

## Shareholder information

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*A glossary of terms used in this Annual Report and Accounts can be found in the Investors section of [www.hsbc.com](http://www.hsbc.com).*

### Fourth interim dividend for 2019

The Directors have declared a fourth interim dividend for 2019 of \$0.21 per ordinary share. Information on the scrip dividend scheme and currencies in which shareholders may elect to have the cash dividend paid will be sent to shareholders on or about 11 March 2020. The timetable for the dividend is:

	<i>Footnotes</i>
Announcement	<b>18 February 2020</b>
Shares quoted ex-dividend in London, Hong Kong, Paris and Bermuda and American Depositary Shares ('ADS') quoted ex-dividend in New York	<b>27 February 2020</b>
Record date – London, Hong Kong, New York, Paris, Bermuda	<sup>1</sup> <b>28 February 2020</b>
Mailing of <i>Annual Report and Accounts 2019</i> and/or <i>Strategic Report 2019</i> and dividend documentation	<b>11 March 2020</b>
Final date for receipt by registrars of forms of election, Investor Centre electronic instructions and revocations of standing instructions for scrip dividends	<b>26 March 2020</b>
Exchange rate determined for payment of dividends in sterling and Hong Kong dollars	<b>30 March 2020</b>
Payment date: dividend warrants, new share certificates or transaction advices and notional tax vouchers mailed and shares credited to stock accounts in CREST	<b>14 April 2020</b>

<sup>1</sup> Removals to and from the Overseas Branch register of shareholders in Hong Kong will not be permitted on this date.

### Interim dividends for 2020

The Board has adopted a policy of paying quarterly interim dividends on ordinary shares. Under this policy it is intended to have a pattern of three equal interim dividends with a variable fourth interim dividend. It is envisaged that the first interim dividend in respect of 2020 will be \$0.10 per ordinary share.

Dividends are declared in US dollars and, at the election of the shareholder, paid in cash in one of, or in a combination of, US dollars, pounds sterling and Hong Kong dollars, or, subject to the Board's determination that a scrip dividend is to be offered in respect of that dividend, may be satisfied in whole or in part by the issue of new shares in lieu of a cash dividend.

### Other equity instruments

#### Additional tier 1 capital – contingent convertible securities

HSBC continues to issue contingent convertible securities that are included in its capital base as fully CRD IV-compliant additional tier 1 capital securities on an end point basis. For further details on these securities, please refer to Note 31 to the financial statements.

In 2019, HSBC did not issue contingent convertible securities.

### 2019 Annual General Meeting

All resolutions considered at the 2019 Annual General Meeting held at 11.00am on 12 April 2019 at the International Convention Centre, 8 Centenary Square, Birmingham B1 2EA were passed on a poll.

## Additional information

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### Earnings releases and interim results

Earnings releases are expected to be issued on or around 28 April 2020 and 27 October 2020. The interim results for the six months to 30 June 2020 are expected to be issued on 3 August 2020.

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### Shareholder enquiries and communications

#### Enquiries

Any enquiries relating to shareholdings on the share register (for example, transfers of shares, changes of name or address, lost share certificates or dividend cheques) should be sent to the Registrars at the address given below. The Registrars offer an online facility, Investor Centre, which enables shareholders to manage their shareholding electronically.

#### Principal Register:

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
United Kingdom  
Telephone: +44 (0) 370 702 0137  
Email via website:  
[www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

Investor Centre:  
[www.investorcentre.co.uk](http://www.investorcentre.co.uk)

#### Hong Kong Overseas Branch Register:

Computershare Hong Kong Investor  
Services Limited  
Rooms 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Telephone: +852 2862 8555  
Email: [hsbc.ecom@computershare.com.hk](mailto:hsbc.ecom@computershare.com.hk)

Investor Centre:  
[www.investorcentre.com/hk](http://www.investorcentre.com/hk)

#### Bermuda Overseas Branch Register:

Investor Relations Team  
HSBC Bank Bermuda Limited  
37 Front Street  
Hamilton HM 11  
Bermuda  
Telephone: +1 441 299 6737  
Email: [hbbm.shareholder.services@hsbc.bm](mailto:hbbm.shareholder.services@hsbc.bm)

Investor Centre:  
[www.investorcentre.com/bm](http://www.investorcentre.com/bm)

Any enquiries relating to ADSs should be sent to the depository:

The Bank of New York Mellon  
Shareowner Services  
PO Box 505000  
Louisville, KY 40233-5000  
USA  
Telephone (US): +1 877 283 5786  
Telephone (International): +1 201 680 6825  
Email: [shrrelations@cpushareownerservices.com](mailto:shrrelations@cpushareownerservices.com)  
Website: [www.mybnymdr.com](http://www.mybnymdr.com)

Any enquiries relating to shares held through Euroclear France, the settlement and central depository system for NYSE Euronext Paris, should be sent to the paying agent:

CACEIS Corporate Trust  
14, rue Rouget de Lisle  
92130 Issy-Les-Moulineaux  
France  
Telephone: +33 1 57 78 34 28  
Email: [ct-service-ost@caceis.com](mailto:ct-service-ost@caceis.com)  
Website: [www.caceis.com](http://www.caceis.com)

If you have elected to receive general shareholder communications directly from HSBC Holdings, it is important to remember that your main contact for all matters relating to your investment remains the registered shareholder, or custodian or broker, who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration of it) must continue to be directed to your existing contact at your investment manager or custodian or broker. HSBC Holdings cannot guarantee dealing with matters directed to it in error.

Shareholders who wish to receive a hard copy of this *Annual Report and Accounts 2019* should contact HSBC's Registrars. Please visit [www.hsbc.com/investors/investor-contacts](http://www.hsbc.com/investors/investor-contacts) for further information. You can also download an online version of the report from [www.hsbc.com](http://www.hsbc.com).

### Electronic communications

Shareholders may at any time choose to receive corporate communications in printed form or to receive notifications of their availability on HSBC's website. To receive notifications of the availability of a corporate communication on HSBC's website by email, or revoke or amend an instruction to receive such notifications by email, go to [www.hsbc.com/investors/shareholder-information/manage-your-shareholding](http://www.hsbc.com/investors/shareholder-information/manage-your-shareholding). If you provide an email address to receive electronic communications from HSBC, we will also send notifications of your dividend entitlements by email. If you received a notification of the availability of this document on HSBC's website and would like to receive a printed copy, or if you would like to receive future corporate communications in printed form, please write or send an email (quoting your shareholder reference number) to the appropriate Registrars at the address given above. Printed copies will be provided without charge.

### Chinese translation

A Chinese translation of this *Annual Report and Accounts 2019* will be available upon request after 11 March 2020 from the Registrars:

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
United Kingdom

Please also contact the Registrars if you wish to receive Chinese translations of future documents, or if you have received a Chinese translation of this document and do not wish to receive them in future.

《2019年報及賬目》備有中譯本，各界人士可於2020年3月11日之後，向上列股份登記處索閱。

閣下如欲於日後收取相關文件的中譯本，或已收到本文件的中譯本但不希望繼續收取有關譯本，均請聯絡股份登記處。

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### Stock symbols

HSBC Holdings ordinary shares trade under the following stock symbols:

London Stock Exchange	HSBA*	Euronext Paris	HSB
Hong Kong Stock Exchange	5	Bermuda Stock Exchange	HSBC.BH
New York Stock Exchange (ADS)	HSBC		

\*HSBC's Primary market

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### Investor relations

Enquiries relating to HSBC's strategy or operations may be directed to:

Richard O'Connor, Global Head of Investor Relations  
HSBC Holdings plc  
8 Canada Square  
London E14 5HQ  
United Kingdom  
Telephone: +44 (0) 20 7991 6590  
Email: [investorrelations@hsbc.com](mailto:investorrelations@hsbc.com)

Mark Phin, Head of Investor Relations, Asia-Pacific  
The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong  
Telephone: 852 2822 4908  
Email: [investorrelations@hsbc.com.hk](mailto:investorrelations@hsbc.com.hk)

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### Where more information about HSBC is available

This *Annual Report and Accounts 2019* and other information on HSBC may be downloaded from HSBC's website: [www.hsbc.com](http://www.hsbc.com). Reports, statements and information that HSBC Holdings files with the Securities and Exchange Commission are available at [www.sec.gov](http://www.sec.gov). Investors can also request hard copies of these documents upon payment of a duplicating fee by writing to the SEC at the Office of Investor Education and Advocacy, 100 F Street N.E., Washington, DC 20549-0213 or by emailing [PublicInfo@sec.gov](mailto:PublicInfo@sec.gov). Investors should call the Commission at (1) 202 551 8090 if they require further assistance. Investors may also obtain the reports and other information that HSBC Holdings files at [www.nyse.com](http://www.nyse.com) (telephone number (1) 212 656 3000).

HM Treasury has transposed the requirements set out under CRD IV and issued the Capital Requirements Country-by-Country Reporting Regulations 2013. The legislation requires HSBC Holdings to publish additional information in respect of the year ended 31 December 2019 by 31 December 2020. This information will be available on HSBC's website: [www.hsbc.com/tax](http://www.hsbc.com/tax).

### Taxation of shares and dividends

#### Taxation – UK residents

The following is a summary, under current law and the current published practice of HM Revenue and Customs ('HMRC'), of certain UK tax considerations that are likely to be material to the ownership and disposition of HSBC Holdings ordinary shares. The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a holder of shares. In particular, the summary deals with shareholders who are resident solely in the UK for UK tax purposes and only with holders who hold the shares as investments and who are the beneficial owners of the shares, and does not address the tax treatment of certain classes of holders such as dealers in securities. Holders and prospective purchasers should consult their own advisers regarding the tax consequences of an investment in shares in light of their particular circumstances, including the effect of any national, state or local laws.

#### Taxation of dividends

Currently, no tax is withheld from dividends paid by HSBC Holdings.

#### UK resident individuals

UK resident individuals are generally entitled to a tax-free annual allowance in respect of dividends received. The amount of the allowance for the tax year beginning 6 April 2019 is £2,000. To the extent that dividend income received by an individual in the relevant tax year does not exceed the allowance, a nil tax rate will apply. Dividend income in excess of this allowance will be taxed at 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.

#### UK resident companies

Shareholders that are within the charge to UK corporation tax should generally be entitled to an exemption from UK corporation tax on any dividends received from HSBC Holdings. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

If the conditions for exemption are not met or cease to be satisfied, or a shareholder within the charge to UK corporation tax elects for an otherwise exempt dividend to be taxable, the shareholder will be subject to UK corporation tax on dividends received from HSBC Holdings at the rate of corporation tax applicable to that shareholder.

#### Scrip dividends

Information on the taxation consequences of the HSBC Holdings scrip dividends offered in lieu of the 2018 fourth interim dividend and the first, second and third interim dividends for 2019 was set out in the Secretary's letters to shareholders of 6 March, 30 May, 28 August and 23 October 2019. In no case was the difference between the cash dividend forgone and the market value of the scrip dividend in excess of 15% of the market value. Accordingly, for individual shareholders, the amount of the dividend income chargeable to tax, and the acquisition price of the HSBC Holdings ordinary shares for UK capital gains tax purposes, was the cash dividend forgone.

#### Taxation of capital gains

The computation of the capital gains tax liability arising on disposals of shares in HSBC Holdings by shareholders subject to UK tax on capital gains can be complex, partly depending on whether, for example, the shares were purchased since April 1991, acquired in 1991 in exchange for shares in The Hongkong and Shanghai Banking Corporation Limited, or acquired subsequent to 1991 in exchange for shares in other companies.

For capital gains tax purposes, the acquisition cost for ordinary shares is adjusted to take account of subsequent rights and capitalisation issues. Any capital gain arising on a disposal of shares in HSBC Holdings by a UK company may also be adjusted to take account of indexation allowance if the shares were acquired before 1 January 2018, although the level of indexation

allowance that is given in calculating the gain would be frozen at the value that would apply to the disposal of assets acquired on or after 1 January 2018. If in doubt, shareholders are recommended to consult their professional advisers.

#### Stamp duty and stamp duty reserve tax

Transfers of shares by a written instrument of transfer generally will be subject to UK stamp duty at the rate of 0.5% of the consideration paid for the transfer (rounded up to the next £5), and such stamp duty is generally payable by the transferee. An agreement to transfer shares, or any interest therein, normally will give rise to a charge to stamp duty reserve tax at the rate of 0.5% of the consideration. However, provided an instrument of transfer of the shares is executed pursuant to the agreement and duly stamped before the date on which the stamp duty reserve tax becomes payable, under the current published practice of HMRC it will not be necessary to pay the stamp duty reserve tax, nor to apply for such tax to be cancelled. Stamp duty reserve tax is generally payable by the transferee.

Paperless transfers of shares within CREST, the UK's paperless share transfer system, are liable to stamp duty reserve tax at the rate of 0.5% of the consideration. In CREST transactions, the tax is calculated and payment made automatically. Deposits of shares into CREST generally will not be subject to stamp duty reserve tax, unless the transfer into CREST is itself for consideration. Following the case HSBC pursued before the European Court of Justice (Case C-569/07 HSBC Holdings plc and Vidacos Nominees Ltd v The Commissioners for HM Revenue & Customs) and a subsequent case in relation to depositary receipts, HMRC accepts that the charge to stamp duty reserve tax at 1.5% on the issue of shares (and transfers integral to capital raising) to a depositary receipt issuer or a clearance service is incompatible with European Union law, and will not be imposed.

It is anticipated that following the UK's departure from the European Union, the UK government will continue its policy of not charging a 1.5% stamp duty and stamp duty reserve tax on issues of shares to overseas clearance services and depositary receipt issuers, but no assurance can be given that this will be the case.

#### Taxation – US residents

The following is a summary, under current law, of the principal UK tax and US federal income tax considerations that are likely to be material to the ownership and disposition of shares or American Depositary Shares ('ADSs') by a holder that is a US holder, as defined below, and who is not resident in the UK for UK tax purposes.

The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a holder of shares or ADSs. In particular, the summary deals only with US holders that hold shares or ADSs as capital assets, and does not address the tax treatment of holders that are subject to special tax rules. These include banks, tax-exempt entities, insurance companies, dealers in securities or currencies, persons that hold shares or ADSs as part of an integrated investment (including a 'straddle' or 'hedge') comprised of a share or ADS and one or more other positions, and persons that own directly or indirectly 10% or more (by vote or value) of the stock of HSBC Holdings. This discussion is based on laws, treaties, judicial decisions and regulatory interpretations in effect on the date hereof, all of which are subject to change.

For the purposes of this discussion, a 'US holder' is a beneficial holder that is a citizen or resident of the United States, a US domestic corporation or otherwise is subject to US federal income taxes on a net income basis in respect thereof.

Holders and prospective purchasers should consult their own advisers regarding the tax consequences of an investment in shares or ADSs in light of their particular circumstances, including the effect of any national, state or local laws.

Any US federal tax advice included in this *Annual Report and Accounts 2019* is for informational purposes only. It was not

intended or written to be used, and cannot be used, for the purpose of avoiding US federal tax penalties.

### Taxation of dividends

Currently, no tax is withheld from dividends paid by HSBC Holdings. For US tax purposes, a US holder must include cash dividends paid on the shares or ADSs in ordinary income on the date that such holder or the ADS depository receives them, translating dividends paid in UK pounds sterling into US dollars using the exchange rate in effect on the date of receipt. A US holder that elects to receive shares in lieu of a cash dividend must include in ordinary income the fair market value of such shares on the dividend payment date, and the tax basis of those shares will equal such fair market value.

Subject to certain exceptions for positions that are held for less than 61 days, and subject to a foreign corporation being considered a 'qualified foreign corporation' (which includes not being classified for US federal income tax purposes as a passive foreign investment company), certain dividends ('qualified dividends') received by an individual US holder generally will be subject to US taxation at preferential rates. Based on the company's audited financial statements and relevant market and shareholder data, HSBC Holdings was not and does not anticipate being classified as a passive foreign investment company. Accordingly, dividends paid on the shares or ADSs generally should be treated as qualified dividends.

### Taxation of capital gains

Gains realised by a US holder on the sale or other disposition of shares or ADSs normally will not be subject to UK taxation unless at the time of the sale or other disposition the holder carries on a trade, profession or vocation in the UK through a branch or agency or permanent establishment and the shares or ADSs are or have been used, held or acquired for the purposes of such trade, profession, vocation, branch or agency or permanent establishment. Such gains will be included in income for US tax purposes, and will be long-term capital gains if the shares or ADSs were held for more than one year. A long-term capital gain realised by an individual US holder generally will be subject to US tax at preferential rates.

### Inheritance tax

Shares or ADSs held by an individual whose domicile is determined to be the US for the purposes of the United States – United Kingdom Double Taxation Convention relating to estate and gift taxes (the 'Estate Tax Treaty') and who is not for such purposes a national of the UK will not, provided any US federal estate or gift tax chargeable has been paid, be subject to UK inheritance tax on the individual's death or on a lifetime transfer of shares or ADSs except in certain cases where the shares or ADSs (i) are comprised in a settlement (unless, at the time of the settlement, the settlor was domiciled in the US and was not a national of the UK), (ii) are part of the business property of a UK permanent establishment of an enterprise, or (iii) pertain to a UK fixed base of an individual used for the performance of independent personal services. In such cases, the Estate Tax Treaty generally provides a credit against US federal tax liability for the amount of any tax paid in the UK in a case where the shares or ADSs are subject to both UK inheritance tax and to US federal estate or gift tax.

### Stamp duty and stamp duty reserve tax – ADSs

If shares are transferred to a clearance service or American Depository Receipt ('ADR') issuer (which will include a transfer of shares to the depository) under the current published HMRC practice, UK stamp duty and/or stamp duty reserve tax will be payable. The stamp duty or stamp duty reserve tax is generally payable on the consideration for the transfer and is payable at the aggregate rate of 1.5%.

The amount of stamp duty reserve tax payable on such a transfer will be reduced by any stamp duty paid in connection with the same transfer.

No stamp duty will be payable on the transfer of, or agreement to transfer, an ADS, provided that the ADR and any separate

instrument of transfer or written agreement to transfer remain at all times outside the UK, and provided further that any such transfer or written agreement to transfer is not executed in the UK. No stamp duty reserve tax will be payable on a transfer of, or agreement to transfer, an ADS effected by the transfer of an ADR.

### US backup withholding tax and information reporting

Distributions made on shares or ADSs and proceeds from the sale of shares or ADSs that are paid within the US, or through certain financial intermediaries to US holders, are subject to information reporting and may be subject to a US 'backup' withholding tax. General exceptions to this rule happen when the US holder: establishes that it is a corporation (other than an S corporation) or other exempt holder; or provides a correct taxpayer identification number, certifies that no loss of exemption from backup withholding has occurred and otherwise complies with the applicable requirements of the backup withholding rules. Holders that are not US taxpayers generally are not subject to information reporting or backup withholding tax, but may be required to comply with applicable certification procedures to establish that they are not US taxpayers in order to avoid the application of such information reporting requirements or backup withholding tax to payments received within the US or through certain financial intermediaries.

### Cautionary statement regarding forward-looking statements

The *Annual Report and Accounts 2019* contains certain forward-looking statements with respect to HSBC's financial condition, results of operations and business, including the strategic priorities and 2020 financial, investment and capital targets described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's Directors, officers or employees to third parties, including financial analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as continuing or deepening recessions and fluctuations in employment and credit-worthy customers beyond those factored into consensus forecasts; changes in foreign exchange rates and interest rates, including the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; other unfavourable political or diplomatic developments producing social instability or legal uncertainty, such as the unrest in Hong Kong, which in turn may affect demand for our products and services; the coronavirus outbreak, which may have adverse impacts on income due to lower lending and

## Additional information

transaction volumes; climate change, which may cause both idiosyncratic and systemic risks resulting in potential financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using us as a conduit for illegal activities without our knowledge; the expected discontinuation of certain key lbors and the development of alternative risk-free benchmark rates, which may require us to enhance our capital position and/or position additional capital in specific subsidiaries; price competition in the market segments we serve; and deviations from the market and economic assumptions that form the basis for our ECL measurements;

- changes in government policy and regulation, including the monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which we operate and the consequences thereof; initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's exit from the EU which may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations; general changes in government policy that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and
- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our targets which may result in our failure to achieve any of the expected benefits of our strategic initiatives; model limitations or failure, which may require us to hold additional capital and incur losses; changes to the judgments, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit rating assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in accounting standards, which may have a material impact on the way we prepare our financial statements; changes in our ability to manage third-party, fraud and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; and changes in skill requirements, ways of working and talent shortages, which may affect our ability to recruit and retain senior management and skilled personnel. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the

statistical models it uses; and our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'top and emerging risks' on pages 76 to 81.

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## Certain defined terms

Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC Holdings classified as equity. The abbreviations '\$m', '\$bn' and '\$tn' represent millions, billions (thousands of millions) and trillions of US dollars, respectively.

## Abbreviations

Currencies	
£	British pound sterling
CAS\$	Canadian dollar
€	Euro
HK\$	Hong Kong dollar
MXN	Mexican peso
RMB	Chinese renminbi
SGD	Singapore dollar
\$	United States dollar
<b>A</b>	
ABS <sup>1</sup>	Asset-backed security
ADR	American Depositary Receipt
ADS	American Depositary Share
AFS	Available for sale
AGM	Annual General Meeting
AI	Artificial intelligence
AIEA	Average interest-earning assets
ALCM	Asset, Liability and Capital Management
ALCO	Asset and Liability Management Committee
AML	Anti-money laundering
AML DPA	Five-year deferred prosecution agreement with the US Department of Justice, entered into in December 2012
ASEAN	Association of Southeast Asian Nations
AT1	Additional tier 1
<b>B</b>	
Basel	Basel Committee on Banking Supervision
Basel II <sup>1</sup>	2006 Basel Capital Accord
Basel III <sup>1</sup>	Basel Committee's reforms to strengthen global capital and liquidity rules
BIS	Bank for International Settlements
BoCom	Bank of Communications Co., Limited, one of China's largest banks
BoE	Bank of England
Bps <sup>1</sup>	Basis points. One basis point is equal to one-hundredth of a percentage point
BSA	Bank Secrecy Act (US)
BSM	Balance Sheet Management
BVI	British Virgin Islands
<b>C</b>	
C&L	Credit and Lending
CAPM	Capital asset pricing model
CCAR	Federal Reserve Comprehensive Capital Analysis and Review
CDOs	Collateralised debt obligations
CDS <sup>1</sup>	Credit default swap
CEA	Commodity Exchange Act (US)
CET1 <sup>1</sup>	Common equity tier 1
CGUs	Cash-generating units
CMB	Commercial Banking, a global business
CMC	Capital maintenance charge
CML <sup>1</sup>	Consumer and Mortgage Lending (US)
CODM	Chief Operating Decision Maker
COSO	2013 Committee of the Sponsors of the Treadway Commission (US)
CP <sup>1</sup>	Commercial paper
CRD IV <sup>1</sup>	Capital Requirements Regulation and Directive
CRR <sup>1</sup>	Customer risk rating
CRR II <sup>1</sup>	Revised Capital Requirements Regulation and Directive, as implemented
CSA	Credit support annex
CVA <sup>1</sup>	Credit valuation adjustment
<b>D</b>	
Deferred Shares	Awards of deferred shares define the number of HSBC Holdings ordinary shares to which the employee will become entitled, generally between one and seven years from the date of the award, and normally subject to the individual remaining in employment
Dodd-Frank	Dodd-Frank Wall Street Reform and Consumer Protection Act (US)
DoJ	US Department of Justice
DPD	Days past due
DPF	Discretionary participation feature of insurance and investment contracts
DVA <sup>1</sup>	Debt valuation adjustment
<b>E</b>	
EAD <sup>1</sup>	Exposure at default
EC	European Commission
ECB	European Central Bank
ECL	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
EEA	European Economic Area
Eonia	Euro Overnight Index Average
ESG	Environmental, social and governance
€STER	Euro short-term rate
EU	European Union
Euribor	Euro interbank offered rate
EVE	Economic value of equity
<b>F</b>	
FCA	Financial Conduct Authority (UK)
FFVA	Funding fair value adjustment estimation methodology on derivative contracts
FPA	Fixed pay allowance
FRB	Federal Reserve Board (US)
FRC	Financial Reporting Council
FSB	Financial Stability Board
FSCS	Financial Services Compensation Scheme
F SVC	Financial System Vulnerabilities Committee
FTE	Full-time equivalent staff
FTSE	Financial Times – Stock Exchange index
FuM	Funds under management
FVOCI <sup>1</sup>	Fair value through other comprehensive income
FVPL <sup>1</sup>	Fair value through profit or loss
FX DPA	Three-year deferred prosecution agreement with the US Department of Justice, entered into in January 2018
<b>G</b>	
GAAP	Generally accepted accounting principles
GAC	Group Audit Committee
GB&M	Global Banking and Markets, a global business
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GLCM	Global Liquidity and Cash Management
Global Markets	HSBC's capital markets services in Global Banking and Markets
GMB	Group Management Board
GMP	Guaranteed minimum pension
GPB	Global Private Banking, a global business
GPSP	Group Performance Share Plan
GRC	Group Risk Committee
Group	HSBC Holdings together with its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
<b>H</b>	
Hang Seng Bank	Hang Seng Bank Limited, one of Hong Kong's largest banks
HKEx	The Stock Exchange of Hong Kong Limited
HKMA	Hong Kong Monetary Authority
HMRC	HM Revenue and Customs
HNAH	HSBC North America Holdings Inc.
Holdings ALCO	HSBC Holdings Asset and Liability Management Committee
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
HQLA	High-quality liquid assets
HSBC	HSBC Holdings together with its subsidiary undertakings
HSBC Bank	HSBC Bank plc, also known as the non-ring-fenced bank

## Additional information

HSBC Bank Middle East	HSBC Bank Middle East Limited	OECD	Organisation of Economic Co-operation and Development
HSBC Bank USA	HSBC Bank USA, N.A., HSBC's retail bank in the US	OFAC	Office of Foreign Assets Control
HSBC Canada	The sub-group, HSBC Bank Canada, HSBC Trust Company Canada, HSBC Mortgage Corporation Canada and HSBC Securities Canada, consolidated for liquidity purposes	OTC <sup>1</sup>	Over-the-counter
HSBC Colombia	HSBC Bank (Colombia) S.A.	<b>P</b>	
HSBC Finance	HSBC Finance Corporation, the US consumer finance company (formerly Household International, Inc.)	PBT	Profit before tax
HSBC France	HSBC's French banking subsidiary, formerly CCF S.A.	PD <sup>1</sup>	Probability of default
HSBC Holdings	HSBC Holdings plc, the parent company of HSBC	Performance shares <sup>1</sup>	Awards of HSBC Holdings ordinary shares under employee share plans that are subject to corporate performance conditions
HSBC Private Bank (Suisse)	HSBC Private Bank (Suisse) SA, HSBC's private bank in Switzerland	Ping An	Ping An Insurance (Group) Company of China, Ltd, the second-largest life insurer in the PRC
HSBC UK	HSBC UK Bank plc, also known as the ring-fenced bank	PIT	Point-in-time
HSBC USA	The sub-group, HSBC USA Inc (the holding company of HSBC Bank USA) and HSBC Bank USA, consolidated for liquidity purposes	POCI	Purchased or originated credit-impaired financial assets
HSI	HSBC Securities (USA) Inc.	PPI	Payment protection insurance
HSSL	HSBC Securities Services (Luxembourg)	PRA	Prudential Regulation Authority (UK)
HTIE	HSBC International Trust Services (Ireland) Limited	PRC	People's Republic of China
HTM	Held to maturity	Principal plan	HSBC Bank (UK) Pension Scheme
<b>I</b>		PVIF	Present value of in-force long-term insurance business and long-term investment contracts with DPF
IAS	International Accounting Standards	PwC	The member firms of the PwC network, including PricewaterhouseCoopers LLP
IASB	International Accounting Standards Board	<b>R</b>	
lbor	Interbank offered rate	RAS	Risk appetite statement
ICAAP	Internal capital adequacy assessment process	RBWM	Retail Banking and Wealth Management, a global business
IFRSs	International Financial Reporting Standards	Repo <sup>1</sup>	Sale and repurchase transaction
ILAAP	Individual liquidity adequacy assessment process	Reverse repo	Security purchased under commitments to sell
IRB <sup>1</sup>	Internal ratings-based	RFB	Ring-fenced bank
ISDA	International Swaps and Derivatives Association	RFR	Risk-free rate
<b>J</b>		RMM	Risk Management Meeting of the Group Management Board
Jaws	Adjusted jaws measures the difference between the rates of change in adjusted revenue and adjusted operating expenses	RNIV	Risk not in VaR
<b>K</b>		RoE	Return on equity
KMP	Key Management Personnel	RoTE	Return on average tangible equity
<b>L</b>		RWA <sup>1</sup>	Risk-weighted asset
LCR	Liquidity coverage ratio	<b>S</b>	
LFRF	Liquidity and funding risk management framework	SABB	The Saudi British Bank
LGBT+	Lesbian, gay, bisexual and transgender. The plus sign denotes other non-mainstream groups on the spectrums of sexual orientation and gender identity	SAPS	Self-administered pension scheme
LGD <sup>1</sup>	Loss given default	SDG	United Nation's Sustainable Development Goals
Libor	London interbank offered rate	SE <sup>1</sup>	Structured entity
LICs	Loan impairment charges and other credit risk provisions	SEC	Securities and Exchange Commission (US)
LMA	Loan Markets Association	ServCo group	Separately incorporated group of service companies planned in response to UK ring-fencing proposals
LTI	Long-term incentive	SFR	Stable funding ratio
LTV <sup>1</sup>	Loan-to-value ratio	Sibor	Singapore interbank offered rate
<b>M</b>		SIC	Securities investment conduit
Mainland China	People's Republic of China excluding Hong Kong	SID	Senior Independent Director
Malachite	Malachite Funding Limited, a term-funding vehicle	SME	Small and medium-sized enterprise
Mazarin	Mazarin Funding Limited, an asset-backed CP conduit	Solitaire	Solitaire Funding Limited, a special purpose entity managed by HSBC
MBS	US mortgage-backed security	SPE <sup>1</sup>	Special purpose entity
MENA	Middle East and North Africa	SRI	Socially responsible investment
MOCs	Model Oversight Committees	<b>T</b>	
Monoline	Monoline insurance company	T1	Tier 1
MREL	Minimum requirement for own funds and eligible liabilities	T2	Tier 2
MRT <sup>1</sup>	Material Risk Taker	TCFD <sup>1</sup>	Task Force on Climate-related Financial Disclosures
<b>N</b>		TLAC <sup>1</sup>	Total loss-absorbing capacity
Net operating income	Net operating income before change in expected credit losses and other credit impairment charges/Loan impairment charges and other credit provisions, also referred to as revenue	TSR <sup>1</sup>	Total shareholder return
NII	Net interest income	<b>U</b>	
NIM	Net interest margin	UAE	United Arab Emirates
NSFR	Net stable funding ratio	UK	United Kingdom
NYSE	New York Stock Exchange	UN	United Nations
<b>O</b>		UN PRI	United Nations Principles of Responsible Investment
OCC	Office of the Comptroller of the Currency (US)	US	United States of America
OCI	Other comprehensive income	<b>V</b>	
		VaR <sup>1</sup>	Value at risk
		VIU	Value in use

<sup>1</sup> A full definition is included in the glossary to the Annual Report and Accounts 2019 which is available at [www.hsbc.com/investors](http://www.hsbc.com/investors).



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Beatrice wind farm image on page 46 courtesy of © Beatrice Offshore Windfarm Ltd

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