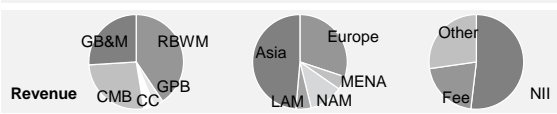


HSBC key credit messages

As at 1H19

Conservative and consistent approach to risk	23bps ECL as a % of gross customer advances (annualised)	1.3% Stage 3 loans as a % of gross customer advances
Diversified revenue streams, with a pivot to Asia		
Strong capital position	14.3% CET1 ratio	5.4% Leverage ratio
Strong funding and liquidity metrics	74.0% Advances / Deposits ratio	\$8.5bn Profit attributable to ordinary shareholders
Progress towards meeting MREL requirements	136% Liquidity Coverage Ratio	\$533bn High Quality Liquid Assets
Single-A credit rating or above	\$77bn MREL-eligible HoldCo Senior outstanding	\$8bn MREL-eligible HoldCo Senior issued in 1H19
	A HSBC Holdings S&P rating	A2 HSBC Holdings Moody's rating
		AA- HSBC Holdings Fitch rating

Approach to issuance
Issuance strategy - single point of issuance, multiple point of entry

- ◆ Since 2015, HSBC Holdings has been the Group's issuing entity for external AT1, T2 and MREL/TLAC-eligible Senior
- ◆ Issuance over time to broadly match group currency exposures
- ◆ Issuance executed with consideration to our maturity profile
- ◆ We are now comfortable issuing AT1 while conducting an ordinary share buyback following updated legal guidance

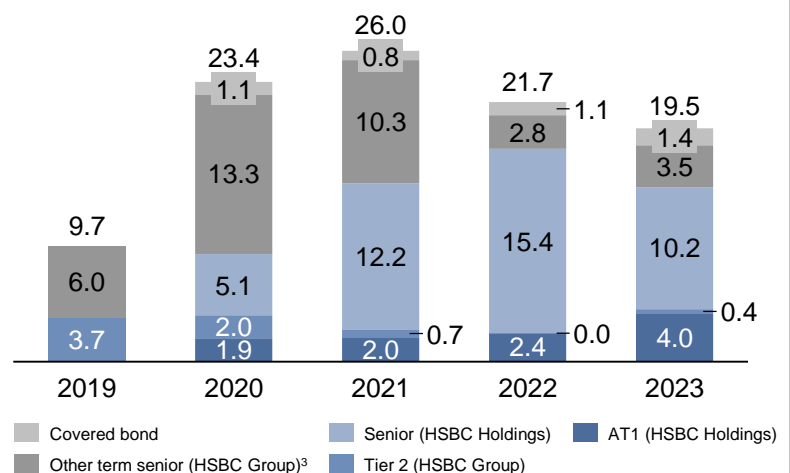
Forward-looking issuance plan¹

- ◆ **HoldCo Senior:** expect to issue low / mid-teens USDbn per year
 - Increasing maturities will reduce net issuance toward nil over time
 - \$8.2bn issued in 1H19
 - 2019 issuance largely complete
- ◆ **Tier 2:** no near-term plans
- ◆ **AT1:** expect to issue low single-digit USDbn in 2019
- ◆ **OpCo:** expect certain subsidiaries to issue senior and secured debt in local markets

Contractual maturity profile²

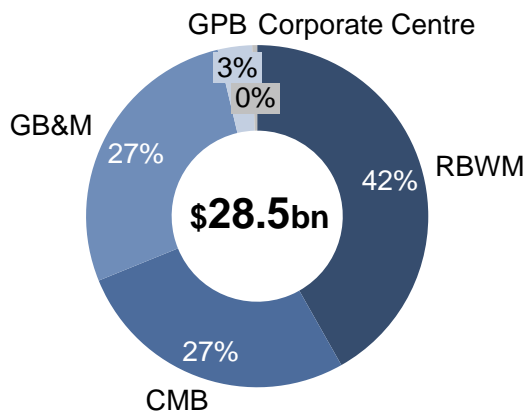
As at 30 June 2019

\$bn-equivalent

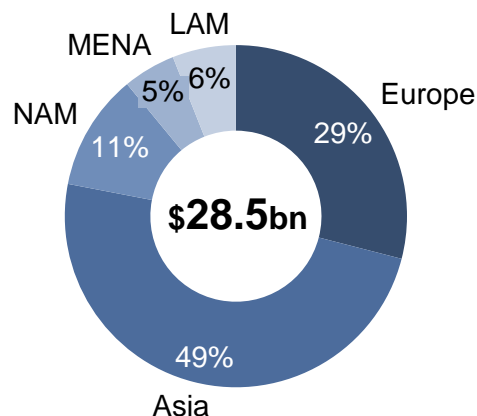


Key financials (1H19)

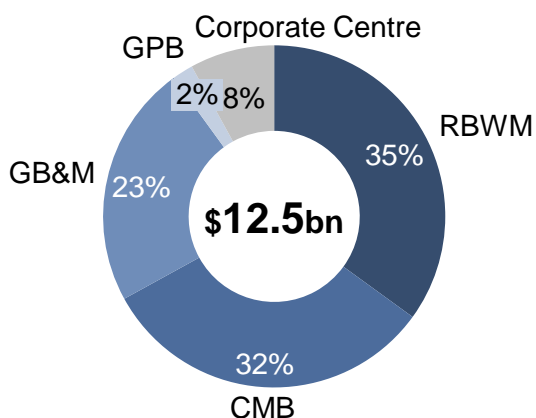
Adjusted revenue by global business



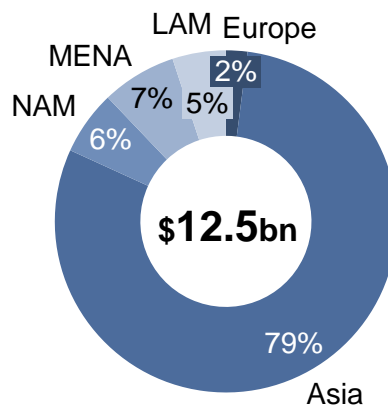
Adjusted revenue by region⁴



Adjusted PBT by global business



Adjusted PBT by region



Our strategic priorities (2018-2020)

Growth from areas of strength

1

Accelerate growth from Asia

- Build on strength in Hong Kong
- Invest in Pearl River Delta, ASEAN, and Wealth in Asia

Lead in support of global investment drivers: **China-led Belt & Road Initiative** and the transition to a **low carbon economy**

2

Complete set up of **UK ring-fenced bank**; grow mortgage market share and commercial customer base; 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**

Empower our people

8

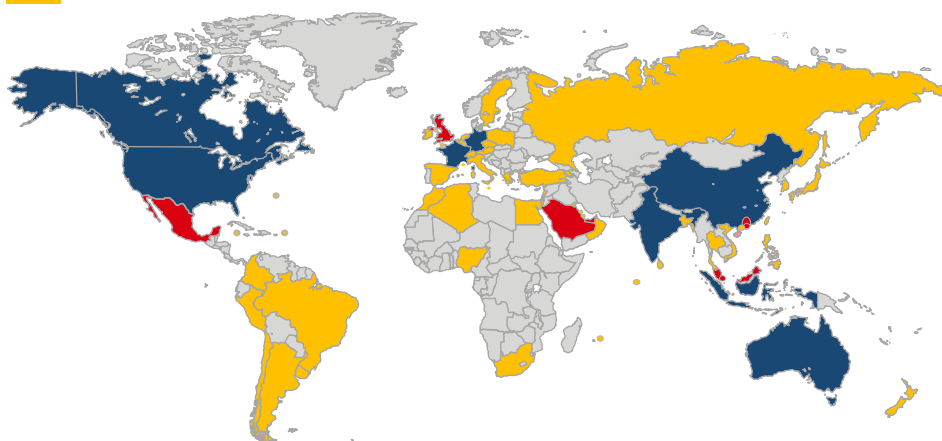
Simplify the organisation and invest in future skills

Our network

Markets at scale

Markets where we aspire to be the leading international bank

Markets to connect the network



65

Countries and territories

>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

1H19 Group results⁵ (comparison vs. 1H18)

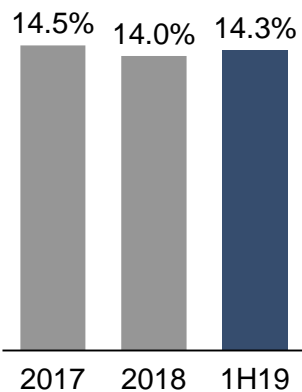
\$bn	RBWM		CMB		GB&M		GPB		Corporate Centre		Group	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Revenue	11.9	12%	7.8	9%	7.7	(3)%	0.9	2%	0.1	>100%	28.5	8%
ECL	(0.5)	(5)%	(0.5)	>(100)%	(0.1)	>(100)%	(0.0)	>(100)%	0.0	(91)%	(1.1)	>(100)%
Costs	(7.0)	(6)%	(3.3)	(5)%	(4.8)	(4)%	(0.7)	2%	(0.4)	34%	(16.2)	(4)%
Associates and JVs	0.0	>100%	-	-	-	-	-	-	1.3	(1)%	1.3	1%
Profit before tax	4.4	24%	4.0	1%	2.8	(18)%	0.2	5%	1.0	90%	12.5	7%
RoTE ⁶ , %	23.5	2.2ppt	14.0	(1.1)ppt	9.9	(2.4)ppt	11.2	-	(4.1)	(0.2)ppt	11.0	(0.5)ppt
Cost efficiency ratio, %	58.6	3.1ppt	42.2	1.6ppt	62.1	(4.2)ppt	76.7	3.1ppt	nm	-	56.7	2.5ppt
Reported RWAs	129.0	4%	327.6	4%	284.5	0%	16.5	(3)%	128.4	3%	886.0	2%
Customer advances	376.1	9%	347.4	7%	250.8	2%	45.8	12%	1.5	(24)%	1,021.6	6%
Customer deposits	660.6	5%	358.7	2%	290.0	1%	62.2	(1)%	8.6	(11)%	1,380.1	3%
A/D ratio, %	56.9	2.0ppt	96.8	4.4ppt	86.5	0.4ppt	73.6	9.0ppt	17.7	(3.1)ppt	74.0	2.4ppt

\$bn	Europe		Asia		MENA		North America		Latin America		Group	
	Revenue ⁴	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Revenue ⁴	9.1	9%	15.5	9%	1.4	7%	3.4	(3)%	1.9	37%	28.5	8%
ECL	(0.5)	>(100)%	(0.3)	>(100)%	(0.0)	46%	(0.1)	>(100)%	(0.2)	(10)%	(1.1)	>(100)%
Costs ⁴	(8.4)	(5)%	(6.4)	(8)%	(0.7)	(5)%	(2.5)	4%	(1.0)	(16)%	(16.2)	(4)%
Associates and JVs	0.0	(53)%	1.1	4%	0.2	(12)%	-	-	0.0	100%	1.3	1%
Profit before tax	0.3	(14)%	9.9	8%	0.9	9%	0.8	(28)%	0.7	>100%	12.5	7%
Cost efficiency ratio, %	91.4	3.1ppt	41.6	0.3ppt	48.7	1.3ppt	74.9	0.5ppt	52.2	9.7ppt	56.7	2.5ppt
Reported RWAs ⁷	309.4	3%	371.7	2%	57.5	(1)%	133.4	0%	40.3	9%	886.0	2%
Customer advances	383.4	6%	473.6	7%	28.5	0%	112.7	8%	23.4	21%	1,021.6	6%
Customer deposits	504.4	3%	677.3	3%	36.6	8%	135.4	0%	26.5	21%	1,380.1	3%
A/D ratio, %	76.0	2.2ppt	69.9	2.3ppt	77.9	(6.6)ppt	83.2	6.3ppt	88.6	(0.1)ppt	74.0	2.4ppt

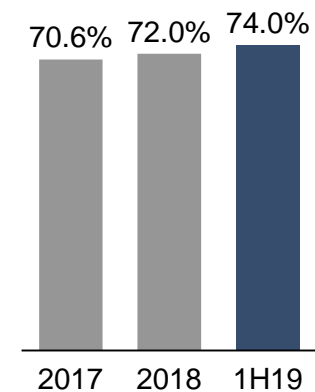
Balance sheet strength

We continue to maintain a strong capital, funding and liquidity position with a diversified business model. We take a conservative approach to credit risk and liquidity management.

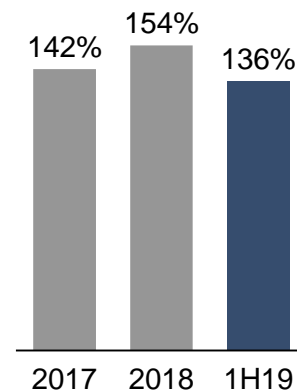
CET1 ratio



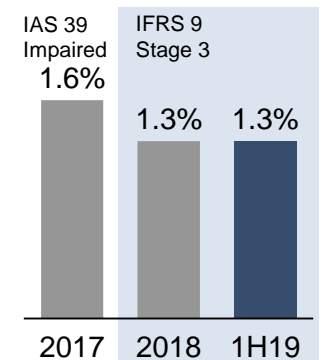
Loans and advances to deposits ratio



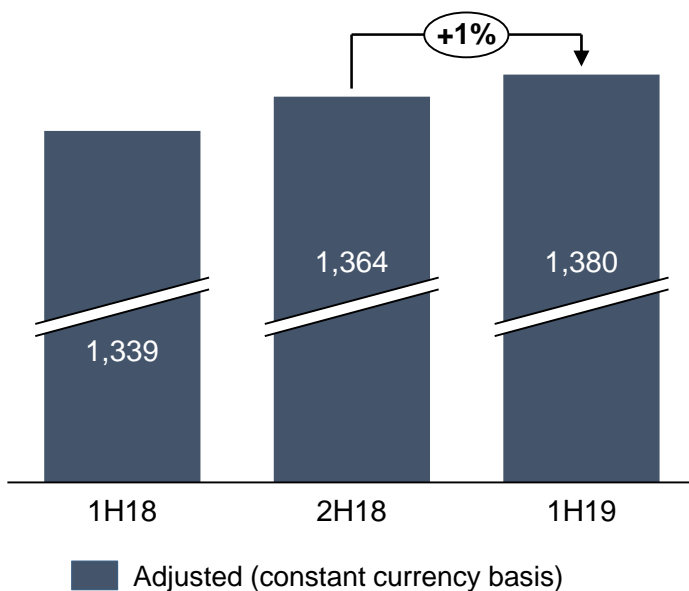
Group consolidated LCR



Stage 3 loans as a % of gross loans and advances to customers

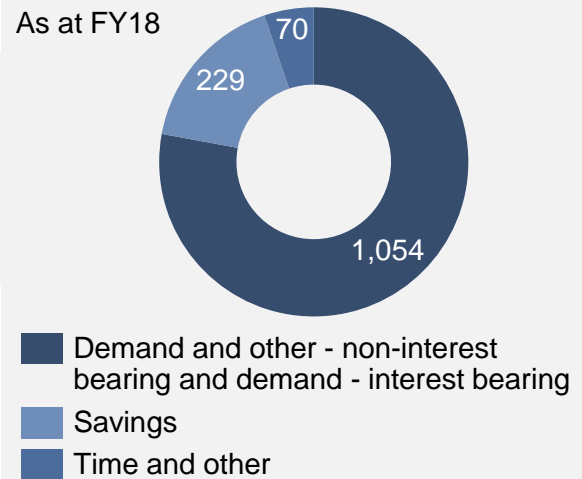


Customer accounts - deposits



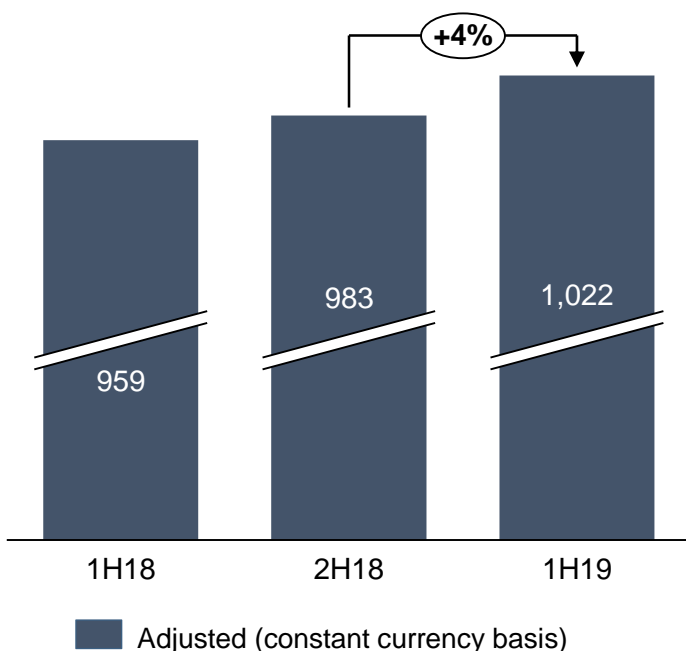
Customer accounts by type, \$bn

As at FY18



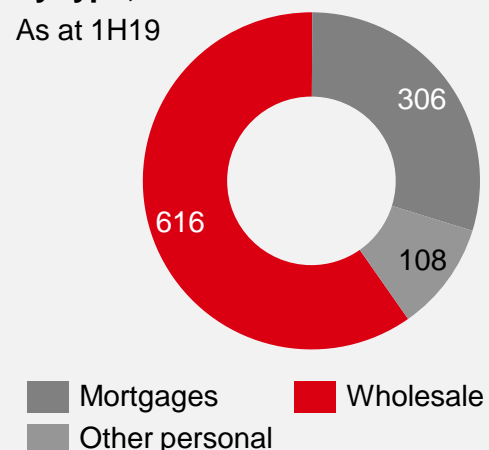
Source: Form 20-F; average balances on a reported basis

Net loans and advances to customers



Gross loans and advances to customers by type, \$bn

As at 1H19



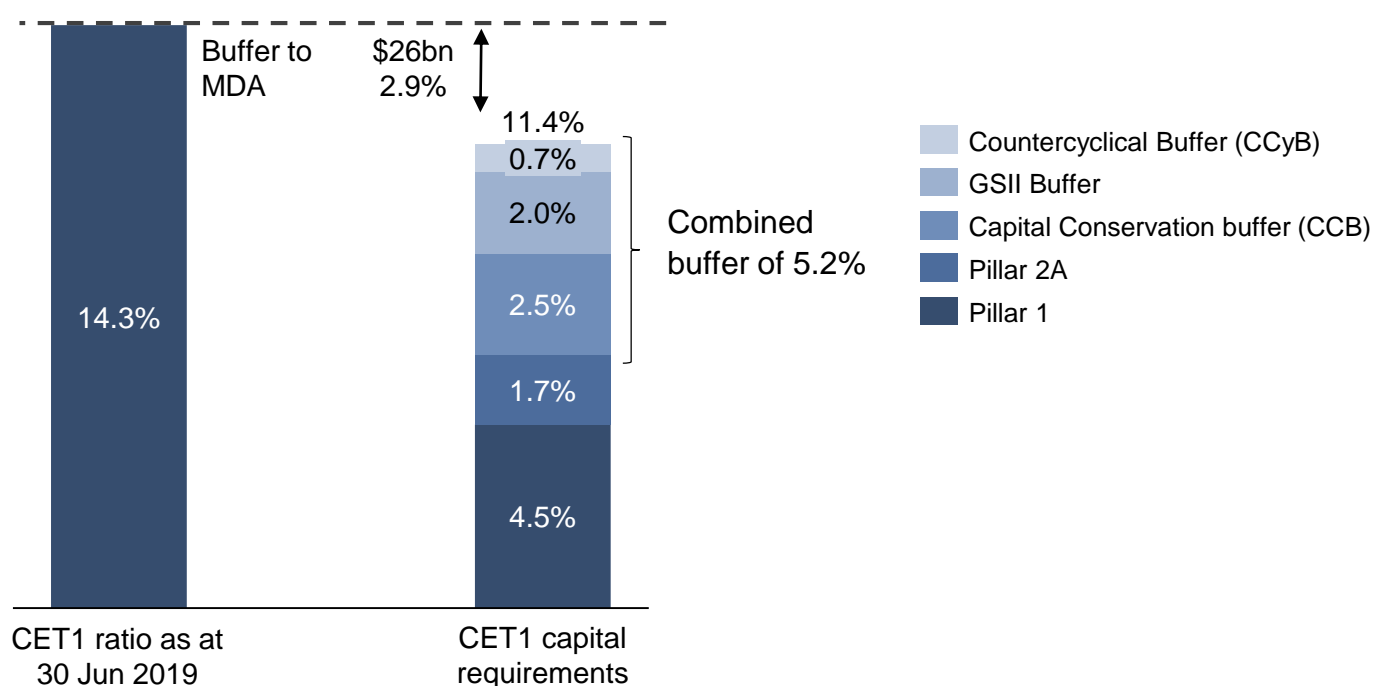
Mortgage lending

UK \$149bn
50% average LTV

HK \$118bn
38% average LTV

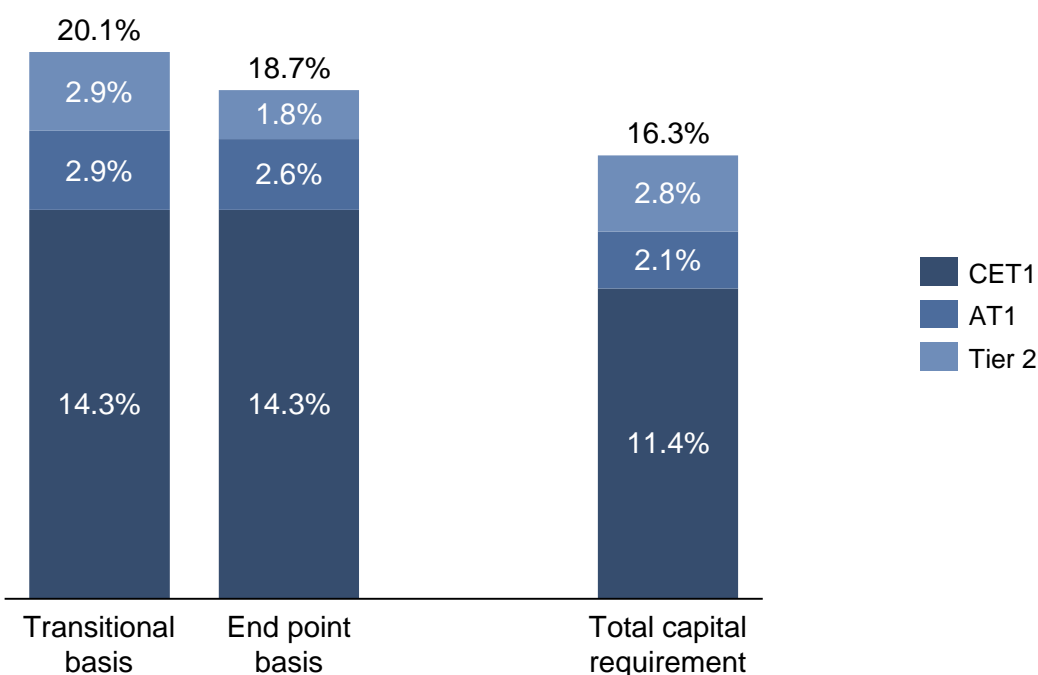
Group capital requirements

CET1 ratio versus Maximum Distributable Amount (“MDA”)



- ♦ 14.3% CET1 ratio, up 0.3ppts from 31 December 2018, mainly as a result of:
 - Capital generation through profits (0.9ppts)
 - Partly offset by dividends net of scrip (-0.4ppts) and RWA growth (-0.3ppts)
- ♦ Throughout the period to 2020, our plan assumes our CET1 ratio will be above 14%
- ♦ \$33.5bn of distributable reserves, up \$2.8bn from 31 December 2018 primarily driven by profits generated of \$7.2bn net of distributions to shareholders of \$4.9bn

Regulatory capital versus regulatory requirements as a % of RWAs

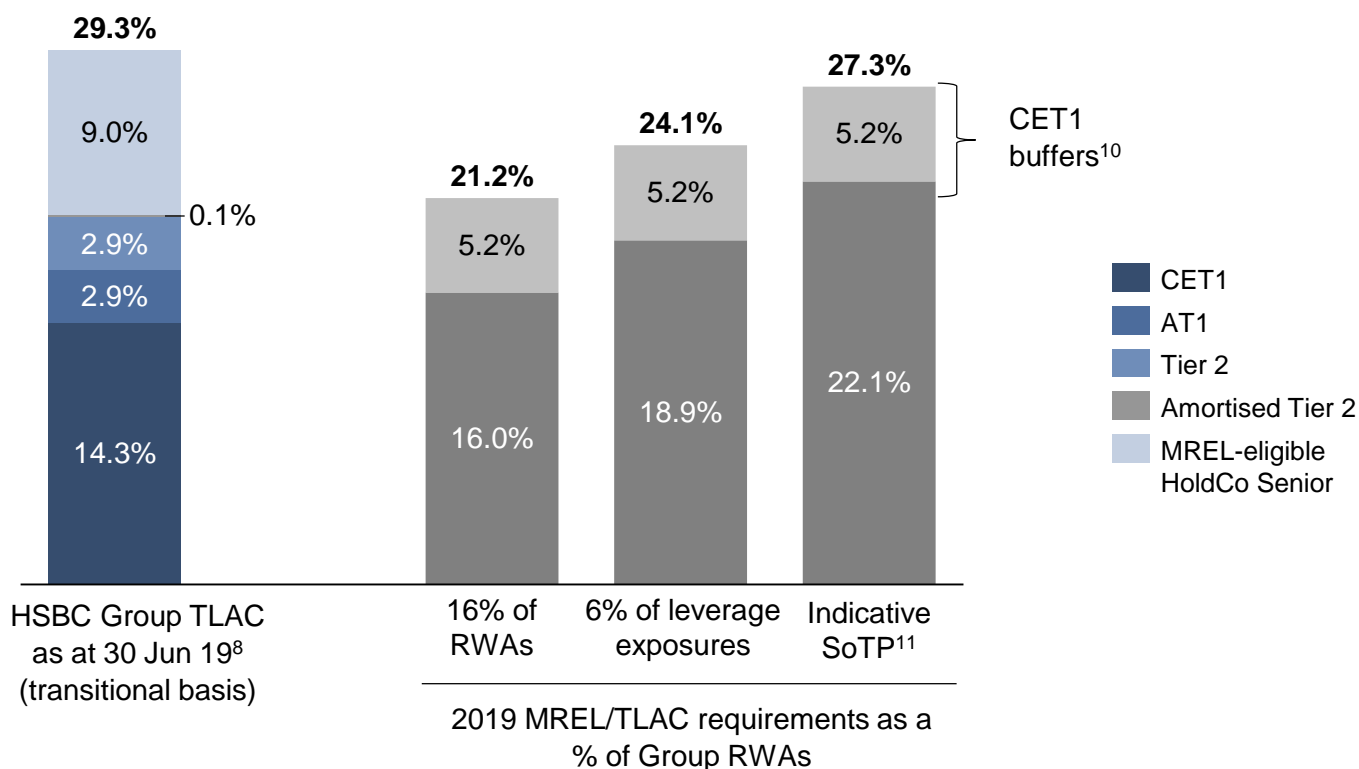


HSBC Group capital structure as at 30 Jun 19⁸

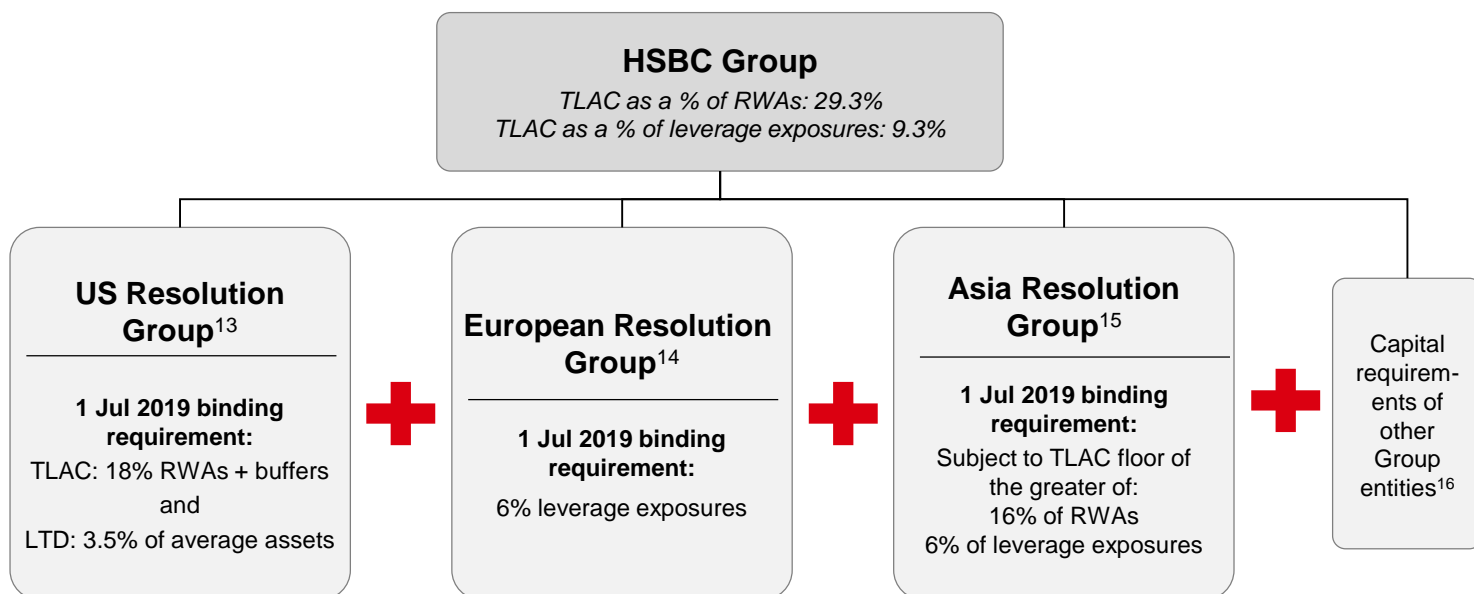
Indicative MREL/TLAC requirement

- HSBC Group's 2019 MREL requirement⁹ is the greater of:
 - 16% of RWAs
 - 6% of leverage exposures
 - The sum of requirements relating to Group entities ('SoTP')
- MREL requirements as at 1 Jul 2019 are driven by the SoTP calculation
- The binding constraint for end-state MREL requirements will be contingent upon factors such as:
 - The finalisation of the European resolution group Pillar 2A
 - BoE MREL recalibration in 2020
 - The future path of regulation post Brexit

MREL-eligible capital and HoldCo senior versus estimated regulatory requirements as a % of Group RWAs

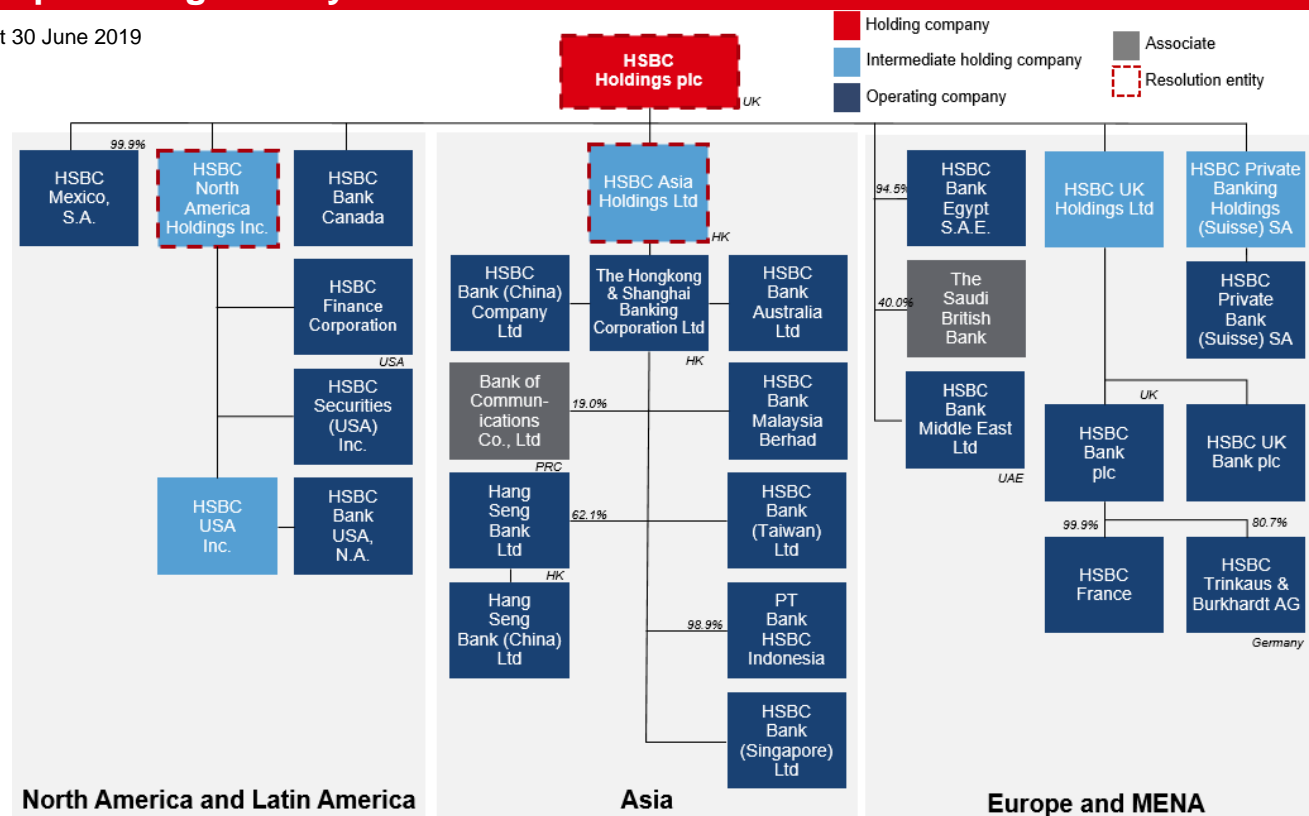


Indicative summary MREL/TLAC requirement¹²



Simplified legal entity structure

As at 30 June 2019



Credit ratings

Long term senior ratings as at 5 August 2019

	Fitch		Moody's		S&P	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
HSBC Holdings plc	AA-	RWN ¹⁷	A2	Stable	A	Stable
The Hongkong and Shanghai Banking Corporation Ltd	AA-	RWN	Aa3	Stable	AA-	Stable
HSBC Bank plc	AA-	RWN	Aa3	Stable	AA-	Stable
HSBC UK Bank plc	AA-	RWN	-	-	AA-	Stable
HSBC France	AA-	RWN	Aa3	Stable	AA-	Stable
HSBC Bank USA NA	AA-	RWN	Aa3	Stable	AA-	Stable
HSBC Bank Canada	AA-	RWN	A3	Stable	AA-	Stable

Footnotes

- The issuance plan is guidance only; it is a point in time assessment and is subject to change. The future path of UK regulation post-Brexit may impact our plans.
- To first call date if callable; otherwise to maturity
- "Other term senior" means senior unsecured debt securities with an original term to maturity of >1.5 years and an original principal balance of > \$250mn issued by HSBC Group entities
- Excludes inter-regional eliminations
- All numbers presented are on an adjusted basis unless otherwise stated. For reported results, please see the Interim Report 2019
- Group RoTE and global business RoTEs are annualised. Excl. significant items and UK bank levy
- RWAs are non-additive across geographical regions due to market risk diversification effects within the Group
- Capital figures and ratios at 30 June 2019 are reported on a CRR II basis for Additional Tier 1 and Tier 2 capital. Unless otherwise stated, all figures are calculated using the EU's regulatory transitional arrangements for IFRS 9 'Financial Instruments' in article 473a of the Capital Requirements Regulation
- Minimum requirement for own funds and eligible liabilities (MREL) consists of a minimum level of equity and eligible debt liabilities that will need to be maintained pursuant to a direction from the Bank of England in the exercise of its powers under the Bank Recovery and Resolution Directive (BRRD) and associated UK legislation, with the purpose of absorbing losses and recapitalising an institution upon failure whilst ensuring the continuation of critical economic functions. The criteria for eligibility are defined in CRR II and "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" policy statement, published in June 2018.
- Group CET1 buffers are shown in addition to the MREL requirements. The buffers shown in addition to the RWA and leverage TLAC/MREL requirement are calculated in accordance with the PRA Supervisory statement 16/16 updated in December 2017
- 2019 indicative SoTP derived per HSBC's current understanding of regulatory guidance. The requirement will change over time as the TLAC requirements of our subsidiaries change per regulatory rules, the BoE 2020 MREL recalibration and as we gain further clarity on the components of end-state requirements across the Group
- This is a simplified representation of our current view of the Group's MREL requirements. The "sum of the parts" effectively includes the expected requirements for each of our resolution groups and any loss-absorbing capacity requirements and other capital requirements relating to any other entities outside of these resolution groups. To be noted that any applicable regulatory capital buffers apply on top of the indicative MREL/TLAC requirements
- Reporting for the US resolution group is prepared in accordance with local regulatory rules. The equivalent accounting standard to IFRS 9 for current expected credit losses ('CECL') is not yet effective; implementation is planned for 2020. Leverage exposure and ratio are calculated under both sets of rules, US supplementary leverage ratio (SLR) and US Basel III. Other adjustments for the US resolution group relate to allowances for loan and lease losses that are not TLAC eligible and Tier 2 instruments that currently do not qualify as TLAC. Under the US Final TLAC rules, in addition to the risk-weighted assets component of the TLAC requirement, the US resolution group is subject to an external 2.5% TLAC buffer that is analogous to the capital conservation buffer. The US resolution group is subject to an external 2.5% TLAC buffer plus any CCyB. Buffers must be met with CET1. Average assets is in accordance with the US Tier 1 leverage ratio requirements, calculated as average adjusted consolidated total assets
- The European resolution group reports in accordance with the applicable provisions of the Capital Requirements Regulation as amended by CRR II. Unless otherwise stated all figures are calculated using the EU's regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation
- Reporting for the Asian resolution group follows HKMA regulatory rules. IFRS 9 has been implemented but no regulatory transitional arrangements apply. The effective date of LAC requirements was 1 July 2019
- Reporting for other group subsidiaries follows local rules for capital requirements and, where applicable, TLAC requirements
- RWN - Rating Watch Negative

Investor Relations key contacts

Richard O'Connor

Global Head of Investor Relations

richard.j.oconnor@hsbc.com

+44 (0) 20 7991 6590

Greg Case

Head of Fixed Income Investor Relations

greg.case@hsbc.com

+44 (0) 20 7992 3825

Jenny Lewis

Investor Relations Manager

jenny.lewis@hsbc.com

+44 (0) 20 3268 3393

Mathieu Midrier

Group Funding Director

mathieu.midrier@hsbc.com

+44 (0) 20 3359 2148

Disclaimer

Important notice

The information, statements and opinions set out in this presentation and accompanying discussion ("this Presentation") are for informational and reference purposes only and do 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 advice or recommendation in respect of such securities or other financial instruments.

This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the "Group") and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an "Identified Person") as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on, the accuracy or completeness of any information contained in this Presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this Presentation or any additional information or to remedy any inaccuracies in or omissions from this Presentation. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

Forward-looking statements

This Presentation 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, strategy and business of the Group which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "seek", "intend", "target" or "believe" or the negatives thereof or other variations thereon or comparable terminology (together, "forward-looking statements"), including the strategic priorities and any financial, investment and capital targets described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. 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. Certain of the assumptions and judgements upon which forward-looking statements regarding strategic priorities and targets are based are discussed under "Targeted Outcomes: Basis of Preparation", available separately from this Presentation at www.hsbc.com. The assumptions and judgments 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, revise or supplement 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. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2018 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 20 February 2019 (the "2018 Form 20-F") and in our Interim Report for the six months ended 30 June 2019 furnished to the SEC on Form 6-K on 5 August 2019 (the "2019 Interim Report").

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 2018 Form 20-F, our 1Q 2019 Earnings Release furnished to the SEC on Form 6-K on 3 May 2019, the 2019 Interim Report and the corresponding Reconciliations of Non-GAAP Financial Measures document, each of which are available at www.hsbc.com.

Information in this Presentation was prepared as at 30 August 2019.