HSBC Holdings plc 1Q20 Results

Presentation to Investors and Analysts

HSBC

Covid-19

Response to Covid-19

Operational response

- Our operations have stayed highly resilient:
  - c.80% of our branch network remains open for business globally
  - rapid deployment of technology capabilities to enable c.217,000 colleagues (>90%) to work from home
- This has allowed our global businesses to maintain an excellent level of service, responding quickly and effectively to the development of Covid-19, and supporting our customers

Customer response

- We are participating in a number of Covid-19 relief programmes to deploy a range of support measures for our customers at pace
- In Hong Kong we have approved >HK$30bn in relief to business customers across a number of schemes[1]
- In the UK we have:
  - approved >118,000 applications for payment holidays for retail customers[2]
  - approved >£1.9bn of commercial lending for Covid-19 related financial support[2]
  - approved >4,200 loans under the CBILS[3] worth >£600m; c.17% of all CBILS lending[4], compared with our UK SME lending market share of c.9%[5]

Implications for our business update

- Our vision for the Bank is unchanged, HSBC will become a stronger, leaner, and more customer-focused bank
- However we have paused the vast majority of redundancies to support our staff and to reduce the uncertainty they are facing at this difficult time
- We have also temporarily delayed some elements of our cost and RWA reduction programme, and expect restructuring costs for 2020 to be lower than indicated at FY19
- Many elements of our transformation plan are moving forward as planned – including combining the wholesale banking middle and back office, launching an RWA optimisation unit and the creation of our WPB business
- Following a written request from the Bank of England through the PRA we cancelled the 4Q19 interim dividend of $0.21. We also decided to make no ordinary share dividend payments until the end of 2020[6]

1Q20 highlights

1 **Profits impacted by Covid-19 and fall in oil prices**
Reported profit before tax of $3.2bn down 48%; adjusted profit before tax of $3.0bn down 51% vs. 1Q19

2 **Revenue impacted by volatile items, resilient underlying performance**
Reported revenue of $13.7bn down $0.7bn or 5%; adjusted revenue of $13.3bn down $0.8bn or 6% vs. 1Q19, negatively impacted by a $1.6bn movement in volatile items

3 **Controlled costs**
Reported costs of $7.9bn down 5%; adjusted costs of $7.7bn down 3% vs. 1Q19

4 **Elevated ECL charge**
Adjusted ECL of $3.0bn up $2.5bn vs. 1Q19; Stage 3 loans of 1.4% (FY19: 1.3%)

5 **Balance sheet remains resilient**
CET1 ratio of 14.6%; robust funding and liquidity position with LDR of 72.2% and LCR of 156%

Key metrics

RoTE[7]	4.2%
EPS	$0.09
CET1[8] **ratio**	14.6%
TNAV per share[9]	$7.44

A reconciliation of reported results to adjusted results can be found on slide 14, the remainder of the presentation unless otherwise stated, is presented on an adjusted basis

Supporting our customers

Business highlights

RBWM

- **Continued organic growth in our customer base,** with over 100k additional active customers in 1Q20
- **Diversified deposit growth,** with more than $13bn increase in 1Q20 across most key markets
- **Enhanced digital capabilities,** enabling accelerated digital journeys to support customers, including **Digital Identification and Verification** for UK Current Accounts, **launch of FlexInvest** in Hong Kong and we are working with our various regulators to further enable digital sales

CMB

- **Rapid deployment of portals for relief measures**; UK customers are able to apply for loans in <10 minutes
- **Accelerated release of digital capabilities,** including mobile authentication, mobile cheque deposits and online documents
- **Ongoing investment in technology** has enabled us to support customers, with **HSBCnet mobile downloads up 32%** during 1Q20
- **Growth in lending balances in 1Q20 of $16bn (5%),** as we support the liquidity and working capital needs of our customers

GPB

- **Revenue up 13%** vs. 1Q19, mainly from growth in investment and lending revenue in Asia and in Europe, driven by high volatility in equity markets
- **Net New Money up $5.3bn** over 1Q20, $17.7bn in last 12 months
- **Digital platform launched globally**, Digital Advisory rollout launched

GB&M

- **Led more than $685bn of financing** YTD for clients in the capital markets globally. This includes **supporting clients to raise $19.9bn** YTD through social and Covid-19 response bonds, in order to mobilise crisis relief measures
- DCM: **Top 2 bookrunner of international bonds** in Europe, the Middle East and Asia (ex-Japan)[10]
- ECM: **Top 2 bookrunner in Asia ECM** (ex-Japan and A-shares)[11]; HSBC has raised **more primary equity capital YTD for UK listed corporates than any other bank**[12]
- **2020 Greenwich Global Service Quality Leader for Corporate FX**[13]

1Q20 results summary

$m	1Q20	1Q19		Δ
NII	7,612	7,355	▲	3%
Other revenue	5,715	6,794	▼	(16)%
Revenue	13,327	14,149	▼	(6)%
ECL	(3,026)	(569)	▲	>(100)%
Costs	(7,680)	(7,911)	▼	3%
Associates	421	577	▼	(27)%
Adjusted PBT	**3,042**	**6,246**	▼	**(51)%**
Significant items and FX translation	187	(33)	▲	>100%
Reported PBT	**3,229**	**6,213**	▼	**(48)%**
Profit attributable to ordinary shareholders	1,785	4,134	▼	(57)%
Customer loans, $bn	1,040	976	▲	7%
Customer accounts, $bn	1,441	1,323	▲	9%
Reported RWAs, $bn	857	879	▼	3%

- Good performance in January and February; the impact of Covid-19 and weakening oil prices had a significant adverse impact on performance in March
- **NII increased $0.3bn (3%), other revenue decreased $1.1bn (16%)** due to adverse volatile items
- **Adjusted revenue of $13.3bn down $0.8bn (6%)**, negatively impacted by $1.6bn of volatile items
- **ECL up by $2.5bn**, reflecting deterioration in economic outlook and a charge relating to a large corporate exposure in Singapore
- **Costs down $0.2bn (3%)**, reflecting lower discretionary spending
- **Associates down $0.2bn (27%)** mainly in the UK reflecting the impact of Covid-19
- Significant items in 1Q20 included favourable fair value movement in financial instruments of $0.4bn, more than offsetting restructuring costs of $0.2bn
- **Reported PBT of $3.2bn down $3.0bn (48%)**

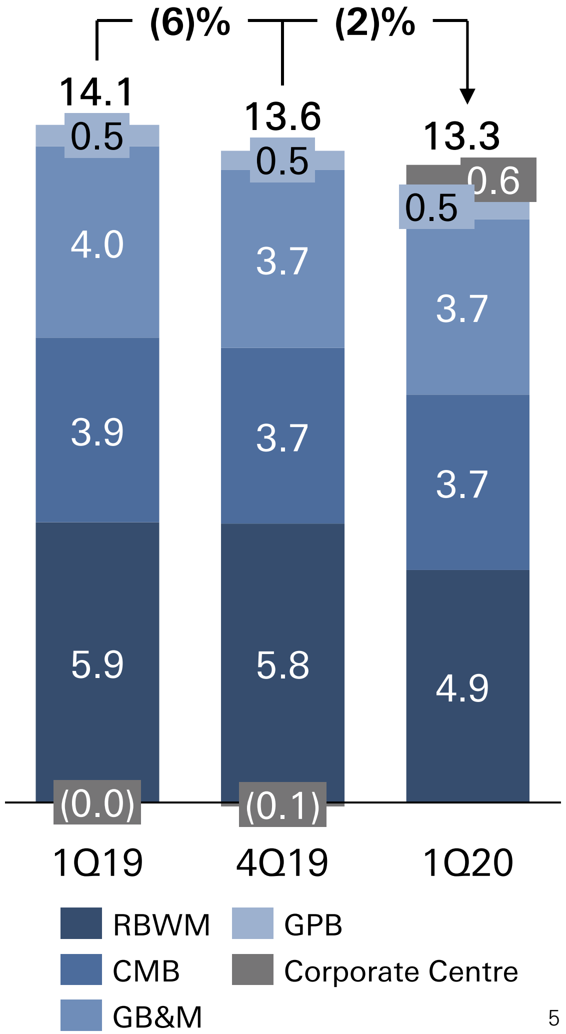
The 4Q19 equivalent of these metrics can be found on slide 13

1Q20 adjusted revenue performance

	1Q20 revenue				1Q20 vs. 1Q19
RBWM	$4,869m	(17)%	Retail Banking	$3,831m	53
			Wealth Management	$912m	(983) o/w insurance market impacts: $(872)m
			Other	$126m	(56)
CMB	$3,662m	(5)%	GLCM	$1,333m	(153)
			GTRF	$469m	8
			Credit and Lending	$1,382m	45
			Other	$478m	(96)
GB&M	$3,663m	(8)%	Global Markets, Securities Services	$2,643m	459 o/w bid-offer adjustments: $(313)m
			Global Banking, GLCM, GTRF	$1,743m	(60)
			Principal Investments, XVA, Other	$(723)m	(733) o/w XVAs: $(392)m
GPB	$511m	13%			60
Corp. Centre	$622m	–			634 o/w BSM and valuation differences: $430m
Group	$13,327m	(6)%			(822) 796

Excluding certain items included in adjusted revenue, see p.15 for more information

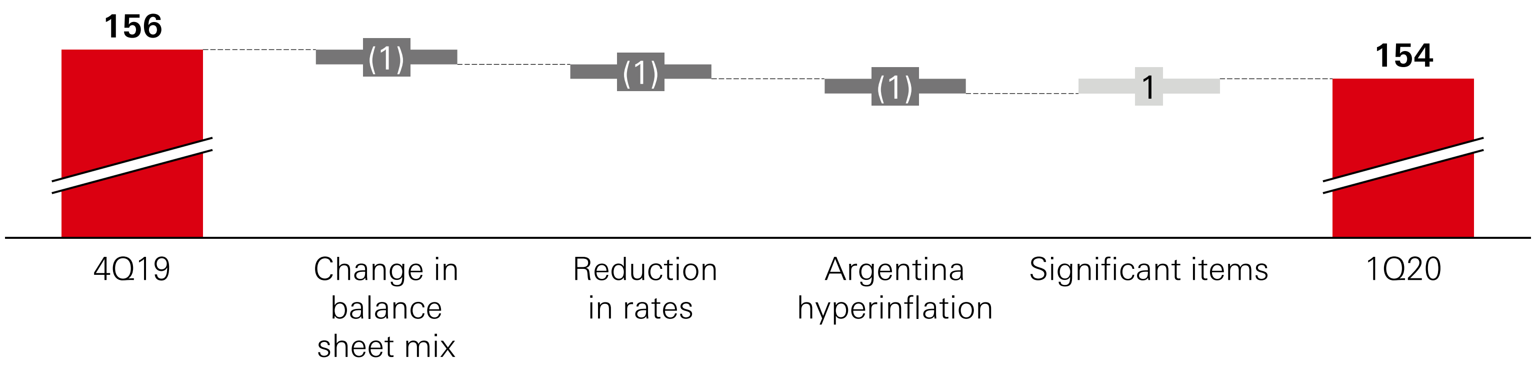
Revenue by global business, $bn



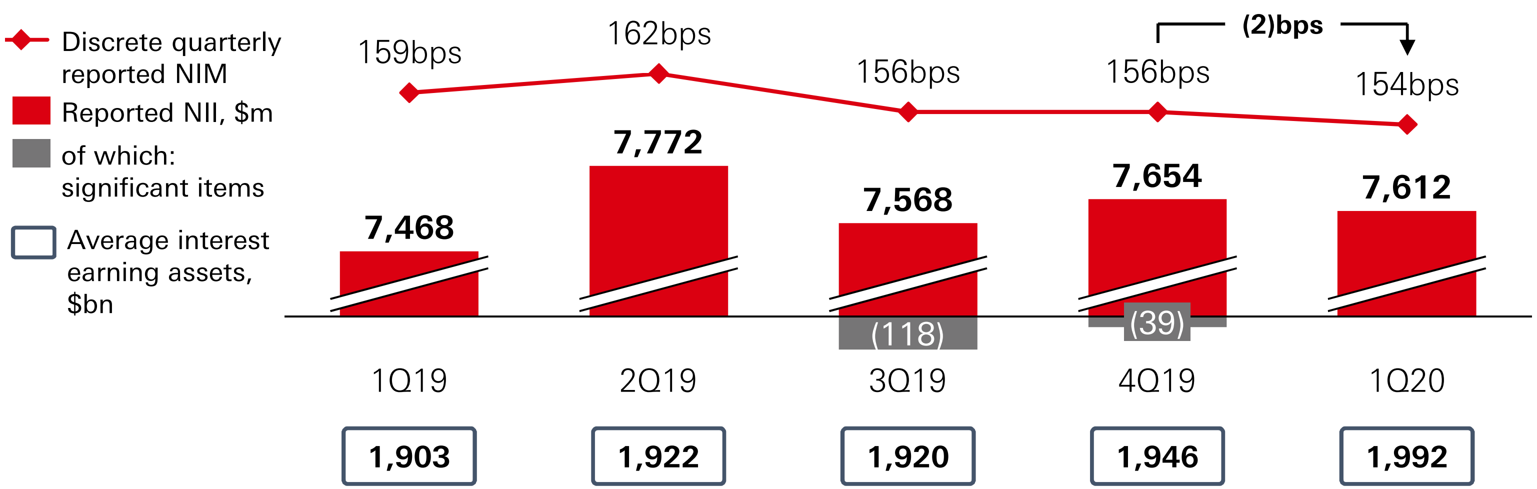
Totals may not cast due to rounding

Net interest margin

Reported NIM progression, bps



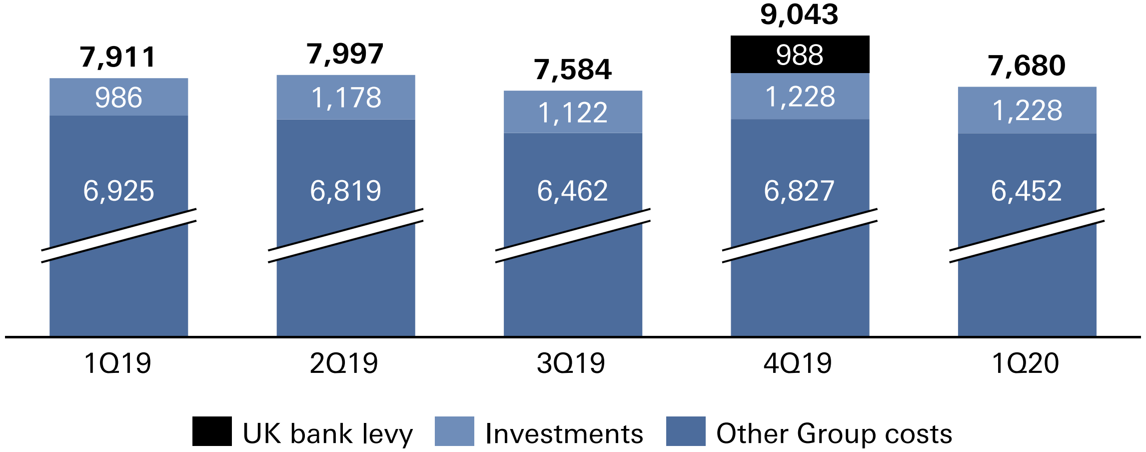
Reported NIM trend



- **Reported NII of $7.6bn**, stable vs. 4Q19, up $0.1bn (2%) vs. 1Q19; Adjusted NII of $7.6bn, down 1% vs. 4Q19
- **1Q20 NIM of 154bps down 2bps** vs. 4Q19, driven by:
  - 1bp negative impact each from: lower rates, change in asset mix and the impact of Argentina hyperinflation
  - 1bp favourable impact from lower provisions in relation to customer redress programmes in the RFB
- AIEAs of $1,992bn up $46bn (2%) vs. 4Q19 due to higher liquid assets and reverse repo balances
- Expect a >$3bn impact on NII in FY20 (vs. FY19) from lower interest rates, vs. c.$1bn impact as previously guided

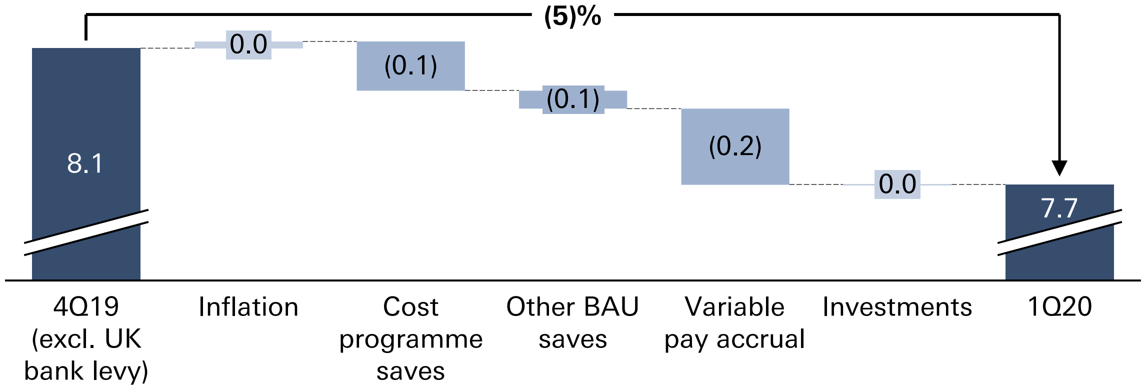
Adjusted costs

Adjusted operating expenses trend, $m

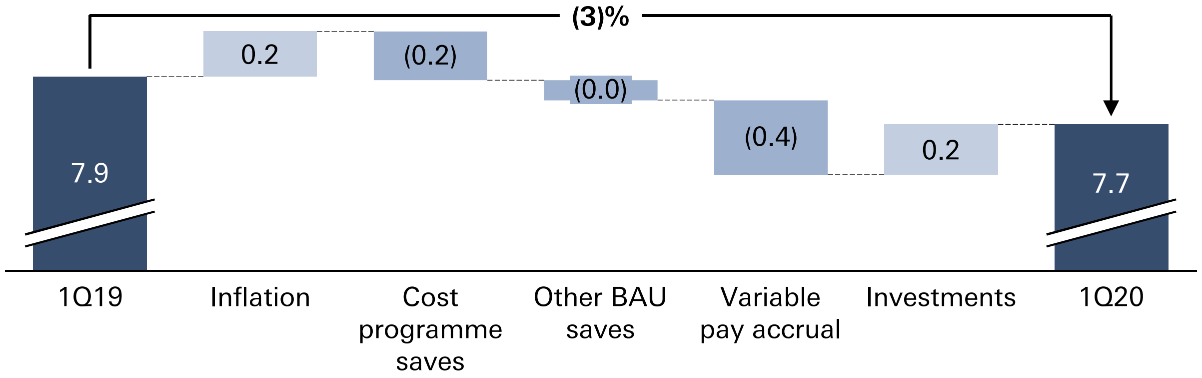


- **Adjusted costs of $7.7bn**, down $0.2bn (3%) vs. 1Q19, due to reduced discretionary spending and cost-saving initiatives, partially offset by increased investment
- 1Q20 investment spend of $1.2bn was $0.2bn (25%) higher vs. 1Q19 and stable vs. 4Q19
- Expect adjusted costs to be lower in 2020 vs. 2019, broadly following 1Q20 vs. 1Q19 trend (down 3%), subject to performance during the year
- Expect CTA spend to be lower than previously guided due to pause in some elements of the strategic plan in 1H20

1Q20 vs. 4Q19, $bn

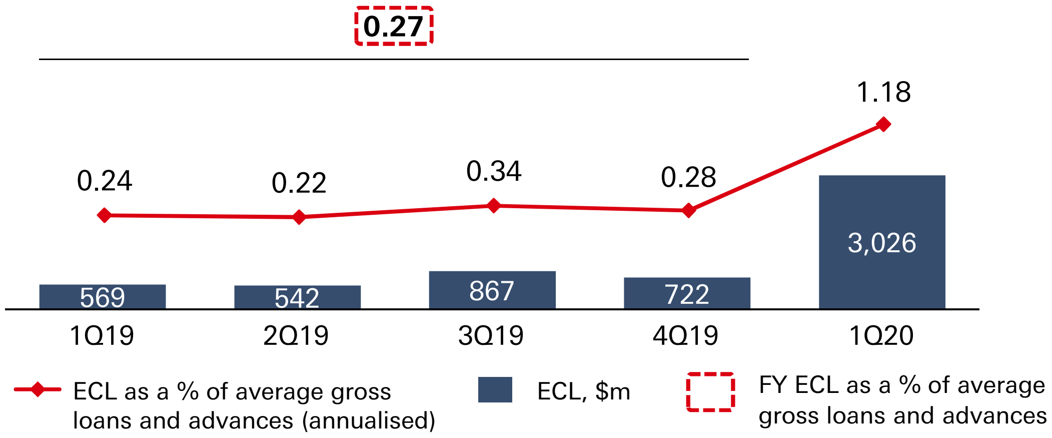


1Q20 vs. 1Q19, $bn



Credit performance

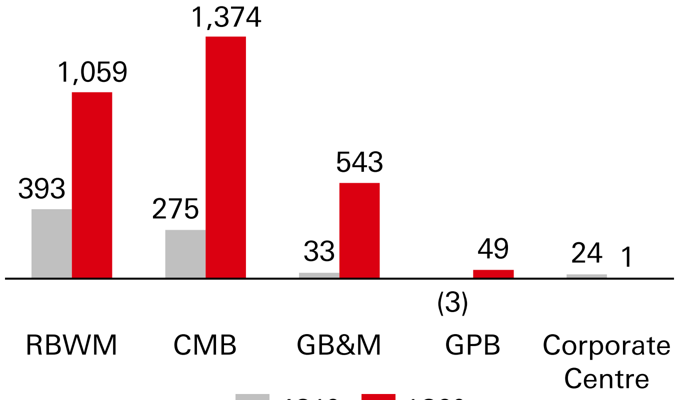
ECL charge trend



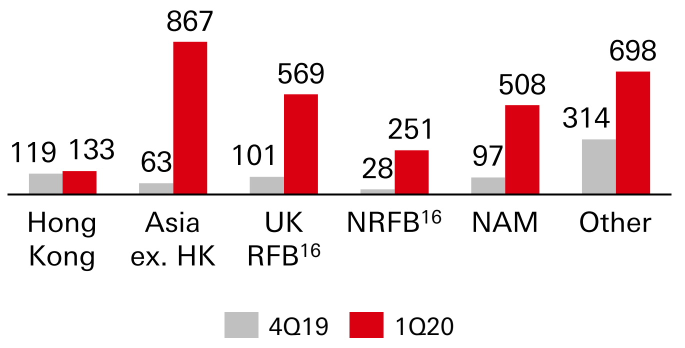
Analysis by stage

Reported basis, $bn	Stage 1	Stage 2	Stage 3	Total[15]	Stage 3 as a % of Total
1Q20					
Customer lending[14]	934.3	101.7	14.4	**1,050.7**	1.4%
Allowance for ECL	1.5	3.1	5.7	**10.4**	
4Q19					
Customer lending[14]	951.6	80.2	13.4	**1,045.5**	1.3%
Allowance for ECL	1.3	2.3	5.1	**8.7**	
1Q19					
Customer lending[14]	934.5	65.9	13.0	**1,013.8**	1.3%
Allowance for ECL	1.3	2.2	4.9	**8.6**	

ECL by global business, $m



ECL by geography, $m



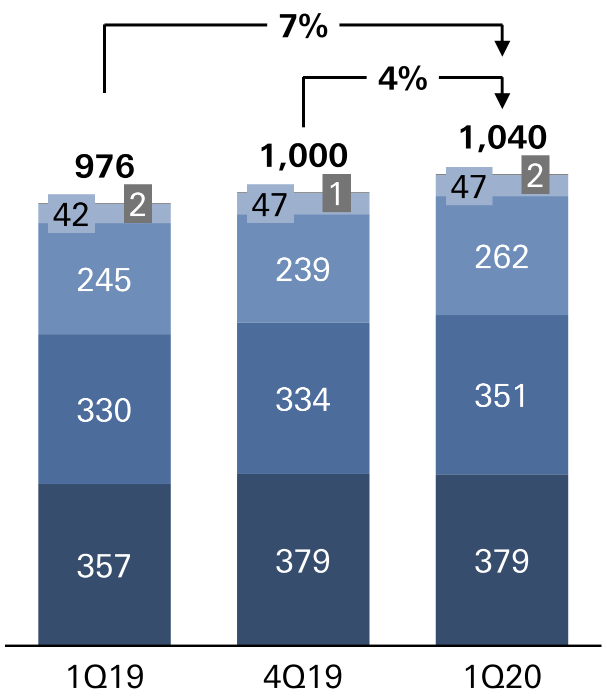
- **1Q20 ECL of $3.0bn, up $2.3bn vs. 4Q19**
- Of the $3.0bn ECL charge, around half is related to Stage 3, and half to Stage 1 and Stage 2 exposures
- Growth in wholesale Stage 3 charges of c.$0.9bn vs. 4Q19 to c.$1.2bn
- Personal Stage 3 charge was broadly stable at c.$0.3bn
- CMB ECL of $0.7bn in Asia primarily relates to a corporate exposure in Singapore
- Stage 2 loans increased by $22bn to $102bn, primarily in retailing, manufacturing and real estate
- Stage 3 loans were 1.4% of total loans and advances, an increase of 0.1ppt vs. 4Q19
- **FY20 ECL could be between c.$7bn and $11bn** based on sensitivity analysis

FY20 ECL range based on our sensitivity to our disclosed severe economic scenarios and other sector risks. For further information on economic scenarios and Covid-19 risk factors, refer to p.18 of the HSBC Holdings plc Q1 Earnings Release 2020.

Balance sheet

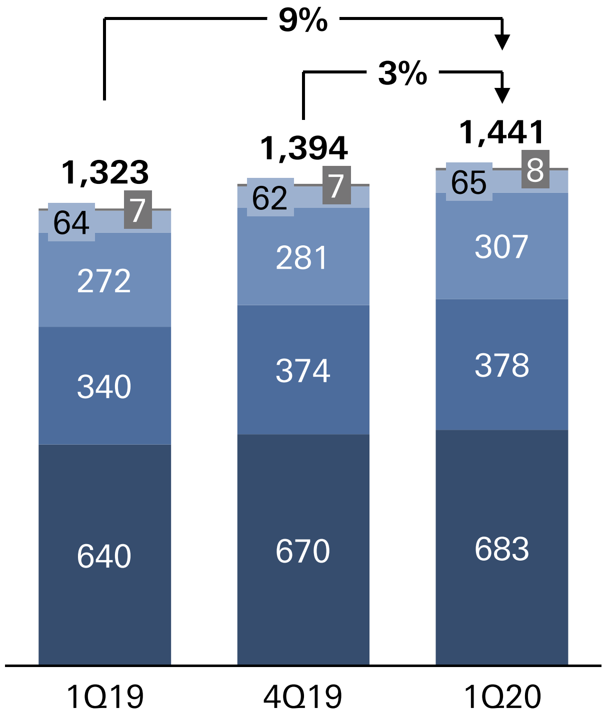
Net loans and advances to customers

$bn



Customer accounts

$bn



RBWM CMB GB&M GPB Corporate Centre

LDR: 72.2%

HQLA: $617bn

LCR: 156%

- **Customer lending increased by $41bn* (4%)** vs. 4Q19, mainly due to increased term lending in CMB and GB&M, notably in March as corporate and commercial customers drew down on committed facilities
- GB&M lending increased by $24bn (10%), and CMB lending increased by $16bn (5%) vs. 4Q19, which were largely related to customer drawdowns
- **Customer accounts grew by $47bn (3%)** vs. 4Q19, in part driven by the impact of Covid-19, including funds deposited following loan draw downs
- **Strong growth vs. 1Q19** in both lending (up $64bn, 7%) and customer accounts (up $118bn, 9%)
- Robust funding and liquidity metrics, with loans to deposits ratio of 72.2%, stable vs. 4Q19 and LCR of 156%

*Growth of $40,551m, based on loans and advances to customers of $1,040,282m in 1Q20 and $999,731m in 4Q19

Capital adequacy

Capital progression

	1Q19	2Q19	3Q19	4Q19	1Q20
Common equity tier 1 capital, $bn	125.8	126.9	123.8	124.0	125.2
Risk-weighted assets, $bn	879.5	886.0	865.2	843.4	857.1
CET1 ratio, %	14.3	14.3	14.3	14.7	14.6
Leverage ratio exposure, $bn	2,735.2	2,786.5	2,708.2	2,726.5	2,782.7
Leverage ratio, %	5.4	5.4	5.4	5.3	5.3

- Excluding FX movements, **RWAs increased by $40bn, mainly from lending growth in GB&M and CMB**
- Estimated* **$4bn of RWA increase** was due to credit rating downgrades as a result of the Covid-19 outbreak
- Expect **mid to high single digit percentage RWA growth in 2020**, primarily due to credit rating migration
- CET1 requirement (MDA) of 10.9% decreased 0.4ppts vs. 4Q19, mainly as a result of reduced CCyB requirements in the UK and Hong Kong

CET1 and RWA movements

CET1 ratio, %

	4Q19	Cancellation of 4Q19 dividend	Capital generation	Change in RWAs	FX translation differences	Other	1Q20
CET1, $bn	124.0	3.4	1.9		(4.7)	0.6	125.2
RWAs, $bn	843.4			40.0	(26.3)		857.1

*Our estimate considers rating downgrades during the period in which social distancing measures were implemented. Judgement has been applied to exclude non Covid-19 movements from the estimate.

Summary

1 **Challenging economic conditions in March**, however the business showed resilience

2 **Elevated adjusted ECL charge of $3.0bn** (increased by $2.5bn vs. 1Q19), mainly due to the effect of Covid-19 and weakening oil prices on the forward economic outlook

3 **Good volume growth** and enhanced support for customers through **digital channels;** loans and advances to customers increased by $64bn (7%) and customer accounts increased by $118bn (9%) vs. 1Q19

4 **Robust levels of capital, funding and liquidity.** CET1 ratio of 14.6%, LDR of 72.2% and LCR of 156%

5 As a result of the substantially worsened outlook for the world economies, **we are now expecting a materially changed outlook for the bank for FY20** as set out in our Outlook Statement

Appendix

HSBC

Key financial metrics

Reported results, $m	1Q20	4Q19	1Q19
NII	7,612	7,654	7,468
Other Income	6,074	5,717	6,960
Revenue	**13,686**	**13,371**	**14,428**
ECL	(3,026)	(733)	(585)
Costs	(7,852)	(17,053)	(8,222)
Associates	421	518	592
Profit/(loss) before tax	**3,229**	**(3,897)**	**6,213**
Tax	(721)	(1,127)	(1,303)
Profit/(loss) after tax	2,508	(5,024)	4,910
Profit/(loss) attributable to ordinary shareholders	1,785	(5,509)	4,134
Profit/(loss) attributable to ordinary shareholders excl. goodwill impairment[17] and PVIF	1,531	1,882	3,688
Basic earnings per share[18], $	0.09	(0.27)	0.21
Diluted earnings per share, $	0.09	(0.27)	0.21
Dividend per share (in respect of the period), $	0.00	0.00	0.10
Return on tangible equity (annualised), %	4.2	5.2	10.6
Return on equity (annualised), %	4.4	(13.3)	10.2
Net interest margin, %	1.54	1.56	1.59

Adjusted results, $m	1Q20	4Q19	1Q19
NII	7,612	7,665	7,355
Other Income	5,715	5,921	6,794
Revenue	**13,327**	**13,586**	**14,149**
ECL	(3,026)	(722)	(569)
Costs	(7,680)	(9,043)	(7,911)
Associates	421	522	577
Profit before tax	**3,042**	**4,343**	**6,246**
Cost efficiency ratio, %	57.6	66.6	55.9
ECL as a % of average gross loans and advances to customers, %	1.18	0.28	0.24

Balance sheet, $m	1Q20	4Q19	1Q19
Total assets	2,917,810	2,715,152	2,658,996
Net loans and advances to customers	1,040,282	1,036,743	1,005,279
Adjusted net loans and advances to customers	1,040,282	999,731	976,146
Customer accounts	1,440,529	1,439,115	1,356,511
Adjusted customer accounts	1,440,529	1,393,662	1,322,885
Average interest-earning assets	1,991,702	1,945,596	1,902,912
Loans and advances to customers as % of customer accounts	72.2	72.0	74.1
Total shareholders' equity	189,771	183,955	188,362
Tangible ordinary shareholders' equity	150,019	144,144	141,648
Net asset value per ordinary share at period end, $	8.30	8.00	8.20
Tangible net asset value per ordinary share at period end, $	7.44	7.13	7.05

Capital, leverage and liquidity	1Q20	4Q19	1Q19
Risk-weighted assets, $bn	857.1	843.4	879.5
CET1 ratio, %	14.6	14.7	14.3
Total capital ratio, %	20.3	20.4	20.2
Leverage ratio[19], %	5.3	5.3	5.4
High-quality liquid assets (liquidity value), $bn	617	601	535
Liquidity coverage ratio, %	156	150	143

Share count, m	1Q20	4Q19	1Q19
Basic number of ordinary shares outstanding	20,172	20,206	20,082
Basic number of ordinary shares outstanding and dilutive potential ordinary shares	20,245	20,280	20,177
Average basic number of ordinary shares outstanding	20,161	20,158	20,036

Reconciliation of reported and adjusted results

$m	1Q20	4Q19	1Q19
Reported PBT	**3,229**	**(3,897)**	**6,213**
Revenue			
Currency translation	-	(66)	(257)
Customer redress programmes	-	45	-
Disposals, acquisitions and investment in new businesses	7	55	-
Fair value movements on financial instruments	(357)	176	(22)
Restructuring and other related costs	(9)	-	-
Currency translation on significant items	-	5	-
	(359)	215	(279)
ECL			
Currency translation	-	11	16
Operating expenses			
Currency translation	-	54	156
Cost of structural reform	-	32	53
Customer redress programmes	1	183	56
Goodwill impairment[17]	-	7,349	-
Restructuring and other related costs	170	400	50
Settlements and provisions in connection with legal and regulatory matters	1	5	-
Currency translation on significant items	-	(13)	(4)
	172	8,010	311
Share of profit in associates and joint ventures			
Currency translation	-	4	(15)
Total currency translation and significant items	**(187)**	**8,240**	**33**
Adjusted PBT	**3,042**	**4,343**	**6,246**

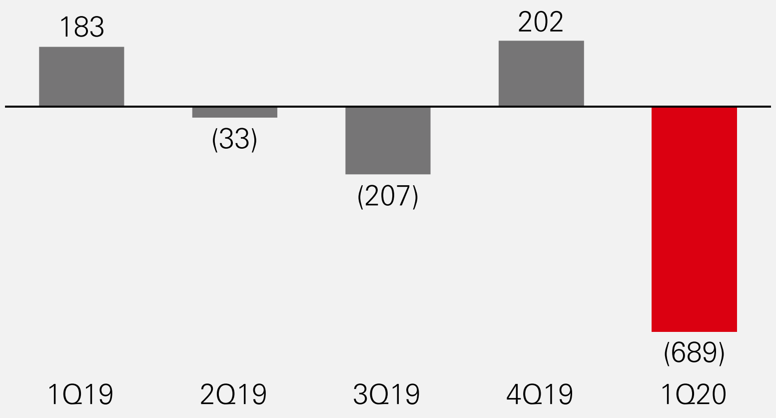
Certain items and Argentina hyperinflation

Certain items included in adjusted revenue highlighted in management commentary[20], $m	1Q20	4Q19	3Q19	2Q19	1Q19
Insurance manufacturing market impacts in RBWM	(689)	202	(207)	(33)	183
Credit and funding valuation adjustments in GB&M	(346)	189	(165)	(34)	46
Legacy Credit in Corporate Centre	(91)	13	(41)	(13)	(70)
Valuation differences on long-term debt and associated swaps in Corporate Centre	259	(73)	76	93	50
Argentina hyperinflation[21]	(22)	30	(132)	15	(56)
RBWM disposal gains in Latin America	-	-	-	-	133
CMB disposal gains in Latin America	-	-	-	-	24
GB&M provision release in Equities	-	-	-	-	106
Bid-offer adjustment in GB&M	(310)	15	(23)	9	3
Total	**(1,199)**	**376**	**(492)**	**37**	**419**

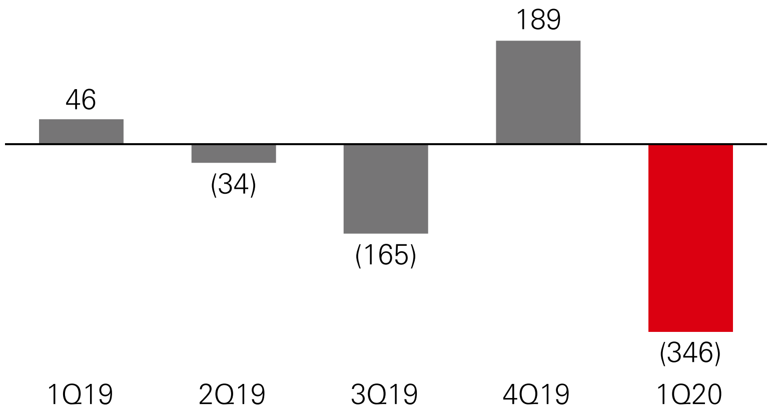
Argentina hyperinflation[21] impact included in adjusted results (Latin America Corporate Centre), $m	1Q20	4Q19	3Q19	2Q19	1Q19
Net interest income	(3)	33	(61)	24	(8)
Other income	(19)	(3)	(71)	(9)	(48)
Total revenue	**(22)**	**30**	**(132)**	**15**	**(56)**
ECL	2	(10)	12	(3)	1
Costs	2	(26)	53	(24)	5
PBT	**(18)**	**(6)**	**(67)**	**(12)**	**(50)**

Certain volatile items analysis

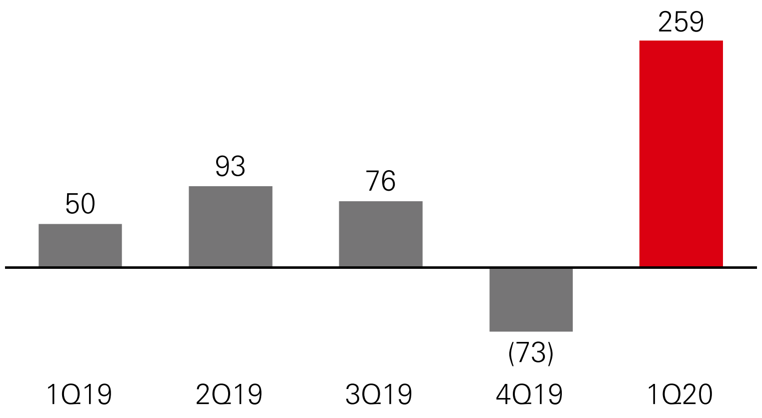
RBWM: Insurance manufacturing market impacts revenue, $m



GB&M: Credit and funding valuation adjustments revenue, $m



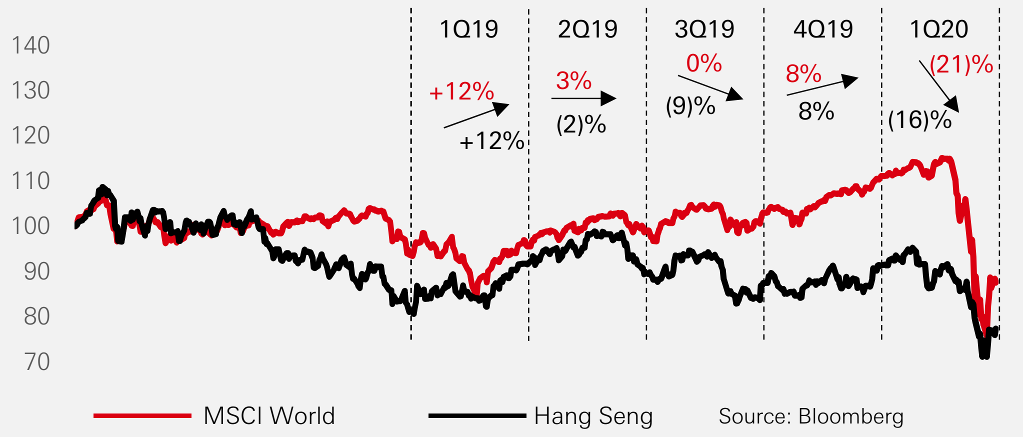
Corporate Centre: Valuation differences on long-term debt and associated swaps, $m



FY19 sensitivity of HSBC's insurance manufacturing subsidiaries to market risk factors[22]	Effect on profit after tax, $m	Effect on total equity, $m
+100 basis point parallel shift in yield curves	43	(37)
-100 basis point parallel shift in yield curves	(221)	(138)
10% increase in equity prices	270	270
10% decrease in equity prices	(276)	(276)
10% increase in $ exchange rate compared with all currencies	41	41
10% decrease in $ exchange rate compared with all currencies	(41)	(41)

Source: HSBC Holdings plc Annual Report and Accounts 2019, page 150

Stock market indices performance[23]



Global business management view of adjusted revenue

Group, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
Total Group revenue	14,149	13,935	13,332	13,586	13,327	(6)%
Adjusted revenue as previously disclosed[24]	14,406	14,089	13,267	13,647	-	-

RBWM, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
Retail Banking	**3,778**	**3,963**	**4,003**	**3,969**	**3,831**	**1%**
Current accounts, savings and deposits	2,172	2,434	2,433	2,421	2,274	5%
Personal lending	**1,606**	**1,529**	**1,570**	**1,548**	**1,557**	**(3)%**
Mortgages	423	399	383	386	423	0%
Credit cards	744	681	716	701	675	(9)%
Other personal lending	439	449	471	461	459	5%
Wealth Management	**1,895**	**1,701**	**1,494**	**1,652**	**912**	**(52)%**
Investment distribution	851	853	843	719	883	4%
Life insurance manufacturing	788	587	408	676	(206)	>(100)%
Asset management	256	261	243	257	235	(8)%
Other	182	228	172	207	126	(31)%
Total	**5,855**	**5,892**	**5,669**	**5,828**	**4,869**	**(17)%**
Adjusted revenue as previously disclosed[24]	5,971	5,949	5,628	5,852	-	-

CMB, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
GTRF	461	466	465	431	469	2%
Credit and Lending	1,337	1,374	1,377	1,322	1,382	3%
GLCM	1,486	1,524	1,511	1,422	1,333	(10)%
Markets products, Insurance and Investments and other	574	493	458	496	478	(17)%
Total	**3,858**	**3,857**	**3,811**	**3,671**	**3,662**	**(5)%**
Adjusted revenue as previously disclosed[24]	3,921	3,894	3,791	3,686	-	-

GPB, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
Investment	185	199	209	188	255	38%
Lending	97	108	111	111	113	16%
Deposit	121	120	113	111	103	(15)%
Other	48	49	44	44	40	(17)%
Total	**451**	**476**	**477**	**454**	**511**	**13%**
Adjusted revenue as previously disclosed[24]	450	473	472	452	-	-

GB&M, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
Global Markets	**1,712**	**1,406**	**1,363**	**1,241**	**2,133**	**25%**
FICC	**1,340**	**1,173**	**1,155**	**1,067**	**1,844**	**38%**
Foreign Exchange	*684*	*602*	*718*	*665*	*1,129*	*65%*
Rates	*481*	*392*	*306*	*274*	*675*	*40%*
Credit	*175*	*179*	*131*	*128*	*40*	*(77)%*
Equities	372	233	208	174	289	(22)%
Securities Services	**472**	**520**	**511**	**516**	**510**	**8%**
Global Banking	**921**	**983**	**989**	**982**	**942**	**2%**
GLCM	**677**	**692**	**691**	**670**	**608**	**(10)%**
GTRF	**205**	**197**	**201**	**196**	**193**	**(6)%**
Principal Investments	**83**	**38**	**93**	**45**	**(235)**	**>(100)%**
Other revenue	(119)	(208)	(203)	(120)	**(142)**	**(19)%**
Credit and funding valuation adjustments	46	(34)	(165)	189	(346)	>(100)%
Total	**3,997**	**3,594**	**3,480**	**3,719**	**3,663**	**(8)%**
Adjusted revenue as previously disclosed[24]	4,068	3,638	3,470	3,740	-	-

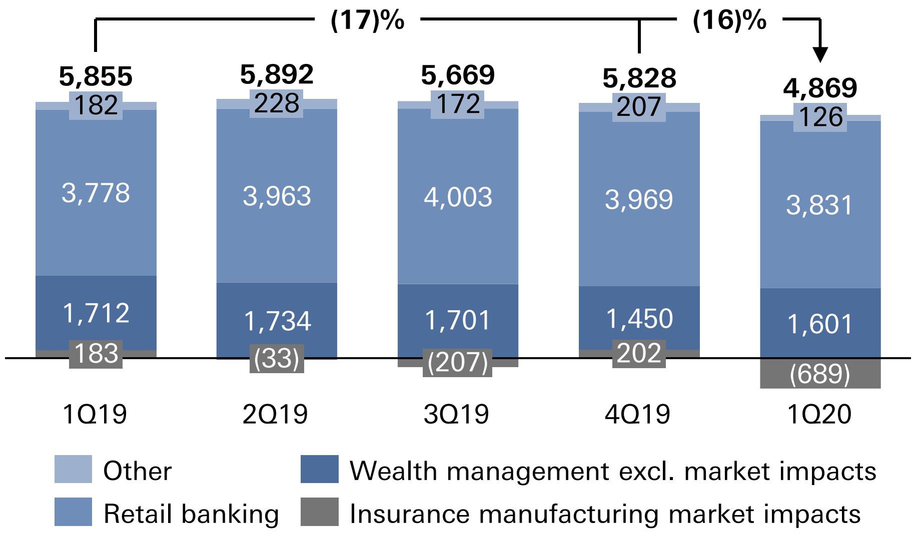
Corporate Centre, $m	1Q19	2Q19	3Q19	4Q19	1Q20	Δ1Q19
Central Treasury	**269**	**290**	**307**	**(19)**	**699**	**>100%**
Balance Sheet Management	608	585	622	450	829	36%
Holdings net interest expense	(338)	(348)	(321)	(318)	(321)	5%
Valuation differences on long-term debt and associated swaps	50	93	76	(73)	259	>100%
Other	(51)	(40)	(70)	(78)	(68)	33%
Legacy Credit	**(70)**	**(13)**	**(41)**	**13**	**(91)**	**(30)%**
Other	(211)	(161)	(371)	(80)	14	>100%
Total	**(12)**	**116**	**(105)**	**(86)**	**622**	**>100%**
Adjusted revenue as previously disclosed[24]	(4)	135	(94)	(83)	-	-

Retail Banking and Wealth Management

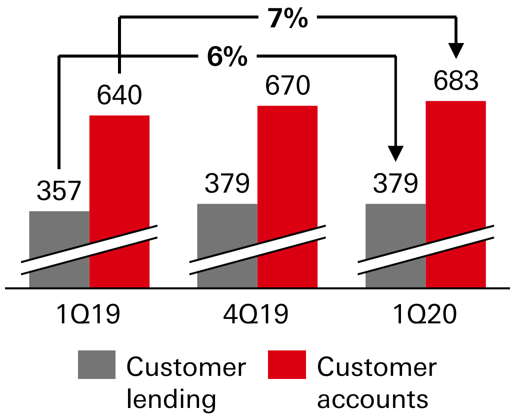
1Q20 financial highlights

Revenue	**$4.9bn**	▼	(17)% (1Q19: $5.9bn)
ECL	**$(1.1)bn**	▲	>(100)% (1Q19: $(0.3)bn)
Costs	**$(3.4)bn**	▲	(2)% (1Q19: $(3.4)bn)
PBT	**$0.4bn**	▼	(84)% (1Q19: $2.2bn)
RoTE[25]	**1.5%**	▼	(20.6)ppt (1Q19: 22.1%)

Revenue performance[20], $m

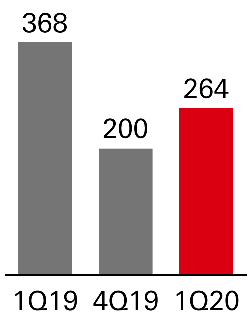


Balance sheet[26] $bn



AUM $bn

Insurance VNB $m



1Q20 vs. 1Q19

- **Revenue** down $986m (17%) due to insurance manufacturing revenue decreasing by $994m, driven by $872m of adverse market impacts as a result of a fall in equity prices and interest rates globally. Retail banking and investment distribution performance remained resilient in difficult economic conditions
- **ECL** up $765m from $294m mainly due to the global impact of Covid-19 on forward economic outlook
- **Costs** up $71m (2%), impacts of inflation and continued investments were offset by lower discretionary spend
- **Customer lending** up $22bn (6%), broad growth across markets driven primarily by mortgages
- **Customer accounts** up $43bn (7%), steady growth across markets particularly in Hong Kong and the UK

1Q20 vs. 4Q19

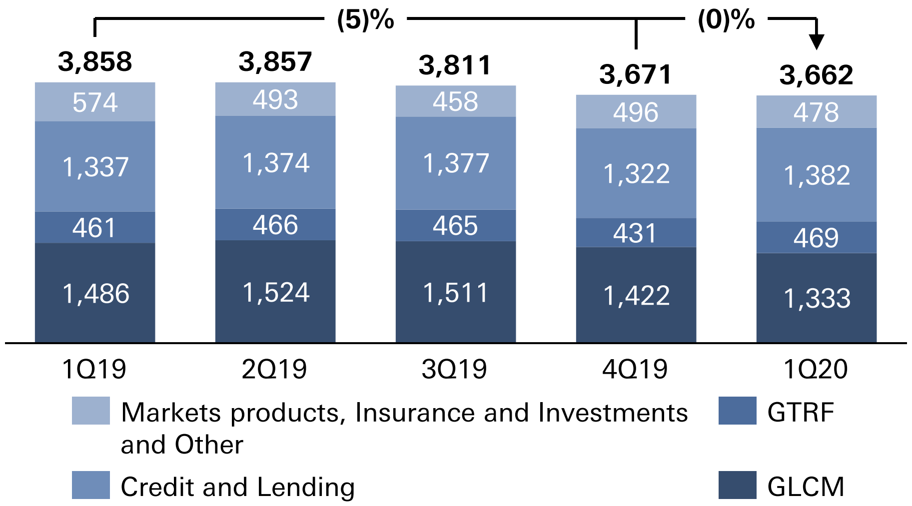
- **Revenue** down $959m (16%) due to:
  - Insurance manufacturing revenue decreasing $882m from $676m, driven by $891m of adverse market impacts as a result of a fall in equity prices and interest rates globally. Value of new business written was higher driven by market seasonality, which was offset by less favourable actuarial assumption changes
  - Retail banking revenue down $138m (3%) due to lower margins
  - Investment distribution revenue up $164m (23%) driven by expected market seasonality and higher equity turnover
- **ECL** up $666m from $393m mainly due to the global impact of Covid-19 on forward economic outlook
- **Costs** down $77m (2%) driven by lower discretionary spend due to management actions

Commercial Banking

1Q20 financial highlights

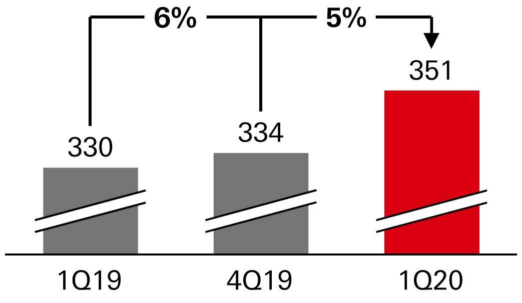
Revenue	**$3.7bn**	▼	(5)% (1Q19: $3.9bn)
ECL	**$(1.4)bn**	▲	>(100)% (1Q19: $(0.2)bn)
Costs	**$(1.7)bn**	▲	(3)% (1Q19: $(1.6)bn)
PBT	**$0.6bn**	▼	(69)% (1Q19: $2.0bn)
RoTE[25]	**4.1%**	▼	(9.8)ppt (1Q19: 13.9%)

Revenue performance[20], $m

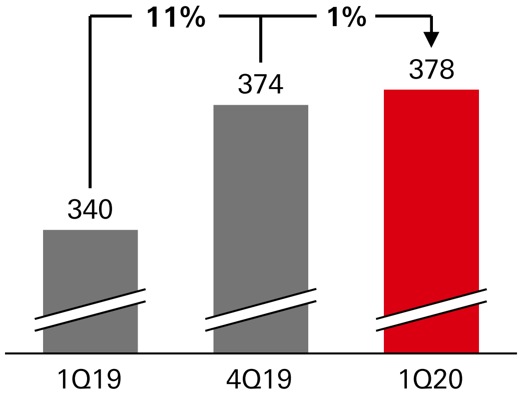


Balance sheet[26], $bn

Customer lending



Customer accounts



*Growth of $20,460m, based on loans and advances to customers of $350,507m in 1Q20 and $330,047m in 1Q19; **Growth of $37,196m, based on customer accounts of $377,639m in 1Q20 and $340,443m in 1Q19; ***Growth of $16,442m, based on loans and advances of $350,507m in 1Q20 and $334,065m in 4Q19

1Q20 vs. 1Q19

- **Revenue** down $196m (5%):
  - GLCM down $153m (10%), reflecting lower rates partly offset by higher balances
  - C&L up $45m (3%), driven by higher volumes in Asia and North America
  - GTRF up $8m (2%), good growth and higher margins across most markets partly offset by lower balances and fees in Hong Kong
  - Other down $96m (17%), loss on revaluation of shares ($25m) vs. gain last year ($18m) and non-recurrence of 1Q19 gain on sale in Latin America of $24m
- **ECL** up $1,134m from $240m driven by a material stage 3 charge in Singapore and higher Stage 1-2 charges
- **Costs** up $51m (3%) reflecting investment in digital and transaction banking capabilities to improve the client experience and support SMEs
- **Customer lending** up $20bn* (6%): mainly client drawdowns on existing facilities, notably in North America, Asia and the UK
- **Customer accounts** up $37bn** (11%) with growth across all regions, notably in Europe and N. America partly reflecting deposit of drawdowns

1Q20 vs. 4Q19

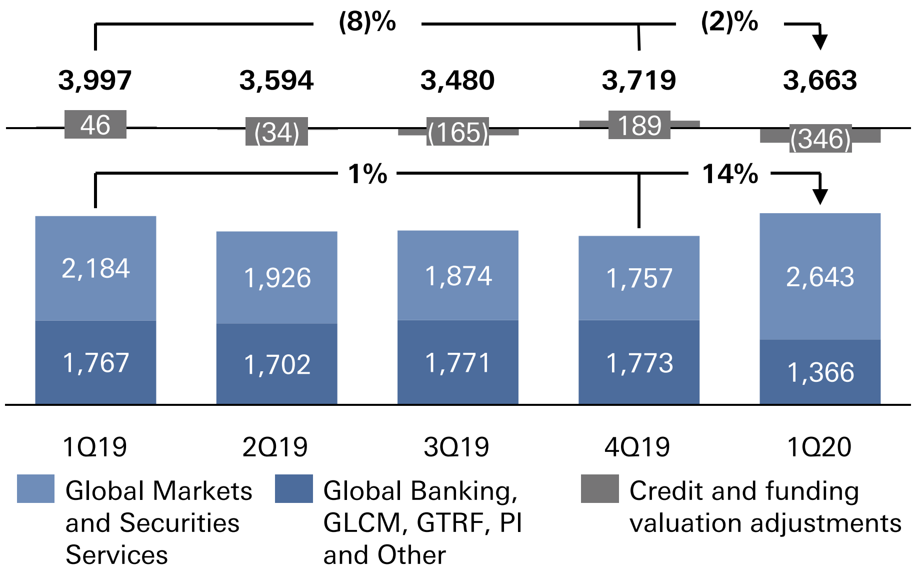
- **Revenue broadly stable:**
  - Q4 was impacted by customer redress provisions of $40m in the UK
  - GLCM down $89m (6%), reflecting lower rates, notably in Asia and the UK
  - C&L up $60m (5%) driven by higher fee income, notably in Asia and Europe
  - GTRF up $38m (9%), notably by higher fees in Asia driven by 1Q seasonal trends
- **ECL** up $1,099m from $275m driven by a material Stage 3 charge in Singapore and higher Stage 1-2 charges
- **Costs** down $73m (4%) due to increased cost discipline
- **Customer lending** up $16bn*** (5%), driven by client drawdown on existing facilities, notably in North America and the UK
- **Customer accounts** up $4bn (1%): growth in Europe and North America driven by deposit of drawdowns more than offsetting seasonal reductions, notably in Asia

Global Banking and Markets

1Q20 financial highlights

Revenue	$3.7bn	▼	(8)% (1Q19: $4.0bn)
ECL	$(0.5)bn	▲	>(100)% (1Q19: $(0.0)bn)
Costs	$(2.3)bn	▼	2% (1Q19: $(2.3)bn)
PBT	$0.8bn	▼	(49)% (1Q19: $1.6bn)
RoTE[25]	6.9%	▼	(4.4)ppt (1Q19: 11.3%)

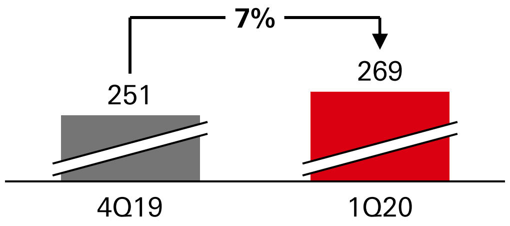
Revenue performance[20], $m



View of adjusted revenue

$m	1Q20	Δ1Q19
Global Markets	**2,133**	**25%**
FICC	**1,844**	**38%**
- FX	*1,129*	*65%*
- Rates	*675*	*40%*
- Credit	*40*	*(77)%*
Equities	**289**	**(22)%**
Securities Services	**510**	**8%**
Global Banking	**942**	**2%**
GLCM	**608**	**(10)%**
GTRF	**193**	**(6)%**
Principal Investments	**(235)**	**>(100)%**
Other	**(142)**	**(19)%**
Credit and Funding Valuation Adjustments	(346)	>(100)%
Total	**3,663**	**(8)%**

Adjusted RWAs[27], $bn



1Q20 vs. 1Q19

- **Revenue** down $334m (8%), **excl. XVAs up $58m (1%)**:
  - Global Markets up $421 (25%) driven by volatility and wider credit spreads resulting in an increase in client activity, but including adverse bid-offer adjustments of $310m in 1Q20 reflecting market conditions. Excluding a historical Equities reversal of $106m in 1Q19, Equities revenue grew
  - Global Banking up $21m (2%) due to underlying performance and widening credit spreads on portfolio hedges, partly offset by MtM losses on loans and legacy corporate restructuring positions
  - GLCM down $69m (10%) due to interest rate decreases, despite growth in average balances
  - Principal Investments down $318m from $83m reflecting fund valuation losses
- **ECL** increased $504m from $39m reflecting specific client and Covid-19 economic overlay related provisions
- **Costs** down $50m (2%) primarily from lower discretionary spend

1Q20 vs. 4Q19

- **Revenue** down $56m (2%), **excl. XVAs up $479m (14%)**:
  - Global Markets up $892m (72%) due to increased volatility and higher levels of client activity, but including adverse bid-offer adjustments of $310m in 1Q20 reflecting market conditions
  - Transactional Products revenue down as a result of spread compression due to 2019 interest rate decreases
- **RWA** increase of $18bn. Lending growth includes Covid-19 related drawdowns, downgrades, market volatility and regulatory changes, partly offset by RWA initiatives
- **Lending balances** up $24bn* from $239bn to $262bn reflecting client drawdowns

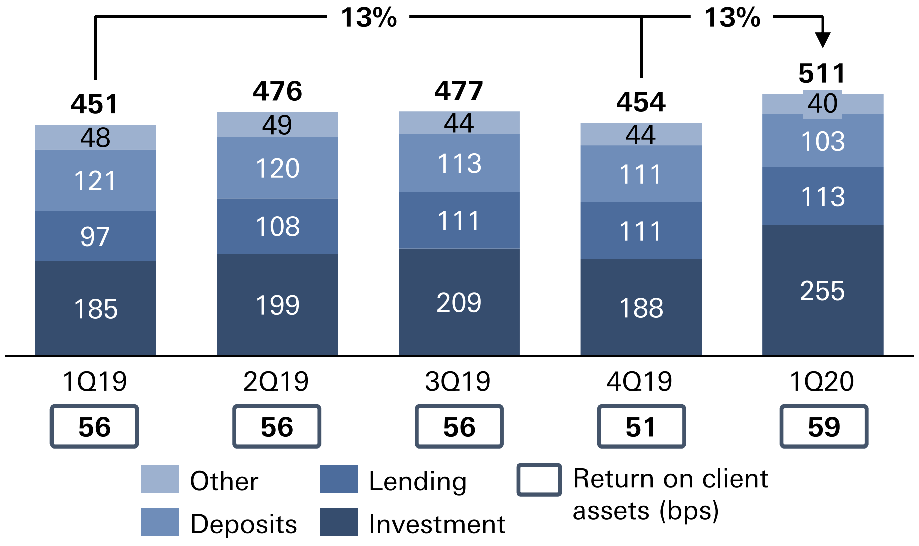
*Growth of $23,723m, based on customer accounts of $262,225m in 1Q20 and $238,502m in 4Q19

Global Private Banking

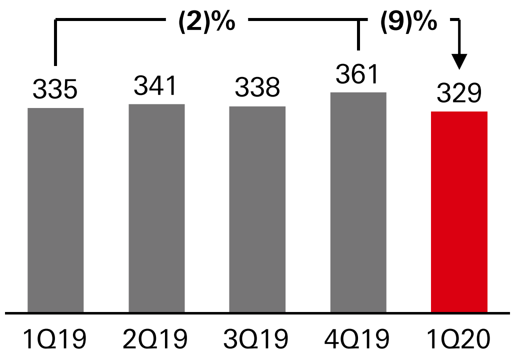
1Q20 financial highlights

Revenue	**$511m**	▲	13% (1Q19: $451m)
ECL	**$(49)m**	▲	>(100)% (1Q19: $2m)
Costs	**$(341)m**	▼	3% (1Q19: $(351)m)
PBT	**$121m**	▲	23% (1Q19: $98m)
RoTE[25]	**15.8%**	▲	4.9ppt (1Q19: 10.9%)

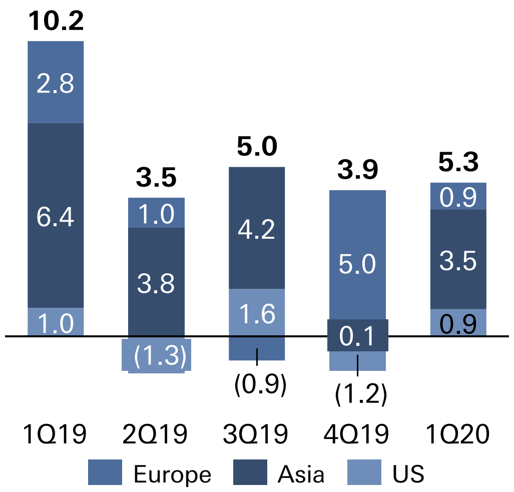
Revenue performance[20], $m



Reported client assets[26], $bn



Reported net new money, $bn



1Q20 vs. 1Q19

- **Revenue** up by $60m (13%), 1Q20 is the highest quarterly revenue since 1Q15 mainly from increased investment revenue (up $70m, 38%)
  - Brokerage & Trading increased by $54m mainly in Asia and Switzerland
  - Fees from advisory/discretionary mandates were up $16m from higher mandates
  - Higher lending NII (up $16m) from strong credit demand for Lombard lending (up $5bn), offset by lower deposit NII (down $18m) due to lower rates
- **ECL:** $49m charge in 1Q20 mainly from one specific margin trading client relationship in Switzerland
- **Costs** down $10m (3%) due to reductions in Switzerland, partly offset by investment in Asia
- **RoTE** increased by 4.9ppt, mainly driven by a higher PBT and Capital optimization from lower tangible equity in Europe and Asia

1Q20 vs. 4Q19

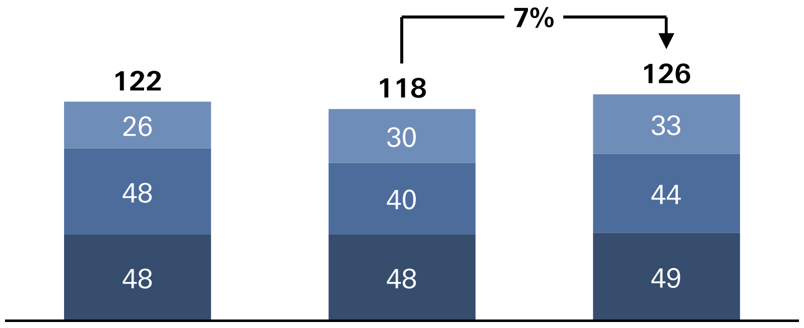
- **Revenue** up by $57m (13%) mainly due to good performance in Brokerage & Trading in Asia, flattered by low activity in December 19 due to seasonality
- **Costs** down $30m (8%) due to a general slow down on direct costs in all regions in 1Q20
- **Client Assets** decreased by $32bn (9%), mainly due to $37bn of unfavourable market and FX movements, partly offset by NNM of $5bn
- **Net New Money** of $5.3bn in 1Q20 (in the 12 last months, more than 60% of NNM generated via collaboration with other global businesses)

Corporate Centre

1Q20 financial highlights

Revenue	**$622m**	▲	>100% (1Q19: $(12)m)
ECL	**$(1)m**	▲	>(100)% (1Q19: $6m)
Costs	**$84m**	▼	>100% (1Q19: $(209)m)
Associates	**$425m**	▼	(25)% (1Q19: $565m)
PBT	**$1,130m**	▲	>100% (1Q19: $350m)
RoTE[25]	**0.9%**	▲	7.6ppt (1Q19: (6.7)%)

Adjusted RWAs[27], $bn



Revenue performance[20], $m

	1Q19	2Q19	3Q19	4Q19	1Q20
Central Treasury	**269**	**290**	**307**	**(19)**	**699**
Of which:					
Balance Sheet Management	608	585	622	450	829
Holdings net interest expense	(338)	(348)	(321)	(318)	(321)
Valuation differences on long-term debt and associated swaps	50	93	76	(73)	259
Other central treasury	(51)	(40)	(70)	(78)	(68)
Legacy Credit	**(70)**	**(13)**	**(41)**	**13**	**(91)**
Other	**(211)**	**(161)**	**(371)**	**(80)**	**14**
of which Argentina hyperinflation	(56)	15	(132)	30	(22)
Total	**(12)**	**116**	**(105)**	**(86)**	**622**

1Q20 vs. 1Q19

- **Revenue** up $634m, largely due to:
  - BSM (up $221m, 36%), higher gain from disposals in 1Q20 ($262m) compared to 1Q19 ($79m)
  - Favourable valuation difference on long term debt and associated swaps (up $209m)
  - Other increased by $225m, driven by non-recurrence of losses in 1Q19 and currency movements
- **Costs** down $293m, largely due to lower discretionary spend
- **Associates** down $140m, mainly driven by reduction in income from a UK associate due to the impact of Covid-19

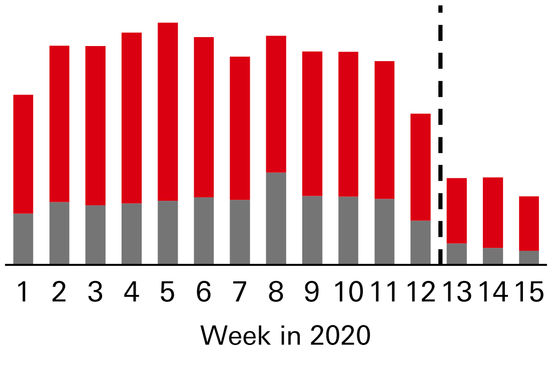
1Q20 vs. 4Q19

- **Revenue** up $708m, largely due to:
  - BSM (up $379m, 84%) higher gain from disposals in 1Q20 ($262m) compared to loss from disposal in 4Q19 ($17m) & higher net interest income
  - Favourable valuation differences on long term debt and associated swaps (up $332m)
- **Costs** down $1.1bn, largely due to UK bank levy paid in 4Q19 and lower discretionary spend
- **Associates** down $92m, mainly driven by reduction in income from UK associate due to the impact of Covid-19
- **RWAs** $8bn increase mainly from government placements and money market deposits

HSBC UK[16] RBWM: Customer activity trends

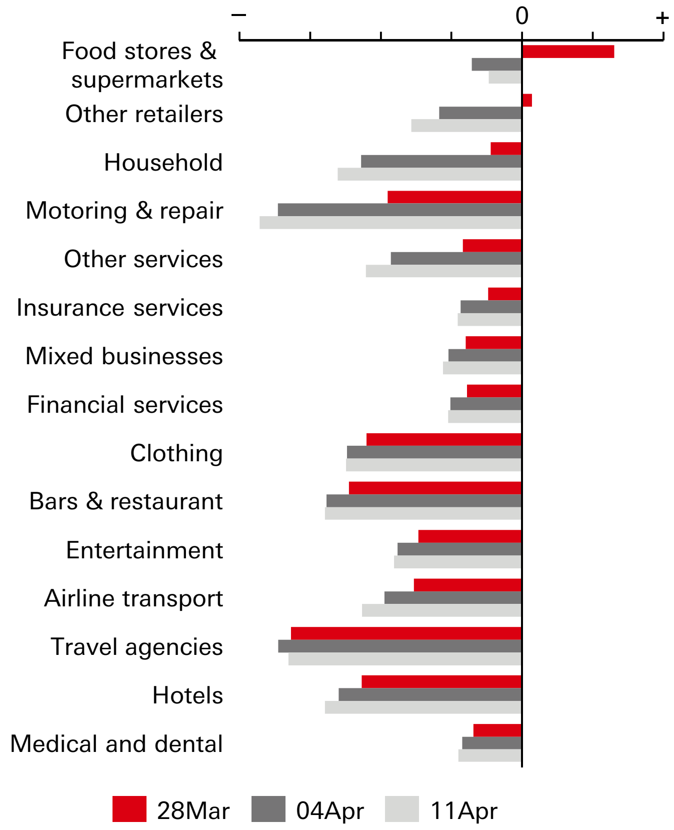
- Customer sentiment around Covid-19 has resulted in large reductions in spending across all categories except groceries
- Reductions in spending have been further exacerbated following the introduction of social distancing measures
- Overall we have seen a drop in demand across most products, except loans and select types of insurance
- Increased digital sales mix post- the introduction of social distancing measures
- Shift in digital sales mix has not offset the reduction in non-digital sales as we focus on servicing our customers through the crisis

Retail sales units[28]

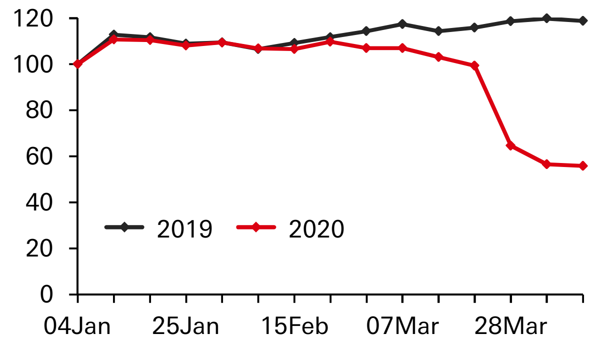


UK digital sales pre-social distancing measures, %:	70%
UK digital sales post-social distancing measures, %:	79%

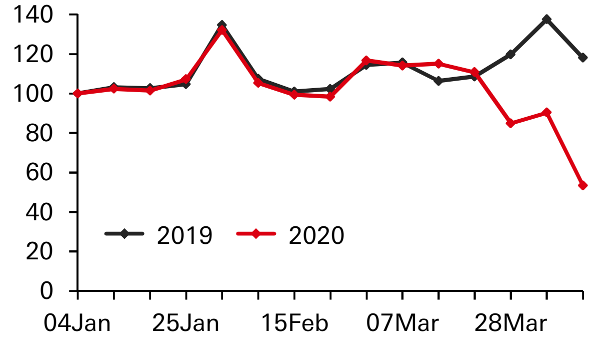
2020 weekly credit card spend by category (change vs. 2019)



Credit card overall spend[29]



Debit card overall spend[29]



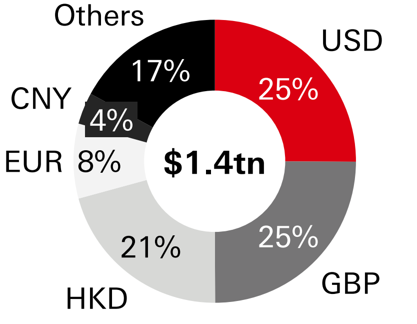
Net interest margin supporting information

Quarterly NIM by key legal entity

	2Q19	3Q19	4Q19	1Q20	% of 1Q20 Group NII	% of 1Q20 Group AIEA
The Hongkong and Shanghai Banking Corporation (HBAP)	2.05%	2.05%	2.00%	1.96%	55%	43%
HSBC Bank plc (NRFB)	0.45%	0.47%	0.46%	0.48%	7%	23%
HSBC UK Bank plc (RFB)[30]	2.13%	1.93%	1.95%	2.01%	20%	15%
HSBC North America Holdings, Inc	1.01%	0.87%	0.99%	0.91%	7%	11%

HSBC Group customer accounts by currency

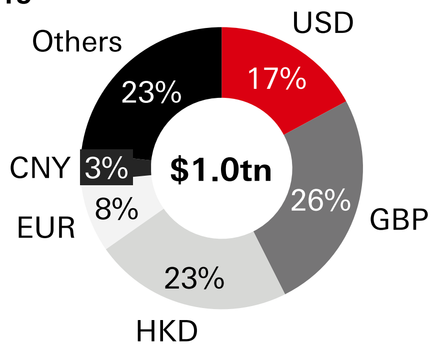
FY19



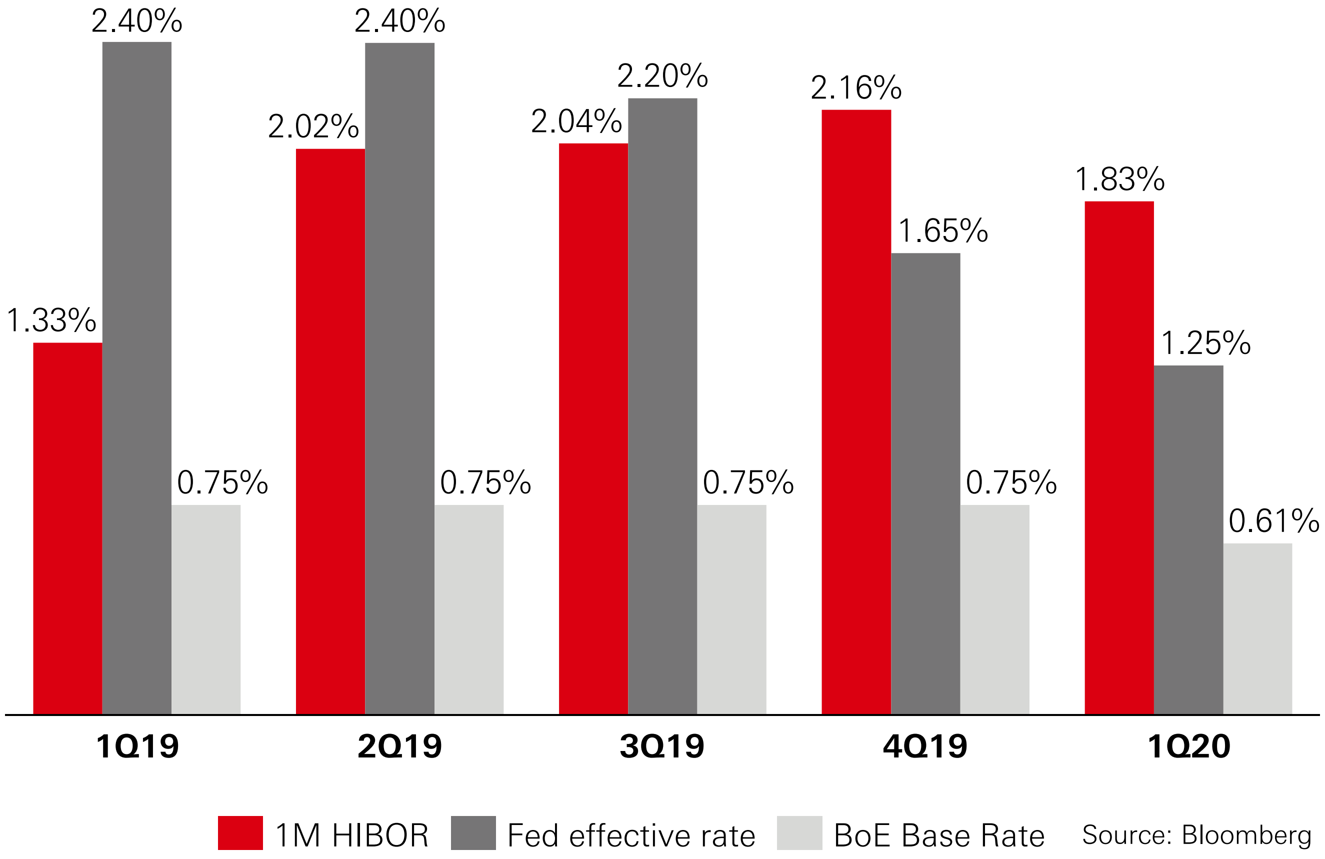
Hong Kong system deposits by currency as at 29 February 2020: 50% HKD; 37% USD; 13% Non-US foreign currencies. Source: HKMA

HSBC Group loans and advances to customers by currency

FY19



Key rates (quarter averages)



Source: Bloomberg

RoTE by global business excluding significant items and UK bank levy

1Q20 $m	RBWM	CMB	GB&M	GPB	Corporate Centre	Group
Reported profit before tax	**343**	**609**	**995**	**120**	**1,162**	**3,229**
Tax expense	(38)	(149)	(167)	(21)	(346)	(721)
Reported profit after tax	**305**	**460**	**828**	**99**	**816**	**2,508**
less attributable to: preference shareholders, other equity holders, non-controlling interests	(149)	(168)	(120)	(3)	(283)	(723)
Profit attributable to ordinary shareholders of the parent company	**156**	**292**	**708**	**96**	**533**	**1,785**
Increase in PVIF (net of tax)*	(241)	(16)	-	4	(1)	(254)
Significant items (net of tax) and UK bank levy	11	2	(133)	-	(63)	(183)
BSM allocation and other adjustments	166	180	240	16	(408)	194
Profit attributable to ordinary shareholders excluding PVIF, significant items and UK bank levy	**92**	**458**	**815**	**116**	**61**	**1,542**
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments[31]	24,905	44,623	47,727	2,958	26,496	146,709
RoTE excluding significant items and UK bank levy (annualised), %	**1.5**	**4.1**	**6.9**	**15.8**	**0.9**	**4.2**

1Q19 $m	RBWM	CMB	GB&M	GPB	Corporate Centre	Group
Reported profit before tax	**2,174**	**2,012**	**1,535**	**96**	**396**	**6,213**
Tax expense	(410)	(430)	(307)	(18)	(138)	(1,303)
Reported profit after tax	**1,764**	**1,582**	**1,228**	**78**	**258**	**4,910**
less attributable to: preference shareholders, other equity holders, non-controlling interests	(230)	(241)	(164)	(5)	(136)	(776)
Profit attributable to ordinary shareholders of the parent company	**1,534**	**1,341**	**1,064**	**73**	**122**	**4,134**
Increase in PVIF (net of tax)*	(424)	(22)	-	-	-	(446)
Significant items (net of tax) and UK bank levy	41	3	79	2	(20)	105
BSM allocation and other adjustments	147	147	184	14	(492)	-
Profit attributable to ordinary shareholders excluding PVIF, significant items and UK bank levy	**1,298**	**1,469**	**1,327**	**89**	**(390)**	**3,793**
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments[31]	23,800	42,916	47,743	3,330	23,720	141,509
RoTE excluding significant items and UK bank levy (annualised), %	**22.1**	**13.9**	**11.3**	**10.9**	**(6.7)**	**10.9**

*Excludes the increase in PVIF (net of tax) attributable to non-controlling interests. The increase in PVIF, as reported in 'other operating income', was $363m in 1Q20 and $628m in 1Q19

1Q20 vs. 4Q19 equity drivers

	Shareholders' Equity, $bn	Tangible Equity, $bn	TNAV[9] per share, $	Basic number of ordinary shares, million
As at 31 December 2019	**184.0**	**144.1**	**7.13**	**20,206**
Profit attributable to:	2.2	1.8	0.09	-
Ordinary shareholders[32]	1.8	1.8	0.09	-
Other equity holders	0.5	-	-	-
Dividends gross of scrip	(0.5)	-	-	-
On ordinary shares	-	-	-	-
On other equity instruments	(0.5)	-	-	-
Scrip	-	-	-	-
FX[32]	(5.6)	(6.1)	(0.30)	-
Actuarial gains/(losses) on defined benefit plans	2.3	2.3	0.11	-
Fair value movements through 'Other Comprehensive Income'	6.9	6.9	0.34	-
Of which: changes in fair value arising from changes in own credit risk[33]	6.0	6.0	0.29	-
Of which: Debt and Equity instruments at fair value through OCI[34]	0.9	0.9	0.05	-
Other[32]	0.4	1.0	0.07	(34)[35]
As at 31 March 2020	**189.8**	**150.0**	**7.44**	**20,172**

- Average basic number of ordinary shares outstanding during the period (QTD): 20,161
- 1Q20 TNAV of $7.44 includes $0.17 per share ($3.4bn) of own credit adjustments or reserves, an increase of $0.29 vs. $(0.12) per share ($2.5bn) at 4Q19

$7.41 on a fully diluted basis

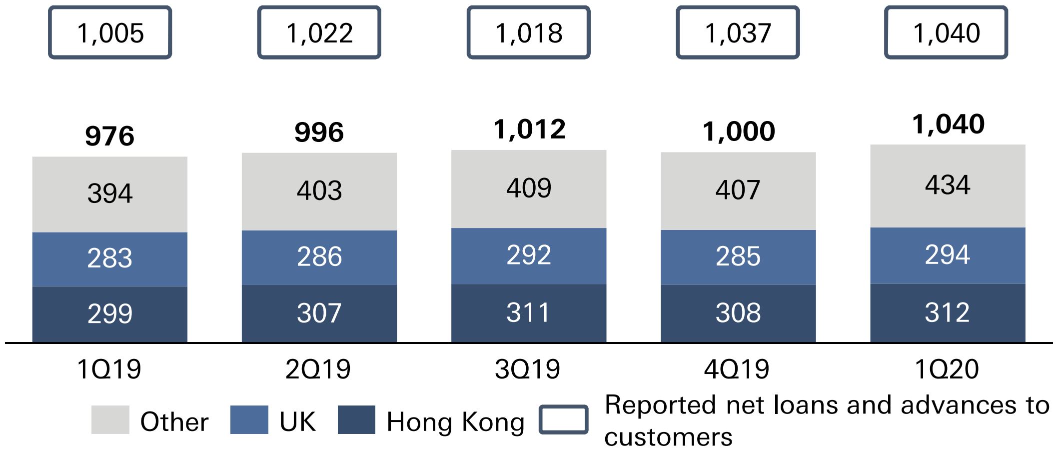
20,245 million on a fully diluted basis

Balance sheet – customer lending

Adjusted customer lending increased by $41bn (4%) vs. 4Q19

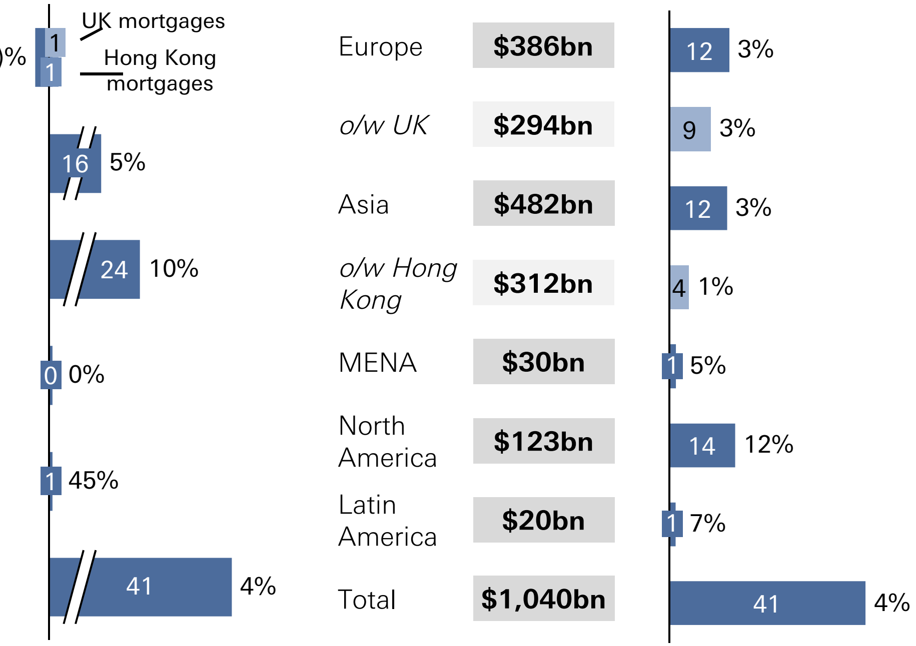
- GB&M growth of $24bn (10%) mainly in UK, Hong Kong and the US
- CMB growth of $16bn (5%) mainly in UK, US and across Asia
- This was a result of increased term lending and the effect of customers drawing down on credit facilities, partially redeploying these funds into their customer accounts to increase liquidity during the Covid-19 outbreak
- RBWM lending was broadly unchanged as $3bn growth in mortgages was offset by a $3bn reduction in credit card balances

Adjusted customer lending (on a constant currency basis), $bn



	1Q19	2Q19	3Q19	4Q19	1Q20
Reported net loans and advances to customers	1,005	1,022	1,018	1,037	1,040
Total	976	996	1,012	1,000	1,040
Other	394	403	409	407	434
UK	283	286	292	285	294
Hong Kong	299	307	311	308	312

1Q20 adjusted customer lending growth by global business and region, $bn



		Growth since 4Q19	
RBWM	$379bn	1 / 1	(0)%
CMB	$351bn	16	5%
GB&M	$262bn	24	10%
GPB	$47bn	0	0%
Corporate Centre	$2bn	1	45%
Total	$1,040bn	41	4%

		Growth since 4Q19	
Europe	$386bn	12	3%
o/w UK	$294bn	9	3%
Asia	$482bn	12	3%
o/w Hong Kong	$312bn	4	1%
MENA	$30bn	1	5%
North America	$123bn	14	12%
Latin America	$20bn	1	7%
Total	$1,040bn	41	4%

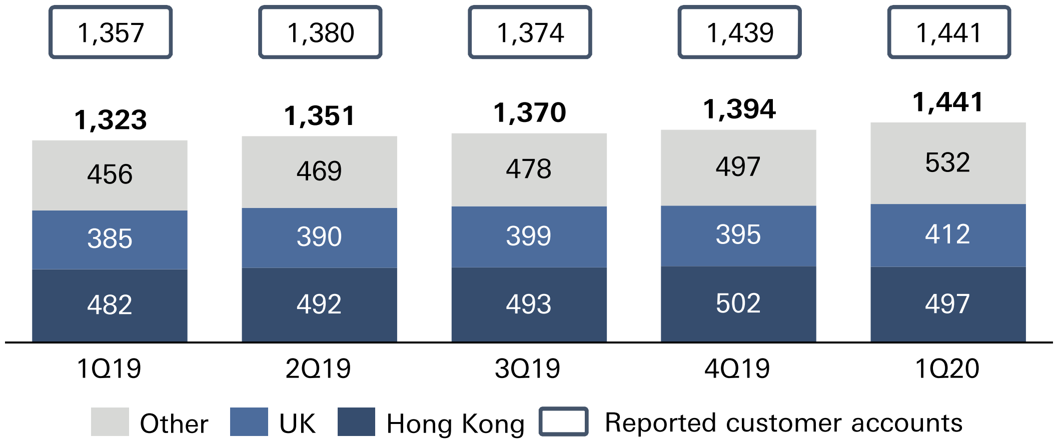
Totals may not cast due to rounding

Balance sheet – customer accounts

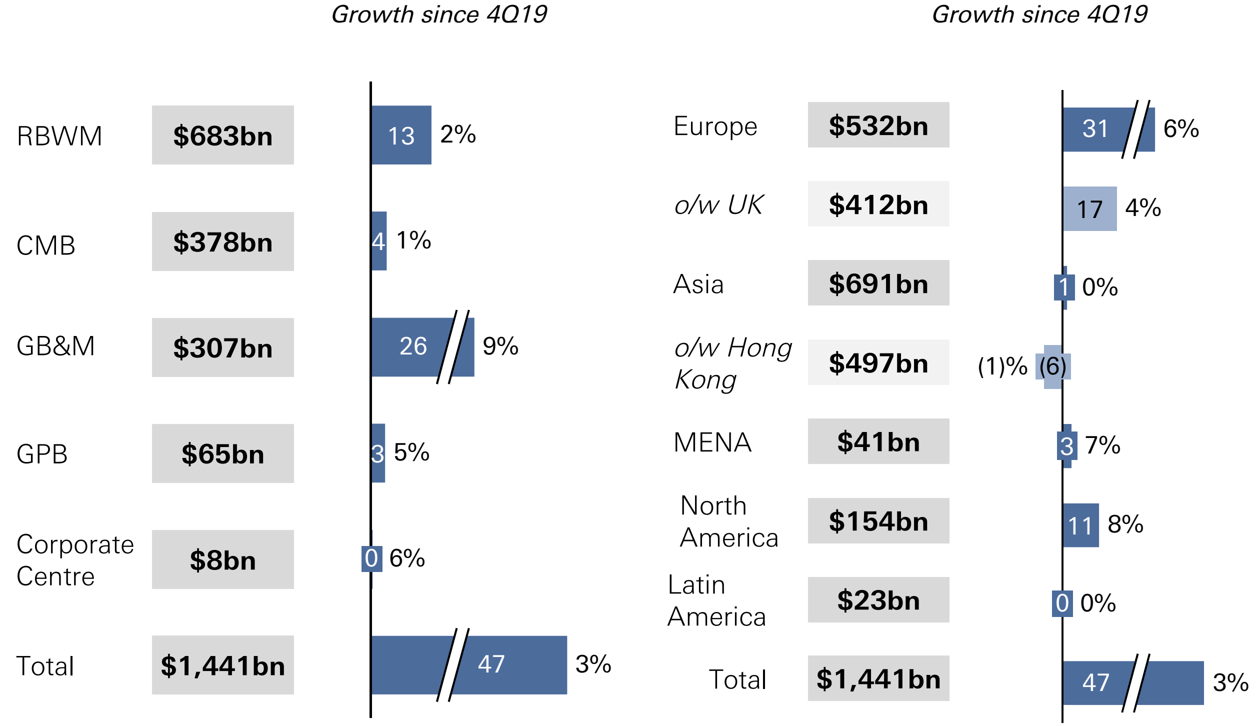
Adjusted customer accounts increased by $47bn (3%) vs. 4Q19

- RBWM balances grew by $13bn (2%), notably in the UK, Hong Kong and North America
- CMB increases in Europe and North America of $15bn were offset by a $12bn decrease in Hong Kong from a managed reduction in short-term time deposits and seasonal outflow
- GB&M customer accounts grew by $26bn (9%) reflecting growth in Europe, Asia and the US

Adjusted customer accounts (on a constant currency basis), $bn



1Q20 adjusted customer account growth by global business and region, $bn



Totals may not cast due to rounding

Oil and gas exposures[36]

Drawn risk exposure[37] by region, $bn

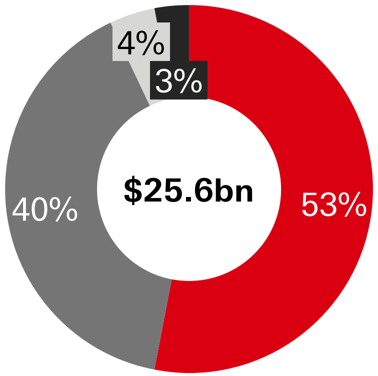
	1Q20	FY19
Asia	8.7	8.9
Europe	6.3	6.2
Middle East and North Africa	3.8	3.7
North America	5.5	5.0
Latin America	1.4	1.8
Total	**25.7**	**25.6**

Drawn risk exposure[37] by sector, $bn

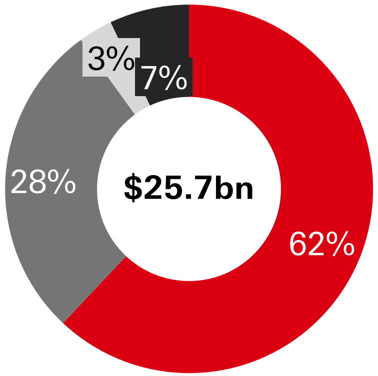
	1Q20	FY19
Infrastructure companies	1.1	0.8
Integrated producers	11.7	11.1
Intermediaries	2.1	2.0
Pure producers	2.9	3.7
Pure traders	2.1	2.0
Service companies	5.8	6.0
Total	**25.7**	**25.6**

Credit quality

As at 31 December 2019



As at 31 March 2020



CRR 1-3 CRR 4-6 CRR 7-8 Defaulted

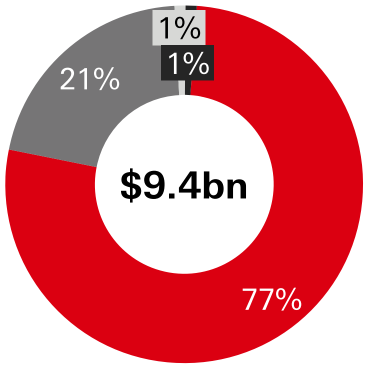
- Increase in defaulted assets between 4Q19 and 1Q20*, primarily due to a corporate exposure in Singapore
- Overall impact on credit quality will be determined by the duration and severity of depressed price levels
- Broad-based exposure by sub sector and geography with low overall exposure to traders
- The table does not include $4.5bn of exposure in the form of guarantees

*Limited credit rating migration occurred in 1Q20, we expect negative rating migration to occur over the remainder of 2020

Sectors particularly affected by Covid-19

Aviation[38]

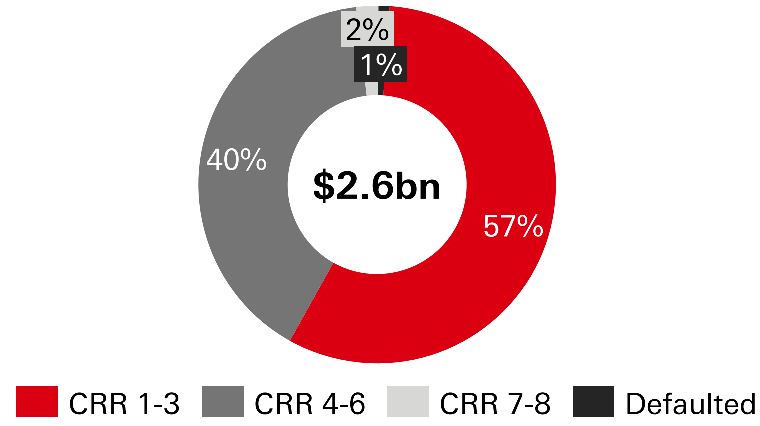
As at 31 March 2020



Drawn risk exposure[37] by region, $bn	
Asia	5.7
Europe	1.7
Middle East and North Africa	1.0
North America	0.9
Latin America	0.1
Total	**9.4**

Restaurants and leisure*

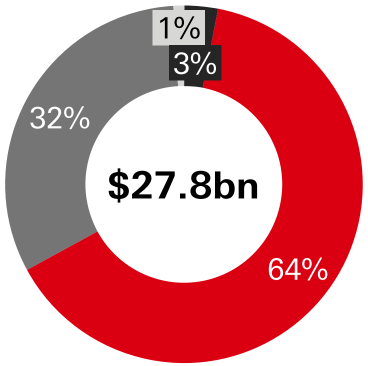
As at 31 March 2020



Drawn risk exposure[37] by region, $bn	
Asia	0.6
Europe	1.4
Middle East and North Africa	0.0
North America	0.6
Latin America	0.0
Total	**2.6**

Retail

As at 31 March 2020



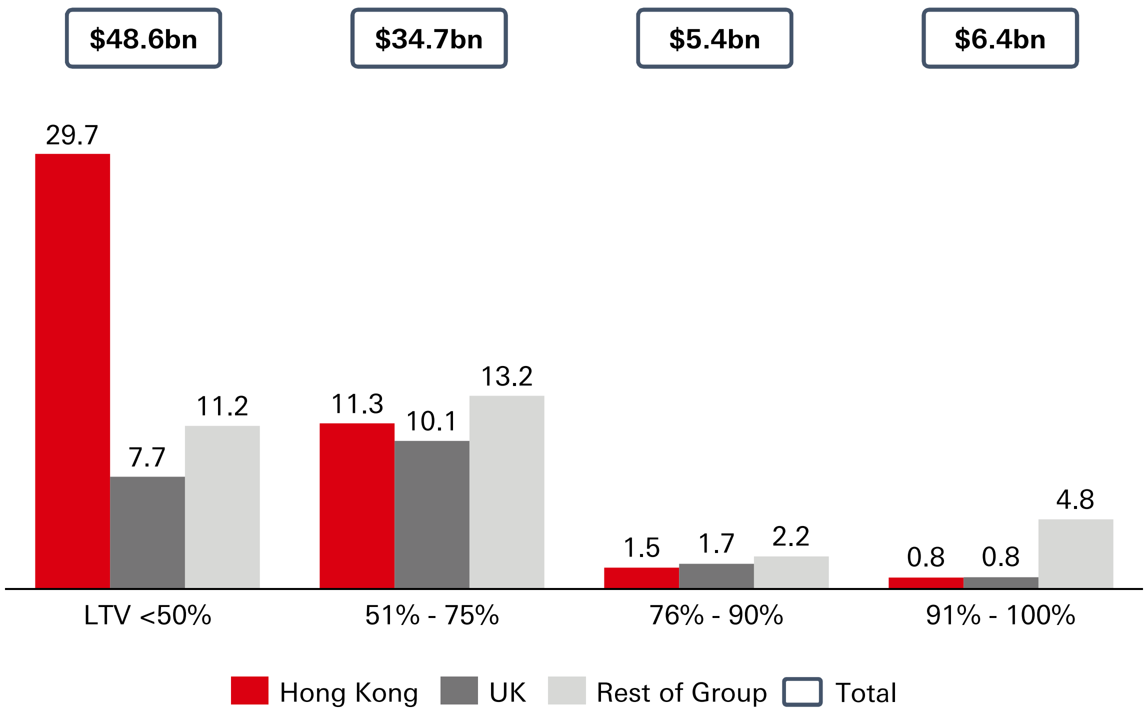
Drawn risk exposure[37] by region, $bn	
Asia	13.3
Europe	9.1
Middle East and North Africa	1.0
North America	3.4
Latin America	1.0
Total	**27.8**

*Some exposures to restaurants and leisure are categorised as corporate real estate exposures and excludes an element of small business exposure; excludes hotels; Limited credit rating migration occurred in 1Q20, we expect negative rating migration to occur over the remainder of 2020

CRE exposures

Commercial Real Estate loans including loan commitments, $bn

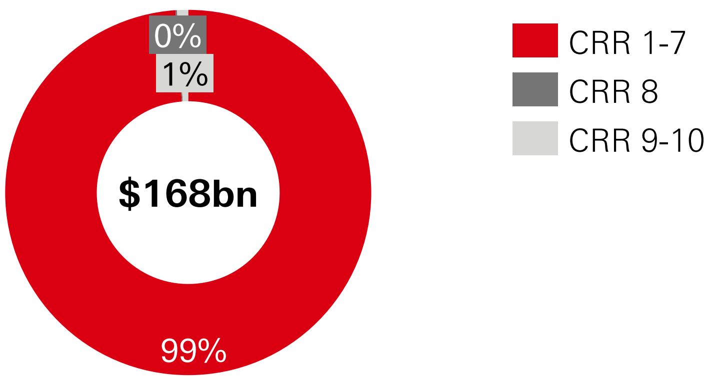
As at 31 December 2019



- Some exposures in CRE are not included in LTV analysis[39]

Credit quality

As at 31 December 2019



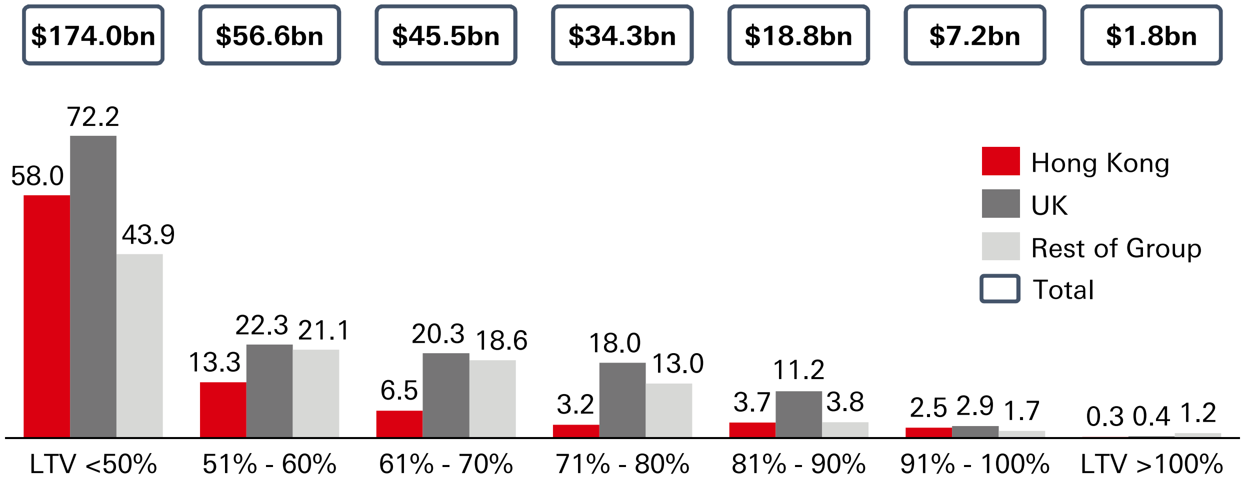
Analysis by stage

Reported basis, $m	Stage 1	Stage 2	Stage 3	Total[15]	Stage 3 as a % of Total
Gross loans and advances including loan commitments	157,702	8,724	1,645	**168,072**	1.0%
Of which:					
UK	26,483	3,572	977	**31,032**	3.1%
Hong Kong	75,903	1,983	17	**77,903**	0.0%

Residential mortgage exposures

Residential mortgages, $bn

As at 31 December 2019



	Hong Kong	UK RFB
Stock average LTV	41%	51%
New business average LTV	49%	67%

Components of the chart may not cast due to rounding

Credit quality

- Stable credit profile in residential mortgage exposures reinforced by low average LTVs
- We have worked with governments and regulators to establish and deploy a range of support measures for our mortgage customers
- Mortgage portfolios show resilience under current and historical stress testing

Analysis by stage

Reported basis, $m	Stage 1	Stage 2	Stage 3	Total[15]	Stage 3 as a % of Total
31 December 2019					
Gross loans and advances	327,894	7,163	3,096	**338,153**	0.9%
Of which:					
UK	144,098	1,964	1,202	**147,264**	0.8%
Hong Kong	86,333	1,117	44	**87,494**	0.1%

RWAs by Global Business and geography

Reported RWAs as at 31 March 2020, $bn

	RBWM	CMB	GB&M	GPB	Corporate Centre	Total[40]
Europe	37.4	112.1	108.0	7.5	15.6	**280.6**
Asia	65.4	130.2	106.5	3.5	67.9	**373.5**
Middle East and North Africa	4.9	14.2	13.3	-	26.7	**59.1**
North America	15.8	51.4	49.2	3.1	13.6	**133.1**
Latin America	7.8	8.9	12.8	-	3.4	**32.9**
Total	**131.3**	**316.8**	**269.1**	**14.1**	**125.8**	**857.1**

Reported RWAs as at 31 December 2019, $bn

	RBWM	CMB	GB&M	GPB	Corporate Centre	Total[40]
Europe	37.6	116.0	106.1	7.7	13.6	**281.0**
Asia	65.7	129.3	102.0	3.2	66.2	**366.4**
Middle East and North Africa	5.0	13.5	12.9	-	26.1	**57.5**
North America	16.2	47.7	42.8	3.1	12.2	**122.0**
Latin America	9.5	10.2	14.7	-	4.0	**38.4**
Total	**134.0**	**316.7**	**258.2**	**14.0**	**120.5**	**843.4**

Glossary

AIEA	Average interest earning assets
AUM	Assets under management
BAU	Business as usual
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
BSM	Balance Sheet Management
CCyB	Countercyclical Buffer
CET1	Common Equity Tier 1
Corporate Centre	Corporate Centre comprises Central Treasury, including Balance Sheet Management, our legacy businesses, interests in our associates and joint ventures, central stewardship costs and the UK bank levy
CMB	Commercial Banking, a global business
CRD IV	Capital Requirements Directive IV
CRR	Customer risk rating. CRR 1-3 broadly equivalent to investment grade; CRR 4-6 broadly equivalent to BB+ to B-; CRR 7-8 broadly equivalent to an external rating ranging from CCC+ to C
CTA	Costs to achieve
C&L	Credit and Lending
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.
FICC	Fixed Income, Currencies and Commodities
GB&M	Global Banking and Markets, a global business
GLCM	Global Liquidity and Cash Management
GPB	Global Private Banking, a global business
GTRF	Global Trade and Receivables Finance
HIBOR	Hong Kong Interbank Offered Rate
IFRS	International Financial Reporting Standard
LCR	Liquidity coverage ratio
LDR	Loan-to-deposit ratio

Legacy credit	A portfolio of assets including securities investment conduits, asset-backed securities, trading portfolios, credit correlation portfolios and derivative transactions entered into directly with monoline insurers
LTV	Loan to value
MDA	Maximum distributable amount
MENA	Middle East and North Africa
MtM	Mark-to-market
NAV	Net Asset Value
NCI	Non-controlling interests
NII	Net interest income
NIM	Net interest margin
NNM	Net new money
NRFB	Non ring-fenced bank in Europe and the UK
PAOS	Profit attributable to ordinary shareholders
PBT	Profit before tax
POCI	Purchased or originated credit-impaired
Ppt	Percentage points
PVIF	Present value of in-force insurance contracts
RBWM	Retail Banking and Wealth Management, a global business
HBUK (RFB)	Ring-fenced bank, established July 2018 as part of ring fenced bank legislation
RoE	Return on average ordinary shareholders' equity
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
TNAV	Tangible net asset value
WPB	Wealth and Personal Banking. A new global business to be created from the consolidation of RBWM and GPB
XVAs	Credit and Funding Valuation Adjustments

Footnotes

1. As at 14 April 2020
2. As at 23 April 2020
3. Coronavirus Business Interruption Loan Scheme
4. Market share of lending by value as at 21 April 2020. Source: UK Finance Coronavirus Business Interruption Loans Scheme (CBILS) Data Table 23 April
5. 8.6% of SME loans and overdrafts balances as at 29 February 2020. Source: Bank of England. SME is defined as a client with turnover of up to £25m
6. On the 31st March 2020 HSBC cancelled the fourth interim dividend of $0.21, following a written request from the Bank of England through the Prudential Regulation Authority. The Board also announced that until the end of 2020, HSBC will make no quarterly or interim dividend payments or accruals in respect of ordinary shares, or undertake any share buy-backs in respect of ordinary shares. The Board will review our dividend policy at or ahead of the year-end results for 2020, when the economic impact of the pandemic is better understood
7. RoTE methodology annualises Profits Attributable to Shareholders, including ECL, in order to provide a returns metric. Expected Credit Losses "ECL" is a forward looking estimate of losses expected in the current year based on current market conditions
8. Unless otherwise stated, risk-weighted assets and capital amounts at 31 March 2020 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 IFRS9 Financial instruments
9. 1Q20 TNAV of $7.44 includes $0.17 of own credit adjustments or reserves, an increase of $0.29 vs. $(0.12) at 4Q19
10. Source: Dealogic Quarterly Rankings – Debt Capital Markets – First Quarter 2020. Published 01 April 2020
11. Source: Dealogic Quarterly Rankings – Equity Capital Markets – First Quarter 2020. Published 01 April 2020
12. Source: Dealogic – Primary UK Main Market and AIM Equity Capital Markets transactions on an absolute basis – 01 January 2020 to 24 April 2020
13. Tied with BoA Securities and Citi. Source: Greenwich Associates – 2020 Greenwich Leaders: Global Foreign Exchange Services. Published 16 April 2020
14. Gross loans and advances to customers
15. Total includes POCI balances and related allowances
16. NRFB: Non ring-fenced bank in Europe and the UK = HSBC Bank plc; RFB: UK Ring-fenced bank = HSBC UK Bank plc
17. The goodwill impairment of $7.3bn in 4Q19 arose from an update to long-term growth assumptions reflecting the more challenging revenue outlook impacting a number of our businesses, and specifically to GB&M arising from the reshaping of the business
18. 1Q20: 20,161 million weighted average basic ordinary shares outstanding during the period; 4Q19: 20,158 million weighted average basic ordinary shares outstanding during the period; 1Q19: 20,036 million weighted average basic ordinary shares outstanding during the period
19. Leverage ratio at 31 March 2020 is calculated using the CRR II end-point basis for additional tier 1 capital
20. Where a quarterly trend is presented on the Income Statement, all comparatives are re-translated at average 1Q20 exchange rates
21. From 1st July 2018, Argentina was deemed a hyperinflationary economy for accounting purposes
22. Sensitivity of HSBC's insurance manufacturing subsidiaries to market risk factors has evolved over 1Q20 from the FY19 numbers presented in this table. Regarding equity risk, portfolio re-balancing and other de-risking actions have had the broad impact of reducing sensitivity comparatively. On the other hand, the sharp fall of interest rates over 1Q20 has increased the relative sensitivity of the cost of guarantees to this market risk factor
23. Equity market investments in the Insurance manufacturing business are mainly benchmarked to MSCI World index (c.50%), MSCI Asia excl. Japan (c.50%); rebased to 100
24. 4Q19 as reported at 4Q19 Results; 3Q19 as reported at 3Q19 Results; 2Q19 as reported at 2Q19 Results; 1Q19 as reported at 1Q19 Results

Footnotes

25. 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 Q1 2020 considers AT1 Coupons on an accruals basis, vs. Reported RoTE where it is treated on a cash basis
26. Where a quarterly trend is presented on the Balance Sheet and Funds Under Management, all comparatives are re-translated at 31 March 2020 exchange rates
27. A reconciliation of reported RWAs to adjusted RWAs can be found in the 'Reconciliations of Non-GAAP Financial Measures 31 March 2020'
28. Sales include weekly sales units where a digital journey is available for Retail products including Current and Savings Accounts, Cards, Loans, and Mortgages
29. Rebased to 100
30. Due to customer redress programmes, HBUK 4Q19 NIM has been adversely impacted by 5bps (3Q19 NIM impacted by 19bps), FY19 NIM of 2.05% has been adversely impacted by 6bps
31. Tangible Equity is allocated to global businesses at a legal entity level, using RWAs, or a more suitable local approach, where appropriate
32. Differences between shareholders' equity and tangible equity drivers primarily reflect goodwill impairment, PVIF movements and amortisation expense within 'Profit Attributable to Ordinary shareholders', FX on goodwill and intangibles within 'FX', and intangible additions and other movements within 'Other'
33. $0.29 TNAV per share impact from: $6bn unrealised gain on own credit spreads
34. $0.05 TNAV per share impact from: $1bn Debt gain (mainly in HNAH and HBAP); partly offset by $0.1bn loss on Equity instruments (mainly in HBAP)
35. Share count in TNAV is number of shares in issue (excluding own shares held in treasury and market making). Share count reduction over the period was driven by an increase in shares held in market making, partly offset by an increase in share awards
36. HSBC's insurance business has exposure to the oil and gas industry via investment-grade bond holdings which are excluded from these charts and tables. The majority of the credit risk of these instruments is borne by policyholders
37. Risk measure, excludes repos and derivatives. Guarantees are excluded from tables and charts
38. Includes aircraft lessors
39. LTV banding excludes partially and not collateralised lending totalling $73bn. In Hong Kong, market practice is typically for lending to major property companies to be either secured by guarantees or unsecured. In Europe, facilities of a working capital nature are generally not secured by a first fixed charge, and are therefore disclosed as not collateralised
40. In this table the breakdown of GB&M and Corporate Centre RWAs by geographical region excludes the diversification benefits inherent in the calculation of market risk for the Group as a whole. As a result, the total for the Group differs from the sum of the individual regions by the value of the diversification benefit

Disclaimer

Important notice

The information, statements and opinions set out in this presentation and accompanying discussion (“this Presentation”) are for informational and reference purposes only and do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the “Group”) and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an “Identified Person”) as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on, the accuracy or completeness of any information contained in this Presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this Presentation or any additional information or to remedy any inaccuracies in or omissions from this Presentation. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

Forward-looking statements

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”), our Form 6-K furnished to the SEC on 26 March 2020 (containing disclosure relating to the impacts of Covid-19 on HSBC Holdings plc and its subsidiaries) and our 1Q 2020 Earnings Release which we expect to furnish to the SEC on Form 6-K on 28 April 2020 (the “1Q 2020 Earnings Release”).

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, our 1Q 2020 Earnings Release, and the corresponding Reconciliations of Non-GAAP Financial Measures document, each of which are available at www.hsbc.com.

Information in this Presentation was prepared as at 28 April 2020.