

Opening up a world of opportunity

We're here to use our expertise, capabilities, breadth and perspectives to open up new kinds of opportunity for our customers. We're bringing together the people, ideas and capital that nurture progress and growth, helping to create a better world – for our customers, our people, our investors, our communities and the planet we all share

HSBC Group long-term strategy

We have refreshed our purpose, values and ambition to support the execution of our strategy

Our purpose: Opening up a world of opportunity

Our ambition: We aim to be the **preferred international financial partner** for our customers

Our strategy:

- ◆ **Focus** on our strengths
- ◆ **Digitize** at scale
- ◆ **Energize** for growth
- ◆ **Transition** to net zero

Our values:

- ◆ We **value** difference
- ◆ We **succeed** together
- ◆ We **take** responsibility
- ◆ We **get** it done

HSBC Group FY20^{1,2}

Adjusted PBT²

(USD)
2019: \$21.1bn

\$12.1bn

CET1 ratio

2019: 14.7%

15.9%

A/D ratio³

2019: 72.0%

63.2%

Return on average tangible equity

2019: 8.4%

3.1%

HSBC Bank Canada

FY20 Key financial metrics (CAD)

Reported PBT
2019: \$816m

\$404m

Revenue
2019: \$2,185m

\$2,024m

Expected credit losses – charge
2019: \$78m

\$327m

CET1 ratio⁴
2019: 11.3%

13.7%

Total capital ratio⁴
2019: 16.4%

19.0%

Customer advances
2019: \$61.9bn

\$61.0bn

Customer accounts
2019: \$62.9bn

\$72.0bn

RWAs⁴
2019: \$42.1bn

\$40.0bn

LCR⁴
2019: 140%

188%

A/D ratio³
2019: 98.5%

84.8%

1. Refer to the Appendix on page 8 for more detailed information.

2. For a reconciliation of reported to alternative performance measures, see the HSBC Holdings plc Annual Report and Accounts 2020

3. Ratio of customer advances to customer accounts

4. Local regulatory numbers (OSFI Basis)

64

countries and territories

>90%

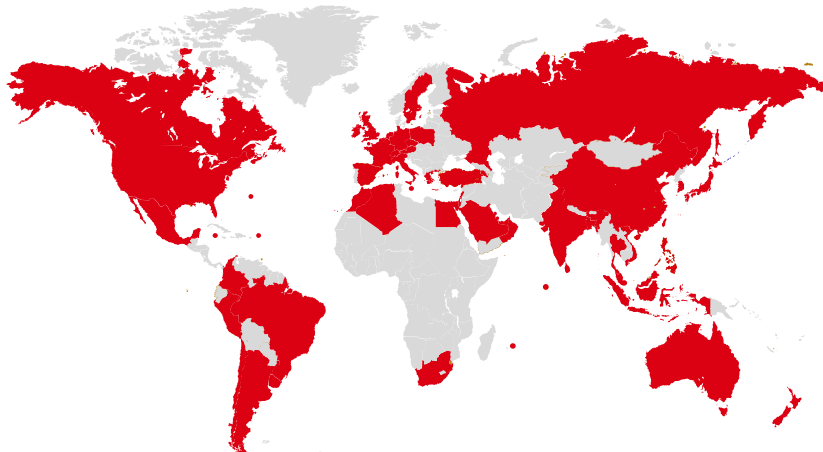
of the world's GDP and trade flows covered by our footprint

>40m

customers

3

global businesses



As at 31 December 2020

HSBC Bank Canada

HSBC in Canada

- ◆ With a Canada-wide branch network and \$115bn in assets at 31 March 2021, HSBC is Canada's leading international bank. No international bank has our Canadian presence and no domestic bank has our international reach
- ◆ Canada is an important contributor to the HSBC Group strategy and a key player in the Group's work to support customers and drive growth, leveraging our footprint across key trade corridors
- ◆ Net customer loans of \$62.5bn (USD49.8bn) at 31 March 2021, representing 5% of the Group
- ◆ HSBC branches across Canada at 31 March 2021



Our global businesses

CMB

Commercial Banking

- ◆ Supports business customers with banking products and services to help them grow, ranging from small enterprises through to large corporates that operate globally
- ◆ In 2020, the Canadian market was the 3rd highest reported profit before tax contributor for CMB in the HSBC Group¹

WPB

Wealth and Personal Banking

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

GBM

Global Banking and Markets

- ◆ Provides a comprehensive range of products and solutions to corporates, governments and institutions

Strategy

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

- ◆ A leading international bank – we are an integral part of one of the most international banking and financial services organizations in the world
- ◆ Extensive access to our international network – our network of customers provides us with significant insight into trade and capital flows across supply chains
- ◆ Business management – we are focussed on growth, with a strong capital, funding and liquidity position and diversified business model

Our strategic priorities

- ◆ Optimize the value of our international network and universal banking capabilities – realize value from the network across North America and other regions where HSBC has presence
- ◆ Tap into emerging opportunities in fast growing segments – invest in growth opportunities to create value for all of our stakeholders, including commitment to support our customers' transition to a low-carbon economy
- ◆ Create capacity for investments through efficiency – build a simpler, more efficient and empowered organization
- ◆ Commercialize our investments in digital capabilities, people and products – invest in technology to make it easier for customers to bank with us and for our colleagues to support our customers
- ◆ Develop and empower our people – create an environment where our people can fulfil their potential

1. Measured in US dollars.

External credit ratings – Long term senior ratings as at 1 May 2021

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

* DBRS rating of HSBC Holdings plc is unsolicited

FY20: HSBC Bank Canada – Financial Performance (vs. FY19)¹

Income statement, CADm ²	WPB		CMB		GBM		Corp. Centre		HSBC Bank Canada	
Revenue	777	(3%)	949	(7%)	322	(11%)	(24)	>(100)%	2,024	(7%)
ECL	(37)	>(100)%	(256)	>(100)%	(34)	>(100)%	0	0%	(327)	>(100)%
Costs	(670)	3%	(396)	3%	(153)	3%	(74)	>(100)%	(1,293)	(0%)
Profit before tax	70	(25%)	297	(48%)	135	(29%)	(98)	>(100)%	404	(50%)
Cost efficiency ratio (%)	86.2	(0.1)ppt	41.7	(1.7)ppt	47.5	(3.7)ppt	nm	-	63.9	(4.8)ppt

Balance sheet, CADm ²	WPB		CMB		GBM		Corp. Centre	HSBC Bank Canada	
Loans and advances to customers	31,566	7%	25,642	(9%)	3,794	(9%)	-	61,002	(1%)
Customers' liability under acceptances	12	0%	2,687	36%	1,344	(11%)	-	4,043	16%
Customer accounts	38,803	11%	25,188	16%	7,959	28%	-	71,950	14%
Ratio of customer advances to customer accounts (%)	81.3	3.0ppt	101.8	28.3ppt	47.7	19.7ppt	-	84.8	13.7ppt
Reported RWAs	-	-	-	-	-	-	-	40,014	(5%)

- ◆ Revenue decreased during the year due to the negative impacts of central bank rate cuts and maintaining higher levels of liquidity at lower yields. These factors were partially offset by rising fee income in CMB and WPB
- ◆ ECL increased over the first two quarters of 2020 and had marginal recoveries during the second half of the year
- ◆ Customer accounts grew across all lines of business during the year

1Q21: HSBC Bank Canada – Financial Performance¹

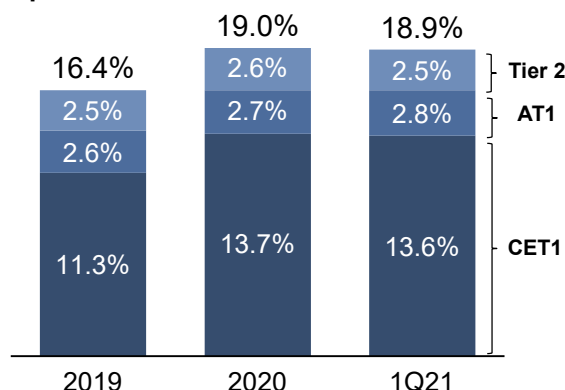
Income statement, CADm ² (vs. 1Q20)	WPB		CMB		GBM		Corp. Centre		HSBC Bank Canada	
Revenue	207	0%	239	(10%)	81	7%	2	(167%)	529	(3%)
ECL	(3)	67%	8	>100%	11	>100%	0	0%	16	>100%
Costs	(167)	1%	(96)	6%	(34)	21%	(16)	(23%)	(313)	4%
Profit before tax	37	28%	151	221%	58	205%	(14)	(13%)	232	>100%
Cost efficiency ratio (%)	80.7	1.0ppt	40.2	(1.8)ppt	42.0	14.6ppt	-	-	59.2	0.7ppt

Balance sheet, CADm ² (vs. 4Q20)	WPB		CMB		GBM		Corp. Centre	HSBC Bank Canada	
Loans and advances to customers	32,481	3%	26,704	4%	3,274	(14%)	-	62,459	2%
Customers' liability under acceptances	12	0%	2,235	(17%)	1,344	0%	-	3,591	(11%)
Customer accounts	38,373	(1%)	25,034	(1%)	6,196	(22%)	-	69,603	(3%)
Ratio of customer advances to customer accounts (%)	84.6	(3.3)ppt	106.7	(4.9)ppt	52.8	(5.2)ppt	-	89.7	(5.0)ppt
Reported RWAs	-	-	-	-	-	-	-	39,522	(1%)

- ◆ Revenue is down slightly but remain resilient despite the impact of lower rates and lower average balances for the quarter
- ◆ PBT is up over 194% compared to 1Q20 based on higher net fee and trading income and reduced expected credit losses
- ◆ A release of \$16m in ECL, compared to a \$140m charge in 1Q20, due to improved forward looking macro economic outlook on performing loans

Capital structure

Capital instruments as a % of RWAs

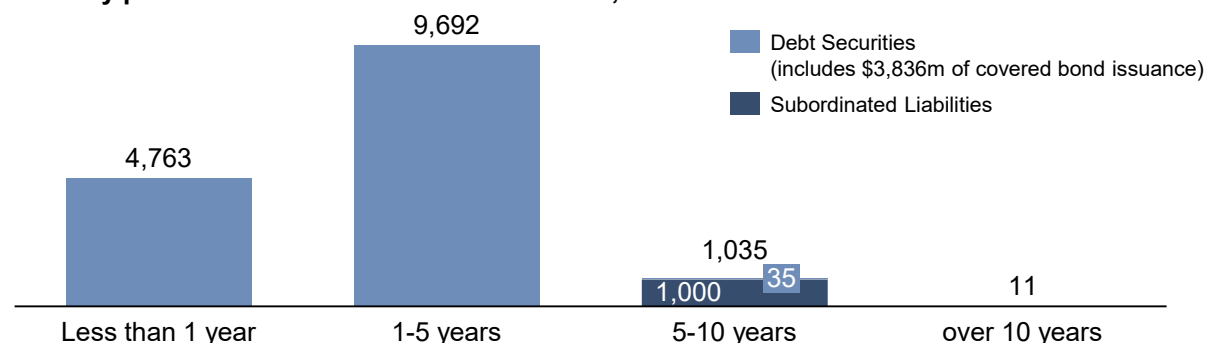


HSBC Bank Canada capital position

- ◆ CET1 ratio at 13.6% is well above the regulatory minimum of 7% for non-Domestic Systemically Important Banks
- ◆ 99% of total capital instruments are loss-absorbing NVCC¹ and held by HSBC Group

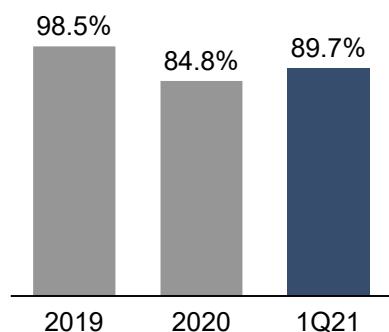
As a non-DSIB, HSBC Bank Canada is not required to maintain additional loss absorbing capacity, e.g. TLAC, MREL

Maturity profile of issued debt at 31 March 2021, CAD m

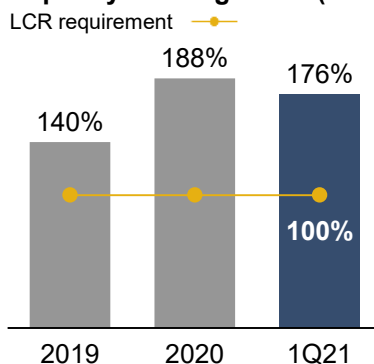


Funding and liquidity: A diversified funding base and high-quality liquid asset buffer

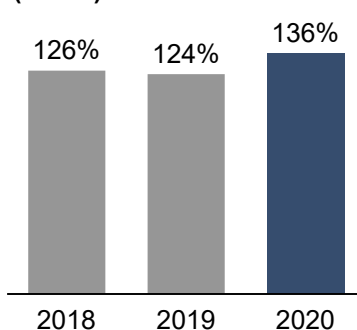
Ratio of customer advances to customer accounts



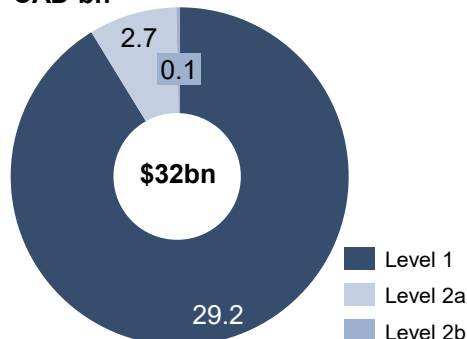
Liquidity coverage ratio (LCR)²



Net stable funding ratio (NSFR)³



Liquid assets at 31 March 2021, CAD bn

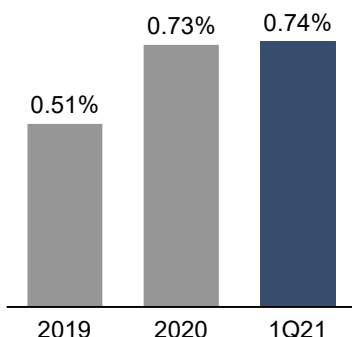


- ◆ HSBC Bank Canada maintains its LCR above the regulatory minimum
- ◆ 91% of liquid assets are classified as level 1 financial instruments with quoted prices in active markets
- ◆ Funding sources include retail and wholesale deposits, an active wholesale medium term note program, deposits raised through the deposit broker network, NHA-MBS⁴ securitization and the legislative covered bond program.
- ◆ As a non-Domestic Systemically Important Bank, HSBC Bank Canada's senior debt is not subject to Canadian bail-in regulations

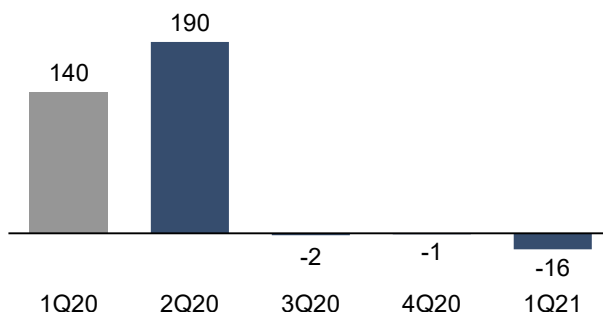
1. NVCC: non-viability contingent capital
 2. Average LCR for the quarter ended 31 March 2021 on a local regulatory basis (OSFI Basis)
 3. NSFR source: HSBC Holdings plc Annual Report and Accounts 2020
 4. NHA-MBS: National Housing Act Mortgage Backed Securities

Asset structure and quality

Impaired loans (Stage 3) as a % of total loans³

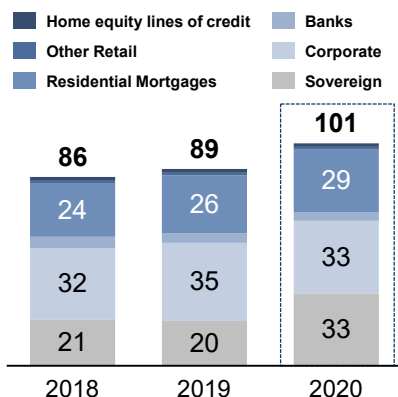


Change in expected credit losses/(recovery), CAD m

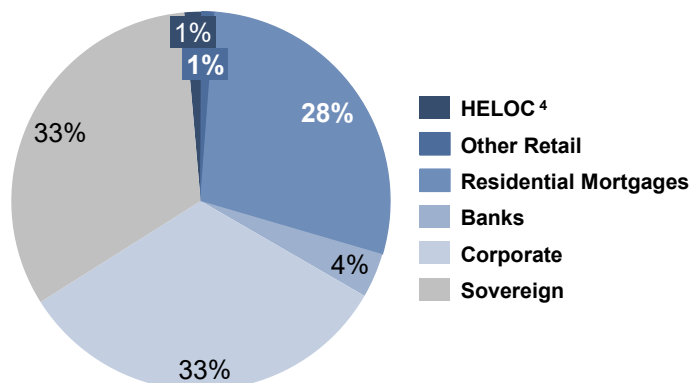


- ♦ 1Q21 ECL release of \$16m compared to a charge of \$140m in 1Q20. The release for the quarter was primarily driven by a favourable shift in forward-looking economic scenarios
- ♦ Impairment charges from non-performing loans in the energy and wholesale food sectors offset some of the release

Credit exposures¹ (drawn²), CAD bn



Credit exposures¹ (drawn) by lending type, %



Corporate lending segmentation at 31 March 2021⁵

Total wholesale lending for loans and advances to customers at amortized cost (CAD m)

	Gross carrying amount	Allowance for ECL
Corporate and commercial		
Mining and quarrying	1,639	(87)
Manufacturing	4,529	(36)
Construction	817	(10)
Wholesale and retail trade	4,785	(40)
Transportation and storage	2,537	(19)
Accommodation and food	1,426	(24)
Publishing, audiovisual and broadcasting	895	(4)
Real estate	8,877	(22)
Professional, scientific and technical activities	1,028	(5)
Non-bank financial institutions	1,857	(10)
Other	2,555	(48)
As at 31 March 2021	30,945	(305)

- Source: HSBC Bank Canada Pillar 3 Supplementary Disclosures as at 31 December 2020
- Drawn credit exposure includes loans, financial investments and customer liabilities under acceptance
- Loans include loans and advances to customers and customers' liability under acceptances. Percentages are Stage 3 loans under IFRS 9 over total gross loans
- Home Equity Lines of Credit
- Segmentation is based on classification codes for collecting and presenting economic activity statistics used in the European Economic Community

HSBC Group Climate Statement

HSBC's ambition is to support the transition to a net zero global economy by:

- ◆ Becoming a net zero bank
- ◆ Supporting our customers
- ◆ Unlocking new climate solutions



HSBC Bank Canada ESG Performance

Sustainable financing and investment provided

Cumulative from 2017 – 2020

USD4.5bn

CO₂ emissions reduced

Since 2012

65%

Charitable donations

\$5.3m

Retail customers supported through our COVID-19 financial relief program

5,973

Women on our Board of Directors

44%

Women in executive management positions

67%

Awards and Industry Leadership in 2020

- ◆ World's Best Bank for Sustainable Finance (Euromoney)
- ◆ Best 50 Corporate Citizens in Canada (Corporate Knights)
- ◆ Canada's first Green-Principles aligned loan
- ◆ #3 in green, social and sustainable bonds in Canada (Dealogic)
- ◆ Employment Equity Achievement Award (Government of Canada)

ESG highlights¹

Sustainable financing and investment provided²

Cumulative from 2017 – 2020

\$93.0bn

(Target: \$100bn cumulative by 2025)

Employee advocacy

71%

of employees would recommend HSBC as a great place to work⁵ (2019: 66%)

CO₂ emissions³ per FTE

Over 2020

1.76 tonnes

(Target: 2.0 tonnes per FTE by end-2020)

Conduct training

93.2%

of staff completed conduct training in 2020⁶
(Target: 98% by end-2020)

Women in senior leadership⁴ roles

At 31 December 2020

30.3%

(Target: 30% by end-2020)

Charitable donations

Over 2020

\$113m

(2019: \$100m)

Environment



Our net zero ambition

- ◆ Align financed emissions to achieve net zero by 2050 or sooner
- ◆ Be net zero in our operations and supply chains by 2030 or sooner

37.4%

of our electricity consumed in 2020 was renewable, mainly from power purchase agreements



Supporting our customers

- ◆ We aim to support our customers in the transition to a sustainable future with **\$750bn to \$1tn** of financing and investment over the next 10 years

3rd

Dealogic ranking⁷ for green, social and sustainability bonds globally in 2020



Unlocking climate solutions and innovations

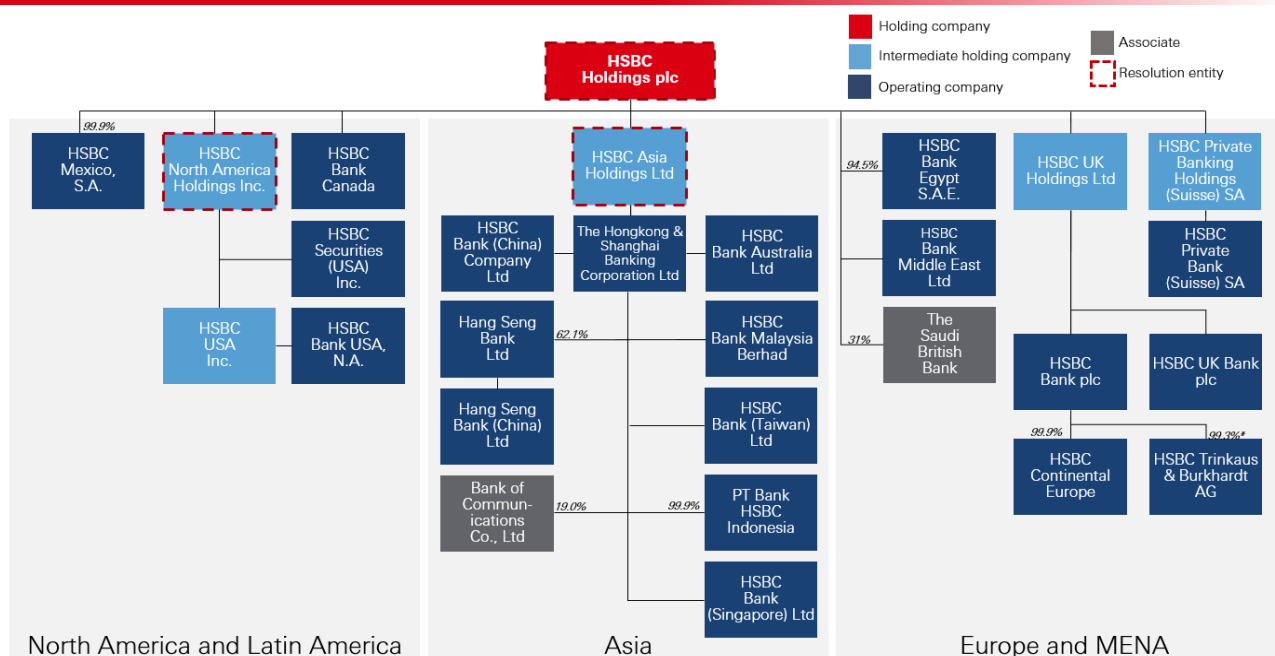
- ◆ We plan to help transform sustainable infrastructure into a global asset class and create a pipeline of bankable projects

≤19.6%

2020 wholesale loan exposure to transition risk sectors

1. All numbers in USD
2. Our commitment to provide and facilitate sustainable finance and investment. The sustainable finance commitment and progress figure includes green, social and sustainability activities. In October 2020, we announced a new target ambition to provide between \$750bn to \$1tn of sustainable finance and investment by 2030
3. This carbon figure covers scope 1, scope 2 and scope 3 (travel) emissions. In 2020, travel restrictions and lower energy usage due to the Covid-19 outbreak favourably impacted our CO₂ figures. Currently, the energy consumption from our employees working from home is not captured in this figure. Going forward, we will consider this type of energy consumption, depending on long term behaviour and materiality
4. Senior leadership is classified as 0 to 3 in our global career band structure
5. Our target was to improve employee advocacy by three points each year through to 2020. Our employee advocacy score in 2019 was 66%. Performance is based on our employee Snapshot results. From 2021, our targets will be based on our employee engagement index
6. The launch of conduct global mandatory training in 2020 was delayed due to the Covid-19 outbreak and the completion date was rolled over into 2021
7. Dealogic ranking based on apportioned bookrunner value, excluding self-issuances

HSBC Group simplified legal entity structure¹



Appendix: FY20 HSBC Group adjusted results² (comparison vs. FY19)

Adjusted income statement, \$m	WPB	CMB	GBM	Corp. Centre	FY20 Group total	Group vs. FY19
NII	15,090	9,317	4,518	(1,326)	27,599	(9)%
Other Income	6,923	3,995	10,785	1,064	22,767	(7)%
Revenue	22,013	13,312	15,303	(262)	50,366	(8)%
ECL	(2,855)	(4,754)	(1,209)	1	(8,817)	>(100)%
Costs	(15,024)	(6,689)	(9,264)	(482)	(31,459)	3%
Associates	6	(1)	—	2,054	2,059	(12)%
Profit before tax	4,140	1,868	4,830	1,311	12,149	(45)%
Significant items and FX	(436)	(229)	(1,214)	(1,493)	(3,372)	62%
Reported profit/(loss) before tax	3,704	1,639	3,616	(182)	8,777	(34)%
Return on average tangible equity ³ , %	9.1%	1.3%	6.7%	3.1%	4.7%	(5.3)ppt

Balance sheet, \$bn	WPB	CMB	GBM	Corp. Centre	FY20 Group total	Group vs. FY19
Net customer loans	469	343	224	1	1,038	(2)%
Customer deposits	835	470	337	1	1,643	12%
Reported RWAs	173	328	265	92	858	2%

- As at 31 December 2020. Showing entities in major markets, wholly-owned unless shown otherwise. Excludes Service Companies, other Associates, Insurance companies and Special Purpose Entities. On 1st February 2021, the Group acquired the remaining minority equity interest in HSBC Trinkaus & Burkhardt AG and now owns 100% of this subsidiary
- All numbers are in USD and presented on an adjusted basis unless otherwise stated – please see HSBC Holdings plc Annual Report and Accounts 2020 for reported results
- YTD, annualised. RoTE by Global Business excludes significant items and the UK bank levy. RoTE methodology annualises Profits Attributable to Shareholders, including ECL, in order to provide a returns metric. RoTE by Global Business for 4Q20 considers AT1 Coupons on an accruals basis, vs. Reported RoTE where it is treated on a cash basis

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This presentation contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations ("Alternative Performance Measures"). The primary Alternative Performance Measures used 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 Alternative Performance Measures and the most directly comparable measures under IFRS are provided in the HSBC Holdings plc Annual Report and Accounts for the fiscal year ended 31 December 2020 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 24 February 2021 (the "2020 Form 20-F") and the Q1 Earnings Release filed with the SEC on Form 6-k on 27 April 2021 (the "Q1 2021 Earnings Release"), each of which are available at www.hsbc.com.

Additional detailed information concerning important factors that could cause actual results to differ materially from this presentation is available in the annual and interim/quarterly reports of HSBC Bank Canada and the 2020 Form 20-F and Q1 2021 Earnings Release of HSBC Holdings plc which are available on www.hsbc.com and have been filed with the securities commissions or similar authorities in each of the applicable jurisdictions.

Information in this presentation was prepared as at 7 May 2021 unless otherwise specified.