

HSBC HOLDINGS PLC

G-SIB INDICATORS DISCLOSURE

31 December 2022

G-SIB indicators disclosures

The disclosure

The 'HSBC Holdings plc G-SIB Indicators Disclosure 2022 year-end template' sets out data to be used by the Financial Stability Board and the Basel Committee on Banking Supervision in determining HSBC's 2023 global systemically important bank ('G-SIB') ranking and which will ultimately inform the G-SIB capital buffer to be applied in 2025. The data is at 31 December 2022 and has been prepared in accordance with instructions for the 2022 year-end data collection exercise of the Basel Macro Prudential Supervision Group, and conforms to the European Banking Authority ('EBA') Implementing Technical Standards. As instructed, we have used the regulatory consolidation scope unless otherwise required.

The G-SIB assessment methodology

Under the Basel Committee's G-SIB ranking and capital charge assessment methodology, which the EBA's methodology reflects, a group of the largest banks, as a proxy for the global banking sector, is scored under thirteen indicators.

The score for each indicator is calculated by dividing a bank's reported value by the aggregate of the values for that indicator reported by the reference group. This amount is then expressed in points. For example: if a bank's reported 'Size' indicator made up 3% of the aggregate value reported, its score for this indicator would be 300 points.

The score in each of the five main categories is then determined as a simple average of the indicator scores within that category (subject to a cap on the score for Substitutability), and the bank's overall score as a simple average of the five category scores.

It is important to note that a bank's ranking for the purpose of allocation of a capital charge on the scale 0% to 3.5% will therefore be driven by its relative complexity, substitutability, etc. compared with the entire reference group of banks, materially influenced by those of the largest banks in the group.

Thus, if a bank were significantly to shrink its size, simplify operations and reduce complexity, but others were to take even greater steps in this regard, then that bank might nevertheless rise in the overall ranking and potentially incur an increased capital buffer.

End-2022 G-SIB Assessment Exercise

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	GB
(2) Bank name	1002	HSBC Holdings plc
(3) Reporting date (yyyy-mm-dd)	1003	2022-12-31
(4) Reporting currency	1004	USD
(5) Euro conversion rate	1005	0.937558597
(6) Submission date (yyyy-mm-dd)	1006	2023-04-27
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1000000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2023-04-27
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20
(6) LEI code	2015	MLU0Z03ML4LN2LL2TL39

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million USD
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	37,664
(2) Capped notional amount of credit derivatives	1201	5,156
(3) Potential future exposure of derivative contracts	1018	97,389
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	294,908
(2) Counterparty exposure of SFTs	1014	12,021
c. Other assets	1015	2,244,524
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	510,276
(2) Items subject to a 20% CCF	1022	58,290
(3) Items subject to a 50% CCF	1023	321,646
(4) Items subject to a 100% CCF	1024	22,261
e. Regulatory adjustments	1031	50,234
f. Total exposures prior to regulatory adjustments (sum of items 2.a.(1) through 2.c., 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	2,937,432
g. Exposures of insurance subsidiaries not included in 2.f net of intragroup:		
(1) On-balance sheet and off-balance sheet assets of insurance subsidiaries	1701	148,669
(2) Potential future exposure of derivatives contracts of insurance subsidiaries	1205	244
(3) Investment value in consolidated entities	1208	16,571
h. Intragroup exposures included in 2.f to insurance subsidiaries reported in 2.g	2101	5,009
i. Total exposures indicator, including insurance subsidiaries (sum of items 2.f, 2.g.(1) through 2.g.(2) minus 2.g.(3) through 2.h)	1117	3,064,766

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million USD
a. Funds deposited with or lent to other financial institutions	1216	107,597
(1) Certificates of deposit	2102	2,078
b. Unused portion of committed lines extended to other financial institutions	1217	7,084
c. Holdings of securities issued by other financial institutions		
(1) Secured debt securities	2103	17,764
(2) Senior unsecured debt securities	2104	27,142
(3) Subordinated debt securities	2105	487
(4) Commercial paper	2106	129
(5) Equity securities	2107	51,419
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	2108	11,204
d. Net positive current exposure of SFTs with other financial institutions	1219	11,130
e. OTC derivatives with other financial institutions that have a net positive fair value		
(1) Net positive fair value	2109	4,594
(2) Potential future exposure	2110	40,340
f. Intra-financial system assets indicator, including insurance subsidiaries (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	1215	256,483

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in million USD
a. Funds deposited by or borrowed from other financial institutions		
(1) Deposits due to depository institutions	2111	38,985
(2) Deposits due to non-depository financial institutions	2112	180,858
(3) Loans obtained from other financial institutions	2113	5,966
b. Unused portion of committed lines obtained from other financial institutions	1223	4,967
c. Net negative current exposure of SFTs with other financial institutions	1224	28,034
d. OTC derivatives with other financial institutions that have a net negative fair value		
(1) Net negative fair value	2114	6,231
(2) Potential future exposure	2115	21,818
e. Intra-financial system liabilities indicator, including insurance subsidiaries (sum of items 4.a.(1) through 4.d.(2))	1221	286,859

Section 5 - Securities Outstanding	GSIB	Amount in million USD
a. Secured debt securities	2116	12,320
b. Senior unsecured debt securities	2117	147,991
c. Subordinated debt securities	2118	30,570
d. Commercial paper	2119	8,892
e. Certificates of deposit	2120	17,860
f. Common equity	2121	138,702
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	2122	21,708
h. Securities outstanding indicator, including the securities issued by insurance subsidiaries (sum of items 5.a through 5.g)	1226	378,044

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in million USD
a. Australian dollars (AUD)	1061	2,610,585
b. Canadian dollars (CAD)	1063	1,254,286
c. Swiss francs (CHF)	1064	1,937,607
d. Chinese yuan (CNY)	1065	6,858,537
e. Euros (EUR)	1066	13,050,331
f. British pounds (GBP)	1067	27,126,757
g. Hong Kong dollars (HKD)	1068	6,646,501
h. Indian rupee (INR)	1069	465,766
i. Japanese yen (JPY)	1070	2,264,105
j. New Zealand dollars (NZD)	1109	341,176
k. Swedish krona (SEK)	1071	317,407
l. United States dollars (USD)	1072	48,618,492
m. Payments activity indicator (sum of items 6.a through 6.l)	1073	111,491,550

Section 7 - Assets Under Custody	GSIB	Amount in million USD
a. Assets under custody indicator	1074	7,497,879

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million USD
a. Equity underwriting activity	1075	5,302
b. Debt underwriting activity	1076	155,111
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	160,413

Section 9 - Trading Volume	GSIB	Amount in million USD
a. Trading volume of securities issued by other public sector entities, excluding intragroup transactions	2123	216,741
b. Trading volume of other fixed income securities, excluding intragroup transactions	2124	1,853,204
c. Trading volume fixed income sub-indicator (sum of items 9.a and 9.b)	2125	2,069,945
d. Trading volume of listed equities, excluding intragroup transactions	2126	1,000,292
e. Trading volume of all other securities, excluding intragroup transactions	2127	34,440
f. Trading volume equities and other securities sub-indicator (sum of items 9.d and 9.e)	2128	1,034,732

Complexity indicators

Section 10 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million USD
a. OTC derivatives cleared through a central counterparty	2129	14,121,745
b. OTC derivatives settled bilaterally	1905	9,559,515
c. Notional amount of over-the-counter (OTC) derivatives indicator, including insurance subsidiaries (sum of items 10.a and 10.b)	1227	23,681,261

Section 11 - Trading and Available-for-Sale Securities	GSIB	Amount in million USD
a. Held-for-trading securities (HFT)	1081	216,283
b. Available-for-sale securities (AFS)	1082	262,719
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	271,442
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	76,520
e. Trading and AFS securities indicator (sum of items 11.a and 11.b, minus the sum of 11.c and 11.d)	1085	131,039

Section 12 - Level 3 Assets	GSIB	Amount in million USD
a. Level 3 assets indicator, including insurance subsidiaries	1229	26,569

Cross-Jurisdictional Activity Indicators

Section 13 - Cross-Jurisdictional Claims	GSIB	Amount in million USD
a. Total foreign claims on an ultimate risk basis	1087	1,868,882
b. Foreign derivative claims on an ultimate risk basis	1146	45,410
c. Cross-jurisdictional claims indicator (sum of items 13.a and 13.b)	2130	1,914,292

Section 14 - Cross-Jurisdictional Liabilities	GSIB	Amount in million USD
a. Foreign liabilities on an immediate risk basis, excluding derivatives and including local liabilities in local currency	2131	1,405,622
b. Foreign derivative liabilities on an immediate risk basis	1149	46,141
c. Cross-jurisdictional liabilities indicator (sum of items 14.a and 14.b)	1148	1,451,763