurance contracts in the Group

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This Presentation may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, strategy and business of the Group which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "plan", "estimate", "seek", "intend", "target", "believe", "potential" and "reasonably possible" or the negatives thereof or other variations thereon or comparable terminology (together, "forward-looking statements"), including the strategic priorities and any financial, investment and capital targets and any ESG related targets, commitments and ambitions described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market or economic conditions, regulatory changes, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war or as a result of data limitations and changes in applicable methodologies in relation to ESG related matters). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management's beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained herein.

Additional detailed information concerning important factors, including but not limited to ESG related 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 2022 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 22 February 2023 (the "2022 Form 20-F"), our 1Q 2023 Earnings Release furnished with the SEC on Form 6-K on 2 May 2023 (the "1Q 2023 Earnings Release") and our Interim Financial Report for the six months ended 30 June 2023, which we furnished with the SEC on Form 6-K on 1 August 2023 (the "2023 Interim Report").

## Alternative Performance Measures

This Presentation contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations ("Alternative Performance Measures"). The primary Alternative Performance Measures we use are presented on a "constant currency" basis which is computed by adjusting comparative period reported results for the effects of foreign currency translation differences, which distort period-on-period comparisons.

Reconciliations between Alternative Performance Measures and the most directly comparable measures under IFRS are provided in our 1Q 2023 Earnings Release and our 2023 Interim Report which is available at [www.hsbc.com](http://www.hsbc.com).

Information in this Presentation was prepared as at 1 August 2023.