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HSBC STUDY SHOWS CUSTOMERS BOOST EQUITY INVESTMENT AND INSURANCE PROTECTION AMID COVID-19

HKD 10,000 saved on average due to travel hiatus

Millennial purchasing power remains strong despite COVID-19

More consumption of household items, groceries and digital products

The COVID-19 pandemic has not only changed the way people work, shop and travel, but it has also influenced financial behaviours, shows an HSBC study#. HSBC's personal customers in Hong Kong increased their equity investments and insurance enrollments last year. The pandemic has also accelerated a retail revolution, with many Hong Kong consumers flocking to online platforms to shop their daily essentials.

The study shows that HSBC customers are prioritising equity investment and insurance protection, reflecting a heightened desire to achieve better returns from risk assets and manage financial uncertainty. Their total number of transactions of Hong Kong stocks surged 84 per cent in 2020. To prepare for the unexpected, their purchase of home, life (excluding annuity plan) and medical insurance rose by 110 per cent, 9 per cent and 22 per cent respectively.

COVID-19 has also pushed many shoppers to make their purchases online. Among HSBC's customers, there was an increase of 24 per cent in credit card online purchase frequency last year. Purchase of household items, in particular, soared by 60 per cent year-on-year as people spent more time at home for social distancing. Because of dining restrictions, many people have rediscovered the joy of home cooking, driving a 61 per cent increase in online grocery spending.

As less time is spent outside, HSBC's customers have also resorted to home entertainment, spending 63 per cent more in digital products, such as video/online games and other online streaming services. Unexpectedly, economic downturn has not taken a toll on the spending power of millennial customers (aged 18-30), whose online purchase frequency grew 30 per cent, alongside the increase of 20 per cent in their total amount spent in 2020. Their purchasing power is likely to remain strong in the post-COVID era.

According to another HSBC survey###, because of widespread COVID-19 travel restrictions, 51 per cent of the respondents cut their travel expenses saving on average HKD10,000 per person in 2020. The majority of saving were put into their bank account or channeled to investments.

“Consumers’ changing habits have shaped retailers and financial services’ approach, too, such as prompting HSBC to push harder and faster on digital capabilities,” said **Brian Hui, Head of Customer Propositions, International and Marketing, Wealth and Personal Banking, Hong Kong, HSBC.**

Over the past year, HSBC has launched more than 100 new digital journeys, including digital bank account opening within 5 minutes, FlexInvest for unit trust investment through mobile devices, RewardCash sharing with friends and family through Reward+ mobile app, Global Payment Tracker to trace outward telegraphic transfer online and HSBC Life Well+ that fully integrates with Apple’s HealthKit and HSBC Mobile Banking app to reward customers for reaching the walking step target.


“It is important to adopt a mindset of continuous evolution in order to understand what matters most to our customers. We will continue to explore other channels, such as live-polling, instant chat and even mobile app to collect behavioral data and customer feedback, which will be analyzed with AI and machine learning technology to come up with the best fitting solutions for customers,” said **Renee Yung, Head of Customer Experience, Wealth and Personal Banking, Hong Kong, HSBC.**

The study is based on the database of HSBC Wealth and Personal Banking customers in Hong Kong.

##The Market Outlook survey was conducted in Oct 2020 in the format of a survey of 1,004 Hong Kong residents aged 18-65.

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Notes to editors:

| Photo | Caption |
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|  | <p>Brian Hui, Head of Customer Propositions, International and Marketing, Wealth and Personal Banking, Hong Kong, HSBC (left) and Renee Yung, Head of Customer Experience, Wealth and Personal Banking, Hong Kong, HSBC (right) shared the latest changes in customers’ financial behaviours shown in a latest HSBC study.</p> |

The Hongkong and Shanghai Banking Corporation Limited

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