



## Connecting customers to opportunities

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

◀ Denotes an adjusted measure

### Group 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 9M18

**Adjusted PBT** ▶  
(9M17: \$17.7bn)

**\$18.3bn**

**Adjusted jaws** ▶

**(1.6)%**

**Ordinary dividends**

*In respect of period*  
(9M17: \$0.30)

**\$0.30**

For reported results and further information, please refer to the Q3 Earnings Release 2018

### Commercial Banking

We support approximately 1.7 million 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.

#### 9M18 Key highlights

- 13% year-on-year adjusted revenue growth, driven by Global Liquidity and Cash Management.
- Over 50% of revenue originated from international clients
- \$4.8bn of CMB-enabled revenue synergies

**PBT** ▶  
(9M17: \$5.2bn)

**\$6.0bn**

**Jaws** ▶  
*% change in revenue less % change in costs*

**+2.5%**

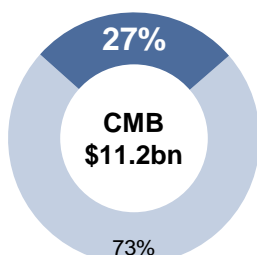
**Cost efficiency ratio** ▶  
*Costs as a % of revenue*  
(9M17: 44.7%)

**43.7%**

#### CMB: an integral part of the HSBC group

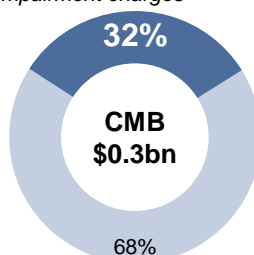
◻ Group excl. CMB ◼ CMB

**Revenue** ▶

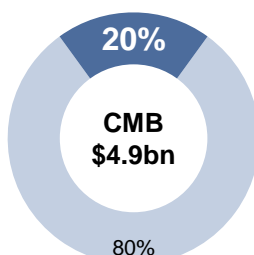


**ECL** ▶

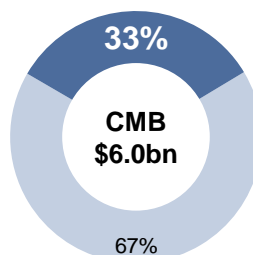
*Expected credit losses and other credit impairment charges*



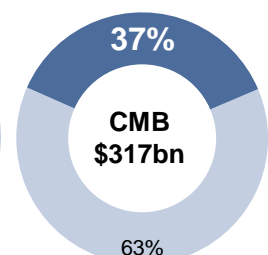
**Costs** ▶



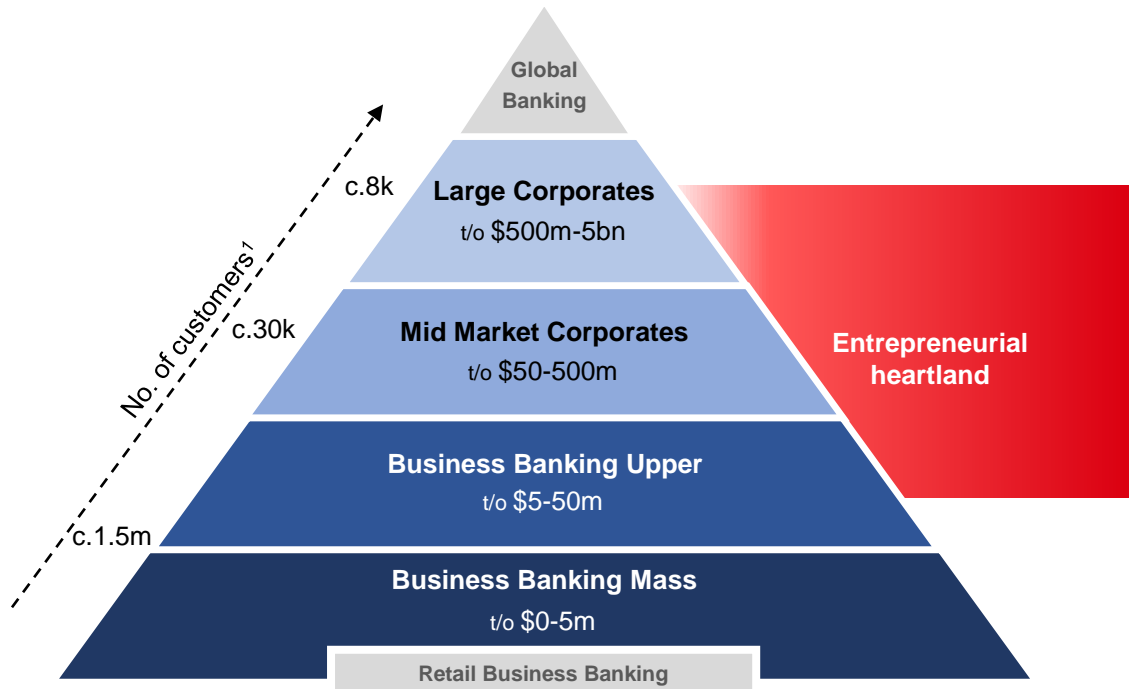
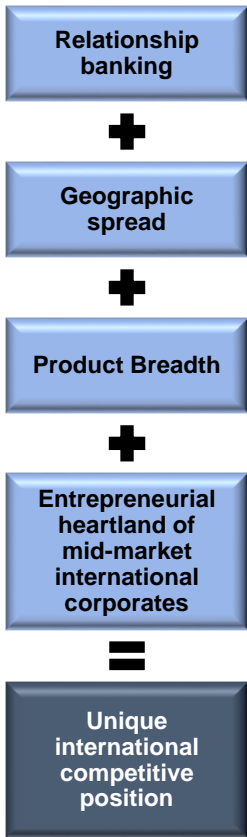
**PBT** ▶



**RWAs**



## Our network is key to being a leading international bank

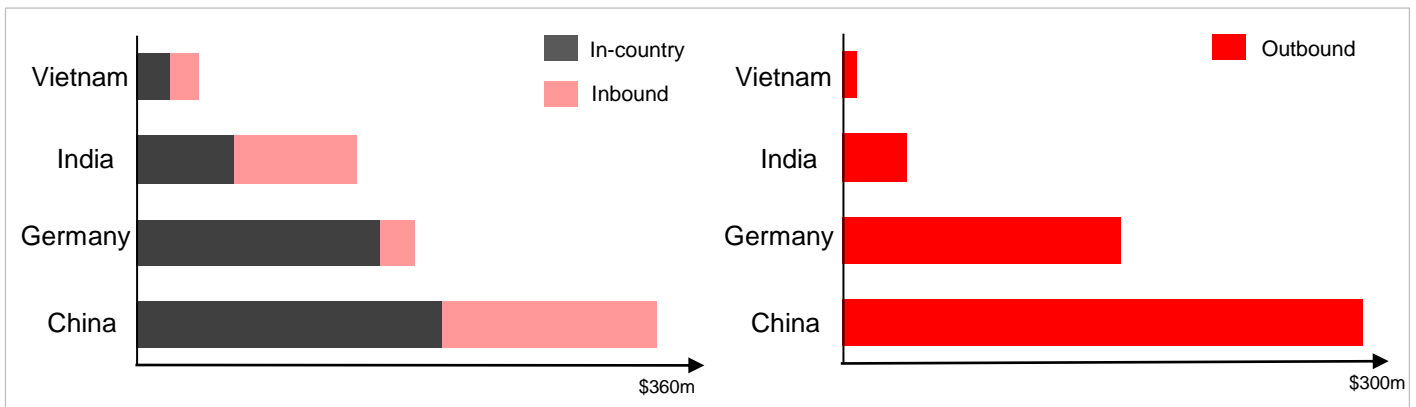
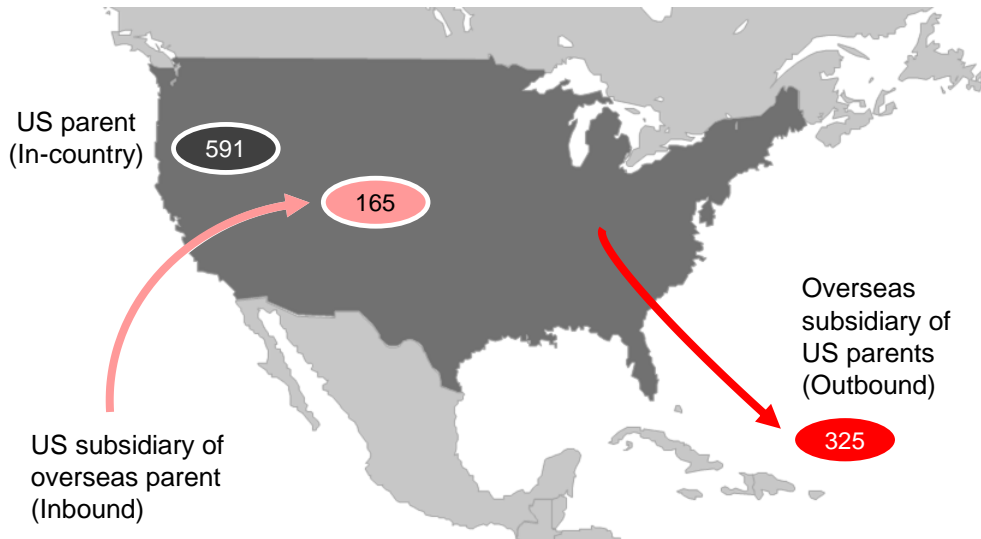


*Our unique competitive position allows us to offer our product depth and global connectivity to the entrepreneurial heartland of mid-market corporates which few of our global competitors can match*

## Our clients leverage our global network

Corporate customer value<sup>2</sup> (\$m)

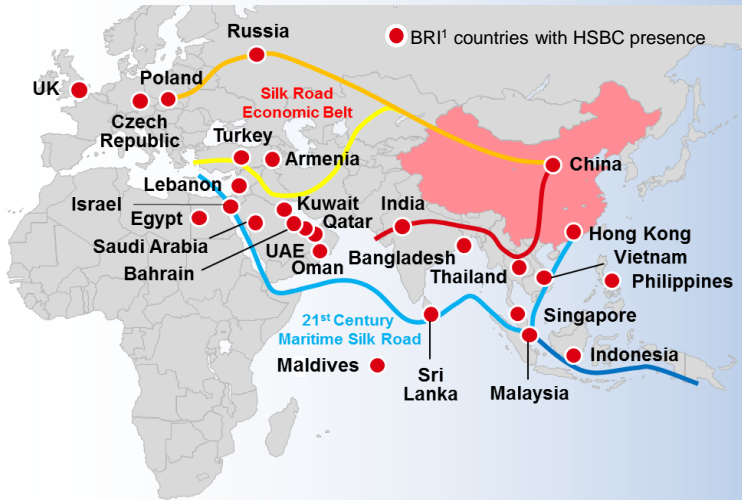
■ In-country ■ Inbound ■ Outbound



1. As at September 2018. Excludes Hang Seng. Large Corporates includes CRE customers.

2. 9M18 revenue. Analysis relates to corporate client income which includes total income from GB&M synergy products, including Foreign Exchange and Debt Capital Markets. This measure differs from reported revenue in that it excludes Business Banking and Other and cost of funds.

# Strategy deep dive – leveraging our network to capture international growth from Asia



- ✓ Support **SMEs to Large Corporates** covering the **full value chain** of projects
- ✓ Offer **event and recurring flow products**
- ✓ Provide specialist **advising and financing expertise** to infrastructure projects
- ✓ Extensive **global footprint** including **25 China desks** supporting clients overseas

### BRI<sup>1</sup> ecosystem requirements

**Project procurers**

- Funding
- Structuring advice
- Hedging

**Bidders and investors**

- Local introductions
- Advisory
- Hedging

**Lead contractors**

- Receivables financing
- Working capital
- FX hedging

**Real estate firms**

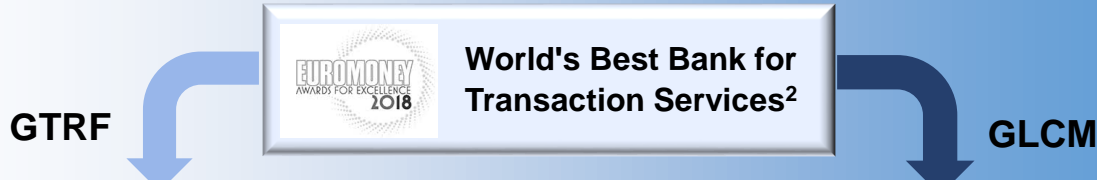
- Performance bonds
- Funding
- Rates hedging

**Sub contractors**

- Performance bonds
- Receivables financing

International / Entrepreneurial heartland

# Strategy deep dive – delivering growth from our network through transaction banking



**GTRF**

Using the we.trade platform, we were the **first bank** to complete a **live trade transaction** using **blockchain technology**

Launched **'Live Sign'** in US and UK – a paperless journey that allows customer suppliers to view and **sign onboarding forms digitally in real time**

New **Trade Transaction Tracker** provides **real-time global view of trade transactions** on clients' **mobile devices**.

**GLCM**

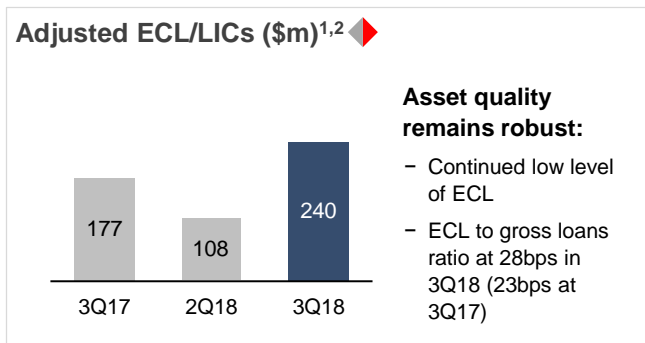
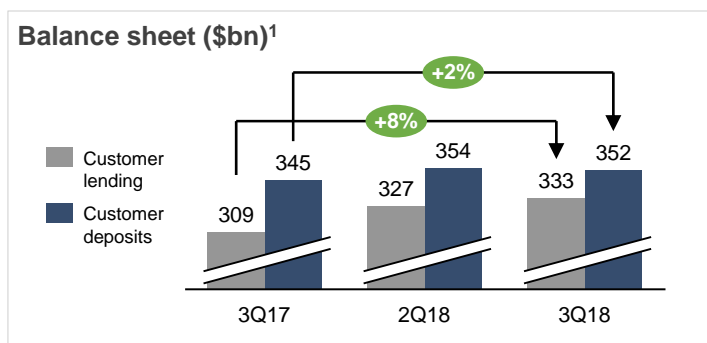
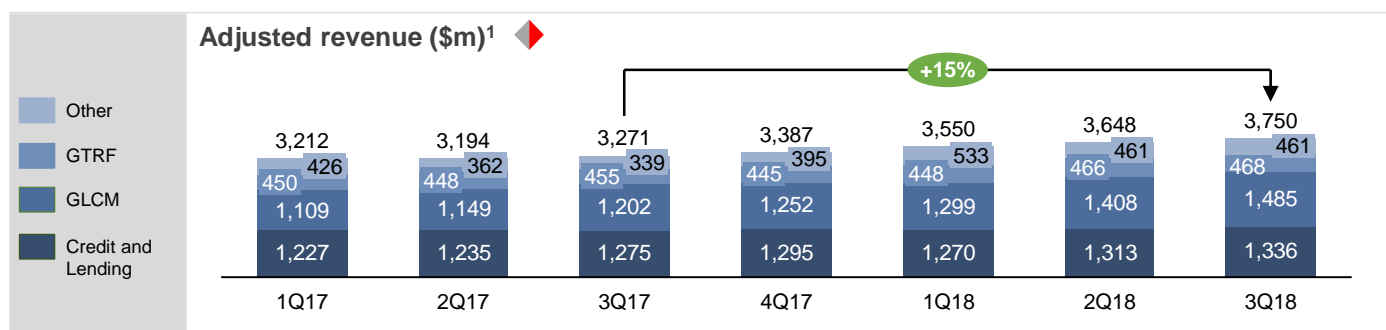
In **collaboration with PayPal**, we now offer disbursement services in **136 currencies** and **120 countries**

Our online payments portal, **MoveMoney**, is now **live in 38 countries** and used by **62% customers**<sup>3</sup>

New **PaymentsTracker** was launched in 6 markets to allow customers to see the **live status of their payments**.

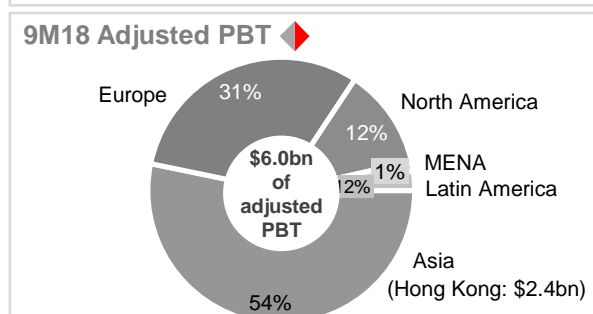
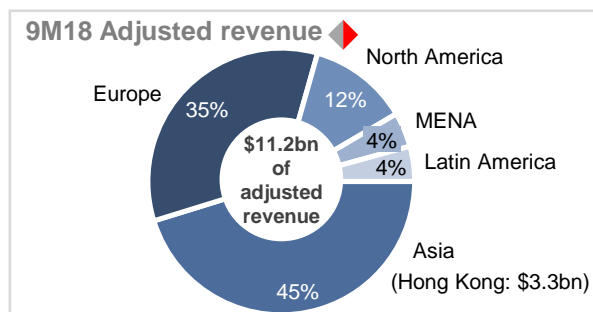
1. Belt and Road Initiative  
 2. HSBC was awarded 2018 World's Best Bank for Transaction Services by Euromoney Global Awards  
 3. Customers using the portfolio as a percentage of eligible customers

## Results: 9M18 highlights



## Adjusted income statement

\$m	9M17	9M18	% change
<b>Revenue</b>	<b>9,893</b>	<b>11,189</b>	<b>13%</b>
GTRF	1,380	1,411	2%
Credit and Lending	3,819	4,007	5%
GLCM	3,536	4,277	21%
Other	1,158	1,494	29%
<b>ECL/LICs<sup>2</sup></b>	<b>(286)</b>	<b>(295)</b>	<b>(3)%</b>
<b>Costs</b>	<b>(4,424)</b>	<b>(4,895)</b>	<b>(11)%</b>
<b>Profit before tax</b>	<b>5,183</b>	<b>5,999</b>	<b>16%</b>
<b>RoTE<sup>3</sup></b>	<b>14.2%</b>	<b>14.5%</b>	<b>0.3ppt</b>



**CMB clients accounted for \$2.2bn of revenue synergies between global businesses<sup>4</sup>**

## Important notice and forward looking statements

### Important notice

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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 our 1Q 2017 Earnings Release furnished to the SEC on Form 6-K on 4 May 2017, our Interim Report for the six months ended 30 June 2017 furnished to the SEC on Form 6-K on 31 July 2017, our 3Q 2017 Earnings Release furnished to the SEC on Form 6-K on 30 October 2017, the 2017 20-F, our 1Q 2018 Earnings Release furnished to the SEC on Form 6-K on 4 May 2018, the 2018 Interim Report and our 3Q 2018 Earnings Release available at www.hsbc.com and which we expect to furnish to the SEC on Form 6-K on 29 October 2018 and the corresponding Reconciliations of Non-GAAP Financial Measures documents which are available at www.hsbc.com. Information in this presentation was prepared as at 26 October 2018.

1. Quarterly revenue and ECL/LICs presented at average 3Q18 FX rates. Balance sheet presented at spot 3Q18 FX rates.  
 2. Numbers relating to 3Q17 refer to LICs, whereas 2Q18 and 3Q18 refer to Expected credit losses and other impairment charges (ECL) following the adoption of IFRS 9.  
 3. Excludes significant items and UK bank levy  
 4. 9M18 revenue generated by CMB clients and shared between CMB and other Global Businesses. CMB's share of this revenue is included within "Other".