

HSBC HOLDINGS PLC

G-SIB INDICATORS DISCLOSURE

31 December 2016

G-SIB indicators disclosures

The disclosure

The 'HSBC Holdings plc G-SIB Indicators Disclosure end-2016 template' sets out data to be used by the Financial Stability Board and the Basel Committee on Banking Supervision in determining HSBC's 2017 global systemically important bank ('G-SIB') ranking and which will ultimately inform the G-SIB capital buffer to be applied in 2019. The data is at 31 December 2016 and has been prepared in accordance with instructions for the end-2016 data collection exercise of the Basel Macroprudential Supervision Group, and conforms to the European Banking Authority ('EBA') Implementing Technical Standards. As instructed, we have used the regulatory consolidation scope unless otherwise required.

Basis of preparation

1. Cross-jurisdictional assets and liabilities for the purpose of this exercise include local claims and liabilities of offices outside of our UK home market (such offices, generally, are represented by locally incorporated, capitalised, funded and regulated subsidiaries) as well as actual cross border exposures.
2. In accordance with the regulatory consolidation basis used, associates have been proportionately consolidated to the extent data is available.

The G-SIB assessment methodology

Under the Basel Committee's G-SIB ranking and capital charge assessment methodology, which the EBA's methodology reflects, a group of the largest banks, as a proxy for the global banking sector, is scored under twelve indicators.

The score for each indicator is calculated by dividing a bank's reported value by the aggregate of the values for that indicator reported by the reference group. This amount is then expressed in basis points. For example: if a bank's reported 'Size' indicator made up 3% of the aggregate value reported, its basis point score for this indicator would be 300.

The score in each of the five main categories is then determined as a simple average of the indicator scores within that category (subject to a cap on the score for Substitutability), and the bank's overall score as a simple average of the five category scores.

It is important to note that a bank's ranking for the purpose of allocation of a capital charge on the scale 0% to 3.5% will therefore be driven by its relative complexity, substitutability, etc. compared with the entire reference group of banks, materially influenced by those of the largest banks in the group.

Thus, if a bank were significantly to shrink its size, simplify operations and reduce complexity, but others were to take even greater steps in this regard, then that bank might nevertheless rise in the overall ranking and potentially incur an increased capital buffer.

End-2016 G-SIB Assessment Exercise

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	GB
(2) Bank name	1002	HSBC Holdings plc
(3) Reporting date (yyyy-mm-dd)	1003	2016-12-31
(4) Reporting currency	1004	USD
(5) Euro conversion rate	1005	0.948676596
(6) Submission date (yyyy-mm-dd)	1006	2017-05-05
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1,000,000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2017-04-28
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	http://www.hsbc.com/investor-relations/group-results-and-reporting/group-reporting-archive

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million USD
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	42,594
(2) Capped notional amount of credit derivatives	1201	7,062
(3) Potential future exposure of derivative contracts	1018	110,177
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	179,041
(2) Counterparty exposure of SFTs	1014	10,420
c. Other assets	1015	1,816,423
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	408,061
(2) Items subject to a 20% CCF	1022	95,215
(3) Items subject to a 50% CCF	1023	182,473
(4) Items subject to a 100% CCF	1024	71,978
e. Regulatory adjustments	1031	34,587
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) through 2.c., 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	2,388,780

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million USD
a. Funds deposited with or lent to other financial institutions	1033	115,548
(1) Certificates of deposit	1034	2,171
b. Unused portion of committed lines extended to other financial institutions	1035	2,625
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	21,739
(2) Senior unsecured debt securities	1037	23,597
(3) Subordinated debt securities	1038	888
(4) Commercial paper	1039	13
(5) Equity securities	1040	20,898
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	1041	11,139
d. Net positive current exposure of securities financing transactions with other financial institutions (revised definition)	1213	7,712
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	7,913
(2) Potential future exposure	1044	38,015
f. Intra-financial system assets indicator (sum of items 3.a., 3.b through 3.c.(5), 3.d., 3.e.(1), and 3.e.(2), minus 3.c.(6))	1045	227,807

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in million USD
a. Funds deposited by or borrowed from other financial institutions:		
(1) Deposits due to depository institutions	1046	51,798
(2) Deposits due to non-depository financial institutions	1047	144,073
(3) Loans obtained from other financial institutions	1105	2,051
b. Unused portion of committed lines obtained from other financial institutions	1048	4,686
c. Net negative current exposure of securities financing transactions with other financial institutions (revised definition)	1214	8,928
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	5,461
(2) Potential future exposure	1051	42,119
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	259,116

Section 5 - Securities Outstanding	GSIB	Amount in million USD
a. Secured debt securities	1053	11,840
b. Senior unsecured debt securities	1054	120,618
c. Subordinated debt securities	1055	42,883
d. Commercial paper	1056	5,172
e. Certificates of deposit	1057	13,546
f. Common equity	1058	177,897
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	20,985
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	392,941

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in million USD
a. Australian dollars (AUD)	1061	1,846,885
b. Brazilian real (BRL)	1062	90,984
c. Canadian dollars (CAD)	1063	844,372
d. Swiss francs (CHF)	1064	1,565,973
e. Chinese yuan (CNY)	1065	3,530,313
f. Euros (EUR)	1066	22,089,398
g. British pounds (GBP)	1067	25,513,531
h. Hong Kong dollars (HKD)	1068	4,559,207
i. Indian rupee (INR)	1069	339,580
j. Japanese yen (JPY)	1070	2,475,085
k. Swedish krona (SEK)	1071	331,231
l. United States dollars (USD)	1072	33,718,960
m. Payments activity indicator (sum of items 6.a through 6.l)	1073	96,905,518

Section 7 - Assets Under Custody	GSIB	Amount in million USD
a. Assets under custody indicator	1074	6,254,621

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million USD
a. Equity underwriting activity	1075	6,337
b. Debt underwriting activity	1076	217,000
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	223,337

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million USD
a. OTC derivatives cleared through a central counterparty	1078	8,410,325
b. OTC derivatives settled bilaterally	1079	11,032,303
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	19,442,628

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in million USD
a. Held-for-trading securities (HFT)	1081	172,577
b. Available-for-sale securities (AFS)	1082	373,175
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	386,527
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	57,290
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	101,936

Section 11 - Level 3 Assets	GSIB	Amount in million USD
a. Level 3 assets indicator (Assets valued for accounting purposes using Level 3 measurement inputs)	1086	15,928

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	GSIB	Amount in million USD
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1087	1,485,349

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in million USD
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	712,710
(1) Any foreign liabilities to related offices included in item 13.a.	1089	54,565
b. Local liabilities in local currency (excluding derivatives activity)	1090	672,116
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	1,330,261