

December 20th 2024

**HSBC Continental Europe enters into a memorandum of understanding
regarding potential sale of HSBC Assurances Vie (France) to Matmut Société
d'Assurance Mutuelle**

HSBC Continental Europe has signed a Memorandum of Understanding ('MOU') regarding the potential sale of its French life insurance business, HSBC Assurances Vie (France), to Matmut Société d'Assurance Mutuelle ('Matmut') (the "Potential Transaction").

HSBC Assurances Vie (France) provides a wide range of life insurance solutions and services, with over 20 billion euros of outstanding assets, net income¹ of 77 million euros and a Solvency II ratio of 287% in 2023. As part of the Potential Transaction, HSBC Continental Europe and Matmut would enter into a long-term arrangement for HSBC Global Asset Management (France) to continue to partner with HSBC Assurances Vie (France). HSBC Assurances Vie (France) will continue its existing distribution arrangements.

The Potential Transaction would provide customers and employees of HSBC Insurance Life (France) with the opportunity to join one of the leading French mutual insurance groups, which is in full development, and forms part of the simplification of the Group announced by Group Chief Executive, Georges Elhedery, on 22 October 2024. HSBC is focusing on developing its position in areas where it has the best growth opportunities.

Under the financial terms of the Potential Transaction, Matmut would acquire HSBC Assurances Vie (France) for cash consideration of 925 million euros. This is estimated to generate a pre-tax loss of approximately 0.1 billion euros for HSBC Continental Europe.

The MOU includes details of the parties' information and consultation processes with their respective employees' works councils, which will commence shortly. If, following the finalisation of these processes, the parties decide to proceed with the sale, they would enter into a binding sale and purchase agreement. Completion of the Potential Transaction would be subject to relevant regulatory and competition approvals and is expected to occur in the second half of 2025.

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¹ 2023 net income based on International Financial Reporting Standards (IFRS) accounting.

About HSBC Continental Europe

Headquartered in Paris, HSBC Continental Europe is an indirect subsidiary of HSBC Holdings plc. HSBC Continental Europe principally comprises, in addition to its banking, insurance and asset management activities based in France, the business activities of 10 European branches outside France (in Belgium, Czech Republic, Germany, Ireland, Italy, Luxembourg, Netherlands, Poland, Spain and Sweden) and the business activities of banking subsidiaries in Luxembourg and Malta. HSBC Continental Europe's mission is to serve both customers based in Continental Europe for their needs worldwide and customers based in other locations for their needs in Continental Europe.

About HSBC Assurances Vie (France)

HSBC Assurances Vie (France) is a French insurance company which is wholly-owned by HSBC Continental Europe. Experts in wealth management since 1986, HSBC Assurances Vie (France) offers a wide range of life insurance solutions and services designed to meet the needs of individuals, professionals and businesses in terms of life insurance, pensions, credit protection insurance and personal protection.

About HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 60 countries and territories. With assets of US\$3,099bn at 30 September 2024, HSBC is one of the world's largest banking and financial services organisations.

About Matmut Group

With 4.5 million members and 8.3 million insurance contracts managed, Matmut Group is a major player in the French insurance market. It offers to all - individuals, professionals, businesses, associations - a complete range of personal and property insurance products (car, motorcycle, boat, housing, responsibilities, family protection, health, providence, legal protection and assistance) and financial and savings services (car credits, project, loan insurance, savings booklet, life insurance, retirement savings plan..). Matmut Group currently has 6,800 employees. Matmut Group achieved a revenue of €2.9 billion in 2023.

This announcement contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as 'expects,' 'targets,' 'believes,' 'seeks,' 'estimates,' 'may,' 'intends,' 'plan,' 'will,' 'should,' 'potential,' 'reasonably possible,' 'anticipates,' 'project', or 'continue', variation of these words, the negative thereof or similar expressions or comparable terminology. HSBC Continental Europe has based the forward looking statements on current plans, information, data, estimates, expectations and projections about, among other things, results of operations, financial condition, prospects, strategies and future events, and therefore undue reliance should not be placed on them. These forward-looking statements are subject to risks, uncertainties and assumptions about the HBCE group, as described under 'Cautionary statement regarding forward-looking statements' contained in the HSBC Continental Europe's Annual Financial Report for the period ended 31 December 2023. HSBC Continental Europe undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. Investors are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements.

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