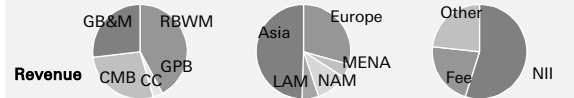


HSBC key credit messages

As at FY19

Conservative and consistent approach to risk
27bps
 ECL as a % of average gross customer loans

1.3%
 Stage 3 loans as a % of gross customer loans

Diversified revenue streams, with a pivot to Asia

Strong capital position
14.7%
 CET1 ratio

5.3%
 Leverage ratio

\$6.0bn
 Profit attributable to ordinary shareholders

Strong funding and liquidity metrics
72.0%
 Loan / Deposit ratio

150%
 Liquidity Coverage Ratio

\$601bn
 High Quality Liquid Assets

2020 MREL requirements met
\$80bn
 MREL-eligible HoldCo Senior outstanding

Single-A credit rating or above
A
 HSBC Holdings S&P rating

A2
 HSBC Holdings Moody's rating

A+
 HSBC Holdings Fitch rating

Approach to issuance
Issuance plan¹
HoldCo Senior

Broadly limited to refinancing maturing/retired HoldCo senior debt

Tier 2

No near-term plans

AT1

Broadly limited to refinancing retired debt (including legacy Tier 1)

OpCo

Expect certain subsidiaries to issue senior and secured debt in local markets

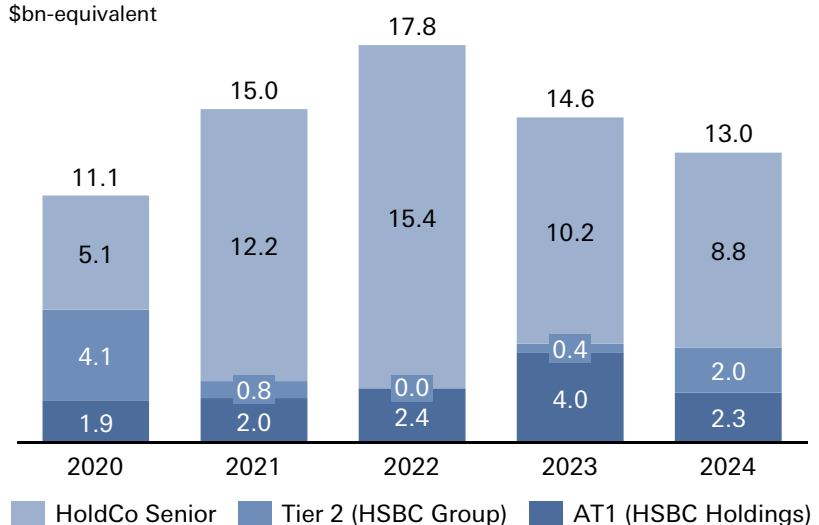
Issuance strategy
Single point of issuance, multiple point of entry

- ◆ 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

Maturity profile (notional)²

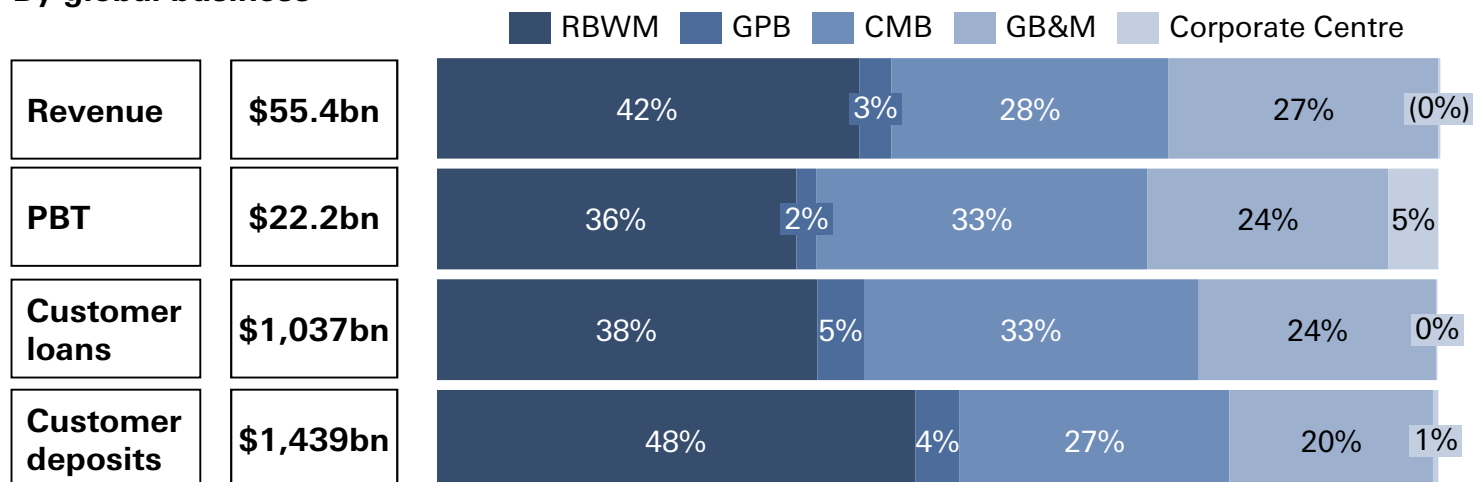
As at FY19

\$bn-equivalent

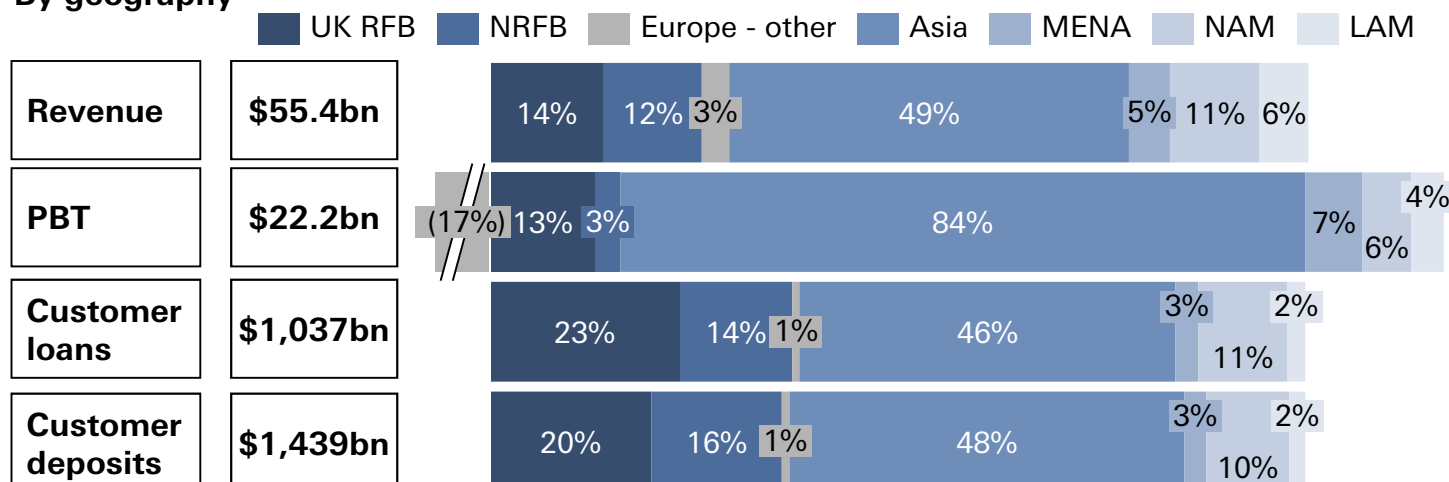


2019 key financial metrics (adjusted¹)

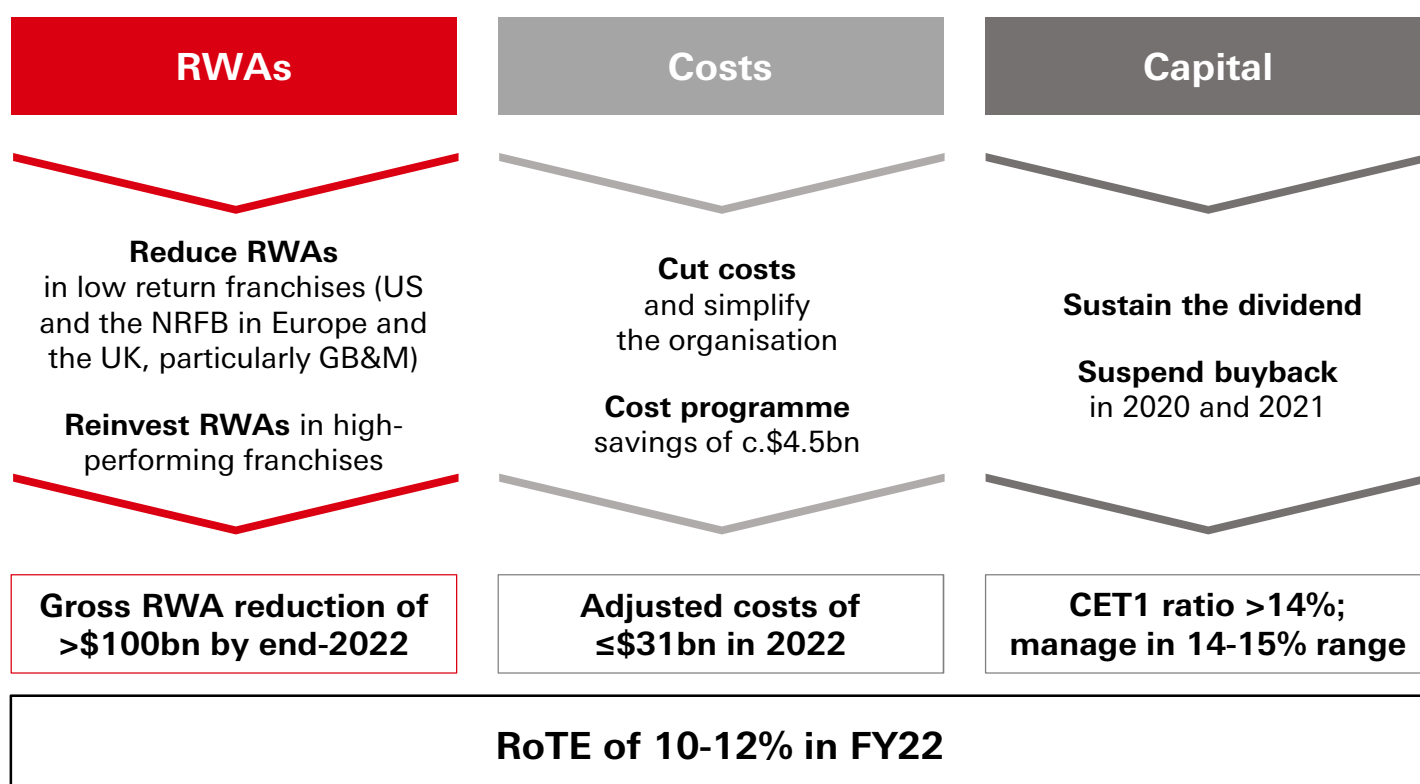
By global business



By geography

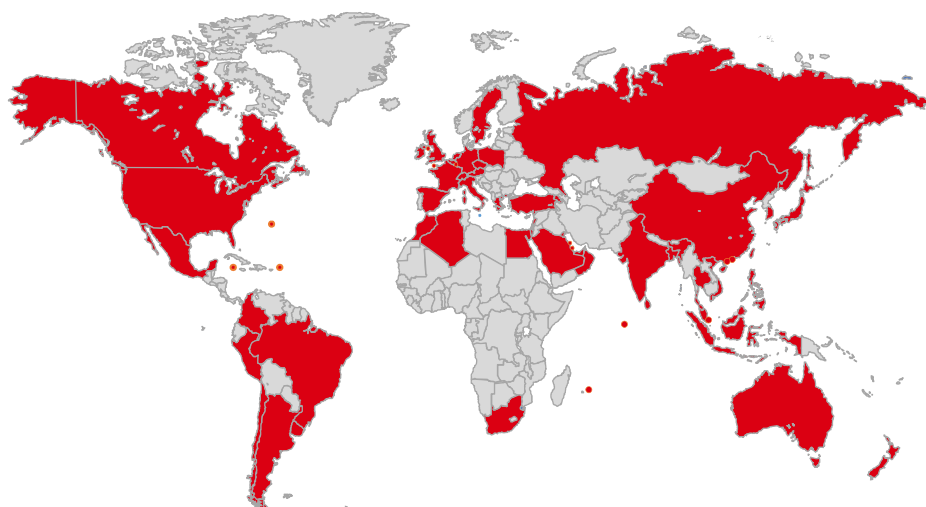


Actions to deliver our 2022 financial targets



1. For a reconciliation from reported to adjusted measures, see the HSBC Holdings plc Annual Report and Accounts 2019

Our network



FY19 Group adjusted results³ (comparison vs. FY18)

\$bn	RBWM		CMB		GB&M		GPB		Corporate Centre		Group	
Revenue	23.4	9%	15.3	6%	14.9	(1)%	1.8	5%	(0.0)	84%	55.4	6%
ECL	(1.4)	(23)%	(1.2)	(66)%	(0.2)	>(200)%	(0)	>(200)%	(0)	>(100)%	(2.8)	(63)%
Costs	(14.0)	(6)%	(6.8)	(8)%	(9.4)	(3)%	(1.4)	0%	(1.1)	36%	(32.8)	(3)%
Associates and JVs	0.0	67%	-	-	-	-	-	-	2.3	(5)%	2.4	(4)%
Profit before tax	8.0	15%	7.3	(2)%	5.3	(9)%	0.4	19%	1.1	141%	22.2	5%
RoTE ⁴ , %	20.5	(0.5)ppt	12.4	(1.6)ppt	9.2	(1.3)ppt	11.1	1.2ppt	(3.5)	2.2ppt	10.0	(0.2)ppt
Cost efficiency ratio, %	60	2ppt	44	(1)ppt	63	(2)ppt	77	4ppt	nm	-	59	2ppt
Reported RWAs	134	6%	317	(1)%	258	(8)%	14	(17)%	121	1%	843	(3)%
Loans & advances to customers	395	7%	346	3%	246	(0)%	48	20%	1	(44)%	1,037	4%
Customer deposits	689	6%	387	7%	292	(1)%	63	(3)%	8	(7)%	1,439	4%
L/D ratio ⁵ , %	57	1ppt	90	(4)ppt	84	0ppt	76	15ppt	18	(12)ppt	72	0ppt

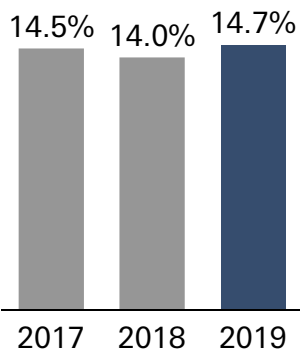
\$bn	Europe		Asia		MENA		North America		Latin America		Group	
Revenue ⁶	18.1	7%	30.5	7%	2.9	8%	6.7	(2)%	3.5	32%	55.4	6%
ECL	(0.9)	(57)%	(0.7)	(21)%	(0.1)	42%	(0.2)	>(200)%	(0.7)	(43)%	(2.8)	(63)%
Costs ⁶	(17.3)	(4)%	(13.2)	(7)%	(1.4)	(8)%	(5.0)	2%	(2.0)	(22)%	(32.8)	(3)%
Associates and JVs	(0.0)	>(100)%	2.1	4%	0.3	(35)%	-	-	0.0	>200%	2.4	(4)%
Profit before tax	(0.2)	36%	18.6	6%	1.6	3%	1.4	(26)%	0.8	54%	22.2	5%
Cost efficiency ratio, %	96	3ppt	43	0ppt	50	0ppt	76	0ppt	57	5ppt	59	2ppt
Reported RWAs ⁷	281	(6)%	366	1%	57	1%	122	(7)%	38	0%	843	(3)%
Loans & advances to customers	394	3%	478	6%	29	(1)%	113	3%	23	10%	1,037	4%
Customer deposits	529	2%	697	4%	38	8%	147	8%	28	13%	1,439	4%
L/D ratio ⁵ , %	74	0ppt	69	1ppt	75	(6)ppt	77	(4)ppt	82	(2)ppt	72	0ppt

Note: numbers may not cast due to rounding.

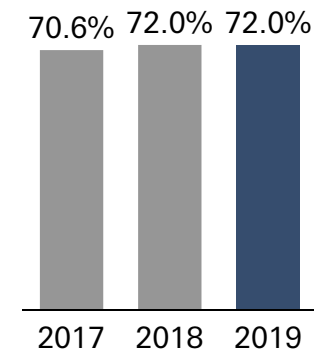
Balance sheet strength

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.

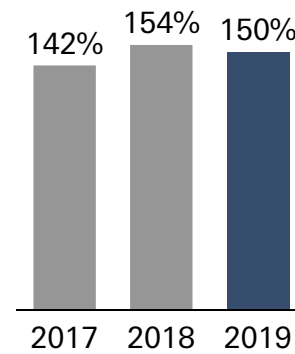
CET1 ratio⁸



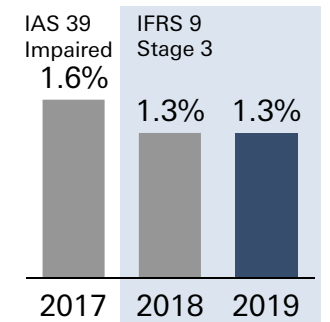
Loans and advances to deposits ratio



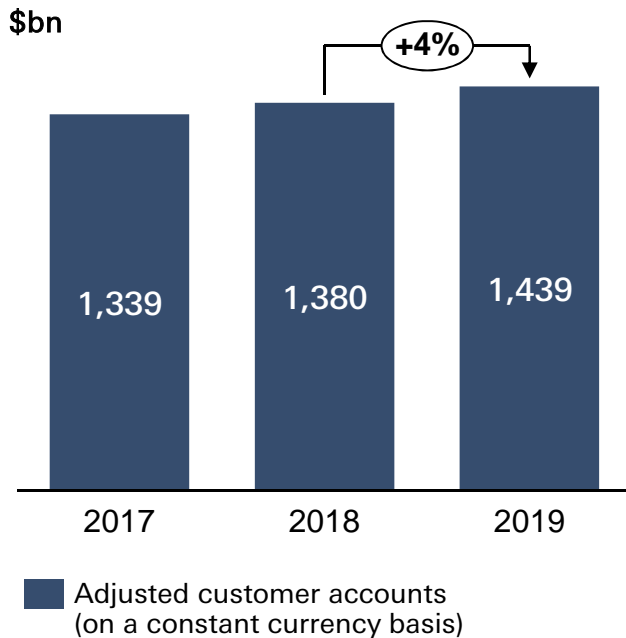
Group consolidated LCR



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

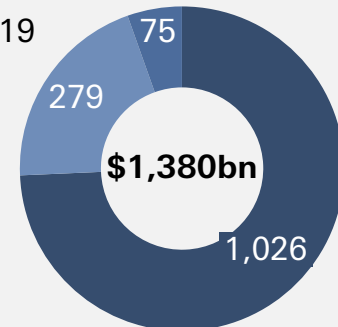


Customer deposits



Customer accounts by type (average), \$bn

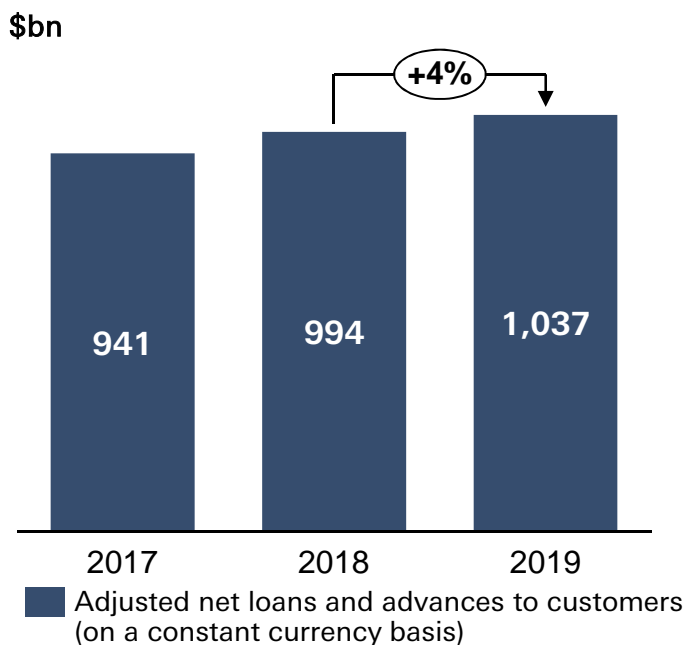
As at FY19



- Demand and other - non-interest bearing and demand - interest bearing
- Savings
- Time and other

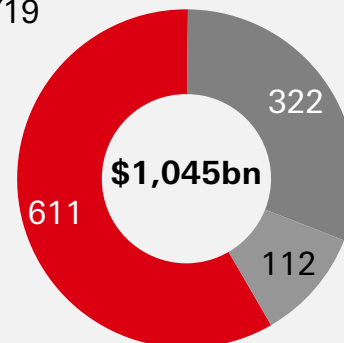
Source: Form 20-F; average balances on a reported basis

Net loans and advances to customers



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

As at FY19



- Mortgages
- Wholesale
- Other personal

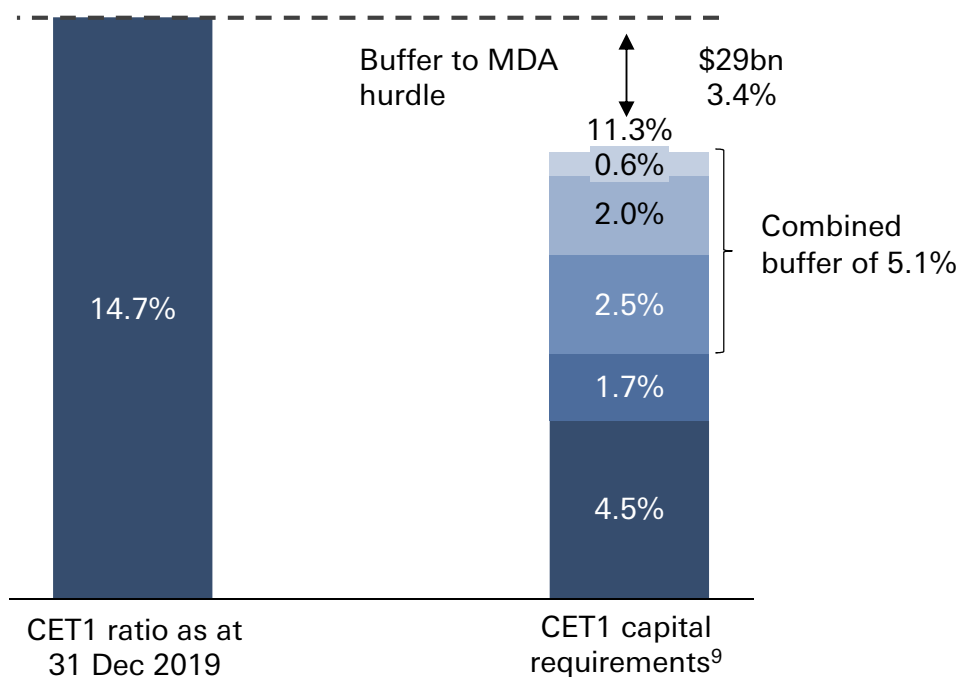
Gross mortgage lending

UK \$138bn,
51% average LTV

HK \$87bn,
41% average LTV

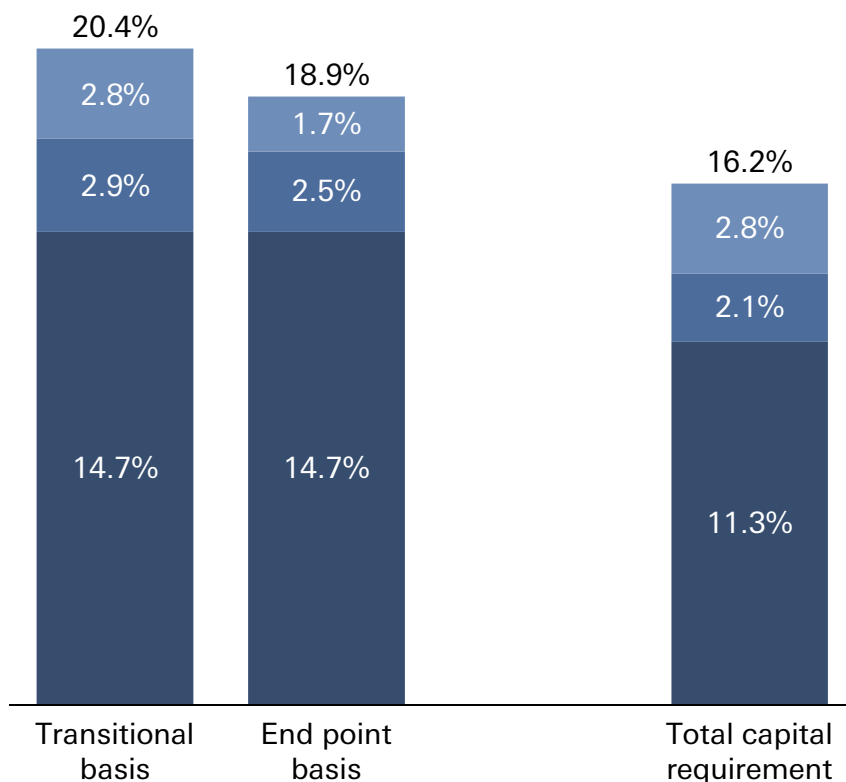
Group capital requirements

CET1 ratio versus Maximum Distributable Amount ("MDA")



■ Countercyclical Buffer (CCyB)
 ■ GSII Buffer
 ■ Capital Conservation Buffer (CCB)
 ■ Pillar 2A
 ■ Pillar 1

Regulatory capital versus regulatory requirements as a % of RWAs



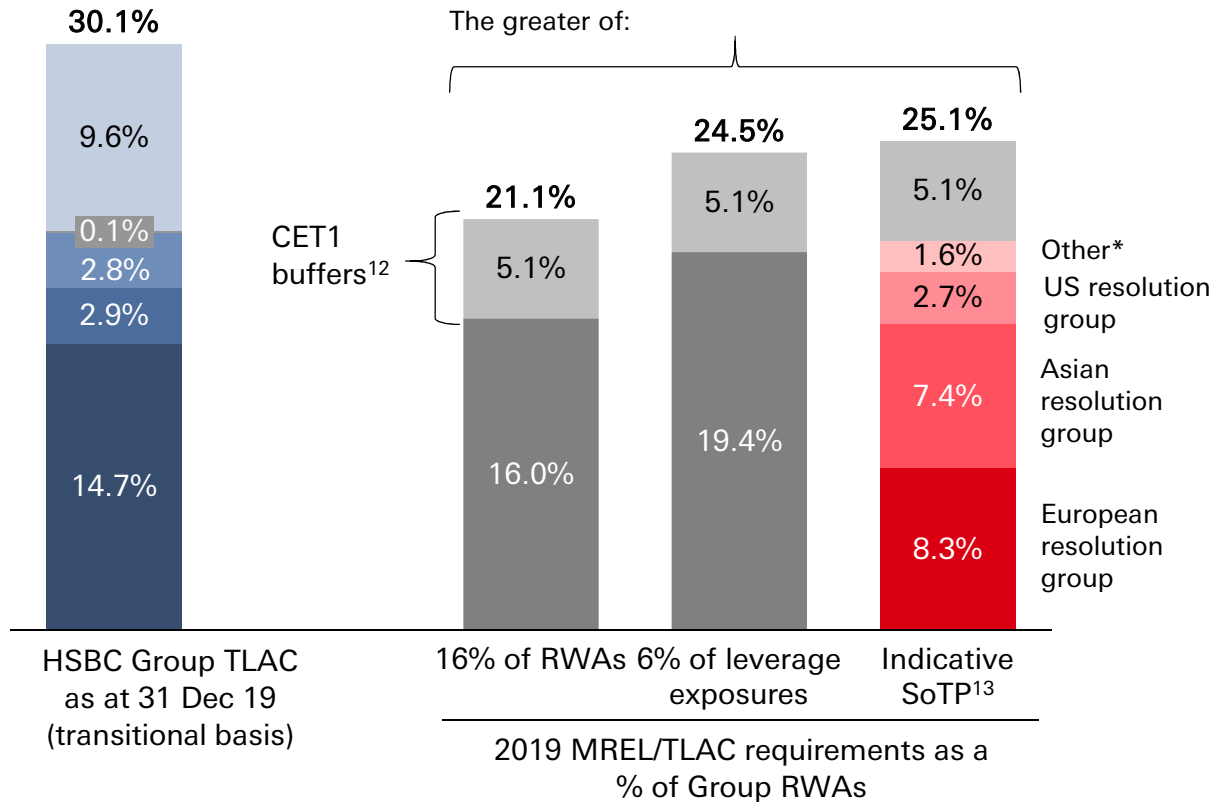
HSBC Group capital structure as at 31 Dec 19

■ CET1
 ■ AT1
 ■ Tier 2

Indicative MREL/TLAC requirement

- HSBC Group's 2020 MREL requirement¹⁰ is the greater of:
 - 16% of RWAs
 - 6% of leverage exposures¹¹
 - The sum of requirements relating to Group entities ('SoTP')
- MREL requirements as at 1 Jul 2020 are driven by the SoTP calculation

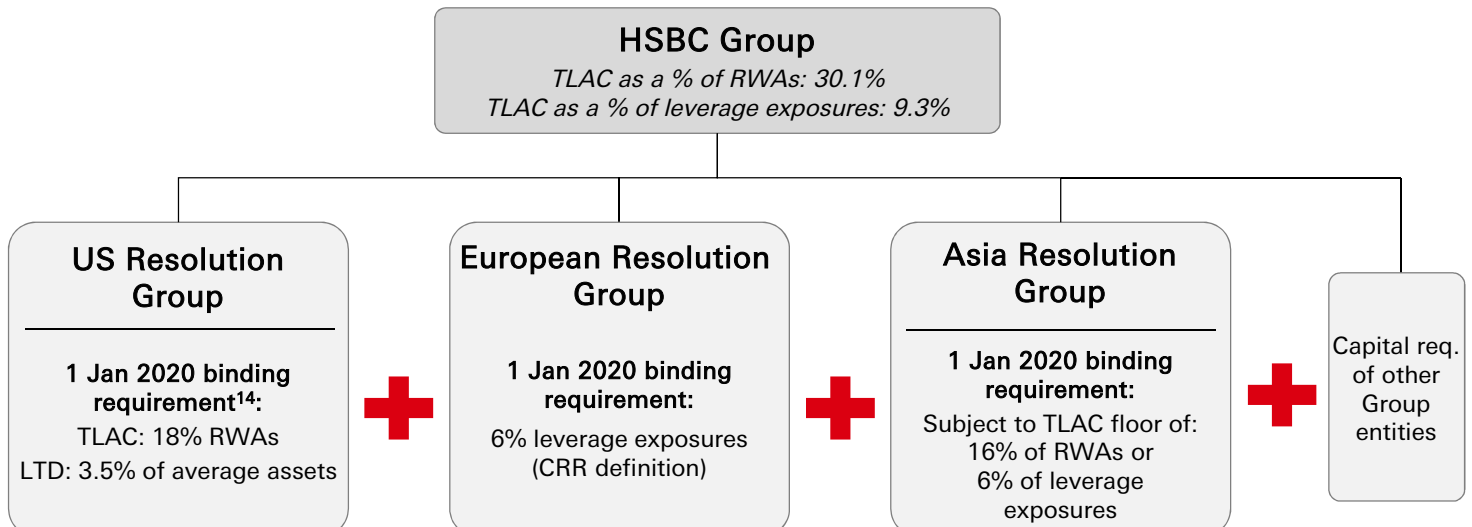
MREL-eligible capital and HoldCo senior versus estimated regulatory requirements as a % of Group RWAs



■ CET1 ■ AT1 ■ Tier 2 ■ Amortised Tier 2 ■ MREL-eligible HoldCo Senior

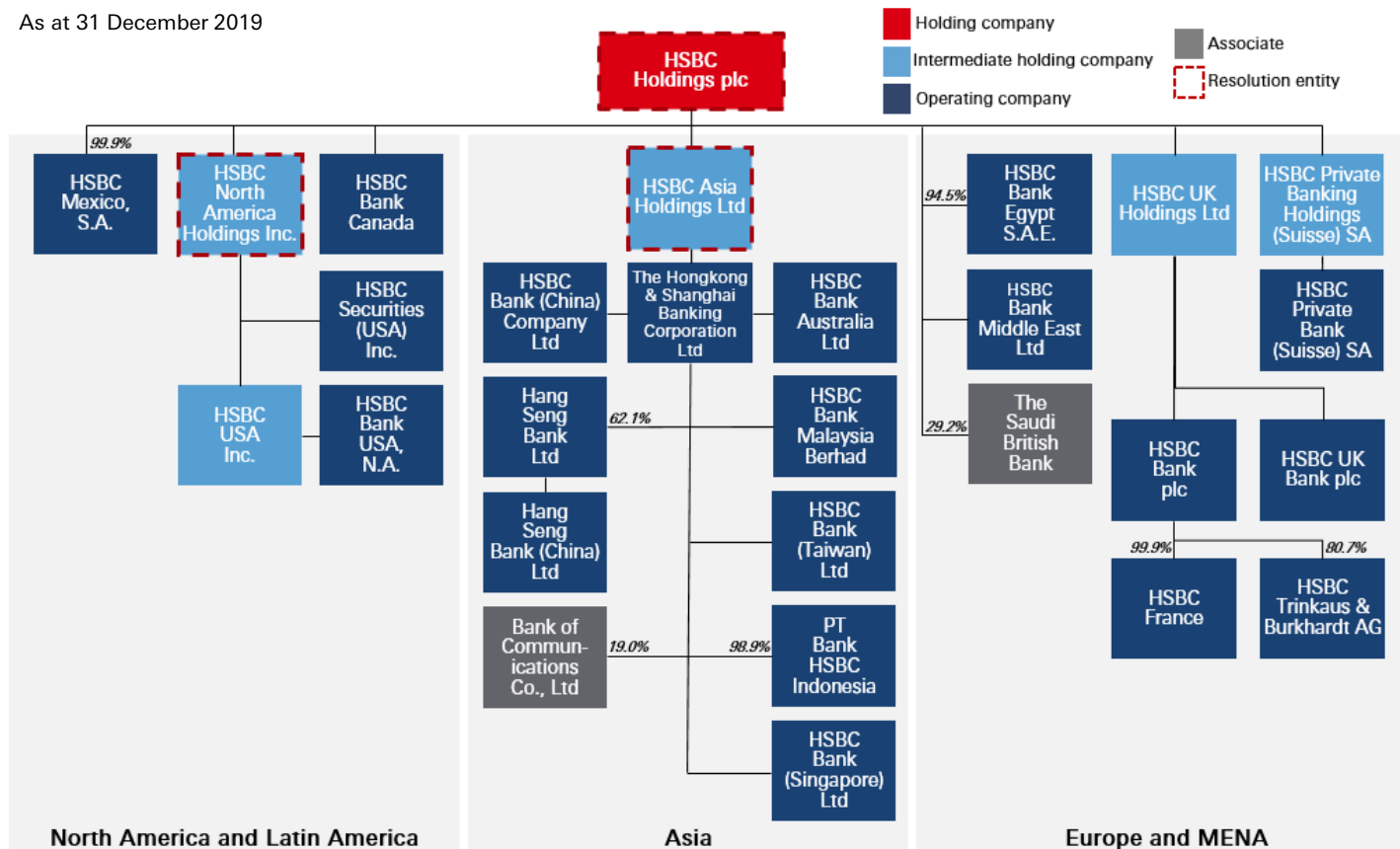
*Capital requirements relating to other Group entities such as HSBC Bank Canada, and HSBC Mexico where the entities are not subject to a TLAC requirement

Indicative summary MREL/TLAC requirement



Simplified legal entity structure

As at 31 December 2019



Credit ratings

Long term senior ratings as at 17 February 2020

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

Footnotes

- The issuance plan is guidance only; it is at 31 December 2019 and is subject to change.
- To first call date if callable; otherwise to maturity
- All numbers presented are on an adjusted basis unless otherwise stated
- Excl. significant items and UK bank levy
- Loan to deposit ratio
- Amounts are non-additive across geographical regions due to intercompany transactions within the Group
- RWAs are non-additive across geographical regions due to market risk diversification effects within the Group
- Unless otherwise stated, risk-weighted assets and capital amounts at 31 December 2019 are calculated in accordance with the revised Capital Requirements Regulation and Directive, as implemented ('CRR II'), and specifically using its transitional arrangements for capital instruments and for IFRS 9 Financial instruments
- CET1 capital requirements as at 1 January 2020, and subject to change
- 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) as implemented in the UK, with the purpose of absorbing losses and recapitalising an institution upon failure whilst ensuring the continuation of critical economic functions.
- Leverage exposure is calculated as the higher of either the requirements as defined in the Capital Requirements Regulation or the PRA's leverage ratio requirement
- Group CET1 buffers are shown in addition to the MREL requirements. The buffers shown in addition to the RWA, leverage and SoTP TLAC/MREL requirement are calculated in accordance with the PRA Supervisory statement 16/16 updated in December 2017
- 2020 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
- Leverage exposures and ratio are calculated under both local regulatory rules and the equivalent accounting standard to IFRS 9 for current expected credit losses ('CECL'), US supplementary leverage ratio (SLR) and US Basel III. 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

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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 2019 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 19 February 2020 (the "2019 Form 20-F").

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 2019 Form 20-F and the Reconciliations of Non-GAAP Financial Measures document, each of which are available at www.hsbc.com.

This presentation was prepared as at 20 March 2020. The information included in this factbook is as at 31 December 2019, unless otherwise stated.