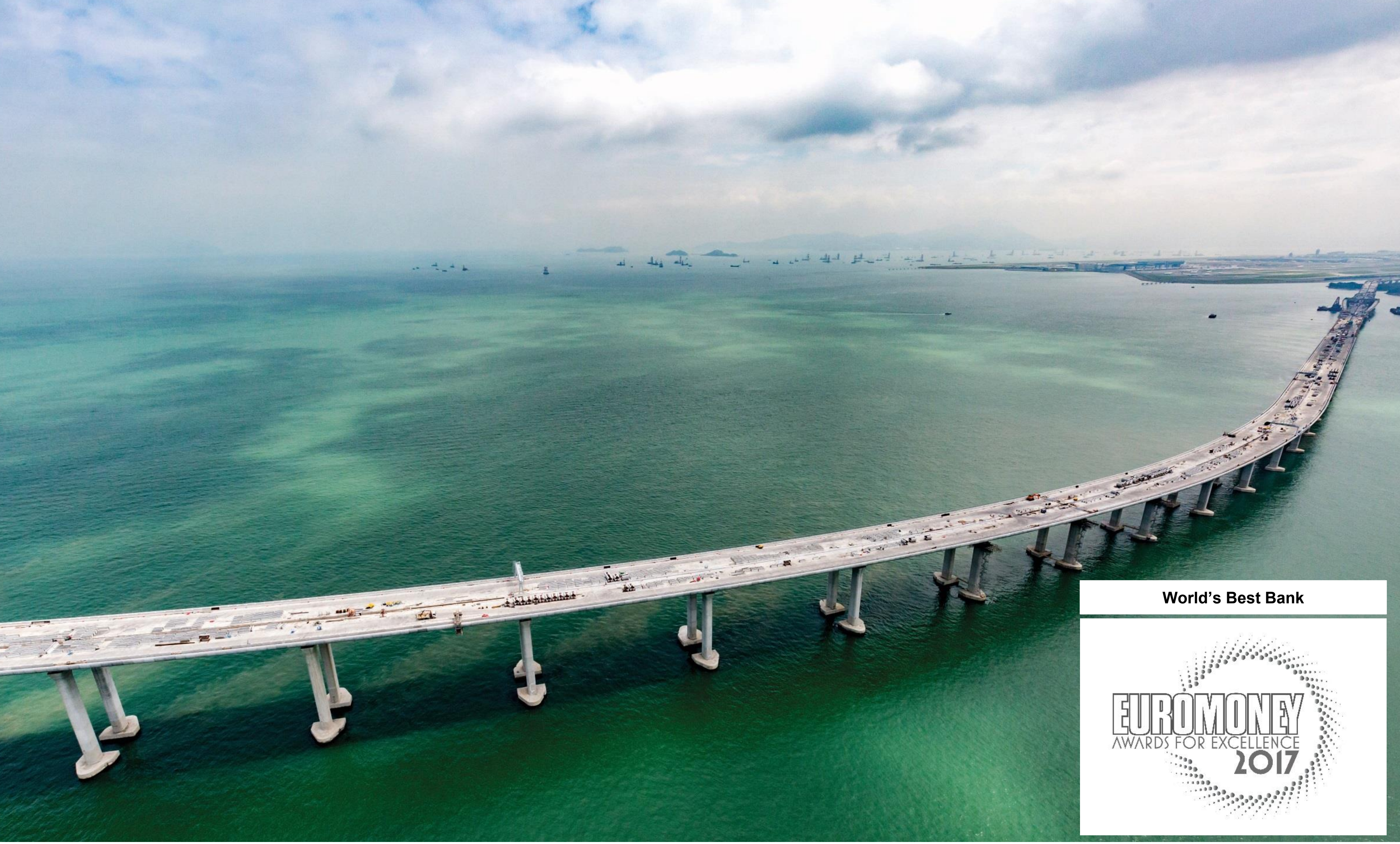


HSBC Holdings plc 3Q 2017 Results

Presentation to Investors and Analysts

HSBC

Our highlights

3rd Quarter 2017

Reported PBT
(3Q16: $0.8bn)
$4.6bn

Adjusted PBT
(3Q16: $5.5bn)
$5.4bn

Reported RoE[1]
(9M16: 4.4%)
8.2%

Adjusted Jaws[2]
(4.9)%

A/D ratio
(3Q16: 67.9%)
70.7%

CET1 ratio[3]
(3Q16: 13.9%)
14.6%

3Q17 Financial Performance

(vs. 3Q16 unless otherwise stated)

- Reported PBT of $4.6bn was $3.8bn higher than 3Q16
- Adjusted PBT of $5.4bn:
  - Revenue of $13.0bn up $0.3bn or 3% up in all three of our largest global businesses:
    - RBWM up $0.3bn or 6% primarily from increased deposit revenue and included favourable market impacts; excluding these market impacts, revenue increased 5%
    - CMB up $0.2bn or 5% driven by our Global Liquidity and Cash Management business
    - GB&M up $0.1bn or 2% primarily from our transaction banking businesses, notably our Global Liquidity and Cash Management and Securities Services businesses
  - Lower LICs reflecting a stable credit environment
  - Increase in operating costs of 7% in part reflecting planned investment in business growth as previously disclosed and increased performance-related costs

9M17

- Reported PBT of $14.9bn was $4.3bn higher than 9M16
- Adjusted PBT of $17.4bn was $1.2bn or 8% higher than 9M16
- Adjusted revenue of $39.1bn was $1.1bn higher than 9M16 reflecting the increased value of our deposit franchise across RBWM and CMB; GB&M revenue 6% higher, despite subdued market conditions
- Adjusted costs of $22.4bn increased by $0.9bn or 4% in part reflecting investment for growth

Balance Sheet and capital

- $69bn or 8% lending growth since 3Q16 (excluding CML run-off and red-inked balances); $34bn or 3% growth in deposit balances
- Strong capital position with a CET1 ratio of 14.6% and a leverage ratio of 5.7%

Strategy execution

- Completed 71% of the $2bn buy-back announced in July 2017
- Further $13bn of RWA reductions in 3Q17 bringing the total reduction to $309bn since the start of 2015
- $5.2bn of annual run-rate cost savings realised and remain committed to delivering positive jaws for 2017
- Continue to make good progress with actions to deploy capital and deliver revenue growth:
  - Delivered growth from our international network with 7% increase in transaction banking products and a 14% rise in synergies between global businesses
  - Pivot to Asia generating returns and driving over 70% of Group profits; 17% lending growth vs. 3Q16;
  - $1.1bn lending growth in Guangdong vs. 3Q16
  - Maintained momentum in Asian Insurance and Asset Management businesses with annualised new business premiums and AuM up 13% and 17% respectively

9M17 Key financial metrics

Key financial metrics	9M16	9M17
Return on average ordinary shareholders' equity[1]	4.4%	8.2%
Return on average tangible equity[1]	5.3%	9.3%
Jaws (adjusted)[2, 4]	1.5%	(1.3)%
Dividends per ordinary share in respect of the period	$0.30	$0.30
Earnings per share	$0.29	$0.50
Common equity tier 1 ratio	13.9%	14.6%
Leverage ratio	5.4%	5.7%
Advances to deposits ratio	67.9%	70.7%
Net asset value per ordinary share (NAV)	$8.52	$8.35
Tangible net asset value per ordinary share (TNAV)	$7.37	$7.29

Reported Income Statement, $m

	3Q17	Δ 3Q16	Δ %	9M17	Δ 9M16	Δ %
Revenue	12,978	3,466	36%	39,144	162	0%
LICs	(448)	118	21%	(1,111)	1,821	62%
Costs	(8,546)	175	2%	(24,989)	2,360	9%
Associates	636	18	3%	1,819	(37)	(2)%
PBT	4,620	3,777	>100%	14,863	4,306	41%

Adjusted Income Statement, $m

	3Q17	Δ 3Q16	Δ %	9M17	Δ 9M16	Δ %
Revenue	13,031	320	3%	39,084	1,138	3%
LICs	(448)	119	21%	(1,111)	1,013	48%
Costs	(7,776)	(534)	(7)%	(22,382)	(917)	(4)%
Associates	636	17	3%	1,819	9	0%
PBT	5,443	(78)	(1)%	17,410	1,243	8%

Financial overview

Reconciliation of Reported to Adjusted PBT

		Discrete quarter			Nine month		
		3Q16	3Q17	∆ 3Q16	9M16	9M17	∆ 9M16
Reported profit before tax		**843**	**4,620**	**3,777**	**10,557**	**14,863**	**4,306**
Includes:							
Currency translation		71	-	(71)	595	-	(595)
Significant items:							
FVOD[5]	Fair value gains / losses on own debt	(1,370)	-	1,370	(144)	-	144
Brazil disposal	Loss and trading results from disposed operations in Brazil	(1,743)	-	1,743	(2,081)	-	2,081
Disposal of membership interest in Visa	Europe	-	-	-	584	-	(584)
	US	-	-	-	-	312	312
DVA	DVA on derivative contracts	(55)	(65)	(10)	96	(340)	(436)
NQHs	Fair value movements on non-qualifying hedges	12	20	8	(385)	50	435
Cost-related	Settlements and provisions in connection with legal matters	-	104	104	(723)	426	1,149
	Impairment of GPB Europe goodwill	-	-	-	(800)	-	800
	Costs to achieve (CTA)	(1,014)	(677)	337	(2,032)	(2,347)	(315)
	UK customer redress	(456)	(84)	372	(489)	(383)	106
	Costs to establish UK ring-fenced bank	(53)	(101)	(48)	(147)	(277)	(130)
Other	Other significant items	(70)	(20)	50	(84)	12	96
Adjusted profit before tax		**5,521**	**5,443**	**(78)**	**16,167**	**17,410**	**1,243**

The remainder of the presentation, unless otherwise stated, is presented on an adjusted basis

9M17 Profit before tax

Higher adjusted PBT from increased revenue and reduced LICs partly offset by increased costs

9M17 vs. 9M16

Adjusted PBT by item

	9M17	Δ 9M16 adverse	Δ 9M16 favourable	
Revenue	$39,084m		1,138	3%
LICs	($1,111m)		1,013	48%
Operating expenses	($22,382m)	(917)		(4)%
Share of profits in associates and joint ventures	$1,819m		9	0%
Profit before tax	**$17,410m**		1,243	8%

Jaws[2]

(1.3)%

Adjusted PBT by global business, $m	9M16	9M17	Δ 9M16	Δ %
RBWM	4,076	5,058	982	24%
CMB	4,472	5,086	614	14%
GB&M	4,134	4,938	804	19%
GPB	254	197	(57)	(22)%
Corporate Centre	3,231	2,130	(1,101)	(34)%
Group	**16,167**	**17,410**	**1,243**	**8%**

Adjusted PBT by geography, $m	9M16	9M17	Δ 9M16	Δ %
Europe	2,509	2,341	(168)	(7)%
Asia	10,948	12,116	1,167	11%
Middle East and North Africa	1,182	1,190	8	1%
North America	1,071	1,287	216	20%
Latin America	457	477	20	4%
Group	**16,167**	**17,410**	**1,243**	**8%**

3Q17 Profit before tax

Increased revenue and lower LICs offset by increased costs

3Q17 vs. 3Q16

Adjusted PBT by item

	3Q17	∆ 3Q16 (adverse / favourable)	
Revenue	$13,031m	320	3%
LICs	($448m)	119	21%
Operating expenses	($7,776m)	(534)	(7)%
Share of profits in associates and joint ventures	$636m	17	3%
Profit before tax	**$5,443m**	(78)	(1)%

Jaws[2]
(4.9)%

Adjusted PBT by global business, $m	3Q16	3Q17	∆ 3Q16	∆ %
RBWM	1,533	1,703	170	11%
CMB	1,527	1,643	116	8%
GB&M	1,582	1,535	(47)	(3)%
GPB	72	54	(18)	(25)%
Corporate Centre	807	507	(300)	(37)%
Group	**5,521**	**5,443**	**(78)**	**(1)%**

Adjusted PBT by geography, $m	3Q16	3Q17	∆ 3Q16	∆ %
Europe	865	540	(325)	(38)%
Asia	3,791	4,009	218	6%
Middle East and North Africa	320	370	50	16%
North America	388	361	(27)	(7)%
Latin America	157	163	6	4%
Group	**5,521**	**5,443**	**(78)**	**(1)%**

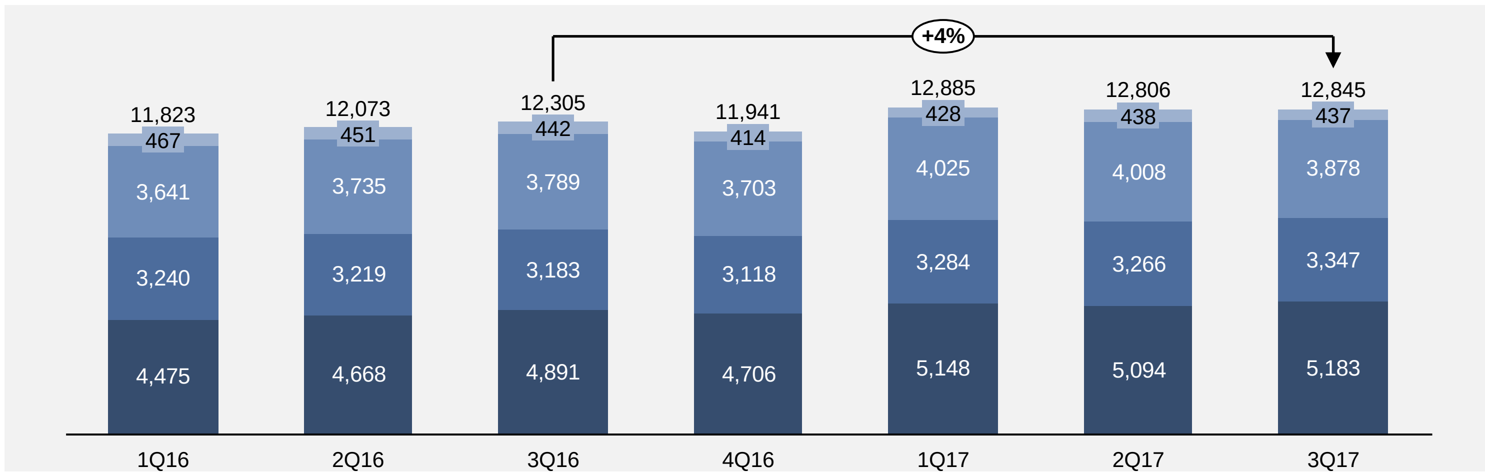
Revenue performance

Revenue up across our three largest businesses vs. 3Q16

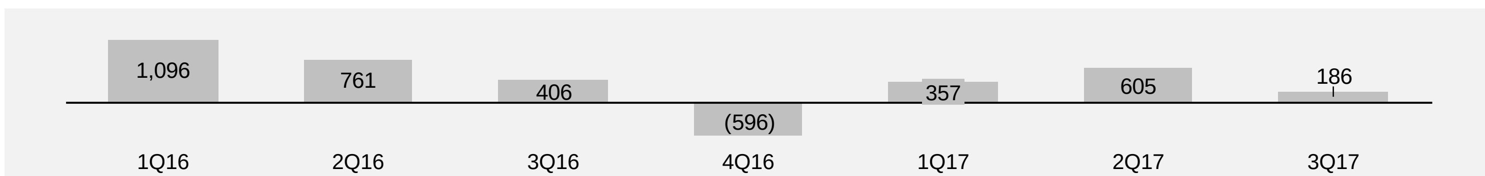
Revenue performance, $m[6]

Global businesses

GPB
GB&M
CMB
RBWM



Corporate Centre



Group	**12,919**	**12,834**	**12,711**	**11,345**	**13,242**	**13,411**	**13,031**

Retail Banking and Wealth Management performance

Revenue growth driven by liability revenue and wealth management

9M17 highlights

Adjusted PBT
(9M16: $4.1bn)

$5.1bn

Adjusted revenue
(9M16: $13.8bn)

$15.2bn

Adjusted LICs
(9M16: $0.9bn)

$0.8bn

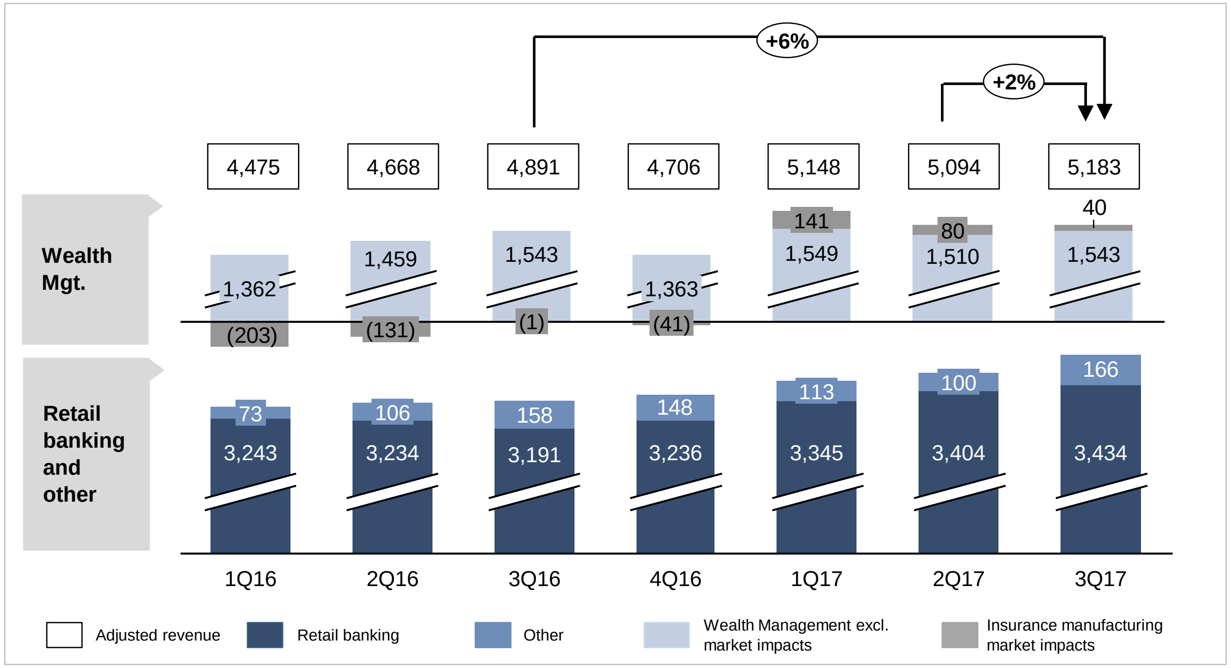
Adjusted costs
(9M16: $8.9bn)

$9.4bn

Adjusted Jaws

4.7%

Revenue performance, $m[6]



3Q17 vs. 3Q16: Adjusted revenue up 6%

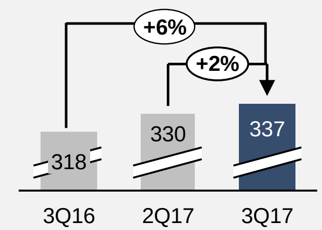
- Wider spreads and higher balances driving deposit revenues (up $312m), notably in Hong Kong and the US
- Partly offset by lower lending revenue (down $69m) in Asia and Europe due to margin compression from lower interest rates, despite volume growth
- Investment distribution (up $86m), mainly in Hong Kong due to higher sales from renewed investor confidence
- Insurance manufacturing (down $41m), driven by actuarial assumption changes, partly offset by higher insurance sales and positive market impacts

3Q17 vs. 2Q17: Adjusted revenue up 2%

- Higher balances driving deposit revenues (up $30m)
- Lending revenue stable with higher balances, offset by margin compression
- Investment distribution (up $84m), mainly in Hong Kong, due to higher sales
- Insurance manufacturing (down $84m), reflecting actuarial assumption changes and positive market impacts

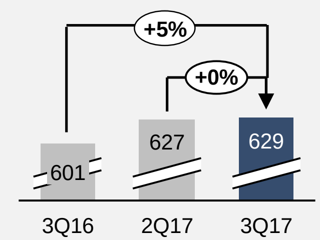
Balance Sheet, $bn[7]

Customer lending:



- Lending growth up mainly in Hong Kong, the UK and Mexico compared with 3Q16 and 2Q17

Customer deposits:



- Customer deposits growth up notably in the UK and Hong Kong compared with 3Q16 and 2Q17

Commercial Banking performance

Continued revenue growth driven by GLCM

9M17 highlights

Adjusted PBT
(9M16: $4.5bn)

$5.1bn

Adjusted revenue
(9M16: $9.5bn)

$9.8bn

Adjusted LICs
(9M16: $0.8bn)

$0.3bn

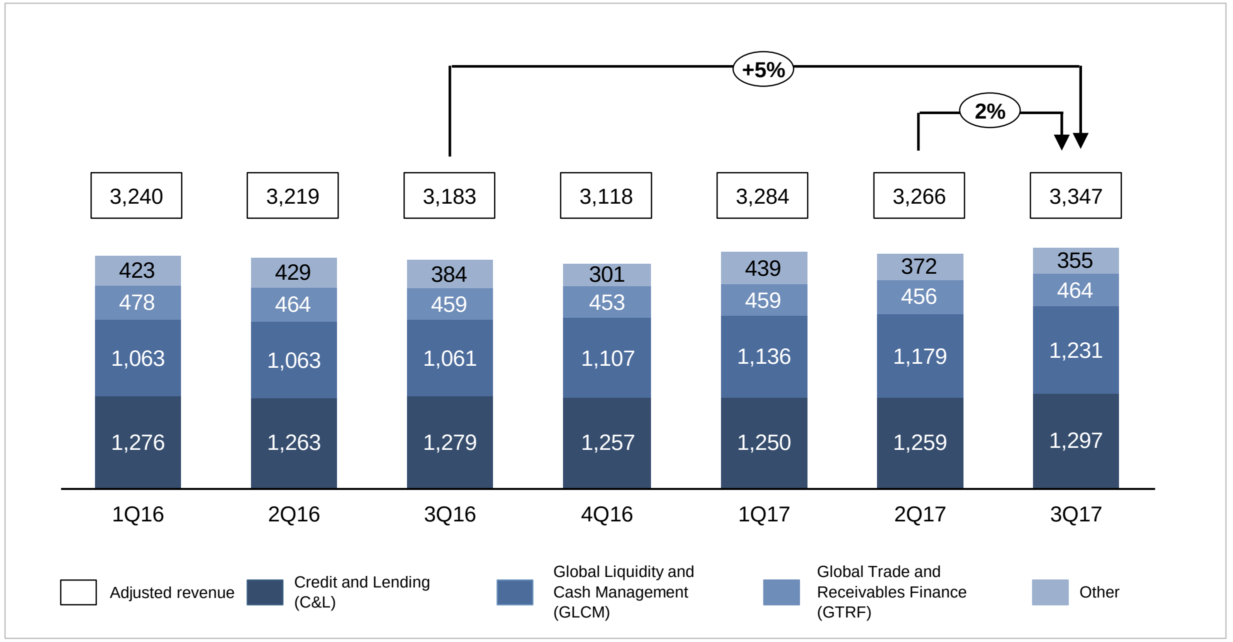
Adjusted costs
(9M16: $4.3bn)

$4.4bn

Adjusted Jaws

0.3%

Revenue performance, $m[6]



3Q17 vs. 3Q16: Adjusted revenue up 5%

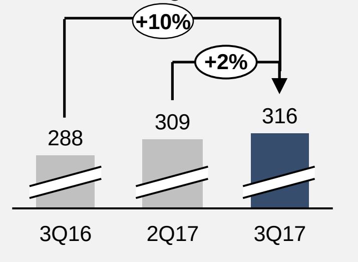
- GLCM up 16%, notably in Asia, where we benefited from wider spreads and grew balances by 4%
- C&L up 1%, as balance sheet growth in the UK more than offset spread compression in Asia
- GTRF up 1%, as growth in Asia and the UK more than offset the reduction from repositioning in MENA and spread compression in Asia

3Q17 vs. 2Q17: Adjusted revenue up 2%

- GLCM up 4%, primarily due to wider spreads in Asia
- C&L up 3%, from continued balance sheet growth in the UK and Hong Kong
- GTRF up 2%, as balances grew both in Hong Kong and the UK
- Other down 5%, driven by actuarial assumption changes in Insurance

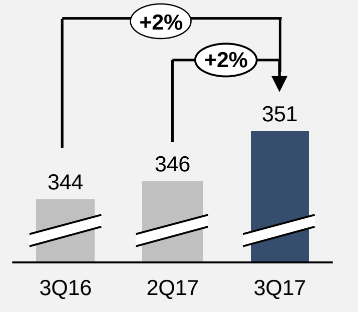
Balance Sheet, $bn[7]

Customer lending:



- Strong balance sheet growth driven by Asia and the UK
- Lending balances increased in both GTRF and C&L

Customer deposits:



- Continued growth in deposits driven by Asia, the UK and the US

Global Banking & Markets performance

Positive performance in 3rd quarter despite subdued trading conditions

9M17 highlights

Adjusted PBT
(9M16: $4.1bn)

$4.9bn

Adjusted revenue
(9M16: $11.0bn)

$11.7bn

Adjusted LICs
(9M16: $0.5bn)

$0.1bn

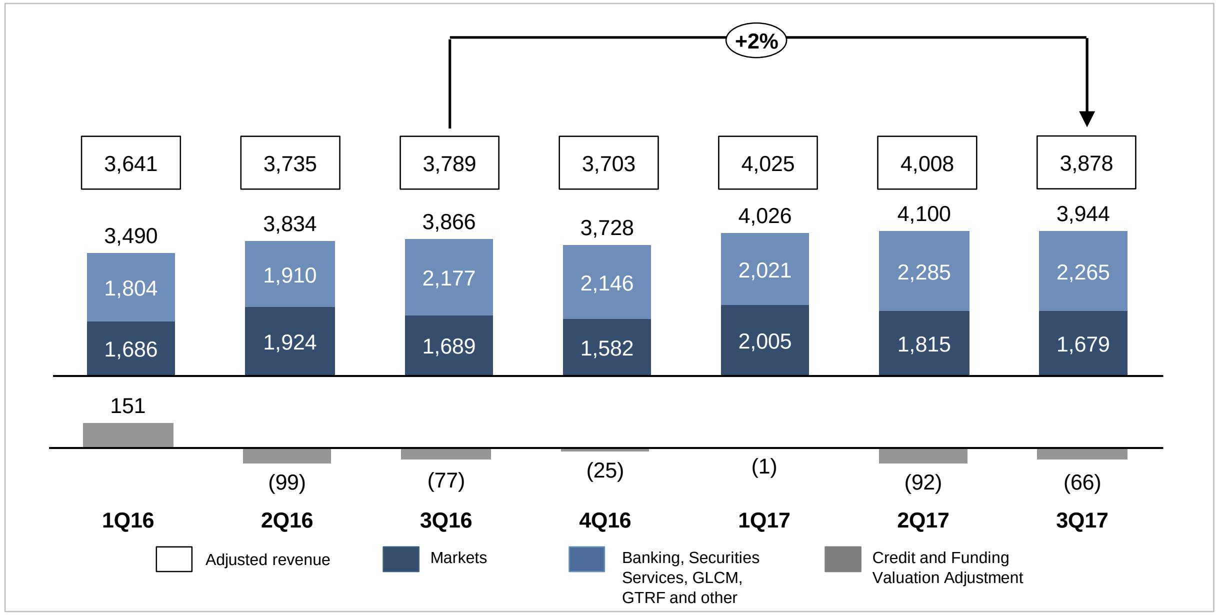
Adjusted costs
(9M16: $6.4bn)

$6.7bn

Adjusted Jaws

2.3%

Revenue performance, $m[6]



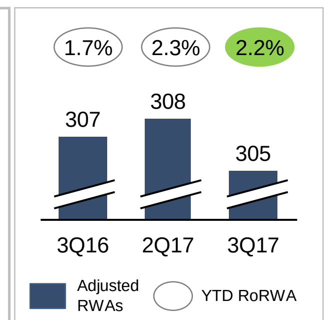
3Q17 vs. 3Q16: Positive revenue momentum

- Positive 3Q17 performance despite subdued trading activity as lower industry wide volumes and tighter spreads affected our Markets and Banking products
- Markets revenues stable due to diverse product offering as lower FICC revenues largely offset higher Equities revenues
- All transaction banking products continue to perform well from increased balances and widening spreads

3Q17 vs. 2Q17: Resilient

- Positive momentum in global transaction banking products
- FICC saw reduced client activity from lower market volatility and seasonality
- Global Banking seasonally lower and impacted by continued spread compression notably in Asia

Returns and RWAs



Management view of adjusted revenue

$m	3Q17	∆ 3Q16
Markets	**1,679**	**(1)%**
Of which:		
FX	605	(8)%
Rates	551	1%
Credit	192	(15)%
FICC	**1,348**	**(5)%**
Equities	**331**	**25%**
Global Banking	**943**	**(5)%**
GLCM	**567**	**19%**
Securities Services	**442**	**8%**
GTRF	**174**	**(1)%**
Principal Investments	**178**	**2%**
Other	**(39)**	**22%**
Credit and Funding Valuation Adjustment	(66)	14%
Total	**3,878**	**2%**

Global Private Bank performance

Business now positioned for growth; $13.1bn of positive inflows in 2017

9M17 highlights

Adjusted PBT
(9M16: $0.3bn)

$0.2bn

Adjusted revenue
(9M16: $1.3bn)

$1.3bn

Adjusted LICs
(9M16: $0.0bn)

$0.0bn

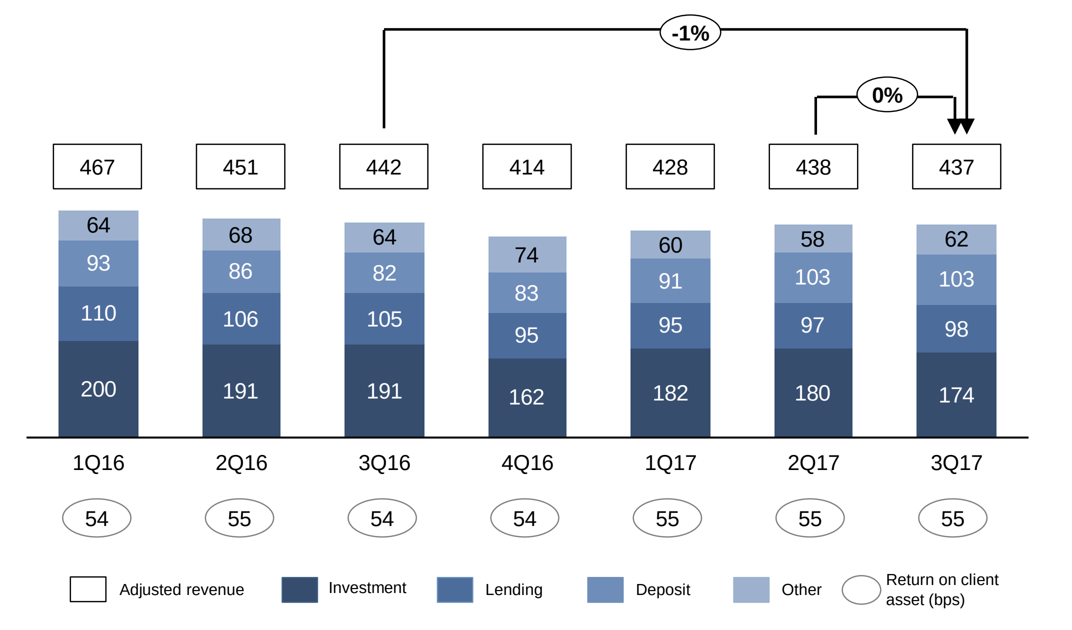
Adjusted costs
(9M16: $1.1bn)

$1.1bn

Adjusted Jaws

(1.8)%

Revenue performance, $m[6]



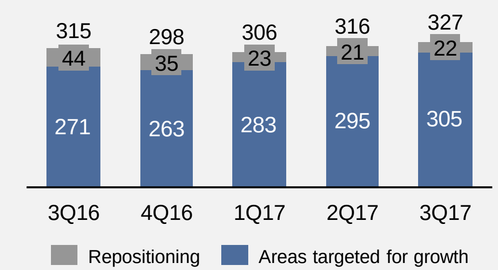
3Q17 vs. 3Q16: Adjusted revenue down 1%

- Lower revenue reflecting the impact of repositioning actions; run-off of client assets down by $22bn to $22bn
- Revenue in areas target for growth up 7%, particularly in Hong Kong reflecting higher client investment activity (mandates and brokerage) and wider deposit spreads

3Q17 vs. 2Q17: Adjusted revenue steady

- Lower investment revenue (brokerage & trading) due to seasonality impact (summer period), partly offset by a gain on disposal

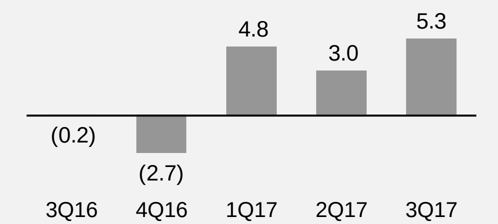
Client assets, $bn



- Launched new products; front office positioned for growth

Net new money, $bn

Net new money in areas targeted for growth



- In 2017, positive inflows of $13.1bn in key markets targeted for growth, particularly in Hong Kong

Corporate Centre performance

Lower revenue from the run-off of the CML and other legacy portfolios

9M17 highlights

Adjusted PBT
(9M16: $3.2bn)

$2.1bn

Adjusted revenue
(9M16: $2.3bn)

$1.1bn

Adjusted LICs
(9M16: $0.0bn)

$(0.1)bn

Adjusted costs
(9M16: $0.8bn)

$0.9bn

Revenue performance, $m[6]

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Central Treasury	**745**	**634**	**366**	**(266)**	**397**	**431**	**311**
Of which:							
Balance Sheet Management	728	774	744	789	865	643	584
Interest expense	(155)	(244)	(293)	(276)	(331)	(296)	(331)
Valuation differences on long-term debt and associated swaps	250	110	108	(741)	(28)	125	80
Other	(78)	(6)	(193)	(38)	(109)	(41)	(22)
US run-off portfolio (CML)	239	181	150	122	28	47	(28)
Legacy Credit	(38)	(55)	125	(3)	-	59	(18)
Other	150	1	(235)	(449)	(68)	68	(79)
Total	**1,096**	**761**	**406**	**(596)**	**357**	**605**	**186**

3Q17 vs. 3Q16: Adjusted revenue down $220m to $186m

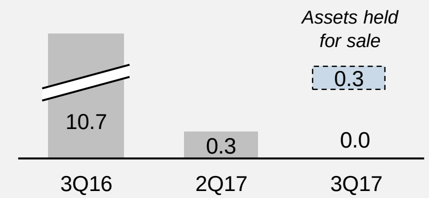
- US CML (down $178m) due to continued run-off
- In BSM lower revenue due to repositioning in prior quarters and lower balances due to increased deployment of the Group's liquidity surplus by the global businesses
- Legacy credit (down $143m) reflecting favourable credit and funding valuation adjustments in 3Q16
- Other central treasury (up $172m) driven by a number of intra-group adjustments which were largely offset in the global businesses
- Other (up $156m) driven by revaluation of properties and lower adverse movement on own share liabilities

3Q17 vs. 2Q17: Adjusted revenue down $419m to $186m

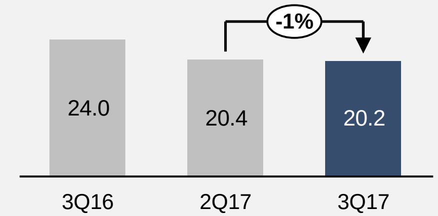
- US CML (down $75m) due to continued run-off
- In BSM lower revenue due to repositioning in prior quarters and lower balances due to increased deployment of the Group's liquidity surplus by the global businesses
- Legacy credit (down $77m) reflecting favourable credit and funding valuation adjustments in 2Q17
- Valuation differences (down $46m) on long-term debt and associated swaps
- Other (down $147m) reflects the phasing of intercompany income and expenses.

Balance Sheet, $bn[7]

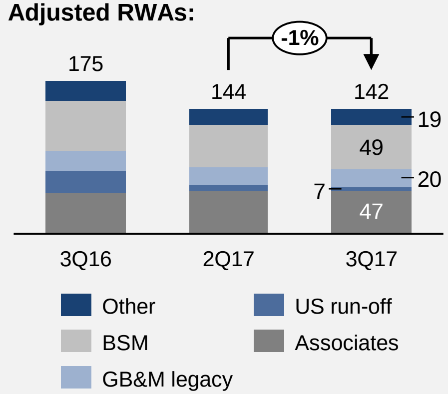
US run-off portfolio (CML):



Legacy credit adjusted RWAs:



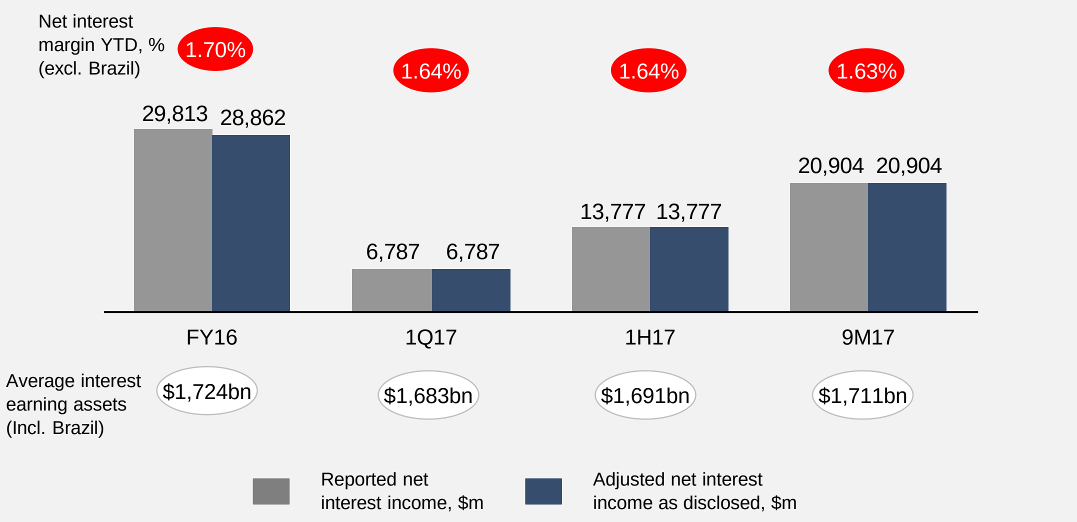
Adjusted RWAs:



Net interest margin

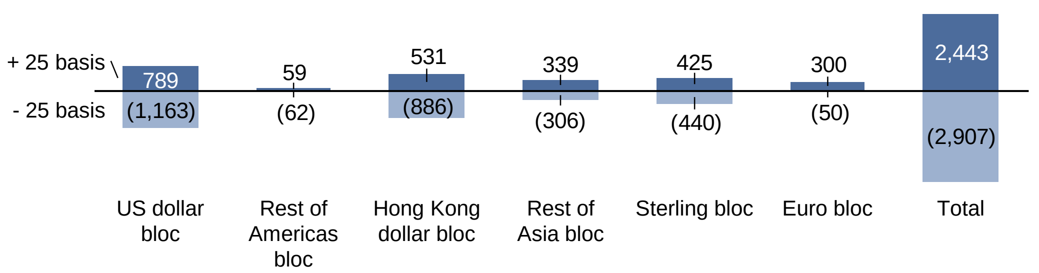
Net interest margin of 1.63%; well positioned to benefit as rates move higher

Net interest income and margin

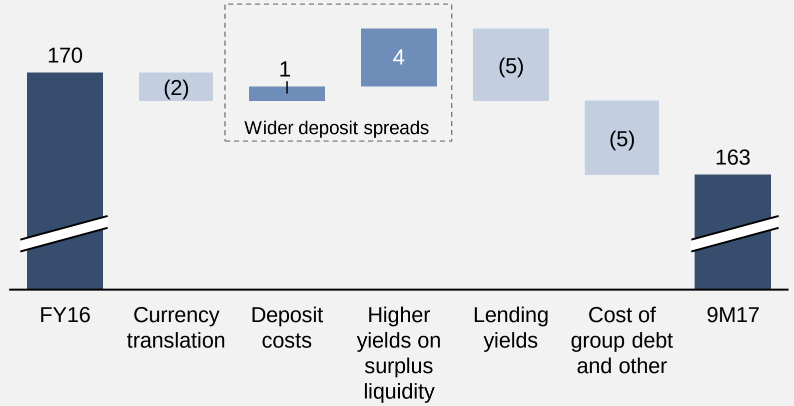


NII sensitivity, $m: 25 basis point shift in yield curves at the beginning of each quarter. *Equivalent to 62.5 basis points parallel shift in year 1*

(As reported at 1H17) *(see page 69 of the 1H17 Interim Report):*



Main drivers, bps:



NII

- NII of $7,127m in 3Q17, increased $137m compared with 2Q17

9M17 vs. FY16

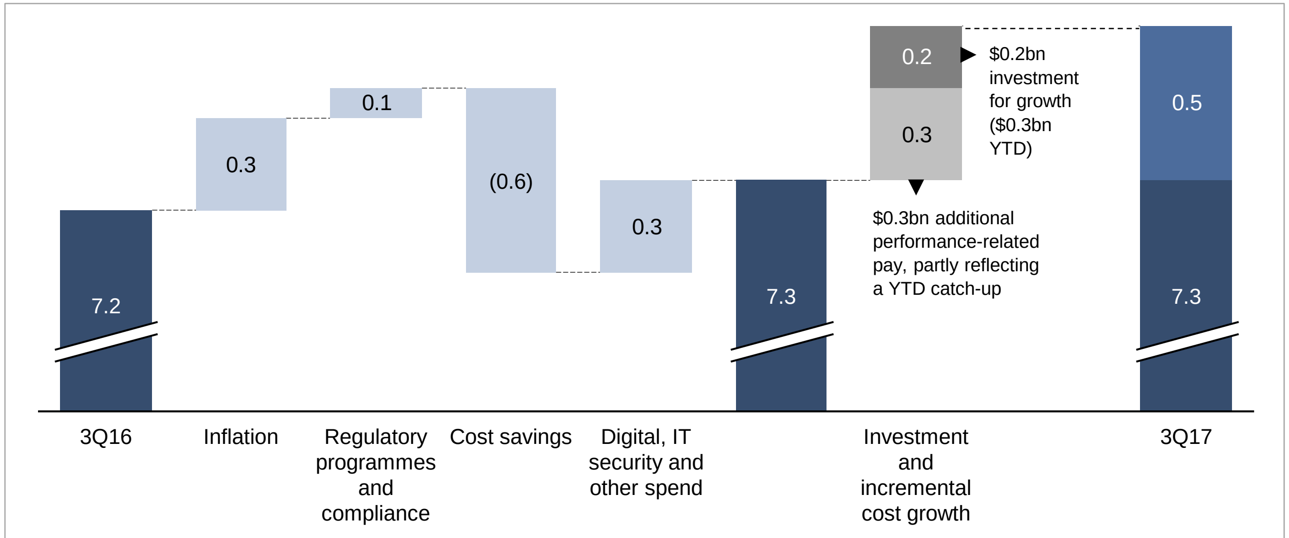
Net interest margin of 1.63% was 10bps lower than FY16 or 7bps excluding Brazil

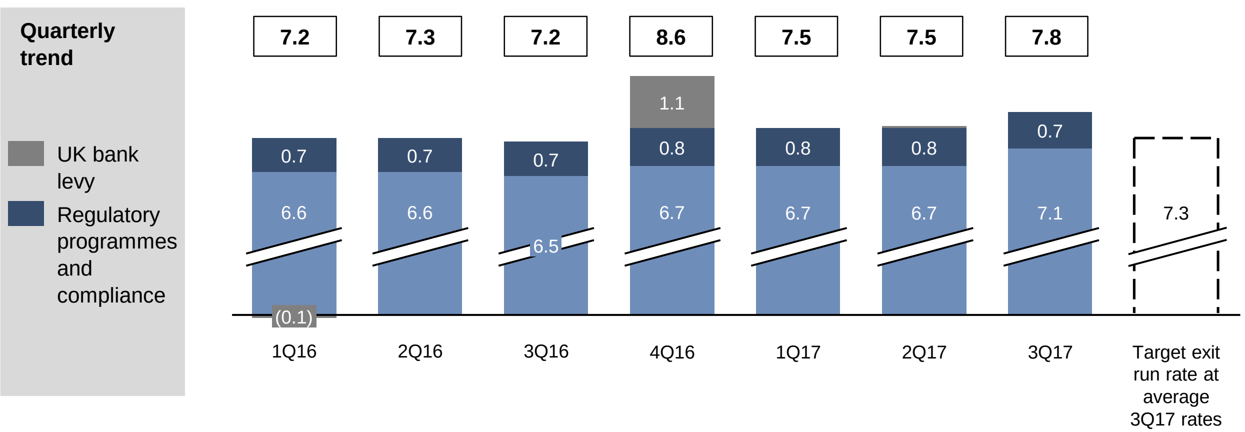
- Lower customer lending yields (-5bps): margin compression in Europe and impact of CML run-off, partly offset in Asia and Latin America
- Higher cost of debt (-5bps): primarily MREL-related costs
- Wider deposit spreads (+5bps)
- Currency translation (-2bps)

Operating expenses

Committed to delivering positive jaws for FY 2017 while investing in growth

3Q17 vs. 3Q16, $bn





- Our **three largest global businesses** delivered **positive jaws** during 9M17
- **Continue to invest in growth** $0.3bn YTD and $0.2bn planned for 4Q17, primarily in RBWM, partly funded by gains from the disposal of our shares in Visa, Inc
- $0.3bn additional performance-related pay, reflecting YTD performance
- **On track to deliver c$6bn of savings**; achieved annualised run-rate savings of $5.2bn, and $0.6bn saves in the quarter
- Cost-to-achieve spending will end by 31 Dec 2017; **4Q17 cost-to-achieve spend c$0.4bn**
- **Deliver positive jaws for FY17**

Loan impairment charges

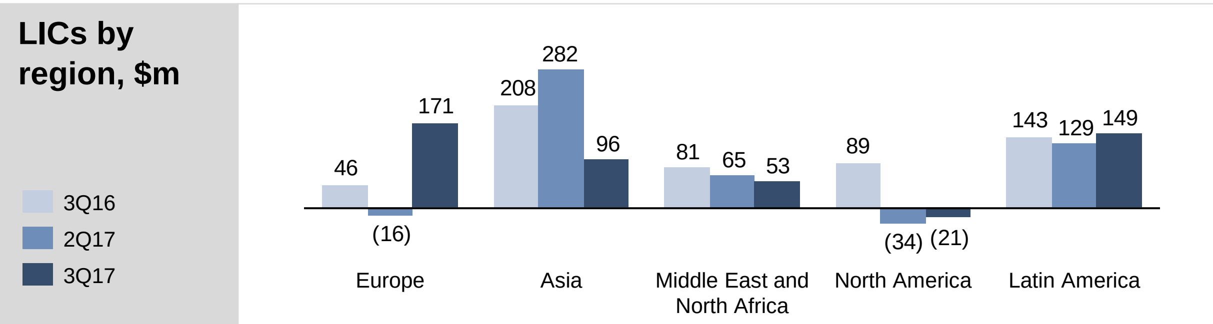
Our credit standards remain robust; stable outlook

Adjusted loan impairment charges and other credit risk provisions (LICs) analysis

LICs by global business

	3Q16	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Group, $m	**567**	**426**	**448**	**119**	**(22)**
as a % of gross loans and advances to customers	*0.25*	*0.19*	*0.19*	*0.06*	*0.00*
RBWM, $m	**349**	**266**	**238**	**111**	**28**
as a % of gross loans	*0.44*	*0.33*	*0.29*	*0.15*	*0.04*
CMB, $m	**242**	**117**	**188**	**54**	**(71)**
as a % of gross loans	*0.33*	*0.15*	*0.24*	*0.09*	*(0.09)*
GB&M, $m	**22**	**58**	**45**	**(23)**	**13**
as a % of gross loans	*0.04*	*0.10*	*0.07*	*(0.03)*	*0.03*
GPB, $m	**2**	**0**	**16**	**(14)**	**(16)**
as a % of gross loans	*0.02*	*0.00*	*0.17*	*(0.15)*	*(0.17)*
Corporate Centre, $m	**(48)**	**(15)**	**(39)**	**(9)**	**24**
as a % of gross loans	*(0.90)*	*(0.63)*	*(1.72)*	*0.82*	*1.09*

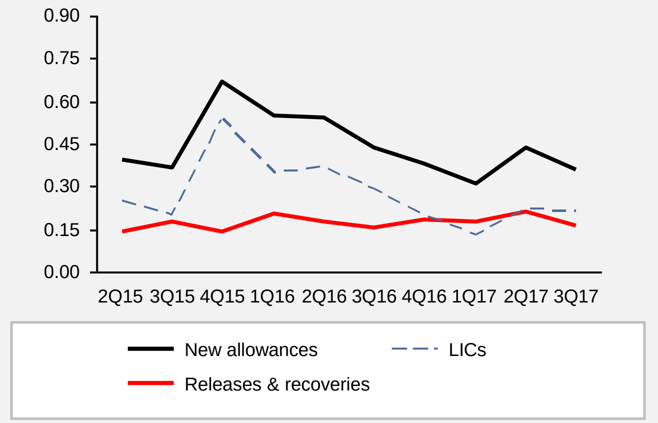
LICs by region, $m



Credit environment remains stable

- 3Q17 LICs as a % of gross loans remains at 0.19%
- Prudent underwriting standards, affordability processes and conservative LTVs
- Europe saw a charge in 3Q17 of $171m (0.18% of gross loans and advances), reflecting a small number of specific charges, compared with releases in prior quarters

New allowances, allowance releases and recoveries as a % of gross loans and advances to customers[8]



Capital adequacy

Strong capital base: common equity tier 1 ratio of 14.6%

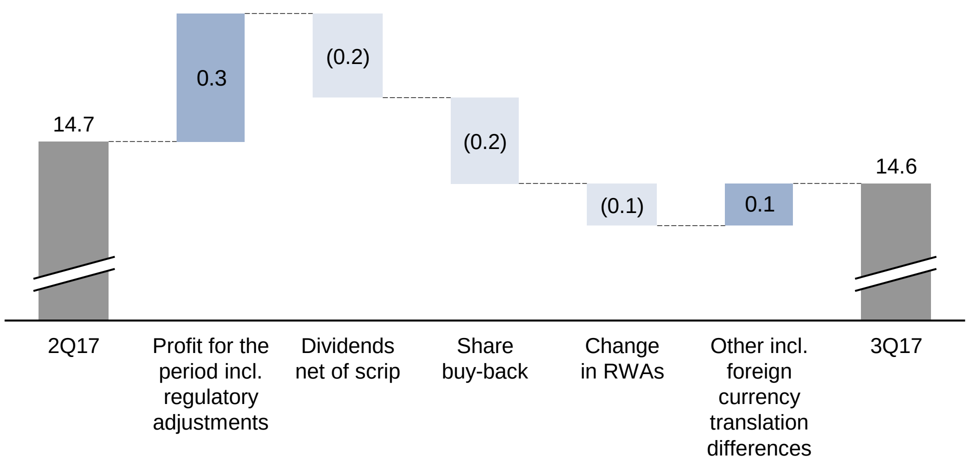
Regulatory capital and RWAs ($bn)

Reported basis	2Q17	3Q17
Common equity tier 1 capital	128.9	129.8
Total regulatory capital	183.9	186.4
Risk-weighted assets	876.1	888.6

3Q17 CET1 movement ($bn)

At 30 Jun 2017	**128.9**
Capital generation	0.9
Profit for the period including regulatory adjustments	3.1
Dividends[9] net of scrip	(2.2)
Share buy-back	(2.0)
Foreign currency translation differences	1.8
Other movements	0.2
At 30 Sep 2017	**129.8**

CET1 ratio movement (%)



Quarterly CET1 ratio and leverage ratio progression

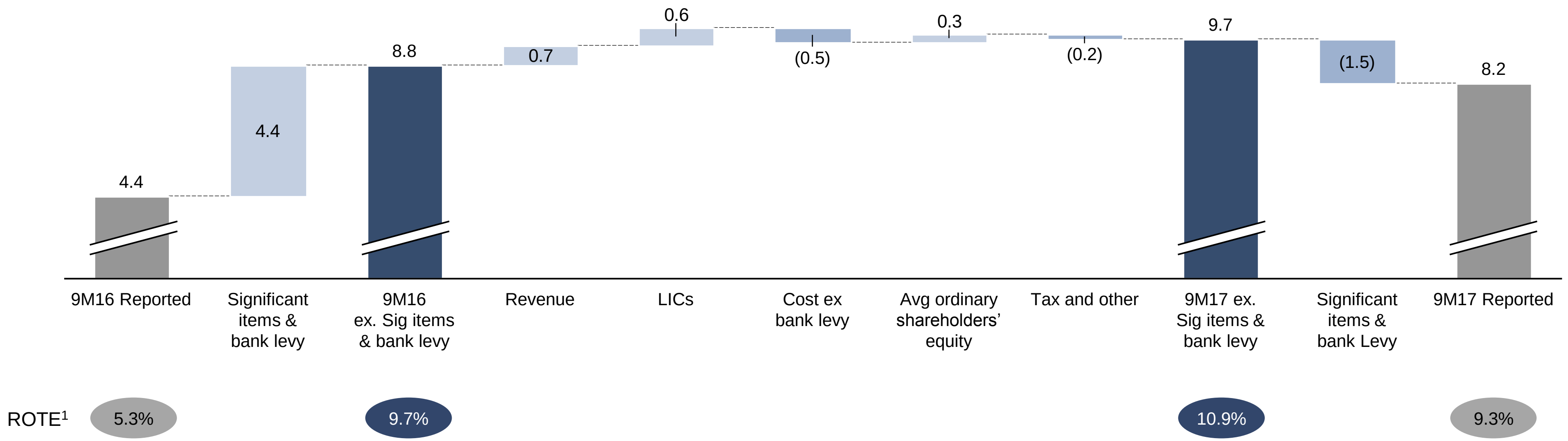
	3Q16	4Q16	1Q17	2Q17	3Q17
CET1 ratio	13.9%	13.6%	14.3%	14.7%	**14.6%**
Leverage ratio	5.4%	5.4%	5.5%	5.7%	**5.7%**

IFRS9 update	– Our current estimate is a day 1 (1 Jan 2018) increase in loan loss allowances of approximately $2.0bn, which is equivalent to a movement of fewer than 15bps in our CET1 capital ratio.*

*The actual IFRS 9 impact on transition at 1 Jan 2018 could be significantly different as a result of ongoing work on models and data, as well as changes in balance sheet position, market conditions and forward-looking economic assumptions. The estimated impact on CET1 does not reflect any regulatory capital transition relief that may be available

Return metrics

9M17 Group ROE[1], %



Group RoRWA[10]

	9M16	9M17
Reported	1.3%	2.3%
Adjusted[11]	2.2%	2.7%

Adjusted RoRWA[11]

	9M16	9M17
RBWM	4.8%	5.8%
CMB	2.2%	2.4%
GB&M	1.7%	2.2%
GPB[12]	2.0%	1.7%

Looking ahead

Delivering our strategy

- **Unrivalled global network**
- **Investing for growth**
- **Deliver Global Standards**
- **Achieve c.$6bn cost savings**
- **Deliver positive jaws in 2017**
- **Strong capital generation**
- **Financial targets unchanged**

Diversified business, strong capital position and positive business momentum

Group financial targets

ROE	>10%
Costs	Positive jaws (adjusted)
Dividend and capital	– Sustain dividend through long-term earnings capacity of the businesses[13] – Share buy-backs as and when appropriate, subject to the execution of targeted capital actions and regulatory approval

Appendix

Significant progress in the execution of the "Strategic Actions to capture value from our international network" announced in June 2015

✓ On track to meet target

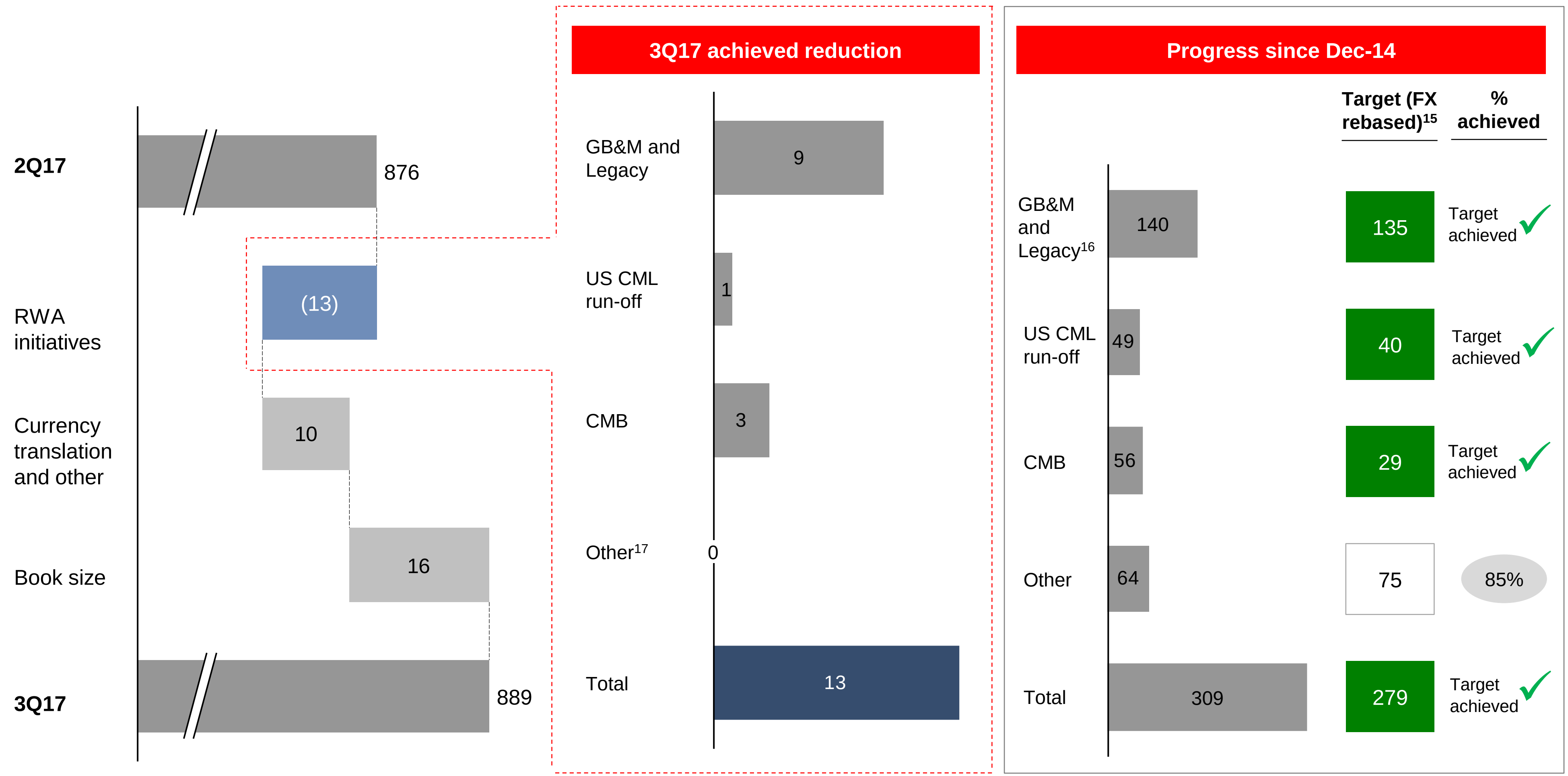
Strategic actions	Targeted outcome by 2017	Progress	Status
Actions to re-size and simplify			
Reduce Group RWAs by c.$290bn	– Group RWA reduction: $290bn – GB&M <1/3 of Group RWAs	– RWA: $309bn gross reduction through management actions (>100% of our FX adjusted target)	✓
Optimise global network	– Reduced footprint	– Progressing previously announced transactions / closures – Present in 67 countries at the end Sep 2017	✓
Rebuild NAFTA profitability	– US PBT c. $2bn	– US adjusted PBT excluding CML run-off portfolio increased 74% YTD vs. prior year to USD0.7bn – Completed asset sales of CML legacy portfolio totaling $1.3bn in 3Q17; remaining CML portfolio reduced to $0.3bn with plans to complete the sale / wind-down of the portfolio by end 2017	–
	– Mexico PBT c. $0.6bn	– Mexico adjusted PBT increased 44% YTD vs. prior year overall and across Global Businesses (RBWM +35%, CMB +14%, GB&M +132%); continued market share gains in strategic product areas	✓
Set up UK ring-fenced bank	– Completed in 2018	– Nearly 90% of head office roles are in place or accounted for in Birmingham; on track to have a fully functioning team by 1Q18 – The majority of technology deployments are complete to support the new ring-fenced bank	✓
Deliver $4.5-5.0bn cost savings	– 2017 exit rate to equal 2014 operating expenses	– Achieved annualised run-rate saves of $5.2bn – Continued migration of activities to lower cost locations; approximately three quarters of global operations staff are now in offshore locations, up from 57% in Jan 15 – Roll-out of new DevOps tooling nearly complete and 813 apps already delivered through this automated software development	✓
Actions to redeploy capital and invest			
Deliver growth above GDP from international network	– Revenue growth of international network above GDP	– Transaction banking adjusted revenue up 7% YTD vs. prior year, with GLCM adjusted revenues increasing by 13% driven by growth in deposits and improved margins following rate rises – Grew GTRF market share in key markets, in particular Hong Kong, Singapore and UK – Revenue driven by collaboration between our businesses grew 14% YTD vs. prior year	✓
Investments in Asia – prioritise and accelerate	– Market share gains – c. 10% growth p.a. in assets under management	– Guangdong customer advances up $1.1bn vs. 3Q16, driven by credit and lending and GTRF – Grew RBWM customer base in mainland China by over 70% YTD, driven by growth in our sole-branded credit card business – Insurance annualised new business premiums and Asset Management AuM up 13% and 17%, respectively vs. prior year – Awarded 'Best Overall International Bank for Belt and Road Initiative' by *Asiamoney* New Silk Road Finance Awards 2017	✓
RMB internationalisation	– $2.0-2.5bn revenue	– Ranked #1 among all banks (53.9% market share) in terms of market share on approved quota of RMB Qualified Foreign Institutional Investor ("RQFII") custodian business (Sep 17); Source: People's Bank of China – Ranked #1 in offshore RMB bond underwriting with a market share of 28.1% (Sep17); Source: Bloomberg – Approved as a joint lead underwriter for Panda bond issuances by offshore non-financial corporates in China's interbank bond market, becoming the first foreign bank in China to be granted such a licence	–
Global Standards – safeguarding against financial crime[14]	– End of 2017: Introduction of major compliance IT systems; anti-money laundering ('AML') and sanctions policy framework in place; assessment against the capabilities of our financial crime risk framework to enable the capabilities to be fully integrated in our day-to-day operations	– We remain on track to complete the introduction of the major compliance IT systems, to have our AML and sanctions policy framework in place, and to complete all actions committed to as part of the Global Standards programme in 2013 by the end of 2017 – Post 2017: Policy framework and associated operational processes fully integrated into day-to-day financial crime risk management practices in an effective and sustainable way. Target end state agreed with the UK Financial Conduct Authority to be achieved. Major compliance IT systems continue to be fine-tuned, and recommendations from the Monitor continue to be implemented	✓*

*As set out under 'Targeted outcome by 2017'

Appendix

Exceeded our FX rebased RWA target[15]

Key movements in Group RWAs ($bn)



Appendix

Global business management view of adjusted revenue

RBWM, $m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Retail Banking	**3,243**	**3,234**	**3,191**	**3,236**	**3,345**	**3,404**	**3,434**	**8%**	**1%**
Current accounts, savings and deposits	1,303	1,344	1,300	1,359	1,503	1,582	1,612	24%	2%
Personal lending	1,940	1,890	1,891	1,877	1,842	1,822	1,822	(4)%	0%
Mortgages	672	651	646	637	619	578	599	(7)%	4%
Credit cards	803	762	771	756	750	771	742	(4)%	(4)%
Other personal lending	465	477	474	484	473	473	481	1%	2%
Wealth Management	**1,159**	**1,328**	**1,542**	**1,321**	**1,690**	**1,590**	**1,583**	**3%**	**(0)%**
Investment distribution	704	736	808	689	815	810	894	11%	10%
Life insurance manufacturing	207	350	466	379	615	509	425	(9)%	(17)%
Asset management	248	242	268	254	260	271	264	(1)%	(3)%
Other	73	106	158	148	113	100	166	5%	66%
Total	**4,475**	**4,668**	**4,891**	**4,706**	**5,148**	**5,094**	**5,183**	**6%**	**2%**
Adjusted revenue as previously disclosed[18]	4,597	4,819	4,921	4,590	5,009	5,034	5,183	5%	3%

CMB, $m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Global Trade and Receivables Finance	478	464	459	453	459	456	464	1%	2%
Credit and Lending	1,276	1,263	1,279	1,257	1,250	1,259	1,297	1%	3%
Global Liquidity and Cash Management	1,063	1,063	1,061	1,107	1,136	1,179	1,231	16%	4%
Markets products, Insurance and Investments and other	423	429	384	301	439	372	355	(8)%	(5)%
Total	**3,240**	**3,219**	**3,183**	**3,118**	**3,284**	**3,266**	**3,347**	**5%**	**2%**
Adjusted revenue as previously disclosed[18]	3,318	3,326	3,201	3,041	3,191	3,216	3,347	5%	4%

GPB, $m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Investment	200	191	191	162	182	180	174	(9)%	(3)%
Lending	110	106	105	95	95	97	98	(7)%	1%
Deposit	93	86	82	83	91	103	103	26%	0%
Other	64	68	64	74	60	58	62	(3)%	7%
Total	**467**	**451**	**442**	**414**	**428**	**438**	**437**	**(1)%**	**(0)%**
Adjusted revenue as previously disclosed[18]	465	453	440	399	415	431	437	(1)%	1%

GB&M, $m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Global Markets	**1,686**	**1,924**	**1,689**	**1,582**	**2,005**	**1,815**	**1,679**	(1)%	(7)%
Equities	292	267	264	233	349	331	331	25%	0%
FICC	**1,394**	**1,657**	**1,425**	**1,349**	**1,656**	**1,484**	**1,348**	(5)%	(9)%
Foreign Exchange	719	669	655	754	643	733	605	(8)%	(17)%
Rates	520	655	544	520	675	509	551	1%	8%
Credit	155	333	226	75	338	242	192	(15)%	(21)%
Global Banking	**905**	**923**	**995**	**1,011**	**924**	**1,077**	**943**	(5)%	(12)%
GLCM	**469**	**459**	**475**	**497**	**532**	**530**	**567**	19%	7%
Securities Services	**375**	**391**	**408**	**405**	**419**	**441**	**442**	8%	0%
GTRF	**175**	**173**	**175**	**174**	**186**	**180**	**174**	(1)%	(3)%
Principal Investments	**2**	**(4)**	**174**	**52**	**30**	**50**	**178**	2%	>100%
Other revenue	(122)	(32)	(50)	7	(70)	7	(39)	22%	>(100)%
Credit and Funding Valuation Adjustment	151	(99)	(77)	(25)	(1)	(92)	(66)	14%	28%
Total	**3,641**	**3,735**	**3,789**	**3,703**	**4,025**	**4,008**	**3,878**	**2%**	**(3)%**
Adjusted revenue as previously disclosed[18]	3,677	3,834	3,817	3,591	3,886	3,937	3,878	2%	(2)%

Corporate Centre, $m	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	Δ 3Q16	Δ 2Q17
Central Treasury	**747**	**635**	**366**	**(266)**	**393**	**431**	**311**	**(15)%**	**(28)%**
Balance Sheet Management	728	774	744	789	865	643	584	(22)%	(9)%
Interest expense	(155)	(244)	(293)	(276)	(331)	(295)	(331)	(13)%	(12)%
Valuation differences on long-term debt and associated swaps	251	110	108	(741)	(32)	125	80	(26)%	(36)%
Other	(78)	(6)	(193)	(38)	(109)	(41)	(22)	89%	46%
US run-off portfolio	**239**	**181**	**150**	**122**	**28**	**47**	**(28)**	**(119)%**	**(160)%**
Legacy credit	**(38)**	**(55)**	**125**	**(3)**	**0**	**59**	**(18)**	**(114)%**	**(131)%**
Other	150	1	(235)	(449)	(68)	68	(79)	66%	>(200)%
Total	**1,096**	**761**	**406**	**(596)**	**357**	**605**	**186**	**(54)%**	**(69)%**
Adjusted revenue as previously disclosed[18]	1,122	756	408	(621)	342	592	186	(54)%	(69)%

Appendix

Currency translation and significant items

$m	3Q16	3Q17	9M16	9M17
Revenue				
Currency translation	78	-	1,072	-
Trading results from disposed operations in Brazil	(1,743)	-	(273)	-
*Portfolio disposals	(119)	(131)	(51)	(163)
(Adverse) / Favourable debit valuation adjustment on derivative contracts	(55)	(65)	96	(340)
(Adverse) / Favourable fair value movements on non-qualifying hedges	12	20	(385)	50
*Releases arising from the ongoing review of compliance with the Consumer Credit Act in the UK	-	(3)	2	(3)
Favourable / (Adverse) movements on own credit spread	(1,370)	-	(144)	-
*Gain on disposal of our investment in Vietnam Technological and Commercial Joint Stock Bank	-	126	-	126
Gain on disposal of our membership interest in Visa - Europe	-	-	584	-
Gain on disposal of our membership interest in Visa - US	-	-	-	312
*Other acquisitions, disposals and dilutions	-	-	-	78
*Currency translation of significant items	(2)	-	135	-
	(3,199)	(53)	1,036	60
Loan impairment charges				
Currency translation	1	-	59	-
Trading results from disposed operations in Brazil	-	-	(748)	-
*Currency translation of significant items	-	-	(119)	-
	1	-	(808)	-
Operating expenses				
Currency translation	(7)	-	(583)	-
Trading results from disposed operations in Brazil	-	-	(1,059)	-
*Regulatory provisions in GPB	50	-	46	-
Impairment of GPB Europe goodwill	-	-	(800)	-
Settlements and provisions in connection with legal matters	-	104	(723)	426
UK customer redress programmes	(456)	(84)	(489)	(383)
Costs-to-achieve	(1,014)	(677)	(2,032)	(2,347)
*Costs associated with portfolio disposals	-	(4)	-	(14)
Costs to establish UK ring-fenced bank	(53)	(101)	(147)	(277)
*Costs associated with the UK's exit from the EU	-	(8)	-	(12)
*Currency translation of significant items	1	-	(97)	-
	(1,479)	(770)	(5,884)	(2,607)
Share of profit in associates and joint ventures				
Currency translation	(1)	-	47	-
*Other acquisitions, disposals and dilutions	-	-	(1)	-
	(1)	-	46	-
Currency translation and significant items	**(4,678)**	**(823)**	**(5,610)**	**(2,547)**

* Items summarised on slide 5 as 'Other significant items'

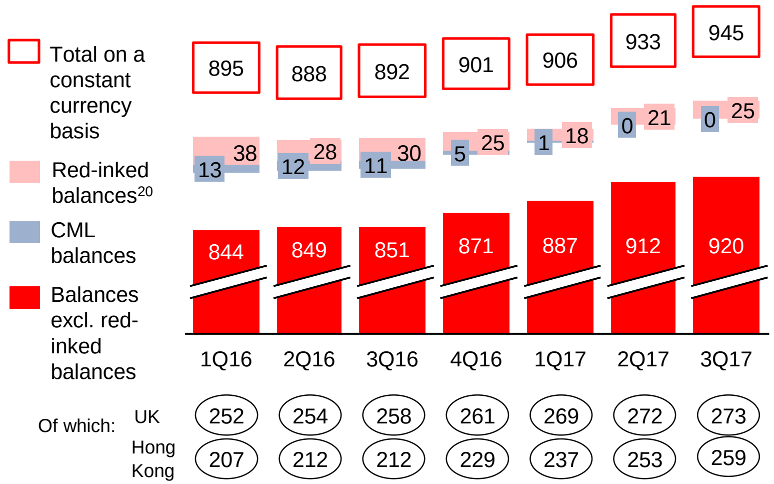
Appendix
Balance sheet

3Q17 Loans and advances to customers[19], $bn

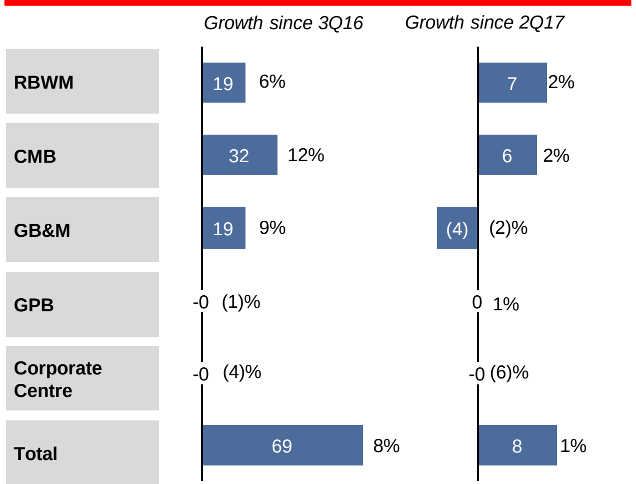
Balances increased by $12bn vs. 2Q17. Excluding CML and red-inked balances, lending increased by $8.5bn or 1%:

- Growth in term lending in Asia
- $2.4bn or 3% growth in mortgage balances in Hong Kong
- $2.8bn or 2% growth in mortgage balances in the UK

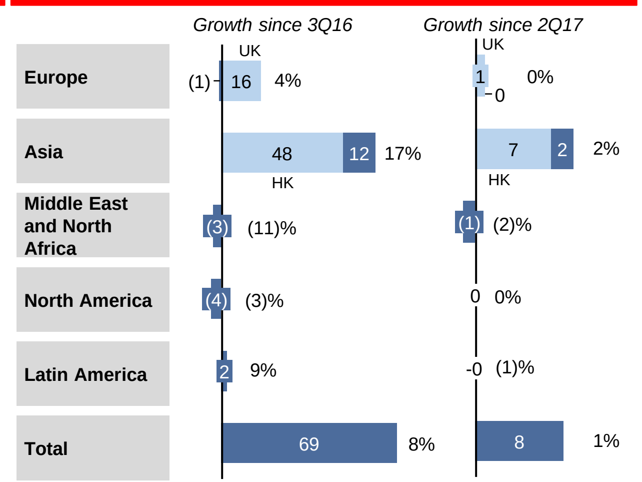
Balances increased by $54bn vs. 3Q16. Excluding CML and red-inked balances, lending increased by $69bn or 8%.



By global business *(excluding red-inked balances and CML)*

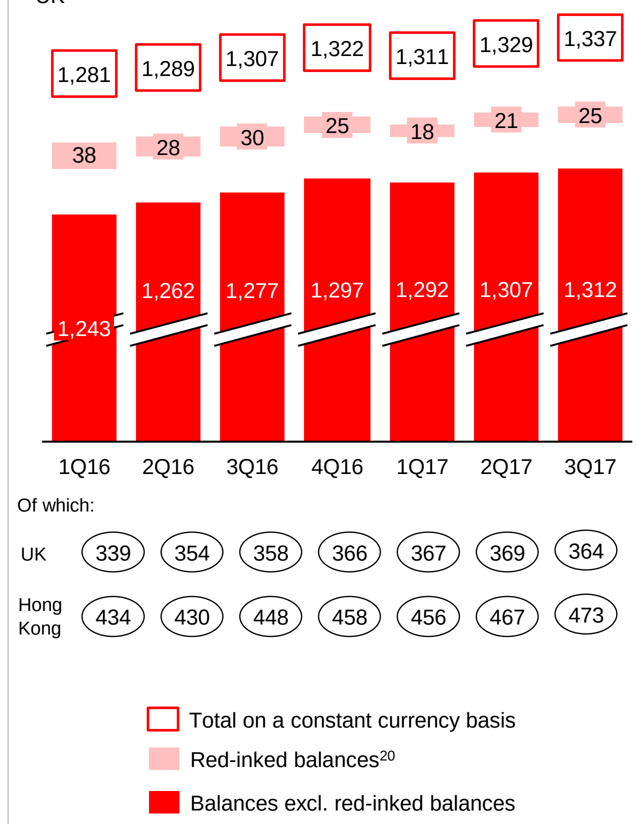


By region *(excluding red-inked balances and CML)*



Customer accounts[19], $bn

Excluding red-inked balances, customer accounts increased by $5bn vs. 2Q17, notably in Hong Kong where accounts increased $6bn, offsetting in part the balance reduction in the UK

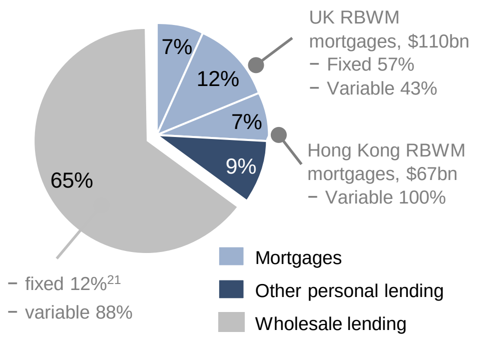


Appendix

Net interest margin supporting information

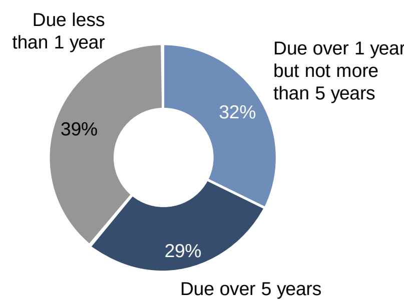
Gross customer lending analysis - $1,042bn

As at 30 Sep 2017

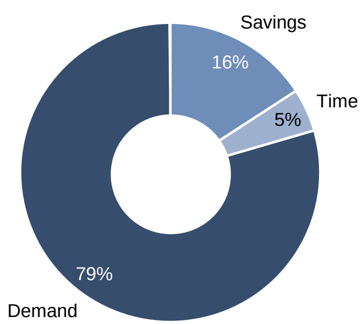


Of our customer lending:

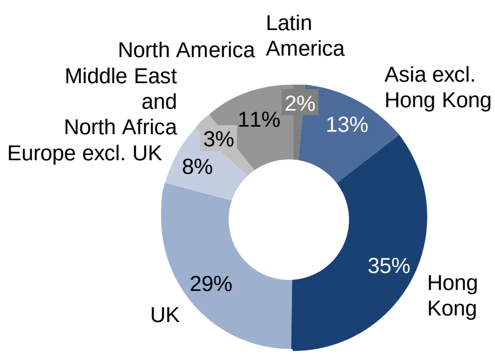
As at 31 Dec 2016



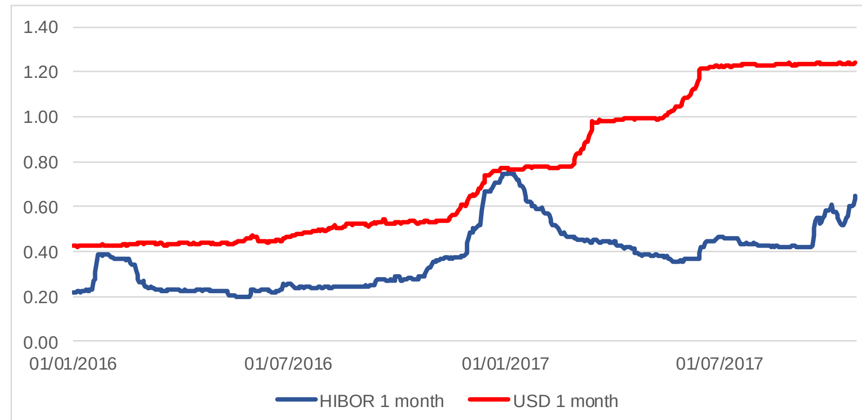
Deposit analysis[22] - $1,337bn:



Regional breakdown:



HIBOR / USD 1 month rate[23]



HKD / USD exchange rate[23]

Appendix
Equity drivers

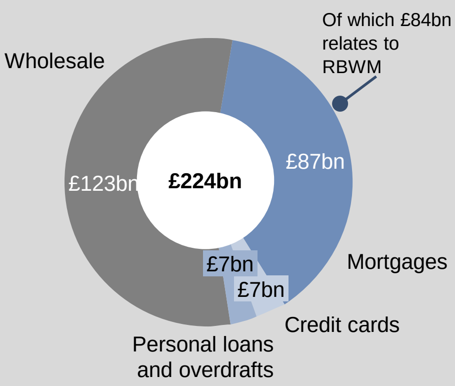
3Q17 vs. 2Q17 Equity drivers

	Shareholders' Equity, $bn	Tangible Equity, $bn	TNAV per share, $	No. of shares (excl. treasury shares), million
As at 30 June 2017	**188.4**	**145.3**	**7.26**	**20,015**
Profit to shareholders	3.2	3.2	0.16	-
Dividends net of scrip[24]	(2.1)	(2.1)	(0.15)	115
AT1 issuances	1.4	-	-	-
FX	2.5	2.1	0.10	-
Adverse fair value movements from own credit risk	(0.4)	(0.4)	(0.02)	-
Buybacks (TNAV per share includes full impact of $2bn to tangible equity. The movement in shares reflects the quantity actually bought back as at 30th September 2017)	(2.0)	(2.0)	(0.06)	(100)
Other	0.0	0.0	0.00	2
As at 30 September 2017	**191.0**	**146.1**	**7.29**	**20,032**

Appendix

UK credit quality

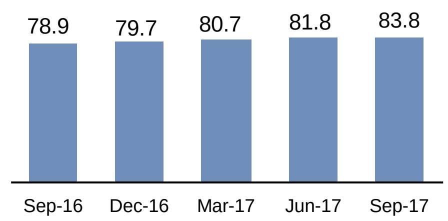
Total UK[25] gross customer advances - £224bn



Total UK gross customer advances of £224bn or ($300bn) which represents 29% of the Group's gross customer advances:

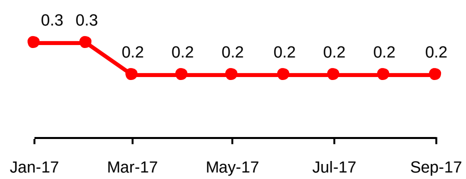
- Continued mortgage growth whilst maintaining extremely conservative loan-to-value (LTV) ratios
- Low levels of buy-to-let mortgages and mortgages on a standard variable rate (SVR)
- Low levels of delinquencies across mortgages and unsecured lending portfolios
- Commercial real estate lending to high quality operators and conservative LTV levels

RBWM residential mortgages[26], £bn



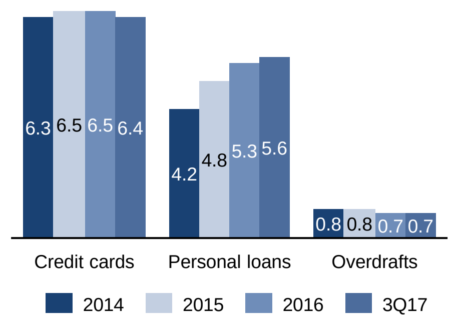
By Loan to Value (LTV)	
Less than 50%	£46.0bn
50% - < 60%	£14.0bn
60% - < 70%	£10.9bn
70% - < 80%	£8.3bn
80% - < 90%	£4.0bn
90% +	£0.6bn

90+ day delinquency trend, %

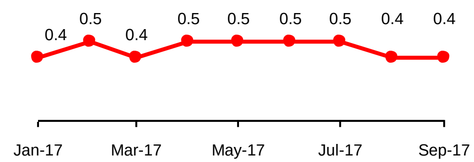


- c.30% of mortgage book is in Greater London
- LTV ratios:
  - c. 55% of the book < 50% LTV
  - new originations average LTV of 61%;
  - average LTV of the total portfolio of 40%
- Buy-to-let mortgages of £2.8bn
- Mortgages on a standard variable rate of £4.0bn
- Interest-only mortgages of £21.4bn

RBWM unsecured lending[27], £bn

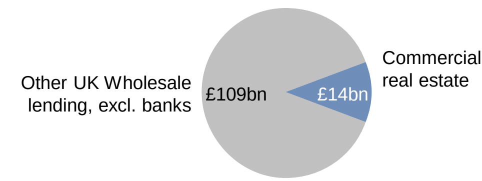


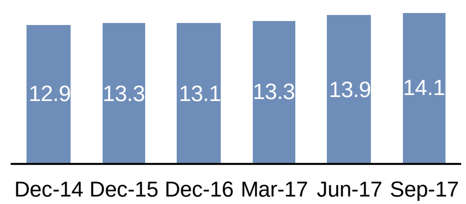
Credit cards: 90+ day delinquency trend, %



- Only c. 16% of outstanding credit card balances are on a 0% balance transfer offer
- HSBC does not provide a specific motor finance offering to consumers although standard personal loans may be used for this purpose
- Growth in unsecured lending has been confined to the personal loans portfolio with tight risk controls
- 3Q17 credit card balances are lower than 2016 year end due to higher seasonal spend in the year end numbers. Compared to end 3Q16 balances are marginally higher

Commercial real estate, £bn





We lend to high quality real estate operators:

- 37% general financing vs. 59% specific property-related financing
- 51% in London and the south east
- 88% investment grade
- We have maintained conservative LTV levels and have strong interest cover

Appendix
Footnotes

1. Annualised
2. Includes the impact of UK bank levy
3. Unless otherwise stated, risk-weighted assets and capital are calculated and presented on a transitional CRD IV basis as implemented in the UK by the Prudential Regulation Authority
4. 9M16 jaws as reported in our 3Q17 Results
5. 'Own credit spread' includes the fair value movements on our long-term debt attributable to credit spread where the net result of such movements will be zero upon maturity of the debt. On 1 January 2017, HSBC adopted the requirements of IFRS 9 relating to the presentation of gains and losses on financial liabilities designated at fair value. As a result, the effects of changes in those liabilities' credit risk is presented in other comprehensive income
6. Where a quarterly trend is presented on the Income Statement, all comparatives are re-translated at average 3Q17 exchange rates
7. Where a quarterly trend is presented on Balance sheet data, all comparatives are re-translated at 30 Sep 2017 exchange rates
8. In the 1Q17 Results Presentation, new individually assessed and collectively assessed allowances were presented as new allowances; in the current disclosure new allowances includes new individually assessed allowances and new collectively assessed allowances net of allowance releases
9. This includes dividends on ordinary shares, dividends on preference shares and coupons on capital securities, classified as equity
10. RoRWA is calculated using annualised profit before tax and reported average risk-weighted assets
11. Adjusted RoRWA is calculated using annualised profit before tax and reported average risk-weighted assets at constant currency adjusted for the effects of significant items
12. Due to the nature of its business, GPB measures the performance of its business through other measures including Net New Money and Return on Client Assets
13. Dividend per ordinary share
14. Further detail on the Monitor and the US deferred prosecution agreement and related agreements and consent orders can be found in our 'Annual Report and Accounts 2016' on pages 82 and 66, respectively
15. Investor day target of $290bn rebased for exchange rates at 30 Sep 2017
16. Includes BSM
17. Includes reductions related to Legacy credit, which following re-segmentation now resides in Corporate Centre
18. 2Q17 as reported at 2Q17 Results; 1Q17 as reported at 1Q17 Results; 1Q16 to 4Q16 included in the '4Q 2016 Global Business Management View of Income' published at 2016FY Results
19. Balances presented by quarter are on a constant currency basis. Reported equivalents for 'Loans and advances to customers' are as follows: 1Q16: $920bn, 2Q16: $888bn, 3Q16: $881bn, 4Q16: $862bn, 1Q17: $876bn, 2Q17: $920bn . Reported equivalents for 'Customer Accounts' are as follows: 1Q16: $1,315bn, 2Q16: $1,291bn, 3Q16: $1,296bn, 4Q16: $1,272bn, 1Q17: $1,273bn, 2Q17: $1,312bn.
20. Red-inked balances relate to corporate customers in the UK, who settle their overdraft and deposit balances on a net basis

Appendix
Footnotes

21. Uses FY2016 split of fixed and variable for commercial lending including lending to banks with greater than 1 year maturity as published in ‘Form 20-F’ as a proxy
22. Based on the average balance sheet at 3Q17. Of the 79% that relates to Demand, 64% is interest bearing with the remaining 15% non-interest bearing
23. Source: Bloomberg
24. Includes dividends to preference shareholders and other equity holders and scrip issuances relating to the first and second interim dividend in 2017
25. Where the country of booking is the UK
26. Includes First Direct balances
27. Includes First Direct, M&S and John Lewis Financial Services

Appendix

Important notice and forward-looking statements

Important notice

The information set out in this presentation and subsequent discussion does not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any recommendation in respect of such securities or instruments.

Forward-looking statements

This presentation and subsequent discussion may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position and business of the Group (together, “forward-looking statements”). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant assumptions and subjective judgements which may or may not prove to be correct and 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. Forward-looking statements are statements about the future and are inherently uncertain and generally based on stated or implied assumptions. The assumptions 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 conditions or regulatory changes). 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 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. Additional detailed information concerning important factors that could cause actual results to differ materially is available in our Interim Report 2017.

This presentation contains non-GAAP financial information. The primary non-GAAP financial measure we use is ‘adjusted performance’ which is computed by adjusting reported results for the period-on-period effects of foreign currency translation differences and significant items which distort period-on-period comparisons. Significant items are those items which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the underlying trends in the business. Reconciliations between non-GAAP financial measurements and the most directly comparable measures under GAAP are provided in the 3Q17 Earnings Release and the Reconciliations of Non-GAAP Financial Measures document which are both available at www.hsbc.com.

Issued by HSBC Holdings plc
Group Investor Relations
8 Canada Square
London E14 5HQ
United Kingdom
www.hsbc.com

Cover image: The Hong Kong-Zhuhai-Macau Bridge: one of the most ambitious infrastructure projects in the Pearl River.

Photography: courtesy of Dragages-China Harbour-VSL JV