



## Group Factbook 30 September 2018

## Connecting customers to opportunities

HSBC aims to be where the growth is, enabling business to thrive and economies to prosper, and ultimately helping people to fulfil their hopes and realise their ambitions.

### Long-term strategy

Our long-term strategy positions us to capture value from our international network, capitalising on global trends affecting the industry and our unique combination of strategic advantages:

- ◆ Leading international bank
- ◆ Unparalleled access to high-growth markets
- ◆ Balance sheet strength

### Group financial targets

**RoTE** >11% by 2020

**Costs** Positive adjusted jaws

**Dividend and capital**

- Sustain dividend<sup>1</sup> through long-term earnings capacity of the businesses
- Share buy-backs subject regulatory approval

### Our Global businesses and Corporate Centre

#### Retail Banking and Wealth Management ('RBWM')

We serve close to 37 million customers across the world to manage their finances, buy their homes, and save and invest for the future. Our Insurance and Asset Management businesses support all our global businesses in meeting their customers' needs.

#### Commercial Banking ('CMB')

We support approximately 1.7 million business customers in 53 countries and territories with banking products and services to help them operate and grow. Our customers range from small enterprises focused primarily on their domestic markets, through to large companies operating globally.

#### Global Banking and Markets ('GB&M')

We serve approximately 4,100 clients in more than 50 countries and territories. We support major government, corporate and institutional clients worldwide. Our product specialists continue to deliver a comprehensive range of transaction banking, financing, advisory, capital markets and risk management services.

#### Global Private Banking ('GPB')

We help high net worth individuals and their families to grow, manage and preserve their wealth.

#### Corporate Centre

Corporate Centre comprises Central Treasury (including Balance Sheet Management), our legacy businesses, interests in our associates and joint ventures, central stewardship costs and the UK bank levy.

### 9M18 Key financial metrics<sup>2</sup>

◆ Denotes an adjusted measure

**RoTE**

9M17: 9.3%

10.1%

**RoE**

9M17: 8.2%

9.0%

**PBT** ◆

9M17: \$17.7bn

\$18.3bn

**Jaws** ◆

(1.6)%

**EPS**

9M17: \$0.50

\$0.56

**CET1 ratio**

9M17: 14.6%

14.3%

**Leverage ratio**

9M17: 5.7%

5.4%

**A/D ratio**

9M17: 70.7%

73.0%

**NAV per share**

9M17: \$8.35

\$8.13

**TNAV per share**

9M17: \$7.29

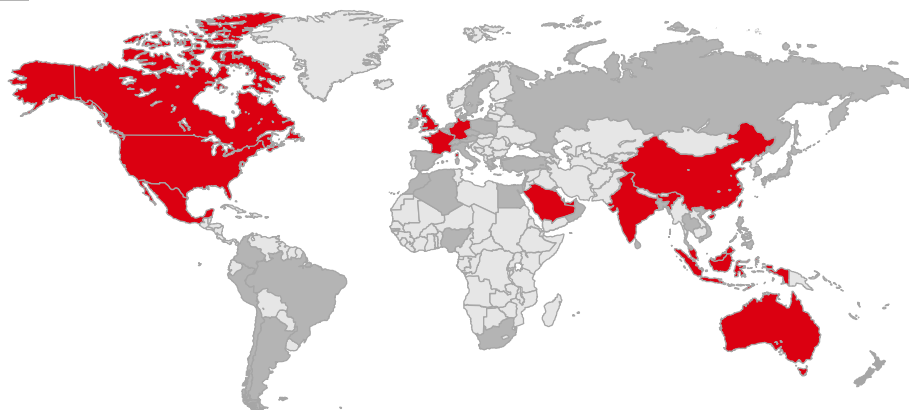
\$7.01

1. Dividend per share

2. A list of definitions can be found in the Interim Report 2018

# HSBC at a glance

- Markets at scale and markets as leading international bank
- Markets to connect the network



66

Markets

>50%

Of Group client revenue connected to the network

>90%

Of global GDP, trade and capital flows covered by our footprint

4

Inter-connected global businesses share balance sheets and liquidity in addition to strong commercial links

## 9M18: by global business, \$bn

|                   | RBWM  | CMB   | GB&M  | GPB  | Total       |
|-------------------|-------|-------|-------|------|-------------|
| Adjusted revenue  | 16.8  | 11.2  | 12.4  | 1.4  | \$41.4bn    |
| Adjusted PBT      | 5.7   | 6.0   | 5.4   | 0.3  | \$18.3bn    |
| Reported RWAs     | 125.0 | 317.1 | 277.5 | 16.3 | \$862.7bn   |
| Customer advances | 356.5 | 332.6 | 250.7 | 39.2 | \$981.5bn   |
| Customer deposits | 636.6 | 352.5 | 285.5 | 63.7 | \$1,345.4bn |

## 9M18: by region, \$bn

|                   | Europe | Asia  | MENA | NAM | LAM | Total       |
|-------------------|--------|-------|------|-----|-----|-------------|
| Adjusted revenue  | 13.9   | 21.9  |      |     |     | \$41.4bn    |
| Adjusted PBT      | 1.4    | 13.8  |      |     |     | \$18.3bn    |
| Reported RWAs     | 297.7  | 360.8 |      |     |     | \$862.7bn   |
| Customer advances | 380.5  | 444.2 |      |     |     | \$981.5bn   |
| Customer deposits | 502.4  | 651.8 |      |     |     | \$1,345.4bn |

## Our strategic priorities (2018-2020)

### Deliver growth from areas of strength

- 1 Accelerate growth from our Asian franchise
  - Build on strength in Hong Kong
  - Invest in PRD, ASEAN, and Wealth in Asia (incl. Insurance and Asset Management)

Be the leading bank to support drivers of global investment: **China-led Belt and Road Initiative** and the transition to a **low carbon economy**
- 2 Complete establishment of UK ring-fenced bank, increase mortgage market share, grow commercial customer base, and improve customer service
- 3 Gain market share and deliver growth from our international network

### Turnaround of low-return businesses

- 4 Turn around our US business
- 5 Improve capital efficiency; redeploy capital into higher return businesses

### Build a bank for the future that puts the customer at the centre

- 6 Create capacity for increasing investments in growth and technology through efficiency gains
- 7 Enhance customer centricity and customer service through investments in technology
  - Invest in digital capabilities to deliver improved customer service
  - Expand the reach of HSBC, including partnerships
  - Safeguard our customers and deliver industry-leading financial crime standards

### Empower our people

- 8 Simplify the organisation and invest in future skills

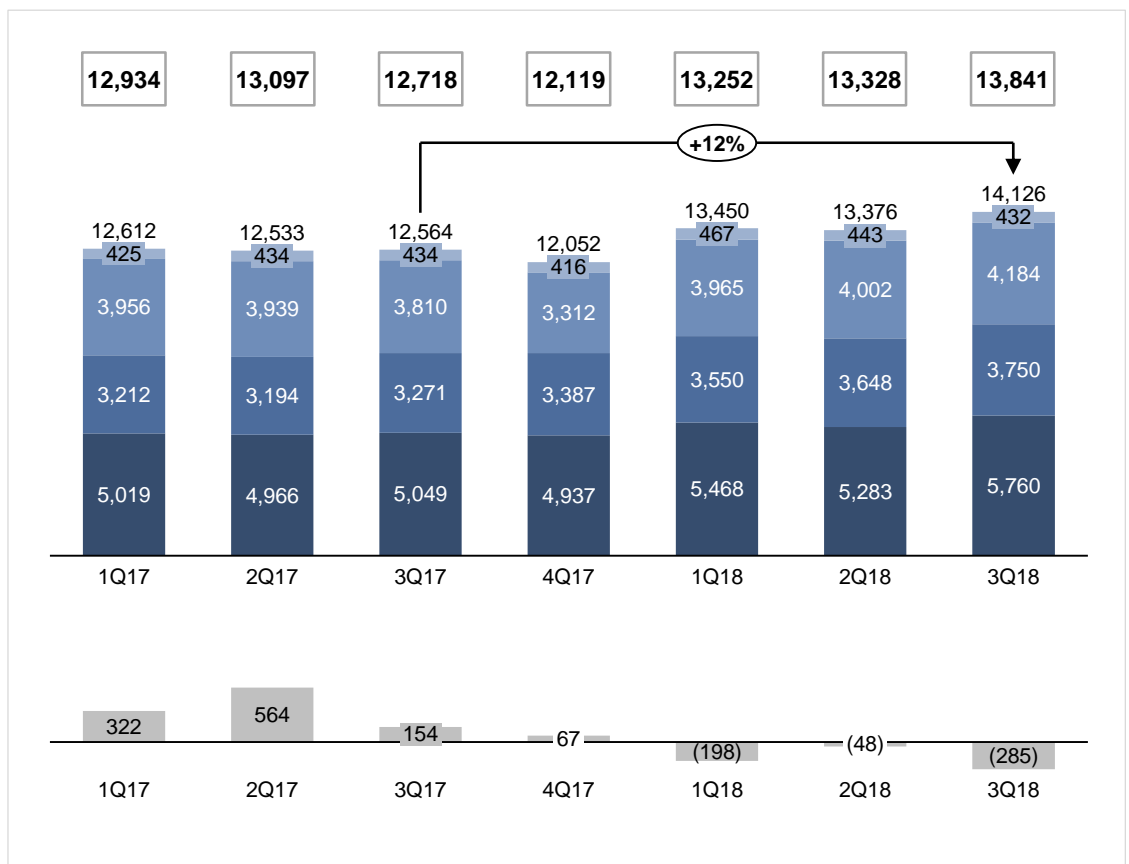
## Adjusted key financial trends (at 3Q18 average exchange rates)

### Revenue by global business

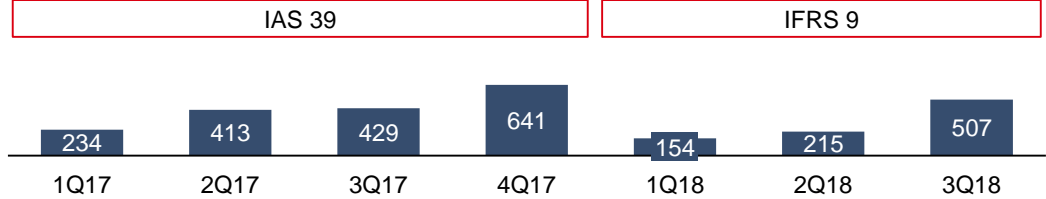
\$m (unless otherwise stated)

- GBP
- GB&M
- CMB
- RBWM

■ Corporate Centre

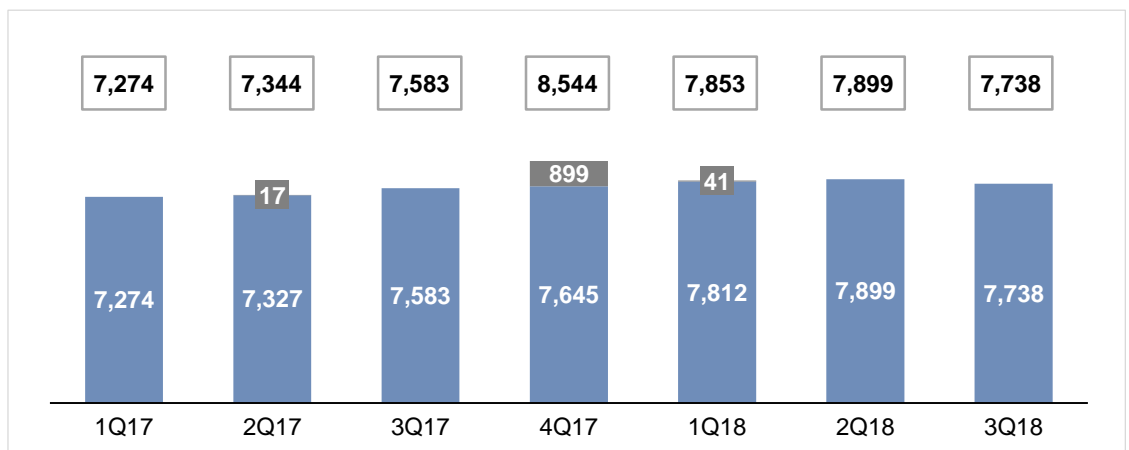


### LICs / ECL



### Operating expenses

- UK bank levy
- Operating expenses ex bank levy



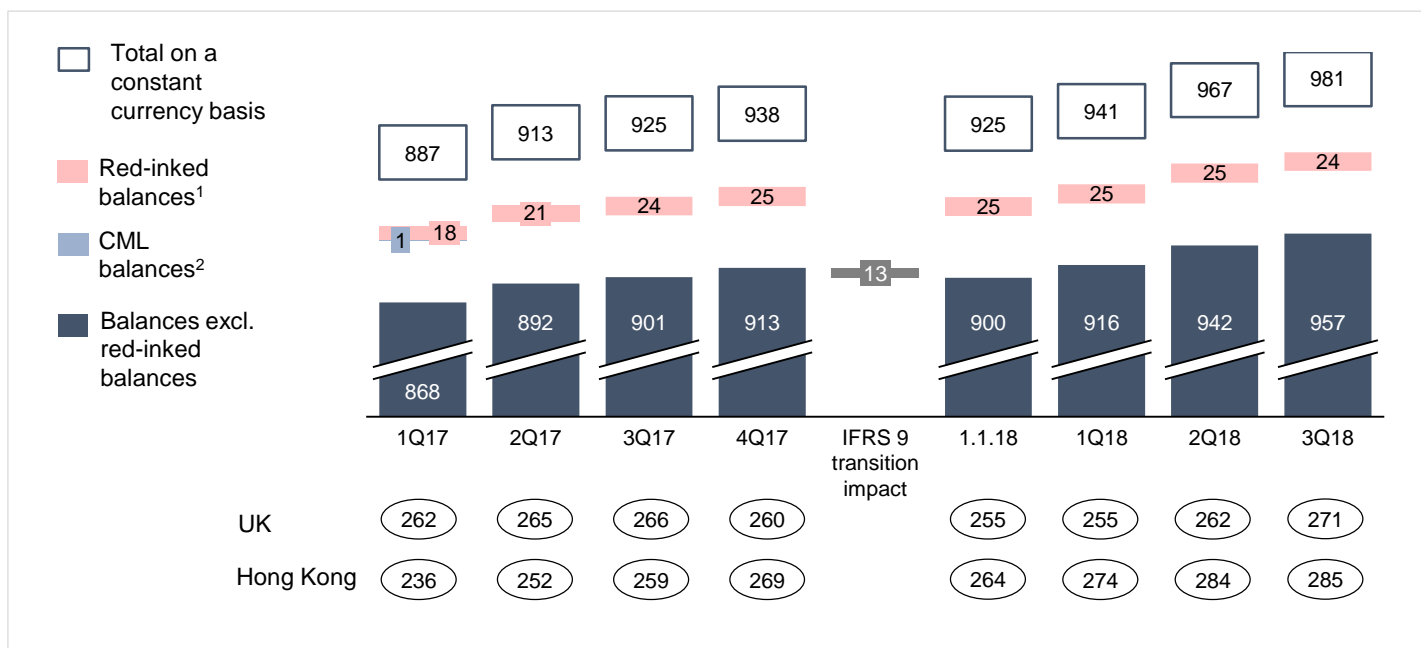
### Share of profit from associates and joint ventures



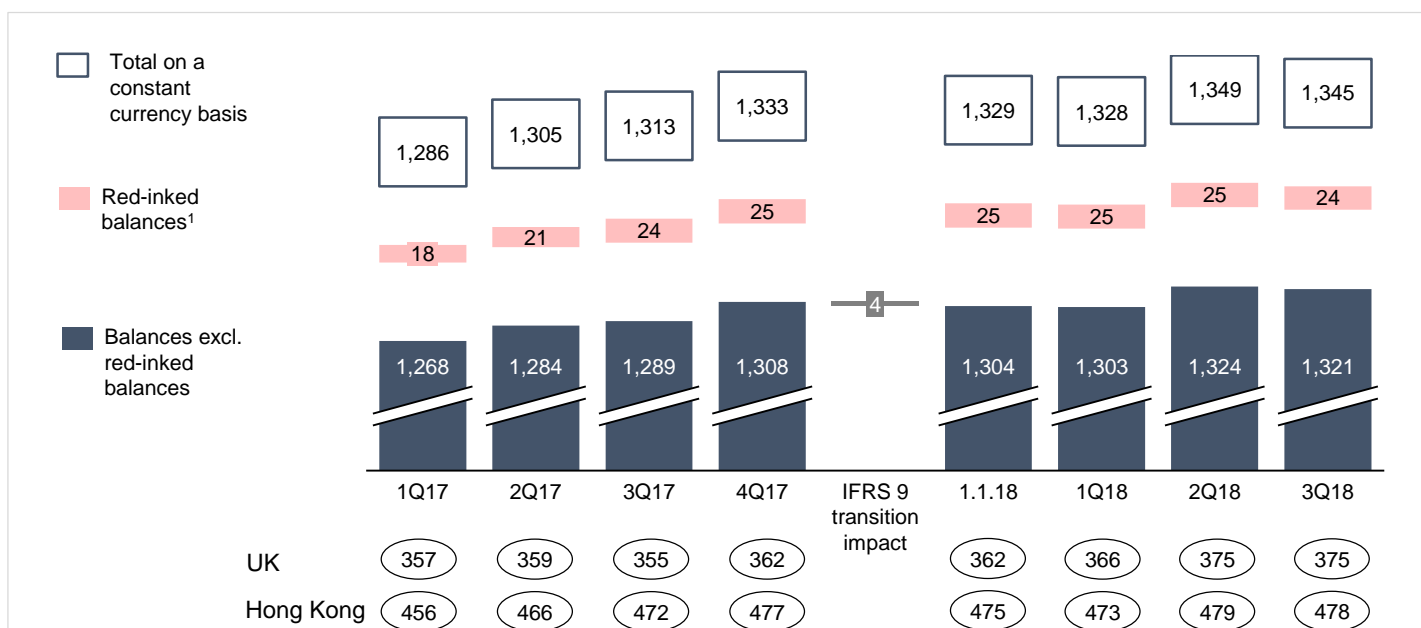
### Profit before tax



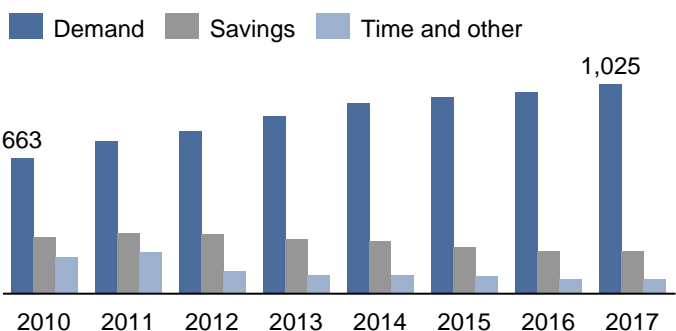
## 9M18 Net loans and advances to customers, \$bn



## 9M18 Customer deposits, \$bn

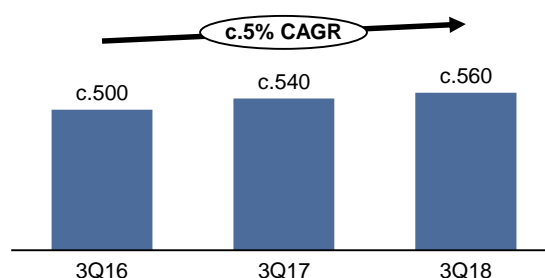


### Customer accounts<sup>3</sup>, US\$bn



### Average GLCM deposits, US\$bn

(Includes banks and affiliate balances)



- Red-iniked balances relate to corporate customers in the UK, who settle their overdraft and deposit balances on a net basis
- Consumer and Mortgage Lending (US)
- Source: Form 20-F; Average balances on a reported basis

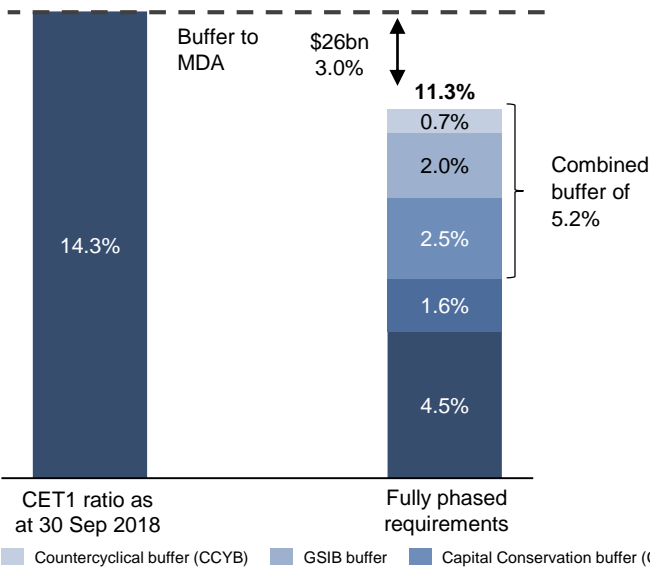
## ◆ Issuance strategy and plan

- HSBC Holdings is the Group's principal issuing entity for AT1, T2 and Senior MREL
- MREL debt will be downstreamed, where appropriate, in a form compliant with local regulations
- Issuance over time to broadly match group currency exposures
- Issuance executed with consideration to our maturity profile
- Selected operating subsidiaries may issue to meet local funding and liquidity requirements
- 2018 issuance plan achieved; we may look to pre-fund part of our 2019 Senior HoldCo issuance

## Group capital and estimated MREL requirements<sup>1</sup>

### Group CET1 requirements

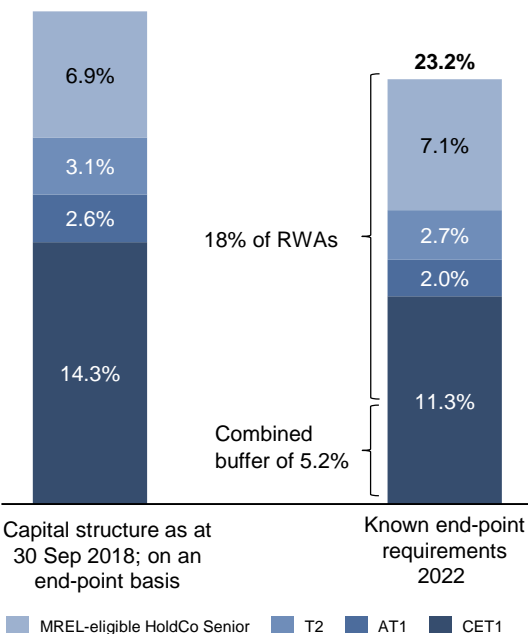
Common equity tier 1 ratio versus Maximum Distributable Amount ("MDA")



- 14.3% CET1 ratio, down 30bps from 1 Jan 2018 (after the IFRS9 transitional day 1 impact)
- \$11.1bn of profit attributable to ordinary shareholders in 9M18
- \$36.5bn of distributable reserves at 1H18
- Throughout the period from 2018 to 2020, our plan assumes our CET1 ratio will be above 14%
- Our 2018 Pillar 2A requirement, as per the PRA's Individual Capital Guidance based on a point in time assessment, is 2.9% of RWAs, of which 1.6% is met by CET1 (previously 3.5% of RWAs of which 2.0% was met by CET1)

### Total capital and estimated MREL requirements

Regulatory capital and MREL-eligible HoldCo Senior versus regulatory requirements as a % of RWAs



- AT1 and Senior MREL increased in 9M18 due to planned issuance
- Tier 2 increased due to the change in regulatory capital recognition of selected capital securities
- HSBC group MREL requirement for 2022 is the greater of:
  - 18% of RWAs
  - 6.75% of leverage exposures
  - The sum of requirements relating to each of its resolution groups
- We are currently evaluating HKMA proposals, and await final rules
- HSBC manages its capital and debt securities to meet end-point regulatory requirements, as well as funding and other business needs
- HSBC has a Multiple Point of Entry resolution strategy

1. MREL requirements per guidance from the Bank of England. The 2019 and 2022 MREL requirements are subject to a number of caveats including: changes to the firm and its balance sheet (RWAs, FX and leverage); liability management and share buy backs; changes in accounting and regulatory policy; stress test requirements and, not least, confirmation of the final requirements from the Bank of England and other regulators, including the resolution strategy which is subject to revision on a regular basis. For further notes please refer to the HSBC Holdings plc Interim Report and Fixed Income Investor Presentation 1H18.

## 9M18 Group results<sup>1</sup> (comparison vs. 9M17)

| By global business, \$bn  | RBWM        | CMB         | GB&M          | GPB         | Corporate Centre | Group         |
|---------------------------|-------------|-------------|---------------|-------------|------------------|---------------|
| Revenue                   | 16.8 10%    | 11.2 13%    | 12.4 4%       | 1.4 4%      | (0.4) (>100)%    | 41.4 4%       |
| ECL / LICs                | (0.8) (6)%  | (0.3) (3)%  | 0.1 >100%     | 0.0 >100%   | 0.1 19%          | (0.9) 16%     |
| Operating expenses        | (10.3) (9)% | (4.9) (11)% | (7.2) (4)%    | (1.1) 0%    | (0.7) 27%        | (24.1) (6)%   |
| Associates and JVs        | 0.0 >100%   | - 0%        | 0.0 0%        | - 0%        | 2.0 4%           | 2.0 5%        |
| Profit before tax         | 5.7 13%     | 6.0 16%     | 5.4 7%        | 0.3 43%     | 0.9 (57)%        | 18.3 4%       |
| RoTE <sup>2</sup> (%)     | 22.8 0.3ppt | 14.5 0.3ppt | 12.5 0.5ppt   | 10.9 4.9ppt | (4.8) (3.8)ppt   | 11.4 0.5ppt   |
| Cost efficiency ratio (%) | 61.1 0.6ppt | 43.7 1.0ppt | 57.5 (0.2)ppt | 80.2 3.2ppt | nm -             | 58.3 (0.9)ppt |
| Reported RWAs             | 125.0 3%    | 317.1 6%    | 277.5 (9)%    | 16.3 (1)%   | 126.8 (14)%      | 862.7 (3)%    |
| Customer advances         | 356.5 8%    | 332.6 8%    | 250.7 4%      | 39.2 1%     | 2.5 (65)%        | 981.5 6%      |
| Customer deposits         | 636.6 3%    | 352.5 2%    | 285.5 7%      | 63.7 (5)%   | 7.1 (54)%        | 1,345.4 2%    |
| A/D ratio (%)             | 56.0 2.7ppt | 94.4 4.9ppt | 87.8 (2.2)ppt | 61.5 3.9ppt | 35.1 (11.1)ppt   | 73.0 2.5ppt   |

| By region, \$bn            | Europe        | Asia          | MENA          | North America | Latin America | Group         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenue                    | 13.9 (3)%     | 21.9 12%      | 2.0 2%        | 5.2 9%        | 2.2 1%        | 41.4 4%       |
| ECL / LICs                 | (0.2) (24)%   | (0.4) 25%     | (0.2) (18)%   | 0.3 64%       | (0.4) 0%      | (0.9) 16%     |
| Operating expenses         | (12.4) (7)%   | (9.3) (12)%   | (1.0) (3)%    | (3.9) (6)%    | (1.4) (1)%    | (24.1) (6)%   |
| Associates and JVs         | 0.0 (28)%     | 1.6 8%        | 0.4 (2)%      | 0.0 (100)%    | 0.0 0%        | 2.0 5%        |
| Profit before tax          | 1.4 (48)%     | 13.8 13%      | 1.2 (2)%      | 1.6 22%       | 0.4 2%        | 18.3 4%       |
| Cost efficiency ratio (%)  | 88.9 (8.2)ppt | 42.3 (0.0)ppt | 50.0 (0.3)ppt | 75.0 1.6ppt   | 62.8 0.0ppt   | 58.3 (0.9)ppt |
| Reported RWAs <sup>3</sup> | 297.7 (8)%    | 360.8 2%      | 57.4 (3)%     | 132.1 (3)%    | 38.9 1%       | 862.7 (3)%    |
| Customer advances          | 380.5 2%      | 444.2 10%     | 29.0 10%      | 106.5 1%      | 21.3 25%      | 981.5 6%      |
| Customer deposits          | 502.4 5%      | 651.8 2%      | 36.0 10%      | 131.1 (8)%    | 24.2 31%      | 1,345.4 2%    |
| A/D ratio (%)              | 75.7 (2.0)ppt | 68.1 5.0ppt   | 80.5 0.3ppt   | 81.3 7.3ppt   | 88.2 (4.1)ppt | 73.0 2.5ppt   |

1. All numbers presented are on an adjusted basis unless otherwise stated
2. Group RoTE and global business RoTEs exclude significant items and UK bank levy
3. RWAs are non-additive across geographical regions due to market risk diversification effects within the Group

## UK by global business: 2017 Results<sup>1</sup> (comparison vs. 2016)



### UK by global business, \$bn

|                           | Global businesses and Corporate Centre |             |               |               |                  | Group                |
|---------------------------|--|-------------|---------------|---------------|------------------|----------------------|
|                           | RBWM                                   | CMB         | GB&M          | GPB           | Corporate Centre |                      |
| Revenue                   | 4.8 5%                                 | 3.5 2%      | 4.0 10%       | 0.3 (17)%     | 0.4 >100%        | <b>13.0</b> 7%       |
| LICs                      | (0.1) (14)%                            | (0.1) 46%   | (0.4) (>100)% | (0.0) (>100)% | 0.2 56%          | <b>(0.5)</b> (>100)% |
| Operating expenses        | (4.0) (8)%                             | (1.7) (7)%  | (3.4) (20)%   | (0.3) (10)%   | (3.2) (10)%      | <b>(12.6)</b> (9)%   |
| Associates and JVs        | 0.0 (100)%                             | - 0%        | - (100)%      | - 0%          | 0.0 >100%        | <b>0.0</b> >100%     |
| Profit before tax         | 0.6 (16)%                              | 1.7 5%      | 0.2 (68)%     | (0.0) (>100)% | (2.6) 2%         | <b>(0.1)</b> (>100)% |
| Cost efficiency ratio (%) | 84.6 2.9ppt                            | 48.0 2.1ppt | 85.7 0.2ppt   | >100 26.2ppt  | >100 (>100)ppt   | <b>97.2</b> 2.0ppt   |
| Customer advances         | 134.3 7%                               | 88.9 7%     | 62.3 (12)%    | 7.3 (2)%      | 2.8 8%           | <b>295.5</b> 2%      |
| Customer deposits         | 181.6 4%                               | 110.2 3%    | 95.9 (2)%     | 13.9 (7)%     | 0.2 (81)%        | <b>401.7</b> 2%      |
| A/D ratio (%)             | 74.0 2.2ppt                            | 80.7 2.7ppt | 64.9 (7.4)ppt | 52.1 2.7ppt   | >100 >100ppt     | <b>73.6</b> 0.4ppt   |

## Hong Kong by global business: 9M18 Results<sup>2</sup> (comparison vs. 9M17)



### Hong Kong by global business, \$bn

|                           | Global businesses and Corporate Centre |             |               |               |                  | Group              |
|---------------------------|--|-------------|---------------|---------------|------------------|--------------------|
|                           | RBWM                                   | CMB         | GB&M          | GPB           | Corporate Centre |                    |
| Revenue                   | 6.9 20%                                | 3.3 22%     | 2.4 12%       | 0.5 27%       | 0.8 (19)%        | <b>13.9</b> 16%    |
| ECL / LICs                | (0.1) (8)%                             | (0.0) (91)% | 0.0 nm        | 0.0 nm        | 0.0 nm           | <b>(0.1)</b> (73)% |
| Operating expenses        | (2.1) 17%                              | (0.9) 21%   | (1.1) 12%     | (0.2) 28%     | (0.5) (19)%      | <b>(4.8)</b> (12)% |
| Associates and JVs        | 0.0 nm                                 | - 0%        | - 0%          | - 0%          | 0.0 nm           | <b>0.0</b> nm      |
| Profit before tax         | 4.7 22%                                | 2.4 37%     | 1.3 21%       | 0.3 26%       | 0.3 (19)%        | <b>9.0</b> 23%     |
| Cost efficiency ratio (%) | 30.8 0.6ppt                            | 27.4 0.3ppt | 46.4 0.2ppt   | 47.8 (2.0)ppt | 58.7 (1.5)ppt    | <b>34.8</b> 1.0ppt |
| Customer advances         | 92.9 12%                               | 101.9 8%    | 78.9 14%      | 11.2 2%       | 0.1 (92)%        | <b>285.0</b> 10%   |
| Customer deposits         | 288.9 1%                               | 123.4 0%    | 47.9 6%       | 17.6 0%       | 0.4 (53)%        | <b>478.2</b> 1%    |
| A/D ratio (%)             | 32.1 3.1ppt                            | 82.6 6.6ppt | 164.9 11.1ppt | 63.5 1.0ppt   | 33.1 nm          | <b>60%</b> 4.8ppt  |

- 2017 results as disclosed in the Full year Group factbook 2017
- All numbers presented are on an adjusted basis unless otherwise stated



## Global business management view of adjusted revenue

| \$m   | 1Q17   | 2Q17   | 3Q17   | 4Q17   | 1Q18   | 2Q18   | 3Q18   |
|---|--------|--------|--------|--------|--------|--------|--------|
| <b>Total Group revenue</b>                                  | 12,934 | 13,097 | 12,718 | 12,119 | 13,252 | 13,328 | 13,841 |
| Total adjusted revenue as previously disclosed <sup>1</sup> | 12,843 | 13,210 | 13,031 | 12,440 | 13,850 | 13,685 | 13,841 |
| \$m   | 1Q17   | 2Q17   | 3Q17   | 4Q17   | 1Q18   | 2Q18   | 3Q18   |
| <b>Retail Banking</b>                                       | 3,245  | 3,301  | 3,353  | 3,394  | 3,512  | 3,680  | 3,930  |
| Current accounts, savings and deposits                      | 1,453  | 1,530  | 1,568  | 1,677  | 1,794  | 1,995  | 2,326  |
| Personal lending  | 1,792  | 1,771  | 1,785  | 1,717  | 1,718  | 1,685  | 1,604  |
| Mortgages   | 604    | 564    | 591    | 579    | 554    | 503    | 426    |
| Credit cards  | 722    | 742    | 720    | 663    | 696    | 710    | 711    |
| Other personal lending                                      | 466    | 465    | 474    | 475    | 468    | 472    | 467    |
| <b>Wealth Management</b>                                    | 1,656  | 1,557  | 1,555  | 1,393  | 1,775  | 1,541  | 1,595  |
| Investment distribution                                     | 801    | 795    | 882    | 772    | 1,021  | 850    | 804    |
| Life insurance manufacturing                                | 601    | 497    | 413    | 344    | 482    | 424    | 529    |
| Asset management  | 254    | 265    | 260    | 277    | 272    | 267    | 262    |
| Other   | 118    | 108    | 141    | 150    | 181    | 62     | 235    |
| <b>Total</b>  | 5,019  | 4,966  | 5,049  | 4,937  | 5,468  | 5,283  | 5,760  |
| Adjusted revenue as previously disclosed <sup>1</sup>       | 5,009  | 5,034  | 5,183  | 5,061  | 5,669  | 5,396  | 5,760  |
| \$m   | 1Q17   | 2Q17   | 3Q17   | 4Q17   | 1Q18   | 2Q18   | 3Q18   |
| <b>Commercial Banking</b>                                   | 450    | 448    | 455    | 445    | 448    | 466    | 468    |
| Global Trade and Receivables Finance                        | 1,227  | 1,235  | 1,275  | 1,295  | 1,270  | 1,313  | 1,336  |
| Credit and Lending  | 1,109  | 1,149  | 1,202  | 1,252  | 1,299  | 1,408  | 1,485  |
| Global Liquidity and Cash Management                        | 426    | 362    | 339    | 395    | 533    | 461    | 461    |
| Markets products, Insurance and Investments and other       | 3,212  | 3,194  | 3,271  | 3,387  | 3,550  | 3,648  | 3,750  |
| Adjusted revenue as previously disclosed <sup>1</sup>       | 3,191  | 3,216  | 3,347  | 3,469  | 3,699  | 3,740  | 3,750  |
| \$m   | 1Q17   | 2Q17   | 3Q17   | 4Q17   | 1Q18   | 2Q18   | 3Q18   |
| <b>Global Private Banking</b>                               | 180    | 179    | 172    | 164    | 205    | 177    | 166    |
| Investment  | 94     | 96     | 98     | 101    | 100    | 97     | 96     |
| Lending   | 90     | 102    | 103    | 107    | 120    | 122    | 126    |
| Deposit   | 61     | 57     | 61     | 44     | 42     | 47     | 44     |
| Other   | 425    | 434    | 434    | 416    | 467    | 443    | 432    |
| Adjusted revenue as previously disclosed <sup>1</sup>       | 415    | 431    | 437    | 420    | 482    | 447    | 432    |

| \$m   | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  |
|---|-------|-------|-------|-------|-------|-------|-------|
| <b>Global Markets</b>                                 | 1,978 | 1,793 | 1,657 | 1,265 | 1,785 | 1,567 | 1,744 |
| <b>FICC</b>   | 1,632 | 1,465 | 1,329 | 1,005 | 1,377 | 1,294 | 1,460 |
| Foreign Exchange                                      | 629   | 720   | 595   | 597   | 708   | 786   | 826   |
| Rates   | 666   | 504   | 543   | 267   | 426   | 341   | 384   |
| Credit  | 337   | 241   | 191   | 141   | 243   | 167   | 250   |
| Equities  | 346   | 328   | 328   | 260   | 408   | 273   | 284   |
| <b>Securities Services</b>                            | 413   | 434   | 435   | 457   | 462   | 486   | 498   |
| <b>Global Banking</b>                                 | 912   | 1,061 | 928   | 898   | 970   | 1,027 | 908   |
| <b>GLCM</b>   | 519   | 516   | 552   | 583   | 606   | 623   | 677   |
| <b>GTRF</b>   | 182   | 177   | 170   | 165   | 173   | 175   | 191   |
| <b>Principal Investments</b>                          | 30    | 50    | 177   | 63    | 69    | 100   | 109   |
| Other revenue   | (77)  | 1     | (45)  | (18)  | (39)  | 2     | 19    |
| Credit and Funding Valuation adjustments              | (1)   | (93)  | (64)  | (101) | (61)  | 22    | 38    |
| <b>Total</b>  | 3,956 | 3,939 | 3,810 | 3,312 | 3,965 | 4,002 | 4,184 |
| Adjusted revenue as previously disclosed <sup>1</sup> | 3,886 | 3,937 | 3,878 | 3,390 | 4,148 | 4,117 | 4,184 |

| \$m  | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  |
|--|-------|-------|-------|-------|-------|-------|-------|
| <b>Central Treasury</b>                                      | 456   | 525   | 481   | 286   | (2)   | 249   | 111   |
| Balance Sheet Management                                     | 853   | 686   | 568   | 638   | 589   | 696   | 535   |
| Holdings interest expense                                    | (247) | (207) | (195) | (239) | (299) | (288) | (340) |
| Valuation differences on long-term debt and associated swaps | (68)  | 121   | 124   | (57)  | (241) | (124) | (15)  |
| Other central treasury                                       | (82)  | (75)  | (16)  | (56)  | (51)  | (35)  | (69)  |
| <b>Legacy Credit</b>   | -     | 59    | (18)  | (72)  | 4     | (109) | 27    |
| Other  | (134) | (20)  | (309) | (147) | (200) | (188) | (423) |
| <b>Total</b>   | 322   | 564   | 154   | 67    | (198) | (48)  | (285) |
| Adjusted revenue as previously disclosed <sup>1</sup>        | 342   | 592   | 186   | 100   | (148) | (15)  | (285) |

| \$m                               | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <b>Global Banking and Markets</b> | 3,886 | 3,937 | 3,878 | 3,390 | 4,148 | 4,117 | 4,184 |

| \$m   | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  |
|---|-------|-------|-------|-------|-------|-------|-------|
| <b>Corporate Centre</b>                               | 450   | 448   | 455   | 445   | 448   | 466   | 468   |
| Global Trade and Receivables Finance                  | 1,227 | 1,235 | 1,275 | 1,295 | 1,270 | 1,313 | 1,336 |
| Credit and Lending                                    | 1,109 | 1,149 | 1,202 | 1,252 | 1,299 | 1,408 | 1,485 |
| Markets products, Insurance and Investments and other | 426   | 362   | 339   | 395   | 533   | 461   | 461   |
| <b>Total</b>  | 3,212 | 3,194 | 3,271 | 3,387 | 3,550 | 3,648 | 3,750 |
| Adjusted revenue as previously disclosed <sup>1</sup> | 3,191 | 3,216 | 3,347 | 3,469 | 3,699 | 3,740 | 3,750 |
| \$m   | 1Q17  | 2Q17  | 3Q17  | 4Q17  | 1Q18  | 2Q18  | 3Q18  |
| <b>Global Private Banking</b>                         | 180   | 179   | 172   | 164   | 205   | 177   | 166   |
| Investment  | 94    | 96    | 98    | 101   | 100   | 97    | 96    |
| Lending   | 90    | 102   | 103   | 107   | 120   | 122   | 126   |
| Deposit   | 61    | 57    | 61    | 44    | 42    | 47    | 44    |
| Other   | 425   | 434   | 434   | 416   | 467   | 443   | 432   |
| Adjusted revenue as previously disclosed <sup>1</sup> | 415   | 431   | 437   | 420   | 482   | 447   | 432   |

1. 2Q18 as reported at 2Q18 Results; 1Q18 as reported at 1Q18 Results; 4Q17 as reported at 4Q17 Results; 3Q17 as reported at 3Q17 Results; 2Q17 as reported at 2Q17 Results; 1Q17 as reported at 1Q17 Results.



## Net interest income sensitivity, \$m

As at 30 Jun 2018

Sensitivity of NII to a 25bps / 100bps instantaneous change in yield curves (12 months), for further commentary and information, refer to pages 66 and 67 of the 2018 Interim Report

|         | USD   | HKD   | GBP     | EUR  | Other | Total   |
|---------|-------|-------|---------|------|-------|---------|
| +25bps  | 107   | 206   | 218     | 82   | 199   | 812     |
| -25bps  | (67)  | (210) | (291)   | (5)  | (158) | (731)   |
| +100bps | 285   | 634   | 862     | 502  | 748   | 3,031   |
| -100bps | (652) | (958) | (1,046) | (41) | (737) | (3,434) |

NII sensitivity following a 25bps and 100bps instantaneous change in yield curves (5 years)

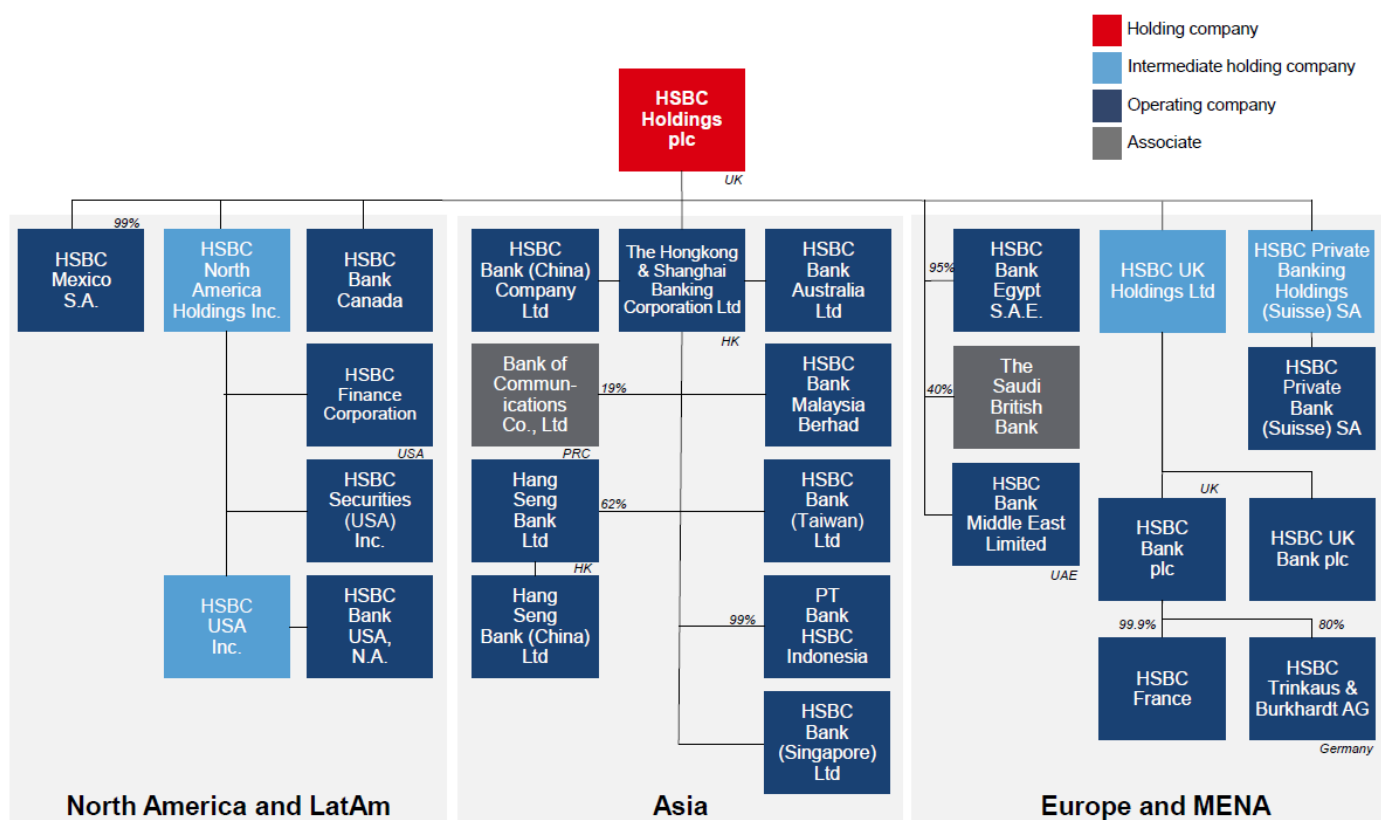
| \$m     | Year 1  | Year 2  | Year 3  | Year 4  | Year 5  | Total    |
|---------|---------|---------|---------|---------|---------|----------|
| +25bps  | 812     | 1,111   | 1,311   | 1,405   | 1,493   | 6,132    |
| -25bps  | (731)   | (1,087) | (1,155) | (1,315) | (1,400) | (5,688)  |
| +100bps | 3,031   | 4,123   | 4,792   | 5,186   | 5,532   | 22,664   |
| -100bps | (3,434) | (4,692) | (4,957) | (5,536) | (5,906) | (24,525) |

Key assumptions:

- Static balance sheet
- No changes to product re-pricing assumptions after Year 1
- Sensitivity presented above is incremental to current yield curves

## Simplified legal entity structure

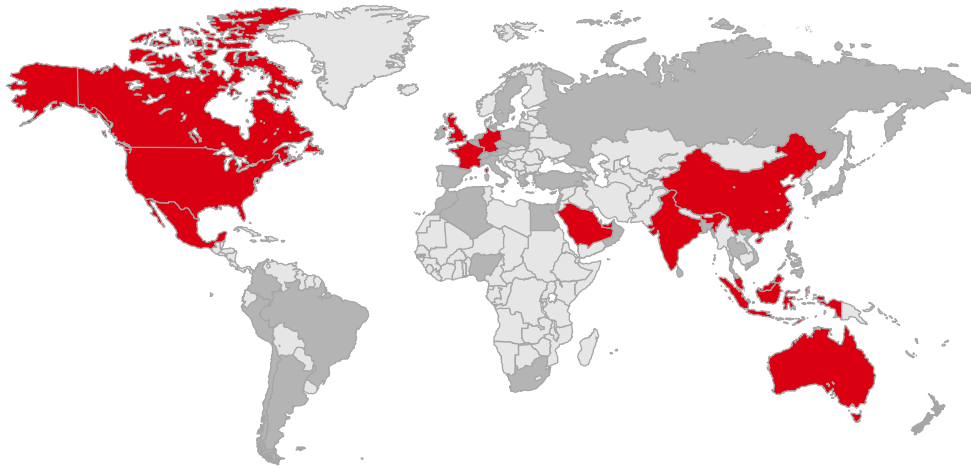
As at 1 October 2018



## Our markets

■ Markets at scale and markets as leading international bank

■ Markets to connect the network



### Europe

- UK
- France
- Germany
- Switzerland
- Armenia
- Austria
- Belgium
- Channel Islands
- Czech Republic
- Greece
- Ireland
- Isle of Man
- Israel
- Italy
- Luxembourg
- Malta
- Monaco
- Netherlands
- Poland
- Russia
- Spain
- Sweden

### Asia

- Hong Kong
- Australia
- Mainland China
- India
- Indonesia
- Malaysia
- Singapore
- Taiwan
- Bangladesh
- Japan
- Macau
- Maldives
- Mauritius
- New Zealand
- Philippines
- South Korea
- Sri Lanka
- Thailand
- Vietnam

### Middle East and North Africa

- Egypt
- Saudi Arabia
- UAE
- Algeria
- Bahrain
- Kuwait
- Lebanon
- Morocco
- Oman
- Qatar
- Turkey
- Nigeria
- South Africa

### North America

- Canada
- USA
- Bermuda
- British Virgin Islands
- Cayman Islands

### Latin America

- Mexico
- Argentina
- Brazil
- Chile
- Colombia
- Peru
- Uruguay

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### Non-GAAP financial information

This presentation contains non-GAAP financial information. The primary non-GAAP financial measures we use are presented on an 'adjusted performance' basis 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 2017 20-F, the Interim Report and the corresponding Reconciliations of Non-GAAP Financial Measures document which are available at [www.hsbc.com](http://www.hsbc.com).

Information in this presentation was prepared as at 6 August 2018.



