

HSBC Group long-term strategy

We aim to deliver long-term value for our shareholders through our:

- ◆ Extensive international network
- ◆ Access to high-growth markets
- ◆ Balance sheet strength

HSBC Group 9M20

Adjusted PBT¹
(USD)

9M19: \$17.7bn

\$9.9bn

CET1 ratio

FY19: 14.7%

15.6%

A/D ratio

FY19: 72.0%

66.4%

Return on tangible equity²

9M19: 9.5%

3.5%

HSBC Bank Canada
9M20 Key financial metrics (CAD)

Reported PBT 9M19: \$603m	Revenue 9M19: \$1,624m	Expected credit losses – charge³ 9M19: \$45m	CET1 ratio⁴ FY19: 11.3%	Total capital ratio⁴ FY19: 16.4%
\$244m	\$1,520m	\$328m	13.1%	18.2%
Customer loans and advances FY19: \$61.9bn	Customer accounts FY19: \$62.9bn	RWAs⁴ FY19: \$42.1bn	LCR⁴ FY19: 140%	A/D ratio FY19: 98.5%
\$61.8bn	\$73.6bn	\$41.4bn	201%	84.0%

1. Please refer to HSBC Holdings plc 3Q 2020 Earnings Release for reported results
 2. Annualised
 3. Change in expected credit losses under IFRS 9
 4. Local regulatory numbers (OSFI Basis)

HSBC in Canada

- ◆ With a growing Canada-wide branch network and \$124.2bn in assets at 30 September 2020, HSBC is a leading international bank in Canada
- ◆ Canada is an important contributor to the HSBC Group and sits across several key trade corridors, including in North America, alongside the United States and Mexico, and with Europe and China
- ◆ Net customer loans of \$61.8bn (USD46.2bn) at 30 September 2020, representing 4% of the Group
- ◆ HSBC has 137 branches across Canada



Our global businesses

CMB

Commercial Banking

- ◆ Help business customers – ranging from small businesses to large corporates – grow by supporting their financial needs and facilitating cross-border trade and payment services
- ◆ In 2019, Canada CMB was the 3rd highest contributor to HSBC Group CMB adjusted profit before tax¹

WPB

Wealth and Personal Banking

- ◆ Offers competitive banking products and services for all Canadians to help them manage their finances and build for the future and also has a large suite of global investment products and specialized services

GBM

Global Banking and Markets

- ◆ Support major government, corporate and institutional customers by providing tailored financial solutions to meet their business needs

Strategy

Our long-term strategy positions us to capture value from our international network, capitalizing on our strategic advantages

- ◆ **One of the world's leading international banks** - we are an integral part of one of the most international banking and financial services organizations in the world
- ◆ **Extensive access to high-growth markets and key trade corridors** - our network of customers provides us with significant insight into trade and capital flows across supply chains
- ◆ **Business management** - we are focused on growth, with a strong capital, funding and liquidity position and diversified business model

Our strategic priorities

- ◆ Gain market share and deliver growth from our international network - realize value from the network to facilitate trade and investment for customers
- ◆ Create capacity for investments through efficiency - support sustained investments as we continue to grow digital capabilities and realize efficiency gains
- ◆ Tap into emerging opportunities in fast growing segments and offer best in class products and services - focus on expanding our business in fast growing segments and offer our customers market-leading products and services
- ◆ Continue to put customers first and at the heart of everything we do - invest in people and technology to improve how we serve our customers across our core businesses
- ◆ **Develop and empower our people** - ensure our workforce is equipped with skills for banking in the future and empowered to develop their own career paths

1. Measured in US dollars. For reference, the average exchange rate for 2019 posted on the Bank of Canada website is USD1 = CAD1.3269

Long term senior ratings as at 4 November 2020

	Fitch		Moody's		S&P		DBRS*	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
HSBC Holdings plc	A+	Negative	A2	Negative	A-	Stable	AA (low)	Negative
HSBC Bank Canada	A+	Negative	A3	Stable	A+	Stable	A (high)	Negative

- ◆ HSBC Bank Canada has strong credit ratings
- ◆ HSBC Bank Canada is a core subsidiary of HSBC Group

* DBRS rating of HSBC Holdings plc is unsolicited

9M20: HSBC Bank Canada – Financial Performance^{1,2}

(vs. 9M19) (CAD m)	CMB		WPB		GBM		Corporate Centre	HSBC Bank Canada
Revenue	718	(6)%	575	(4)%	249	(5)%	(22)>(100)%	1,520 (6)%
Change in ECL	(262)	>(100)%	(26)	(86)%	(40)	>(100)%	->(100)%	(328) >(100)%
Operating expenses	(295)	4%	(494)	6%	(116)	6%	(43)>(100)%	(948) 3%
Profit before tax	161	(63)%	55	(10)%	93	(26)%	(65)>(100)%	244 (60)%
Cost efficiency ratio (%)	41.1	(0.8)ppts	85.9	1.6ppts	46.6	0.9ppts	nm	62.4 (2.3)ppts
Return on average common shareholder's equity (%)								3.6 (7.6)ppts

(vs. FY19) (CAD m)	CMB		WPB		GBM		Corporate Centre	HSBC Bank Canada
Loans and advances to customers	26,496	(6)%	31,243	6%	4,087	(2)%	-	61,826 (0)%
Customers' liability under acceptances	2,247	14%	12	0%	1,365	(10)%	-	3,624 4%
Customer accounts	24,688	14%	39,046	12%	9,864	59%	-	73,598 17%
Ratio of customer advances to customer accounts (%)	107.3	(22.7)ppts	80.0	(4.3)ppts	41.4	(26.0)ppts	-	84.0(14.5)ppts
Stage 3 loans and advances to customers								443 33%
Risk-weighted assets								41,376 (2)%

1. Effective from the second quarter of 2020, we made two changes to reportable segments. Firstly, the reallocation of Balance Sheet Management from Corporate Centre to the global businesses to better align the income and expenses to the businesses generating or utilizing these activities and as a result Corporate Centre is no longer considered an operating segment. All comparatives have been restated. Secondly, to simplify our matrix organizational structure, HSBC Holdings Group ('HSBC Group') merged Retail Banking and Wealth Management and Global Private Banking to create one of the world's largest wealth management businesses, Wealth and Personal Banking. Therefore, going forward, our global business Retail Banking and Wealth Management ('RBWM') has been renamed to Wealth and Personal Banking ('WPB'). HSBC Bank Canada did not have a separate business line for Global Private Banking and there have been no changes in assets or liabilities nor any changes in the income or expenses that were previously attributable to the RBWM business line as a result of the change in structure. For further details, see note 4 of the interim condensed consolidated financial statements for the quarter and nine months ended 30 September 2020.
2. All numbers presented are on a reported basis. Comparison on an (adverse) / favourable basis

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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 in respect of HSBC Holdings plc between non-GAAP financial measurements and the most directly comparable measures under GAAP are provided in the HSBC Holdings plc Annual Report and Accounts for the fiscal year ended 31 December 2019 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 19 February 2020, 3Q 2020 Earnings Release filed with the SEC on Form 6-K on 27 October 2020, and the corresponding Reconciliations of Non-GAAP Financial Measures document which are available at www.hsbc.com.

This presentation may refer to certain non-IFRS financial measures. Details regarding the use of non-IFRS measures may be found in HSBC Bank Canada's Annual Report and Accounts 2019 found at www.hsbc.com under the "investors/results and announcements/all reporting/subsidiaries" section.

Additional detailed information concerning risk factors that could cause actual results to differ materially as well as the Annual and Interim/Quarterly Reports of HSBC Bank Canada and HSBC Holdings plc and its subsidiaries (the "HSBC Group") are filed with the securities commissions or similar authorities in each of the applicable jurisdictions and are available at www.hsbc.com.

Information in this presentation was prepared as at 4 November 2020. The information included in this factbook is as at 30 September 2020, unless otherwise stated.

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