

HSBC Holdings plc

1H24 Insurance factbook

Who we are

- ◆ Insurance is part of our **strategy to grow our wealth franchise**, contributing over **one-fifth of our wealth revenue** in 1H24, and is supportive of our ambition to **capture growth from diversified, fee-generating businesses**
- ◆ We **manufacture life and health insurance products in 10 markets¹**, have a reinsurance presence in Bermuda, and **distribute life and general insurance products from partners in 27 markets** where we do not manufacture
- ◆ Insurance **supports the deepening of wealth penetration** in our customer base and is an **acquirer of new-to-HSBC clients** in selected markets
- ◆ **Leading life insurer** in Asia; #1 in Hong Kong with 24% market share^{2,3}

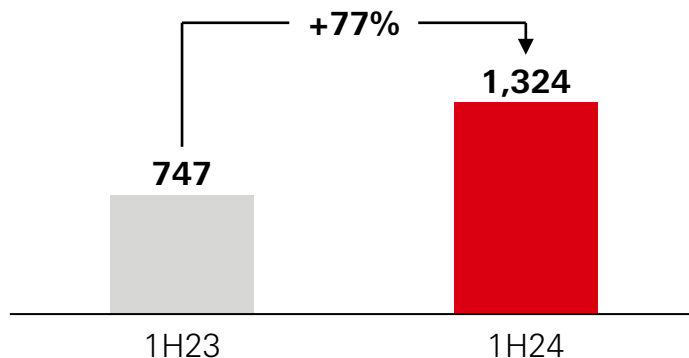
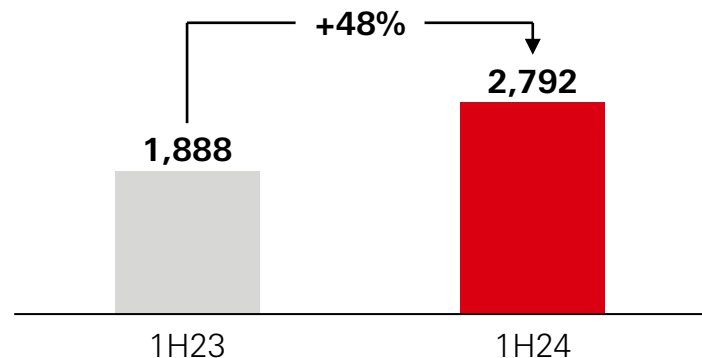
	<u>FY23</u>		<u>1H24</u>	
Insurance manufacturing revenue	\$1.3bn	▲ +7% vs. FY22	\$0.8bn	▲ +6% vs. 1H23
New Business CSM	\$1.7bn	▲ +52% vs. FY22	\$1.3bn	▲ +77% vs. 1H23
CSM balance	\$10.8bn	▲ +19% vs. FY22	\$12.2bn	▲ +13% vs. FY23

1H24 performance

\$m

ANP^{1,2} ❖

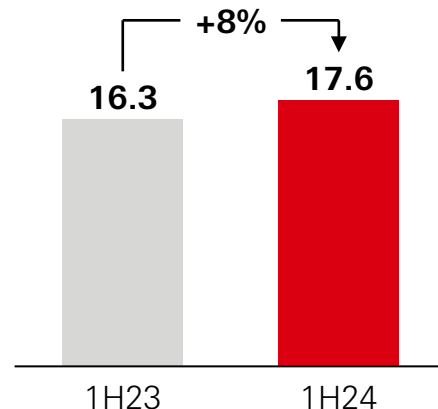
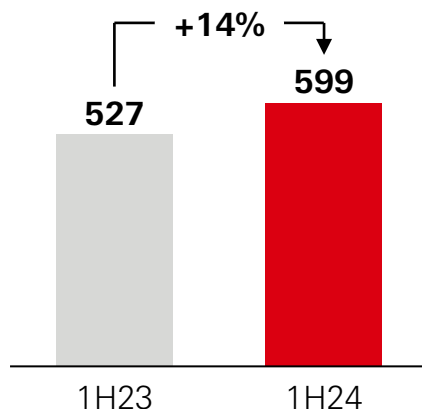
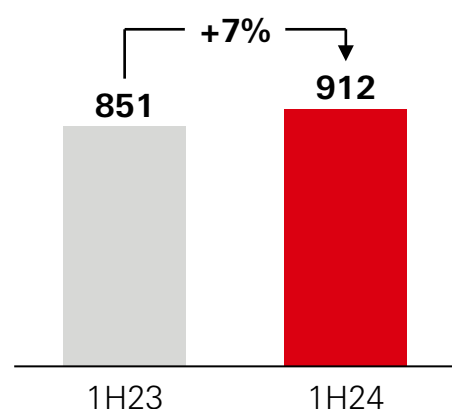
New Business CSM^{1,2}



Life insurance revenue^{1,2} ❖

Life insurance profit before tax² ❖

Equity + CSM (net of tax), \$bn²

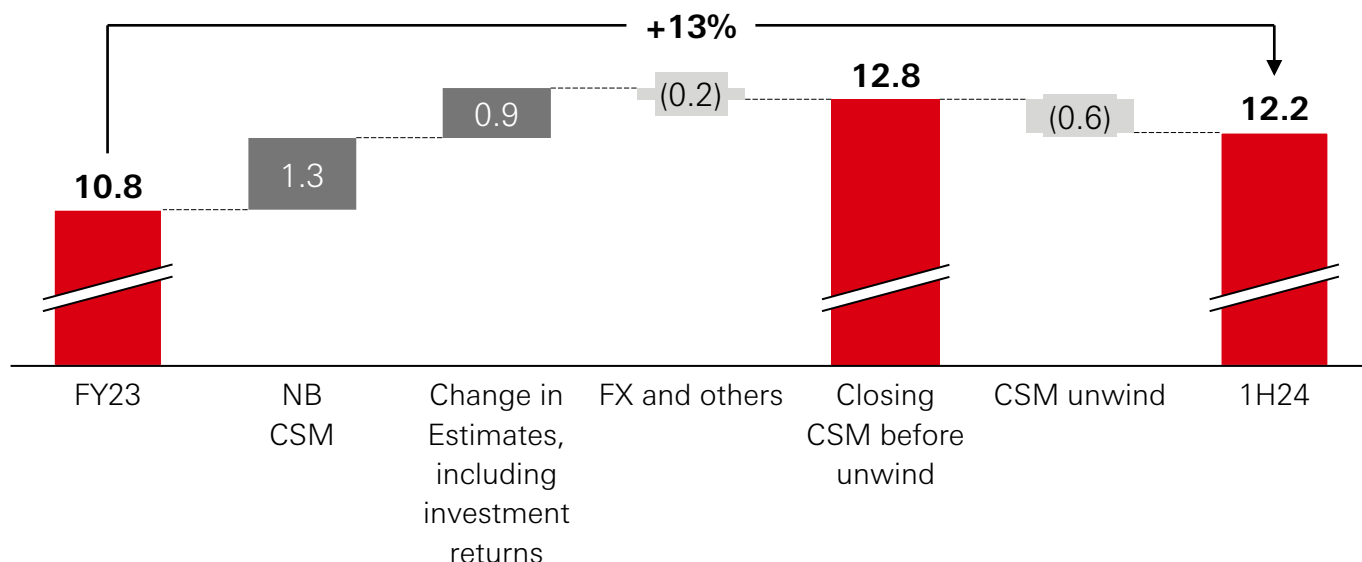


- ◆ **Strong new business growth** – ANP up 48% and NB CSM up 77% vs. 1H23, driven by new product launches in Hong Kong, demand from mainland Chinese customers and growth in Asia Private Banking and broker channels
- ◆ **CSM balance up 13% to \$12.2bn** vs. FY23, driven by new business and improved investment performance
- ◆ **Insurance net dividend** to the Group up 60% to \$524m vs. 1H23
- ◆ **High Net Worth achievements:** HSBC Life Hong Kong issued world record-breaking US\$250m insurance policy in 1Q24
- ◆ **Scale-up of our digital health platforms:** >440k member registrations on our digital health and wellness platforms in Hong Kong, +110k vs. FY23

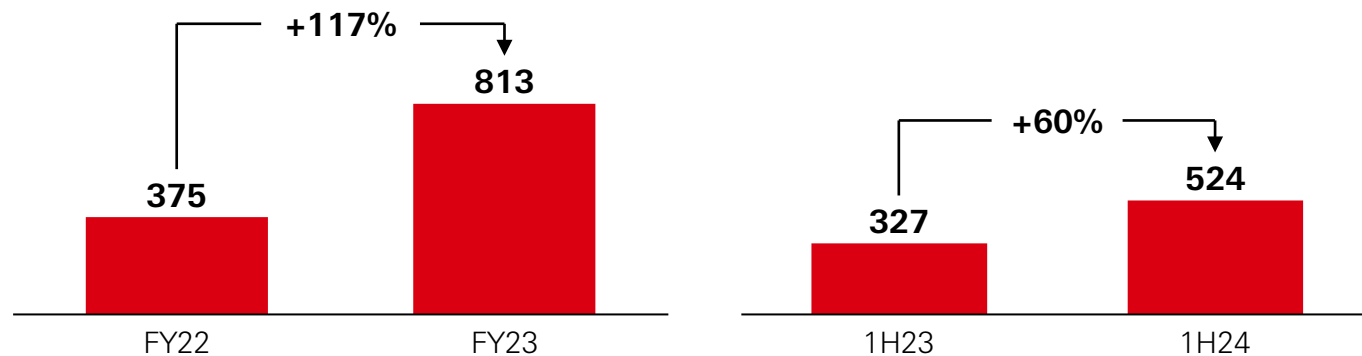
Financial highlights

Financial results for the Insurance business are prepared on an IFRS 17 basis; FY22, FY23 and 1H23 revenue is presented on a constant currency basis

CSM liability walk, \$bn



Insurance net dividends, \$m



Insurance manufacturing

\$m	1H23	1H24	vs. 1H23	
Revenue	776	822	46	6%
o/w NII	155	177	22	14%
o/w CSM unwind	522	629	107	20%
o/w Onerous contracts	11	7	(4)	(36)%
o/w Net investment returns	(23)	(55)	(32)	>(100)%
Insurance net dividends ¹	327	524	197	60%

	FY23	1H24	vs. FY23	
CSM balance	10,786	12,218	1,432	13%

Disclaimer

Important notice

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This Presentation may contain projections, estimates, forecasts, targets, commitments, ambitions, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, ESG related matters, 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 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 and government policy changes (including recent policies announced by Chinese regulators), increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war, the Israel-Hamas war and the broader conflict in the Middle East and potential further escalations, specific economic developments, such as the uncertain performance of the commercial real estate sector in mainland China, 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 2023 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 22 February 2024 (the "2023 Form 20-F"), our 1Q 2024 Earnings Release furnished with the SEC on Form 6-K on 30 April 2024 (the "1Q 2024 Earnings Release"), our Interim Financial Report for the six months ended 30 June 2024 furnished with the SEC on Form 6-K on 31 July 2024 (the "Interim Report 2024") and our 3Q 2024 Earnings Release, which we furnished with the SEC on Form 6-K on 29 October 2024 (the "3Q 2024 Earnings Release").

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 2023 Form 20-F, 1Q 2024 Earnings Release, Interim Report 2024 and the 3Q 2024 Earnings Release, each of which is available at www.hsbc.com.

Information in this Presentation was prepared as at 8 November 2024, unless otherwise specified.

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Footnotes

Page 1

- 1. Canara HSBC Life Insurance is a 26% owned associate, and is not consolidated into HSBC’s results
- 2. Market share based 1H24 ANP, including HSBC Life and Hang Seng Insurance. Source from Hong Kong Insurance Authority
- 3. HSBC owns 62% of Hang Seng Bank; Hang Seng Insurance is a 100% owned subsidiary of Hang Seng Bank

Page 2

- 1. Metrics exclude Canara HSBC Life Insurance (“CHL”), 26% owned Indian associate
- 2. Metrics exclude Bermuda

Page 3

- 1. Insurance net dividends of \$524m (1H23: \$327m) consists of gross dividend remittances of \$569m (1H23: \$453m) by insurance manufacturing entities to their immediate holding companies, less CET1 qualifying capital injections of \$45m (1H23: \$126m)

Glossary

NBP	New business premiums
ANP	Annualised new business premiums; An insurance industry standard measure of new business written in the period, comprising annualised new business regular premiums plus 10% of new business single premiums
NBCSM	New Business Contractual Service Margin is the IFRS 17 measure of the estimated future profit from new business written in the reporting period
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