The strategic bank playbook for HSBC:

Turning Insights into Impact

Reduce costs and secure new revenue in key markets through agility powered by data and AI.

HSBC

sas

contents

01

Introduction

THE CHALLENGE:

Meet rising customer expectations, adapt to shifting regulations and outperform fierce competition.

Banking is evolving. Customers want hyper-personalised experiences. Regulators demand more transparency. Fraudsters are more sophisticated. And disruptive competitors are rewriting the rules.

In this environment, HSBC must be more than a financial institution. The bank must be an agile, data-driven organisation that adapts, anticipates and innovates. And with international operations, HSBC must be able to leverage its reach to serve and monetise customers both locally in key markets and at a global level in areas such as wealth management and commercial banking.

That's where SAS comes in.

SAS is the global leader in data, analytics and AI. For nearly 50 years, we've helped leading financial institutions harness the power of data to make faster, smarter decisions.

Uniquely in the market, SAS enables organisations to deliver on the promise of data and AI through governed analytics and decision intelligence, combined with integrated solution IP spanning risk, fraud and customer intelligence. Working in partnership with SAS will empower HSBC to meet its strategic goals: increasing agility, reducing costs and unlocking new revenues.

From optimising operations and improving customer engagement to detecting fraud and managing risk, SAS empowers HSBC to turn challenges into opportunities. Enhanced agility and orchestration throughout the customer experience enables HSBC to safely engage each and every customer dynamically, on their terms, at all times. Additionally, fully harnessing SAS capabilities will ensure that HSBC's associated risk and financial positions are more regularly refreshed, understood and optimised.

This e-book explores how SAS can further support HSBC across every aspect of the business – running the bank, growing the bank, protecting the bank and transforming the bank.

02
Run the bank

THE CHALLENGE:
Achieve operational excellence with confidence.

Global financial organisations are under pressure to boost customer acquisition and retention, increase revenues and evolve the customer experience, all while operating more efficiently. Constantly increasing expectations around operational resilience and global regulatory compliance act as headwinds, increasing this pressure even further.

SAS can help HSBC meet these obligations by delivering advanced analytics with the latest AI techniques. This is built on a solid foundation of cleansed, auditable data using SAS data quality and governance capabilities. This ensures financial, regulatory and operational risks are more visible and easier to mitigate. Key focus areas include:

- Risk data management, risk modelling and stress testing.
- Regulatory compliance solutions (IRB, Basel, CECL, IFRS 9 and more).
- Asset and liability management as part of a broader integrated balance sheet management (IBSM) capability.
- Model risk management, AI ethics and AI governance.

For decades, SAS has been providing leading global financial services organisations with a sophisticated view of their risk and financial positions, constantly evolving its client offerings with the latest AI developments.

SAS ensures regulatory compliance, drives significant business value and evolves the customer experience for clients across the globe, enabling organisations to better manage the trade-off between sound risk management and commercial pragmatism.

CUSTOMER STORY:
Standard Chartered

With a presence in 59 markets – and the only international bank present in all 10 ASEAN markets – Standard Chartered Bank is one of the most highly rated banks in the world.

In partnership with SAS, Standard Chartered built a robust stress testing platform. Initially designed for regulatory compliance, the platform has evolved to assess the impact of crisis scenarios on the bank's future P&L and balance sheet.

The bank can now:

- Calculate the impairment cost of a crisis and the resulting impacts on the bank's income statement and balance sheet.
- See risk and finance numbers in a single, integrated view.
- Fulfil its ultimate goal of stress testing: ensuring the bank's sustainability based on its capital funding position.

"We made a giant leap in terms of our capability in stress testing because of SAS."

Head of the Stress Testing Strategic Program, Standard Chartered Bank

Data governance is key to banks' technology transformation, including generative AI adoption. One third of executives **(34%)** say that establishing governance frameworks is the most effective strategy for data security.

Intelligent banking: The future ahead

Less than **25%** of banks are highly satisfied with their approach to ALM and liquidity risk. In response, **77%** plan to invest in integrated balance sheet management that enables them to assess the impact on the balance sheet of interest rate risk and credit risk.

Transforming Risk Management

SAS ranks **#2** overall in the prestigious Chartis RiskTech100 with **6** category wins.

Chartis RiskTech100

03
Grow the bank

THE CHALLENGE:

Elevate the customer experience.

Customers expect personalised, consistent experiences across every channel. Banks like HSBC need data analytics and AI to turn data into real-time engagement strategies.

To grow the bank, HSBC must win and retain customers by dynamically orchestrating the customer experience to engage with every customer on their terms: whenever, wherever and however they prefer to interact. SAS can help HSBC understand customers' needs in real time. Key focus areas include:

- Customer journey orchestration.
- Delivery of bespoke and seamless customer interactions.
- AI-driven personalisation.
- Campaign optimisation.
- Integration of key marketing and downstream processes (KYC, AO, AM and more).

Boosting customer acquisition including reducing time to first $, and revenues from all customers through re-engaging and better monetising all customers in key markets and segments.

JYSKE BANK

CUSTOMER STORY:
Jyske Bank

Jyske Bank, Denmark's second-largest financial institution, partnered with SAS to enhance digital customer engagement and loyalty. Together, SAS and Jyske Bank:

- Launched more than 100 always-on marketing campaigns tailored to individual customer needs.
- Gained real-time insights to adapt communications dynamically across digital channels.
- Strengthened customer relationships through data-driven personalisation.

This transformation modernised Jyske Bank's customer interactions and reinforced long-term loyalty.

"SAS® Viya® on Azure helps us to better serve our customers by providing them more targeted offers, improving customer service and, in turn, the long-term relationship with our customers."

Iikka Kuosa, Senior Vice President, Products and IT, S-Bank

SAS is a Leader in The Forrester Wave™: Cross-Channel Marketing Hubs, Q4 2024

SAS is the only vendor to appear in this study for 15 consecutive years without undergoing a major acquisition and/or divestiture. We've been a Leader every time.

The Forrester Wave™: Cross-Channel Marketing Hubs, Q4 2024

64% of bank marketers plan to use GenAI within the next year for targeting audiences and trends analysis.

Your journey to a GenAI future: A strategic path to success in banking

04
Protect the bank

THE CHALLENGE:

Combat fraud and financial crimes with trusted data analytics and AI

SAS has been a strategic partner for HSBC in the fight against fraud for more than 20 years, helping to detect and prevent fraud in real time using advanced analytics and AI.

Today, fraudsters and criminals are more sophisticated than ever. Protecting the bank from fraud, money laundering and other financial crimes requires advanced analytics and AI that can evolve and keep HSBC one step ahead.

SAS can help HSBC detect anomalies, prevent fraud in real time. Key focus areas include:

- Rapid detection of payment and card fraud
- Countermeasures against specific fraud typologies such as authorised push payment (APP) fraud, application fraud and investment scams
- Network analytics to detect organised criminal groups and money mule networks

Working in partnership with SAS, the bank can leverage market leading entity resolution and visualisation capabilities that map a 360-degree view of customers and threats, uncover organised crime networks, and strengthen fraud prevention in real time. SAS also provides extensive solutions IP that is continually updated to meet ever-evolving threats.

CUSTOMER STORY:
Techcombank

Techcombank, one of Vietnam's largest commercial banks, used SAS to modernise its fraud detection system with AI and machine learning. With a surge in digital transactions, the bank needed faster, more intelligent tools to protect customers and stay ahead of fraud.

- Deployed an AI-powered fraud detection system.
- Reduced false positives and investigation time.
- Enhanced agility in combating emerging threats.

"Using a transaction scoring option for real-time decision making has made a big impact. And with the reduced false positives and supporting analysis, operational efficiency has greatly improved, significantly reducing the time needed to detect and investigate fraud."

Joseph Vu, Director of Technology and Digital Risk Management, Techcombank

59% of firms expect to increase their budgets for antifraud technology over the next two years. Budget is a top concern for **82%** of organisations.

2024 Anti-Fraud Technology Benchmarking Report

More than **30%** of banks now have an integrated case management capability, linking AML, fraud and information security.

The road to integration: The state of AI and machine learning adoption in anti-money laundering compliance

05
Optimising IT costs

THE CHALLENGE:

Operate efficiently and deliver innovation at scale

To stay competitive, HSBC needs to expand its use of data and AI while reducing its IT costs. This will require both the modernisation of capabilities that are in use today, and careful architecting of the bank's future technology stack. Key focus areas include:

- Optimising data storage and management costs.
- Minimising the cost of executing analytics and AI-driven processes.
- Boosting workforce productivity through AI capabilities.

By working with SAS, HSBC can operationalise analytics with speed and scale.

Key Capabilities:

- Ability to deploy analytics and AI across multiple clouds or on-premises using a common architecture.
- Fully supported on AWS, Azure and Google cloud infrastructure, including Google Cloud Anthos.
- Simplified and lower-cost support models, including continuous integration and continuous deployment (CI/CD) and upgrades.
- Open and API-based architecture for seamless integration with other HSBC ecosystem components, with the option to coordinate that broader ecosystem through SAS.
- Innovative AI accelerators including synthetic data generation and NLP.
- Access to industry- and use case-specific models created and maintained by SAS

In this time of IT rationalisation, SAS helps bring down the total cost of ownership by providing a platform that helps HSBC get more done in the cloud.

The modern SAS platform, SAS Viya, enables all of this as well as a range of core data management, modelling and analysis and decision intelligence capabilities, many of which offer technology and operational efficiencies for executing key SAS workloads that run on older SAS platforms across the bank today. We continue to develop AI-based automation aligned to HSBC strategy and around which the bank can build.

VANQUIS

CUSTOMER STORY:
Vanquis Bank

Vanquis Bank, a UK-based specialised lender, modernised its analytics infrastructure by implementing SAS Viya on Microsoft Azure to enhance risk management, regulatory compliance and operational efficiency. This transformation enabled the bank to streamline analytical workflows, reduce cloud infrastructure costs and improve collaboration across business units.

- Faster and more accurate loan processing through automated analytics.
- Improved customer engagement with real-time decisioning.
- Enhanced collaboration between analytics and business development teams.

Can you put a price on productivity?
Turns out the answer is yes.
Check out the **SAS Viya Value Calculator.**

The sky's the limit

Productivity Study
4.6x
MORE PRODUCTIVE

Data and AI teams saw increased productivity and decreased complexity in achieving the complete data and AI life cycle in SAS Viya.

Productivity Study
30x
FASTER

That's how much SAS Viya, on average, outpaced other platforms in the computation time of data and AI tasks. This translated into an 86% cloud cost savings.

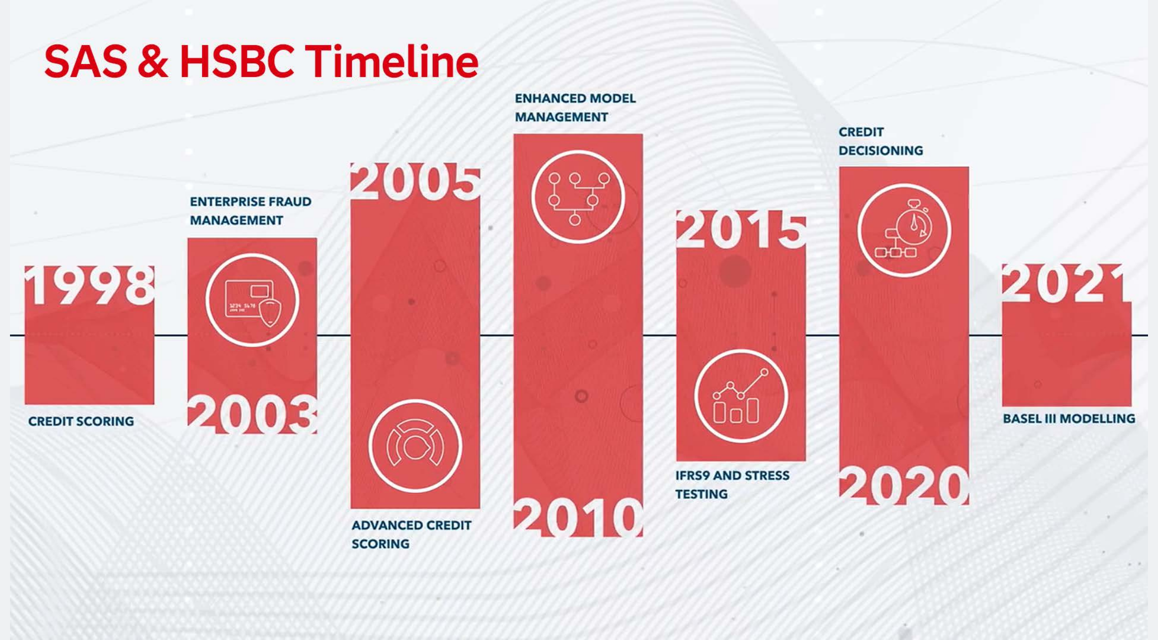
Read the productivity report.

06
Building partnerships

THE CHALLENGE:
Building a modern banking ecosystem

HSBC's core strategy is to increase revenues in key markets and geographies through improved agility and innovation. This will enable the bank to meet customers where and when they are ready to do business. To deliver on this growth strategy, HSBC needs to work with proven technology partners to drive innovation as a digital-first bank.

A proven partnership that delivers that delivers innovation and results.



HSBC and SAS have been innovating and co-developing for over 30 years, and there is still much more that we can do together. SAS estimates that there are untapped benefits of up to $4.9 billion over a five-year period, which HSBC can realise by leveraging our data and AI capabilities and our rich and evolving banking IP in areas such as marketing, risk, finance and fraud.

Our modern cloud-native capabilities can be easily integrated within the bank's broader ecosystem, and SAS is always ready to work with other HSBC partners to innovate and grow the bank in line with the bank's core strategy.

TowneBank

CUSTOMER STORY:
TowneBank

TowneBank is a midsize regional US bank with assets totaling $17 billion. The bank implemented SAS's cloud-based analytics and current expected credit losses (CECL) compliance solutions to centralize 15 years of data and bolster regulatory reporting.

This scalable, secure and transparent data and analytics ecosystem helped TowneBank:

- Comply with the CECL reporting standard.
- Quickly answer questions about finance, accounting, risk, marketing and more.
- Better anticipate and meet customers' needs.

> "For us, it was important to partner with somebody in the industry who was very familiar with the challenges that we'd be faced with as a bank, the data needs, the analytics needs, modeling efforts and how to learn through an analytical framework."

Erich Reuter, Executive Vice President of Quantitative Analytics and Enterprise Stress Testing, TowneBank

07

Why SAS for banking

Trusted by HSBC and thousands of other banks worldwide, SAS helps financial institutions deliver on the promise of data and AI through governed analytics and decision intelligence, with state-of-the-art solutions built on our unique IP in key areas such as risk, fraud and customer intelligence.

SAS delivers trusted data analytics and AI with the scale, security and expertise to meet HSBC's strategic objectives: driving new revenues in key markets and reducing costs by harnessing data and AI to increase agility.

Let's build the future of banking together.

Ready to take the next step?

Connect with a SAS banking expert today or explore our solutions at **sas.com/banking**

>1,600
banks are using SAS worldwide

>90%
of the top 100 largest global banks choose SAS

92
countries with SAS banking customers

To contact your local SAS office, please visit: **sas.com/offices**