

1 December 2022

HSBC Asset Management announces potential change of control

HSBC Overseas Holdings (UK) Limited (HSBC Overseas), a wholly owned subsidiary of HSBC Holdings plc, announced on 29 November that it had entered into an agreement to sell its banking business in Canada, HSBC Bank Canada (HSBC Canada) to Royal Bank of Canada (RBC), subject to regulatory and governmental approvals (the Transaction).

Under the terms of the agreement, RBC will acquire 100% of the issued common equity of HSBC Canada for a base cash consideration of \$13.5bn. In addition, RBC will acquire all the preferred shares and the outstanding subordinated debt issued by HSBC Canada and held by HSBC Overseas or its affiliates for approximately \$1.1bn and \$1.0bn, respectively.

The Transaction will, if completed, result in an indirect change of control of HSBC Global Asset Management (Canada) Limited, a wholly-owned subsidiary of HSBC Canada, and the manager and primary investment advisor for the HSBC Mutual Funds and the HSBC Pooled Funds. The Transaction is expected to complete in late 2023.

All figures shown are in Canadian dollars (CAD), unless otherwise noted.

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Notes to editors:

1. HSBC Bank Canada, a subsidiary of HSBC Holdings plc ('HSBC Group'), is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances here and internationally through four businesses: Commercial Banking, Global Banking, Markets and Securities Services, and Wealth and Personal Banking. HSBC Group has committed to becoming net-zero in its operations and financed emissions and is working with our customers to accelerate the transition to a low carbon economy.

For more information, visit www.hsbc.ca or follow us on Twitter: @HSBC_CA or Facebook: @HSBCCanada

2. HSBC Holdings plc, the parent company of HSBC Bank Canada, is headquartered in London. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,992bn at 30 September 2022, HSBC is one of the world's largest banking and financial services organizations.

3. HSBC Global Asset Management (Canada) Limited (AMCA) is a wholly-owned subsidiary of, but separate entity from, HSBC Bank Canada and is the Canadian business of HSBC Asset Management. HSBC Global Asset Management (Canada) Limited is the manager and primary investment advisor for the HSBC Mutual Funds. HSBC Investment Funds (Canada) Inc. (HIFC) is the principal distributor of the HSBC Mutual Funds. HSBC Mutual Funds are also distributed through authorized dealers.

AMCA is the manager and primary investment advisor for the HSBC Mutual Funds and the HSBC Pooled Funds (collectively, the "HSBC Funds"). HIFC is the principal distributor of the HSBC Mutual Funds, which are also distributed through authorized dealers. The HSBC Pooled Funds are sold only to investors as part of a discretionary investment management service, which requires an investor to enter into an investment management agreement with AMCA or HIFC, or another approved advisor or dealer. Commissions, trailing commissions, management fees, investment management fees and expenses all may be associated with mutual fund investments. Please read the prospectus, Fund Facts, applicable account opening documentation and any other disclosures before investing. HSBC Funds are not guaranteed or covered by the Canada Deposit Insurance Corporation, HSBC Bank Canada, or any other government deposit insurer or financial institution, their values change frequently and past performance may not be repeated. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you.

4. HSBC Asset Management, the global asset management business of the parent company, HSBC Holdings plc, which includes HSBC Global Asset Management (Canada) Limited, invests on behalf of HSBC's worldwide customer base of retail and private clients, intermediaries, corporates and institutions through both segregated accounts and pooled and mutual funds. HSBC Asset Management connects HSBC's clients with investment opportunities around the world through an international network of offices in more than 20 locations, delivering global capabilities with local market insight. As at 30 September 2022, HSBC Asset Management managed assets totalling US\$574bn on behalf of its clients.

HSBC Asset Management is the marketing name for the asset management businesses of HSBC Holdings plc. For more information, see assetmanagement.hsbc.ca

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