HSBC Holdings plc 2Q20 Results

Presentation to Investors and Analysts

HSBC

Noel Quinn

Group Chief Executive

HSBC

Highlights

1. **Resilient Asia** and strong Global Markets performance; 1H20 profits challenged in Europe, the US and the NRFB due to high ECL. **Reported 2Q20 PBT of $1.1bn, down 82% vs. 2Q19;** adjusted PBT of $2.6bn down 57%

2. **2Q20 ECL of $3.8bn,** primarily reflecting forward economic guidance updates, particularly in the UK

3. **Good cost control and discipline,** 2Q20 adjusted costs of $7.3bn down 7% vs. 2Q19

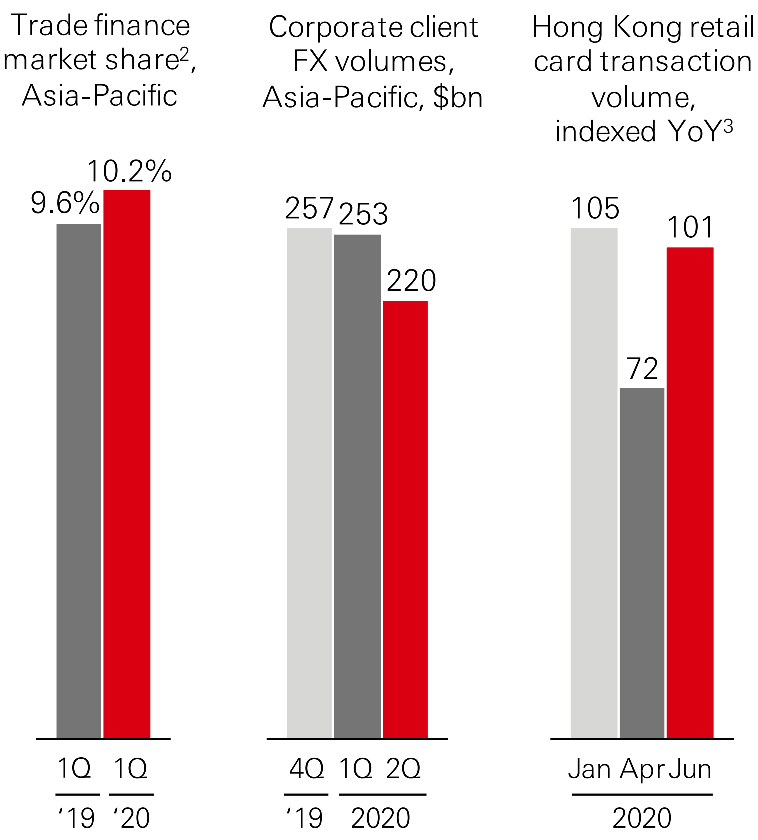
4. **Strong funding, liquidity and capital;** adjusted deposit growth of $85bn vs. 1Q20, CET1 ratio[1] of 15.0%

5. **We are implementing the 2020 – 2022 plan at pace;** reducing costs and RWAs, and redeploying investment and capital into areas of faster growth and higher returns

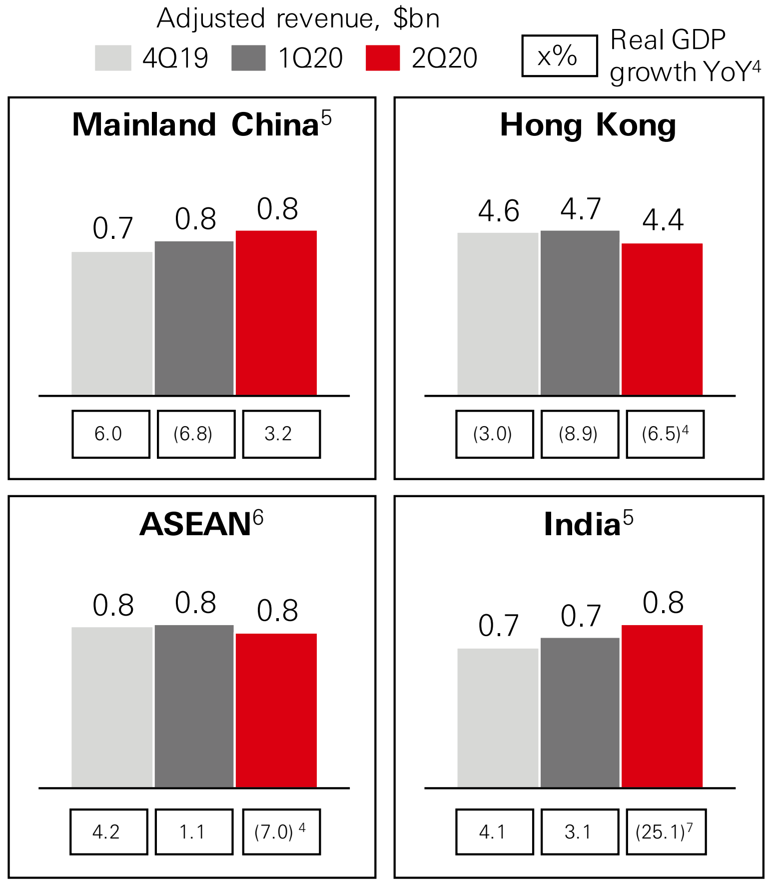
A reconciliation of reported results to adjusted results can be found on slide 18, the remainder of the presentation unless otherwise stated, is presented on an adjusted basis

Global recovery has been uneven; 1H20 performance reflected our strength and resilience in Asia

Largely resilient activity in Asia



Revenue has held up in Asia



Certain markets have been less impacted by the pandemic

- Countries which experienced the negative impacts of the Covid-19 pandemic earlier and reacted quickly / firmly were largely able to exit lockdown earlier

1H20 performance in Asia supported by:

- Loans: up $3bn (1%) to $475bn vs. 1H19
- Deposits: up $47bn (7%) to $723bn vs. 1H19
- Wealth balances from our Wealth business stable at $0.7tn
- Strong GBM performance with gains in DCM and ECM market shares
- Asia ECL of $1.8bn, which includes $0.8bn in Singapore, largely from a single client

The Group has responded to the challenges posed by the pandemic, demonstrating our resilience in supporting clients, employees, communities and the economies we serve

Supporting our employees, communities, and economies

Restructuring activity paused for most of 2Q to focus on supporting employees and customers

Strong share of government and other payment schemes; provided c.$52bn of relief to wholesale customers and c.$30bn of relief to retail customers through lending (including government) schemes and deferrals

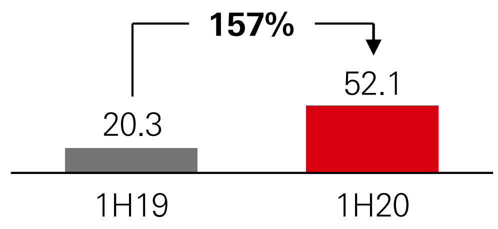
Supported clients' funding and liquidity needs with over $1.15tn of loan, DCM and ECM financing raised for GBM and CMB clients in 1H20[8]

ESG: continued leadership in sustainable finance; ranked #1 in Sustainable Finance Bonds; $48bn raised from 24 social and Covid-19 relief bonds[8]; awarded Asia, Middle East and Western Europe's Best Bank for Sustainable Finance[9]

Customer satisfaction jumped: double-digit Net Promoter Score (NPS) rises in several WPB markets[10]; Trade, GLCM servicing and UK MME achieved their highest ever NPS in 2Q; voted #1 Standout Dealer for Global Corporates in FX[11]

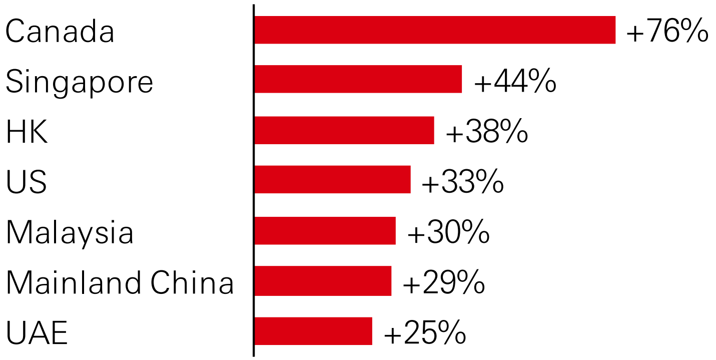
Supporting our clients remotely

HSBCnet* mobile downloads, 000s



- **Mobile payments value increased 220%** vs. 2Q19 to $71.4bn

Digital wealth sales, % change YoY[12]



HSBC's strengths

Strong balance sheet

CET1 ratio[1]: 15.0%,
Total capital ratio[1]: 20.7%
Total capital[1]: $177bn

Deep liquidity

High Quality Liquid Assets of $654bn,
LCR of 148%,
Deposits up $133bn YTD to $1.5tn

*HSBCnet is a HSBC digital platform for corporate clients

Transformation programme: Groundwork laid in 1H20 to accelerate our plans as the global economic recovery strengthens

Group-level transformation milestones

- **Adjusted costs:** 1H20 down 5% vs 1H19; 2Q20 down 7% vs 2Q19
  - $300m cost programme saves realised to date, with a further estimated $500m expected in 2H20
  - Restructuring-related **headcount reductions** were paused for most of 2Q20, but resumed in late June; will continue to manage responsibly
- **WPB:**
  - **Creation of Wealth and Personal Banking** from the combination of RBWM and GPB is complete, leveraging expertise and technological capabilities for >39m customers
  - Wealth balances grew 3% vs. 1H19 to over $1.4tn despite market volatility
- **Integration of CMB and Global Banking's back-office infrastructure** is progressing well:
  - International account openings were up 12% vs.1H19, while on-boarding times have reduced by 32%

Transformation programmes in Europe, US, GBM

GBM:

- Formed RWA Optimisation Unit and reduced RWAs by $21bn in 1H20 as part of our $100bn Group RWA reduction programme
- De-layered organisational structure by removing regional management structure and central management, and combined Global Markets and Securities Services businesses

US:

- Reduced branch footprint by 80, exceeding original 30% reduction target for 2020
- On track to consolidate select fixed income activities with those in London, and to reduce Global Markets RWAs in the US by c.$5bn / c.45% by end-2020

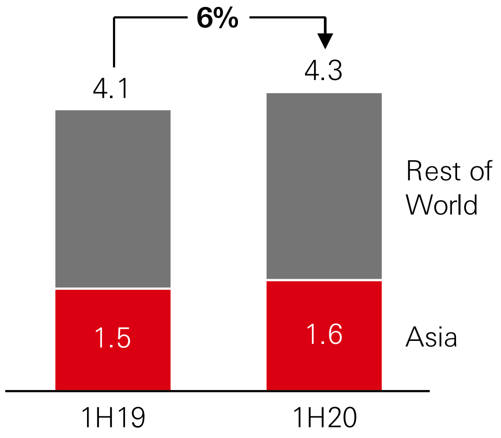
Europe / NRFB:

- Simplified new management structure is in place
- Committed to RWA targets announced in Feb 2020; execution to ramp up as economies recover from Covid-19

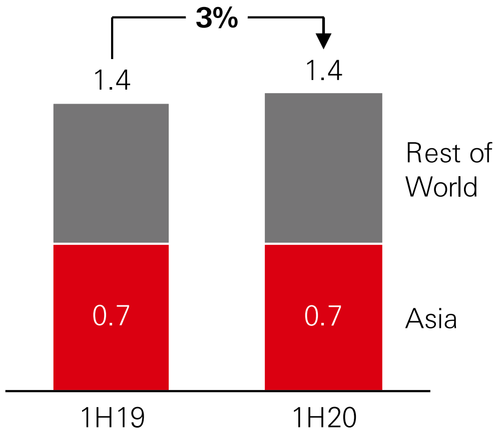
Our footprint and newly formed WPB business positions us to capture the global wealth opportunity; **Pinnacle platform launched** to step up our wealth business in mainland China

WPB positioned to drive growth from the global wealth opportunity

Customer growth, m
Jade and Premier



Wealth balances[13]
WPB, $tn



- **HSBC Asset Management** AUM up 5% (1H20 vs 1H19) to $521bn
- **Private Banking** client assets up 4% (1H20 vs 1H19) to $353bn

Launched Pinnacle, our digital wealth planning and insurance services in mainland China

Initial focus is on **New-to-Bank affluent clients in China** through personal wealth planner business

First batch of 100 digitally-enabled wealth planners on-boarded in Guangzhou and Shanghai; plan is to reach **2,000-3,000 planners within four years**

Amplified by the new **Greater Bay Area ('GBA') Wealth Connect** programme[14], which facilitates cross-boundary investment by GBA residents in wealth management products distributed by banks in the GBA

Aim to ramp up expansion in **GBA and Yangtze River Delta** by 2021; **platform licenses** will enable HSBC wealth businesses to collaborate in order to better serve clients

Ewen Stevenson

Group Chief Financial Officer

HSBC

2Q20 results summary

$m	2Q20	2Q19		Δ
NII	6,871	7,541	▼	(9)%
Non interest income	6,279	6,125	▲	3%
Revenue	13,150	13,666	▼	(4)%
ECL	(3,832)	(519)	▲	>(100)%
Costs	(7,262)	(7,828)	▼	(7)%
Associates	537	708	▼	(24)%
Adjusted PBT	**2,593**	**6,027**	▼	**(57)%**
Significant items and FX translation	(1,504)	167	▼	>(100)%
Reported PBT	**1,089**	**6,194**	▼	**(82)%**
Profit attributable to ordinary shareholders	192	4,373	▼	(96)%
EPS[15], $	0.01	0.22	▼	$(0.21)

$bn	2Q20	1Q20		Δ
Customer loans	1,019	1,048	▼	(3)%
Customer deposits	1,532	1,447	▲	6%
Reported RWAs	854.6	857.1	▼	(0)%
CET1 ratio[1], %	15.0	14.6	▲	0.4ppt
TNAV per share[16], $	7.34	7.44	▼	$(0.10)

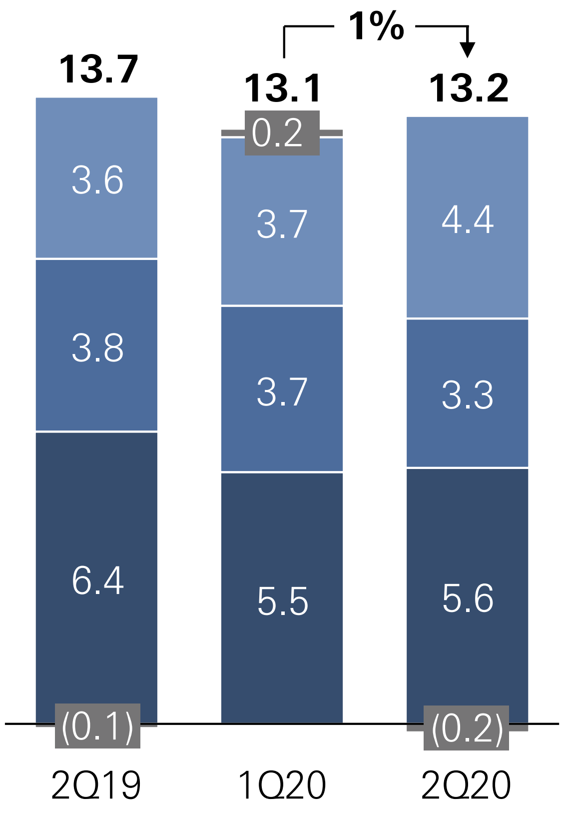
- **Net interest income of $6.9bn, down $0.7bn (9%)** vs. 2Q19 impacted by 1Q20 rate cuts
- **Non interest income of $6.3bn, up $0.2bn (3%),** reflecting strong trading revenue in GBM and positive market impacts in insurance manufacturing
- **Adjusted revenue of $13.2bn, down $0.5bn (4%)** was positively impacted by $0.5bn increase in volatile items
- **ECL of $3.8bn,** reflects updates to forward economic guidance. particularly in the UK ring-fenced bank
- **Adjusted costs of $7.3bn down $0.6bn (7%),** reflecting management actions, partly offset by continued investments
- **Adjusted PBT of $2.6bn, down $3.4bn (57%); Reported PBT of $1.1bn, down $5.1bn (82%),** 2Q20 significant items included a write down of software intangibles of $1.2bn[17]
- **2Q20 lending down $29bn (3%)** as customers repaid 1Q20 drawdowns and retail balances fell as customers saved more and spent less; **Strong deposit growth of $85bn (6%) vs. 1Q20** as customers built and maintained liquidity balances
- **1H20 RoTE of 3.8%[18]**
- TNAV per share decreased by $0.10 vs. 1Q20, including a decrease of $0.18 per share in own credit adjustments

2Q20 adjusted revenue performance

	2Q20 revenue				2Q20 vs. 2Q19
WPB	$5,630m ▼(12)%	Retail Banking	$3,063m		(809)
		Wealth Management	$2,183m	o/w insurance market impacts: $389m	24
		Other	$384m		8
CMB	$3,267m ▼(14)%	GLCM	$1,014m		(486)
		GTRF	$423m		(36)
		Credit and Lending	$1,359m		11
		Other	$471m		(1)
GBM	$4,419m ▲ 24%	Global Markets, Securities Services	$2,573m	o/w bid-offer adjustments: $240m	675
		Global Banking, GLCM, GTRF	$1,688		(150)
		Principal Investments, XVA, Other	$158m	o/w XVAs: $23m	338
Corp. Centre	$(166)m			o/w valuation differences: $(157)m	(90)
Group	$13,150m ▼ (4)%				(516)

Includes positive impact from $507m of volatile items in adjusted revenue, see p. 19 for more information

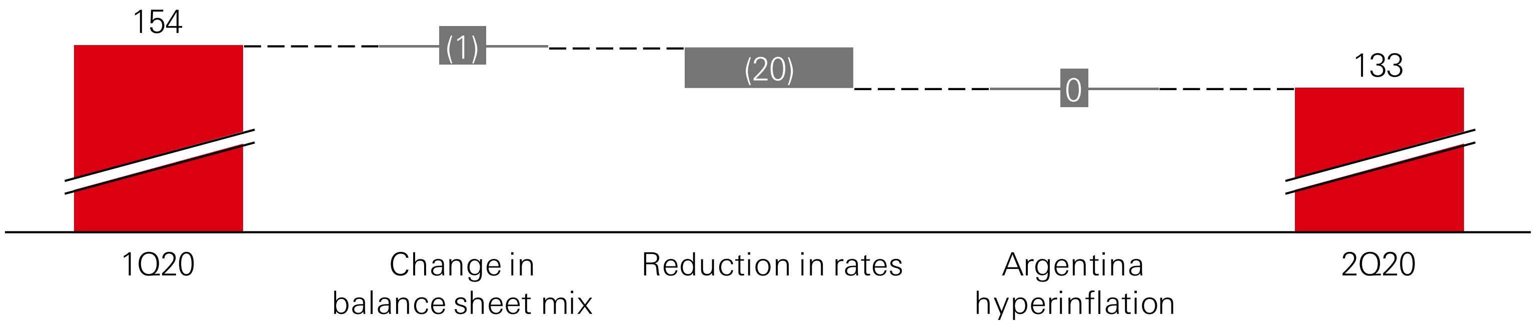
Revenue by global business, $bn



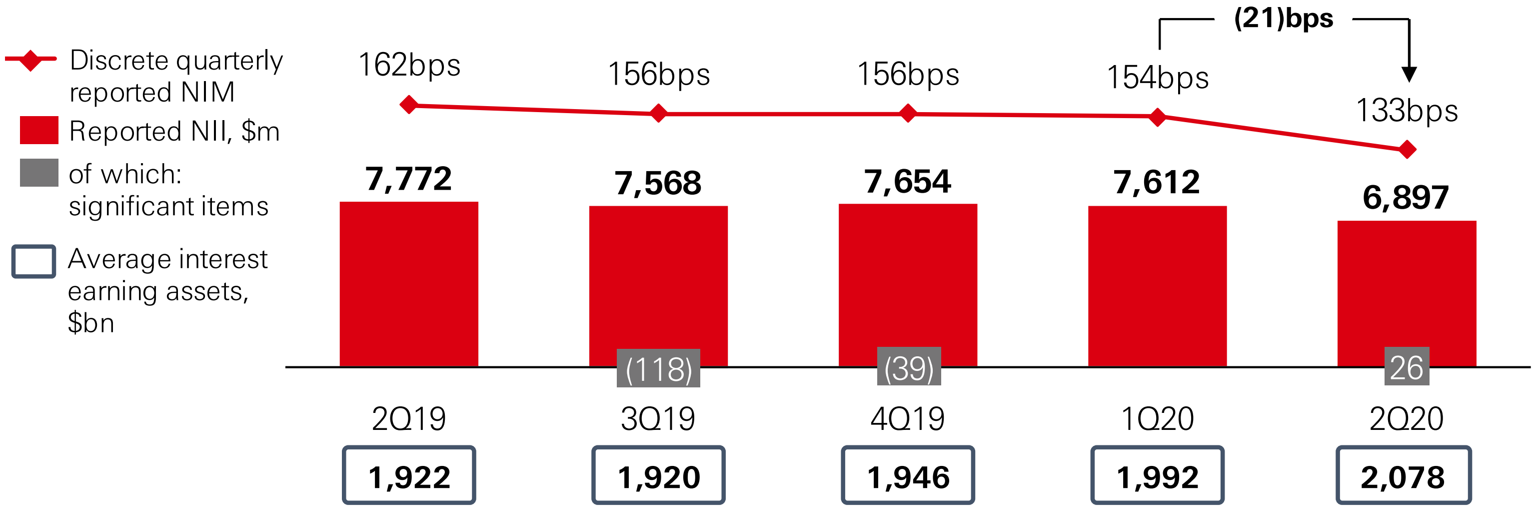
Totals may not cast due to rounding

Net interest income

Reported NIM progression, bps



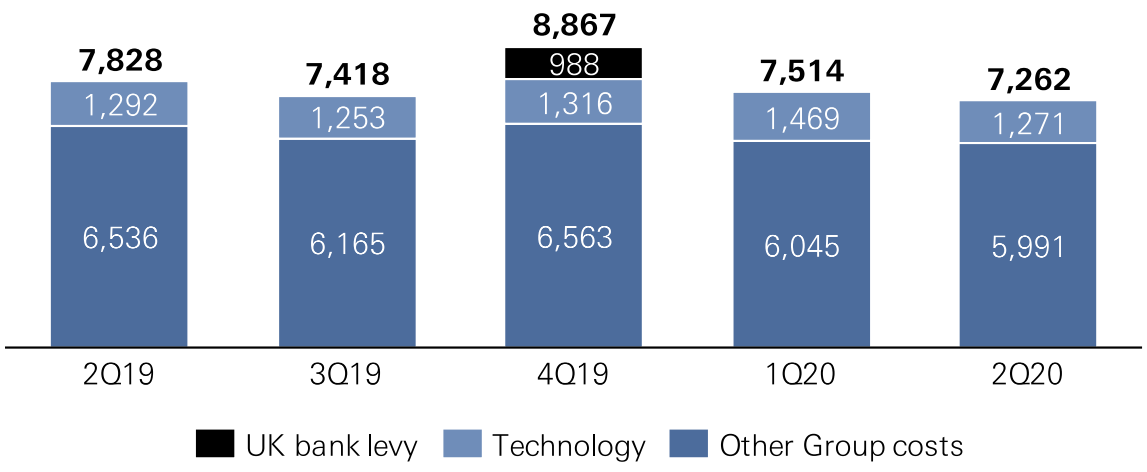
Reported NIM trend



- **Reported NII of $6.9bn, down $0.7bn (9%)** vs. 1Q20 and down $0.9bn (11%) vs. 2Q19 due to the impact of lower rates
- **NIM of 1.33% down 21bps** vs. 1Q20, largely driven by Asia (down 27bps) and HSBC UK (down 33bps)
- 2Q20 average deposit costs[19] of 0.45%, down 23bps vs. 1Q20
- **AIEAs of $2,078bn, up $86bn (4%)** vs. 1Q20 due to higher liquid assets and term lending balances, partially offset by a decline in unsecured lending and reverse repo balances
- Continue to expect **>$3bn negative NII impact in FY20 vs. FY19;** further negative impacts anticipated in 2021

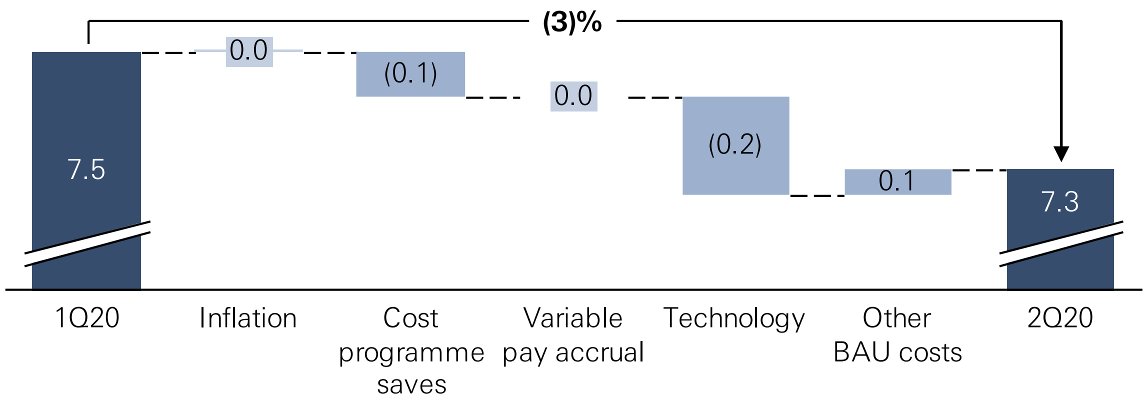
Adjusted costs

Operating expenses trend, $m

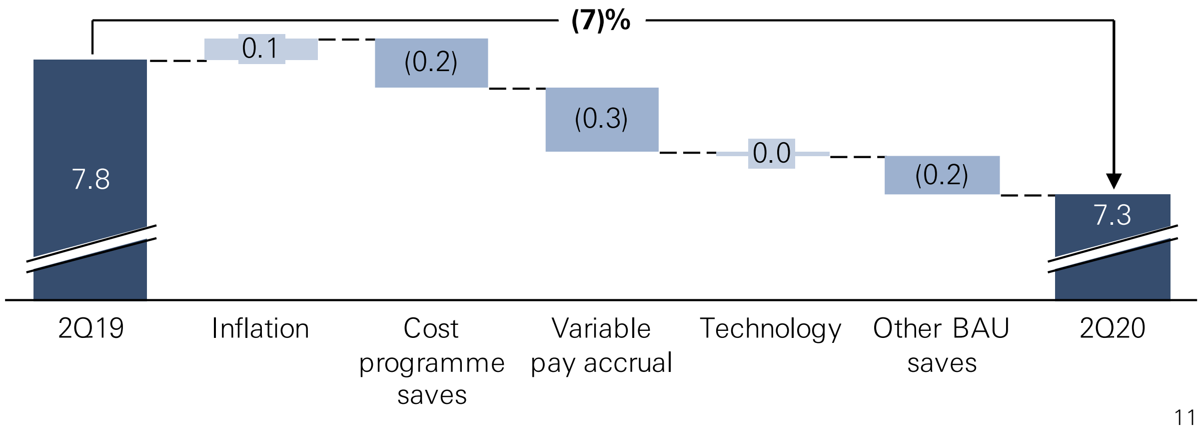


- **Costs decreased $0.6bn (7%) vs. 2Q19** due to management actions, reduced discretionary spending and performance related pay accrual, despite continued investment; costs decreased by $0.3bn (3%) vs. 1Q20
- Early signs of 2020-2022 Group cost programme progress: **1H20 programme savings of $0.3bn achieved;** 1H20 CTA spend of $0.5bn
- **Technology costs stable vs. 2Q19 and decreased $0.2bn (13%) vs. 1Q20** as a result of a temporary slowdown in certain Group technology activities due to Covid-19
- **Continue to expect FY20 adjusted costs to be ≥3% lower than FY19**

2Q20 vs. 1Q20, $bn

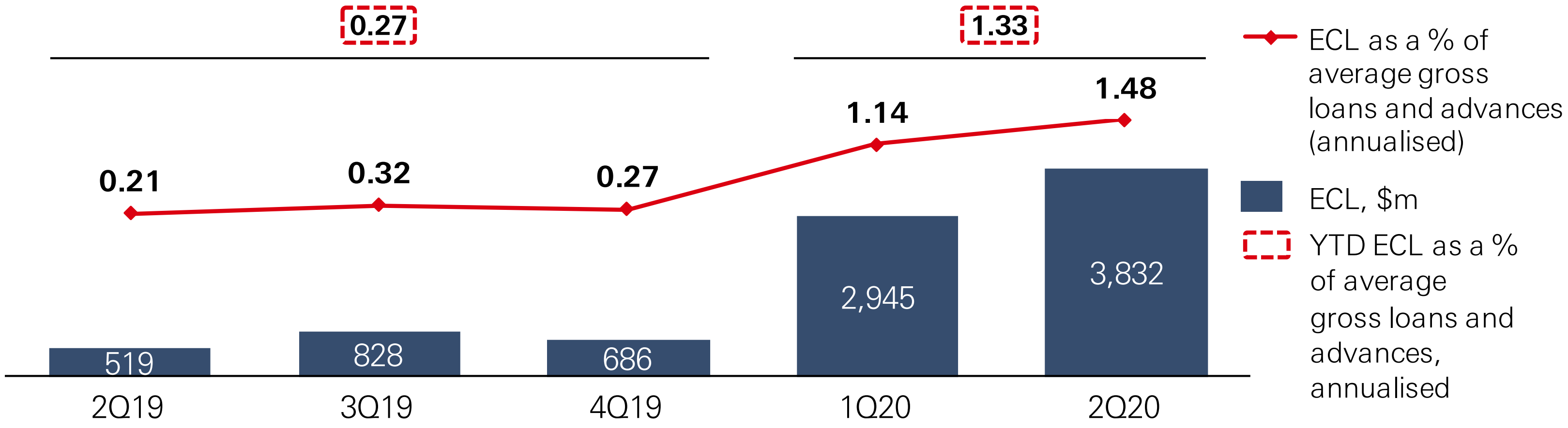


2Q20 vs. 2Q19, $bn

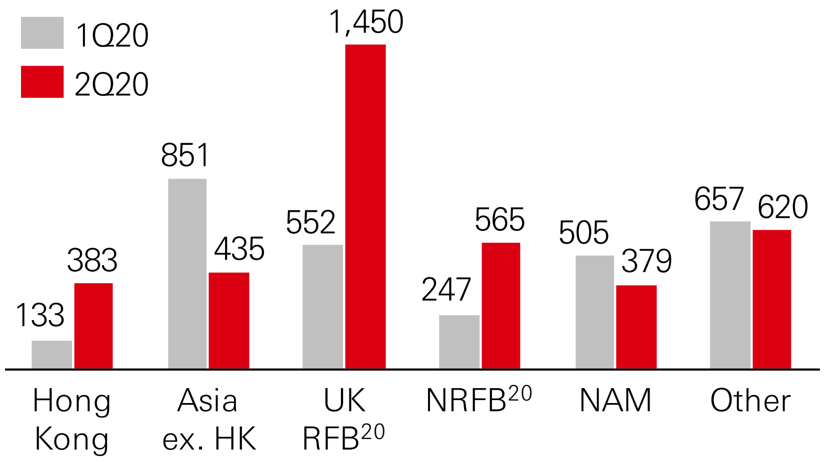


Credit performance

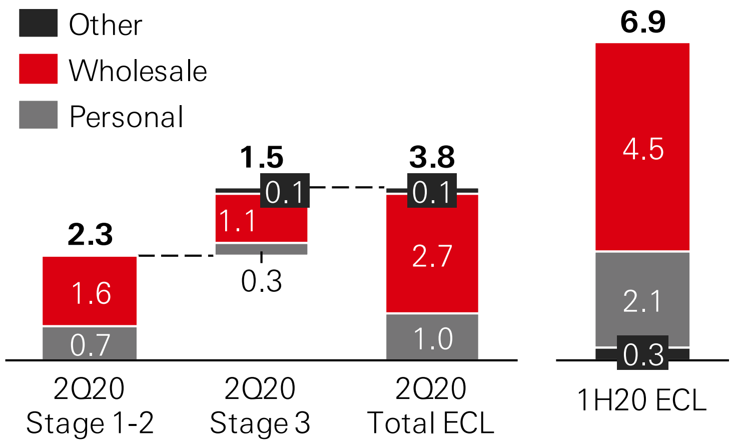
ECL charge trend



ECL by geography, $m



1H20 ECL, $bn

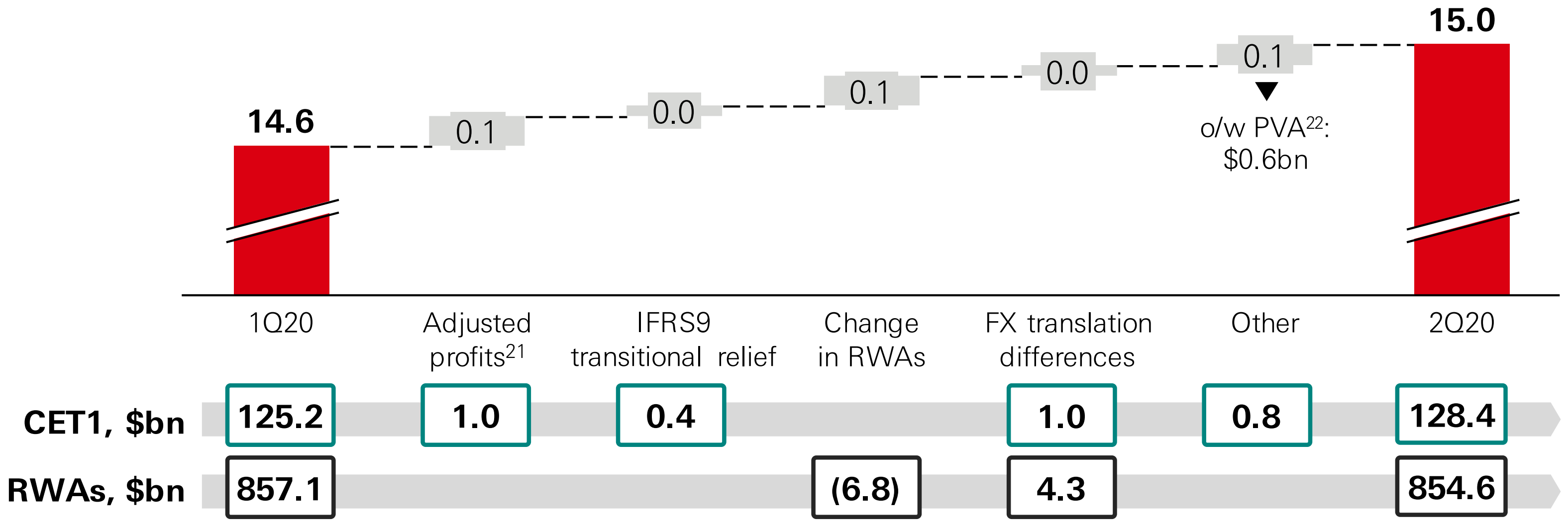


- **2Q20 ECL charge of $3.8bn was $0.9bn (30%) higher vs. 1Q20,** due to higher charges in the UK RFB
- UK RFB 2Q20 ECL charge of $1.5bn was **largely driven by forward economic guidance updates** and a change in downside scenario weightings
- **Asia ECL charge of $0.8bn decreased $0.2bn vs. 1Q20**
- **2Q20 stage 3 ECL charge of c.$1.5bn, stable vs. 1Q20;** 2Q20 personal stage 3 ECL stable vs. 1Q20 at $0.3bn
- **Stage 3 loans were 1.7% of total loans and advances to customers**, an increase of 0.3ppt vs. 1Q20
- Allowance for Stage 1 and 2 ECL of **$6.5bn, up $2.9bn** vs. 4Q19
- **FY20 ECL charge could be in the range of $8-13bn** based on sensitivity analysis*

*FY20 ECL range based on applying a range of weightings to our ECL sensitivity analysis. This range continues to be subject to a high degree of uncertainty due to Covid-19, geopolitical tensions and other factors as discussed in 'Areas of special interest' on pages 50 to 54 of the Interim Report

Capital adequacy

CET1 ratio, %



Capital progression

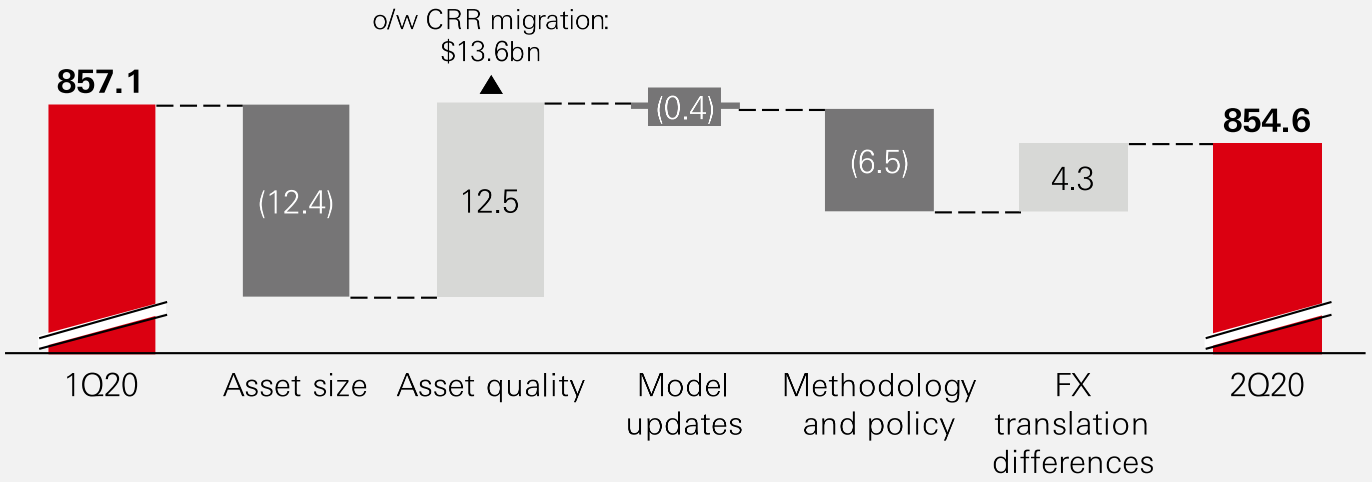
	2Q19	3Q19	4Q19	1Q20	2Q20
Common equity tier 1 capital, $bn	126.9	123.8	124.0	125.2	128.4
Risk-weighted assets, $bn	886.0	865.2	843.4	857.1	854.6
CET1 ratio, %	14.3	14.3	14.7	14.6	15.0
Leverage ratio exposure, $bn	2,786.5	2,708.2	2,726.5	2,782.7	2,801.4
Leverage ratio, %	5.4	5.4	5.3	5.3	5.3

- **CET1 ratio increased by 0.4ppts to 15.0%,** including a PVA benefit of $0.6bn (0.05ppts)
- **Positive CET1 impact of $1.0bn (0.1ppts)** from IFRS9 transitional arrangements; IFRS9 transitional relief **up $0.4bn in 2Q20.** CET1 ratio of 14.9% on a fully loaded basis
- **Updated P2A** set nominally at $26.3bn (total capital), equivalent to 3.1% of 1H20 RWAs, of which 1.7% must be held in CET1
- **Modest regulatory benefits to follow in 2H20:** additional RWA benefits from extension of SME support factors and implementation of infrastructure support factors; CET1 benefit expected from new software capitalisation rules*
- **Continue to expect mid to high single digit percentage RWA growth** in FY20 due to credit rating migration, partially offset by RWA saves

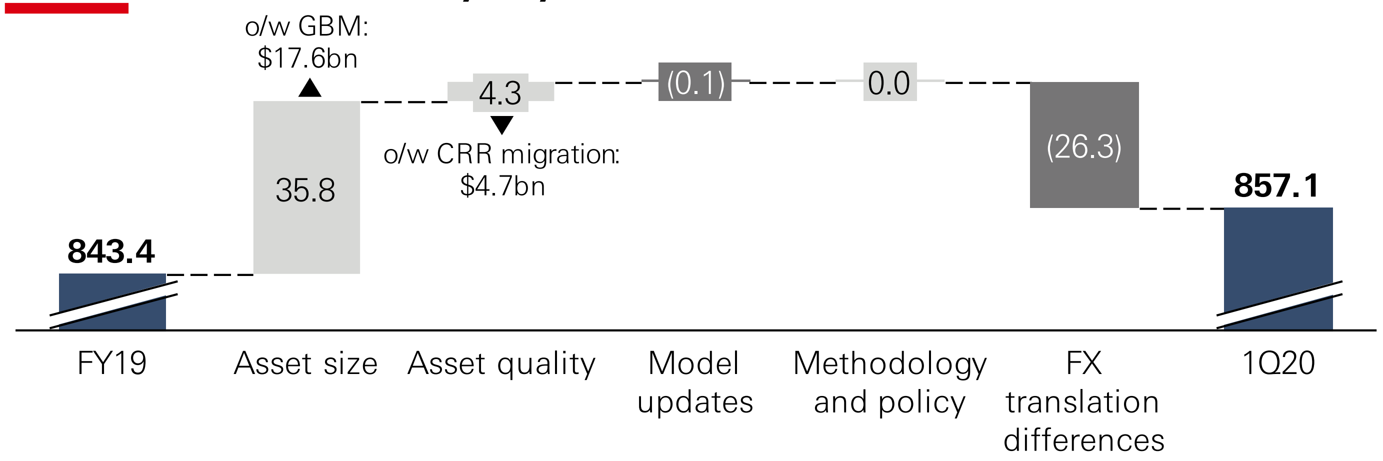
*The PRA intends to review the impact of the EU specific measures in the CRR 'Quick Fix' package on firms' capital positions and assess whether further action is necessary under Pillar 2

RWA movements

2Q20 RWA movement by key driver, $bn



1Q20 RWA movement by key driver, $bn



2Q20 vs. 1Q20:

- **Reported RWAs decreased by $2.5bn in 2Q20,** excluding FX translation differences RWAs decreased by $6.8bn, as management actions offset the impact of CRR migration
- Adjusted GBM RWAs decreased by $9.1bn (excl. market risk)**, including c.$12bn of saves** across all major drivers
- CMB RWAs increased by $2.0bn due to **CRR migration of $10.0bn** more than offsetting reductions from management actions

1H20 vs. FY19

- **Reported RWAs increased by $11.2bn in 1H20,** excluding FX translation differences RWAs increased by $33.2bn
- Asset size increased $23.3bn in 1H20, including market risk RWAs of $8bn
- Asset quality deterioration of $16.8bn in 1H20, of which $12.5bn in 2Q20
- **GBM strategic reductions amounted to $21bn in 1H20**

Summary

1 **Adjusted PBT of $2.6bn, down 57%** vs. 2Q19 due to **lower revenues and a higher ECL charge, partly offset by a good cost performance,** with adjusted costs down 7%

2 **Continued resilience in Asia**; recovery of activity evident, costs of $3.1bn down 4% and ECL of $0.8bn down 17% vs. 1Q20

3 **Capital, funding and liquidity further strengthened**; deposits increased by 6% vs. 1Q; CET1 ratio of 15.0%

4 Update on our medium-term financial targets, as well as our dividend and distribution policy to be provided **at our FY20 results**

5 **Committed to strategic plan**:
- Reduction in RWAs, particularly focused on the US, NRFB and GBM
- Reallocation of capital towards Asia
- Significant reduction in the operating complexity and cost base of the bank

Appendix

Key financial metrics

Reported results, $m	2Q20	1Q20	2Q19
NII	6,897	7,612	7,772
Other Income	6,162	6,074	7,172
Revenue	**13,059**	**13,686**	**14,944**
ECL	(3,832)	(3,026)	(555)
Costs	(8,675)	(7,852)	(8,927)
Associates	537	421	732
Profit before tax	**1,089**	**3,229**	**6,194**
Tax	(472)	(721)	(1,167)
Profit after tax	**617**	**2,508**	**5,027**
Profit attributable to ordinary shareholders	192	1,785	4,373
Profit attributable to ordinary shareholders excl. goodwill and other intangible impairment and PVIF	1,290	1,531	4,181
Basic earnings per share[15], $	0.01	0.09	0.22
Diluted earnings per share, $	0.01	0.09	0.22
Dividend per share (in respect of the period)[23], $	0.00	0.00	0.10
Return on tangible equity (annualised, YTD), %	3.8	4.2	11.2
Return on equity (annualised, YTD), %	2.4	4.4	10.4
Net interest margin, %	1.33	1.54	1.62

Adjusted results, $m	2Q20	1Q20	2Q19
NII	6,871	7,463	7,541
Other Income	6,279	5,592	6,125
Revenue	**13,150**	**13,055**	**13,666**
ECL	(3,832)	(2,945)	(519)
Costs	(7,262)	(7,514)	(7,828)
Associates	537	417	708
Profit before tax	**2,593**	**3,013**	**6,027**
Cost efficiency ratio, %	55.2	57.6	57.3
ECL as a % of average gross loans and advances to customers, %	1.48	1.14	0.21

Balance sheet, $m	2Q20	1Q20	2Q19
Total assets	2,922,798	2,917,810	2,751,273
Net loans and advances to customers	1,018,681	1,040,282	1,021,632
Adjusted net loans and advances to customers	1,018,681	1,047,629	1,002,980
Customer accounts	1,532,380	1,440,529	1,380,124
Adjusted customer accounts	1,532,380	1,447,062	1,357,147
Average interest-earning assets	2,078,178	1,991,702	1,922,392
Reported loans and advances to customers as % of customer accounts	66.5	72.2	74.0
Total shareholders' equity	187,036	189,771	192,676
Tangible ordinary shareholders' equity	147,879	150,019	145,441
Net asset value per ordinary share at period end, $	8.17	8.30	8.35
Tangible net asset value per ordinary share at period end, $	7.34	7.44	7.19

Capital, leverage and liquidity	2Q20	1Q20	2Q19
Risk-weighted assets, $bn	854.6	857.1	886.0
CET1 ratio, %	15.0	14.6	14.3
Total capital ratio, %	20.7	20.3	20.1
Leverage ratio[24], %	5.3	5.3	5.4
High-quality liquid assets (liquidity value), $bn	654	617	533
Liquidity coverage ratio, %	148	156	136

Share count, m	2Q20	1Q20	2Q19
Basic number of ordinary shares outstanding	20,162	20,172	20,221
Basic number of ordinary shares outstanding and dilutive potential ordinary shares	20,198	20,245	20,286
Average basic number of ordinary shares outstanding	20,190	20,161	20,203

Reconciliation of reported and adjusted results

$m	2Q20	1Q20	2Q19
Reported PBT	**1,089**	**3,229**	**6,194**
Revenue			
Currency translation	–	(277)	(424)
Customer redress programmes	(26)	–	–
Disposals, acquisitions and investment in new businesses	1	7	(827)
Fair value movements on financial instruments	58	(357)	(28)
Restructuring and other related costs	58	(9)	–
Currency translation on significant items	–	5	1
	91	**(631)**	**(1,278)**
ECL			
Currency translation	–	81	36
Operating expenses			
Currency translation	–	167	297
Cost of structural reform	–	–	38
Customer redress programmes	49	1	554
Impairment of goodwill and other intangibles[17]	1,025	–	–
Restructuring and other related costs	335	170	237
Settlements and provisions in connection with legal and regulatory matters	4	1	(2)
Currency translation on significant items	–	(1)	(25)
	1,413	**338**	**1,099**
Share of profit in associates and joint ventures			
Currency translation	–	(4)	(24)
Total currency translation and significant items	**1,504**	**(216)**	**(167)**
Adjusted PBT	**2,593**	**3,013**	**6,027**

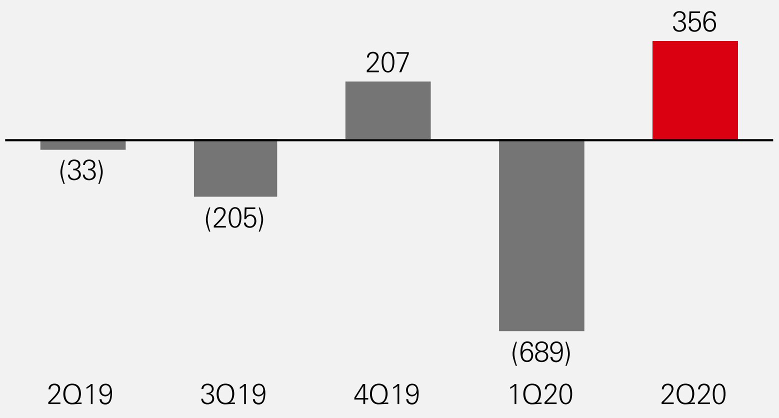
Certain items and Argentina hyperinflation

Certain items included in adjusted revenue highlighted in management commentary[25], $m	2Q20	1Q20	4Q19	3Q19	2Q19
Insurance manufacturing market impacts in WPB	356	(689)	207	(205)	(33)
Credit and funding valuation adjustments in GBM	(9)	(335)	184	(161)	(32)
Legacy Credit in Corporate Centre	43	(91)	13	(40)	(13)
Valuation differences on long-term debt and associated swaps in Corporate Centre	(64)	259	(73)	76	93
Argentina hyperinflation[26]	(29)	(22)	30	(132)	15
Bid-offer adjustment in GBM	249	(310)	15	(23)	9
Total	**546**	**(1,188)**	**376**	**(485)**	**39**

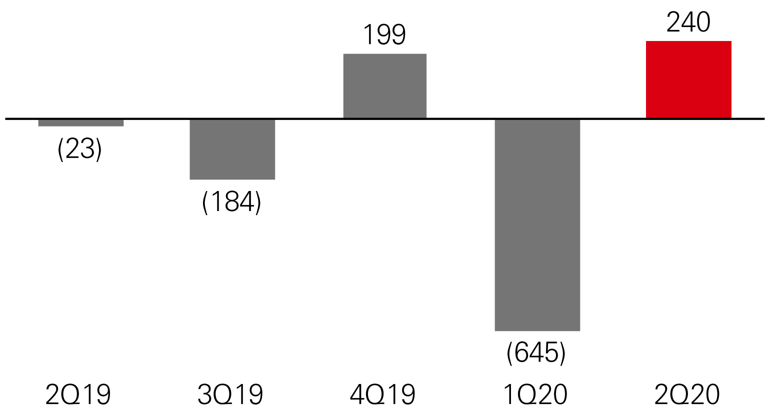
Argentina hyperinflation[26] impact included in adjusted results, $m	2Q20	1Q20	4Q19	3Q19	2Q19
Net interest income	(7)	(3)	33	(61)	24
Other income	(22)	(19)	(3)	(71)	(9)
Total revenue	**(29)**	**(22)**	**30**	**(132)**	**15**
ECL	2	2	(10)	12	(3)
Costs	5	2	(26)	53	(24)
PBT	**(22)**	**(18)**	**(6)**	**(67)**	**(12)**

Certain volatile items analysis

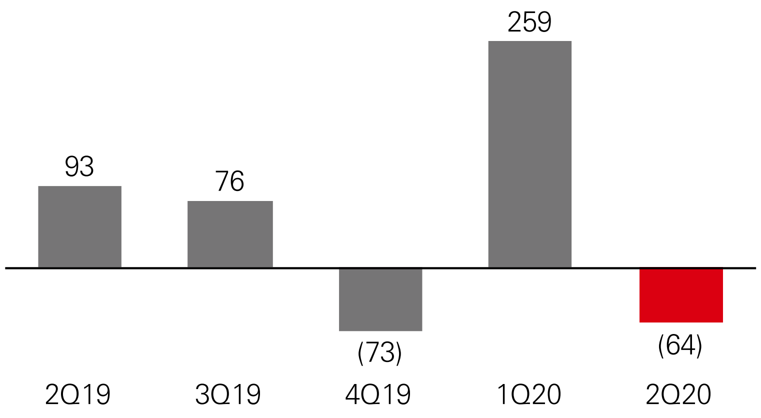
WPB: Insurance manufacturing market impacts revenue, $m



GBM: Credit and funding valuation adjustments revenue and bid-offer adjustment, $m



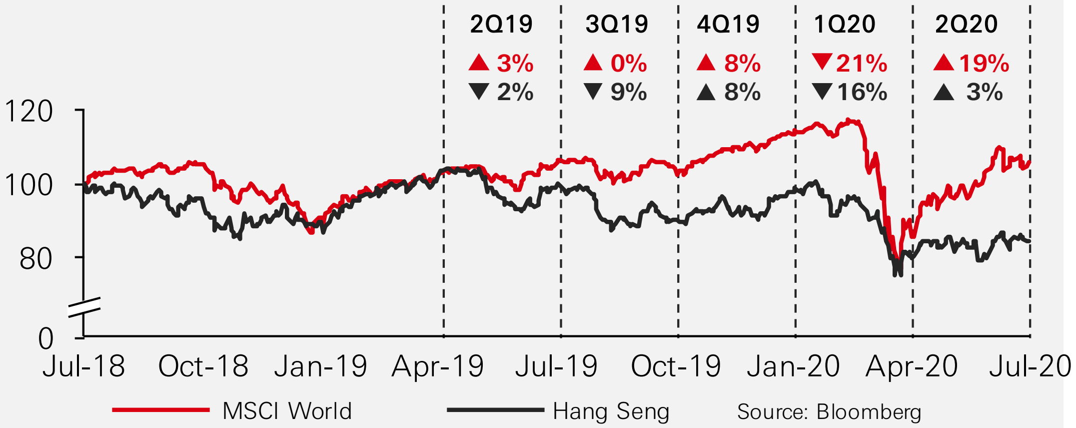
Corporate Centre: Valuation differences on long-term debt and associated swaps, $m



1H20 sensitivity of HSBC's insurance manufacturing subsidiaries to market risk factors[27]	Effect on profit after tax, $m	Effect on total equity, $m
+100 basis point parallel shift in yield curves*	(97)	(196)
-100 basis point parallel shift in yield curves	(126)	(23)
10% increase in equity prices	242	242
10% decrease in equity prices	(243)	(243)
10% increase in $ exchange rate compared with all currencies	3	3
10% decrease in $ exchange rate compared with all currencies	(3)	(3)

Source: HSBC Holdings plc Interim Report 2020 page 89

Stock market indices performance[28]



Source: Bloomberg

*Negative effects on PAT and equity from positive rate moves are due to increased risk discount rates reducing the present value of future profits

Global business management view of adjusted revenue

Group, $m	2Q19	3Q19	4Q19	1Q20	2Q20	Δ2Q19
Total Group revenue	13,666	13,068	13,300	13,055	13,150	(4)%
Adjusted revenue reported at original FX rates[29]	14,089	13,267	13,647	13,327	-	-

WPB, $m	2Q19	3Q19	4Q19	1Q20	2Q20	Δ2Q19
Retail Banking	**3,872**	**3,910**	**3,877**	**3,740**	**3,063**	**(21)%**
Net Interest Income	3,470	3,514	3,476	3,404	2,818	(19)%
Non-interest income	402	396	401	336	245	(39)%
Wealth Management	**2,159**	**1,954**	**2,087**	**1,408**	**2,183**	**1%**
Investment distribution	845	834	711	874	719	(15)%
Life insurance manufacturing	583	405	670	(206)	793	36%
Private banking	473	475	451	508	410	(13)%
Net interest income	225	222	216	212	159	(29)%
Non-interest income	248	253	235	296	251	1%
Asset management	258	240	255	232	261	1%
Other	222	164	192	118	139	(37)%
Balance Sheet Management, Holdings interest expense and Argentina hyperinflation	154	85	100	233	245	59%
Total	**6,407**	**6,113**	**6,256**	**5,499**	**5,630**	**(12)%**
Adjusted revenue reported at original FX rates[29]	6,587	6,196	6,409	5,621	-	-

CMB, $m	2Q19	3Q19	4Q19	1Q20	2Q20	Δ2Q19
GTRF	459	458	424	461	423	(8)%
Credit and Lending	1,348	1,353	1,297	1,356	1,359	1%
GLCM	1,500	1,486	1,398	1,310	1,014	(32)%
Markets products, Insurance and Investments and other	483	448	483	468	413	(14)%
Balance Sheet Management, Holdings interest expense and Argentina hyperinflation	(11)	(25)	(13)	67	58	>100%
Total	**3,779**	**3,720**	**3,589**	**3,662**	**3,267**	**(14)%**
Adjusted revenue reported at original FX rates[29]	3,886	3,773	3,678	3,733	-	-

GBM, $m	2Q19	3Q19	4Q19	1Q20	2Q20	Δ2Q19
Global Markets	**1,384**	**1,346**	**1,221**	**2,099**	**2,139**	**55%**
FICC	**1,153**	**1,140**	**1,049**	**1,812**	**2,069**	**79%**
Foreign Exchange	591	705	652	1,107	*788*	33%
Rates	384	305	269	663	*676*	76%
Credit	178	130	128	42	*605*	>100%
Equities	231	206	172	287	70	(70)%
Securities Services	**514**	**504**	**510**	**504**	**434**	**(16)%**
Global Banking	**965**	**970**	**964**	**928**	**1,002**	**4%**
GLCM	**680**	**679**	**658**	**596**	**487**	**(28)%**
GTRF	**193**	**198**	**193**	**190**	**199**	**3%**
Principal Investments	**38**	**92**	**45**	**(235)**	**223**	**>100%**
Credit and funding valuation adjustments	(32)	(161)	184	(335)	(9)	72%
Other	(212)	(208)	(132)	(153)	(159)	25%
Balance Sheet Management, Holdings interest expense and Argentina hyperinflation	26	14	(28)	90	103	>100%
Total	**3,556**	**3,434**	**3,615**	**3,684**	**4,419**	**24%**
Adjusted revenue reported at original FX rates[29]	3,669	3,490	3,715	3,759	-	-

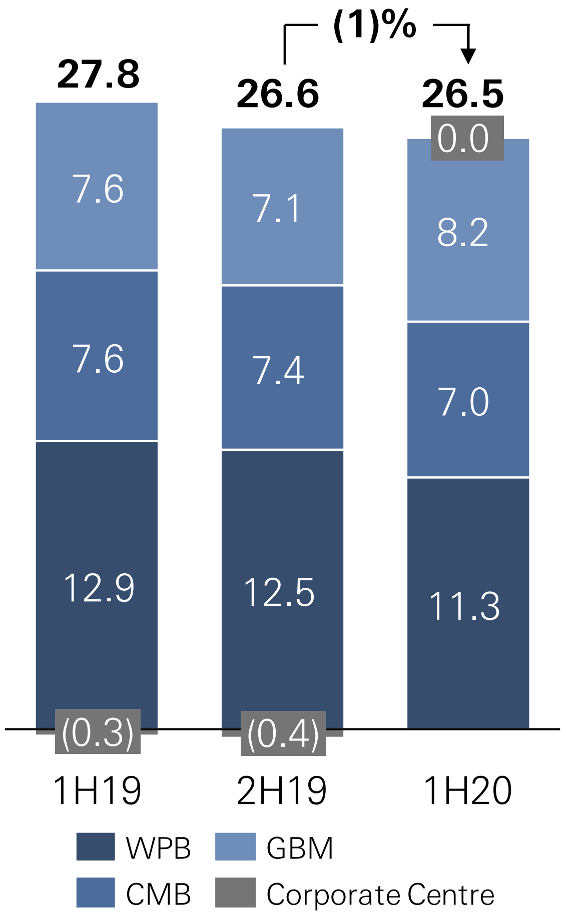
Corporate Centre, $m	2Q19	3Q19	4Q19	1Q20	2Q20	Δ2Q19
Central Treasury	**116**	**88**	**(47)**	**265**	**(64)**	**>(100)%**
Of which: Valuation differences on long-term debt and associated swaps	93	76	(73)	259	(64)	>(100)%
Legacy Credit	**(13)**	**(40)**	**13**	**(91)**	**43**	**>100%**
Other	(179)	(247)	(126)	36	(145)	19%
Total	**(76)**	**(199)**	**(160)**	**210**	**(166)**	**>(100)%**
Adjusted revenue reported at original FX rates[29]	(53)	(192)	(155)	214	-	-

1H20 adjusted revenue performance

	1H20 revenue			1H20 vs. 1H19	
WPB	$11,251m ▼(13)%	Retail Banking	$6,896m	(753)	
		Wealth Management	$3,606m	(900)	▶ o/w insurance market impacts: $(482)m
		Other	$749m	43	
CMB	$7,000m ▼ (8)%	GLCM	$2,347m	(639)	
		GTRF	$892m	(28)	
		Credit and Lending	$2,741m	56	
		Other	$1,020m	(36)	
GBM	$8,178m ▲ 8%	Global Markets, Securities Services	$5,216m	1,135	o/w bid-offer adjustments: $(73)m ◀
		Global Banking, GLCM, GTRF	$3,431m	(211)	
		Principal Investments, XVA, Other	$(469)m	(336)	▶ o/w XVAs: $(369)m
Corp. Centre	$48m ▬			331	
Group	$26,477m ▼ (5)%			(1,338)	

Includes negative impact from $1,110m of volatile items included in adjusted revenue, see p.19 for more information

Revenue by global business, $bn

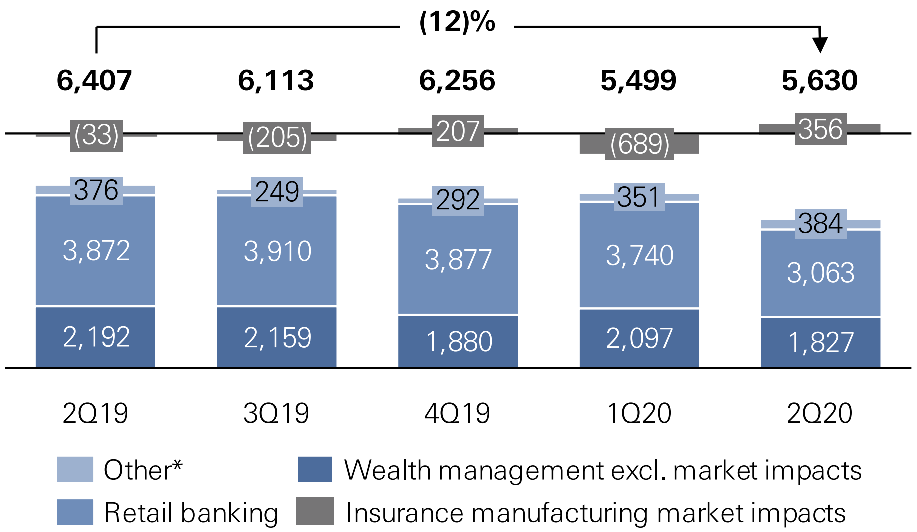


Wealth and Personal Banking

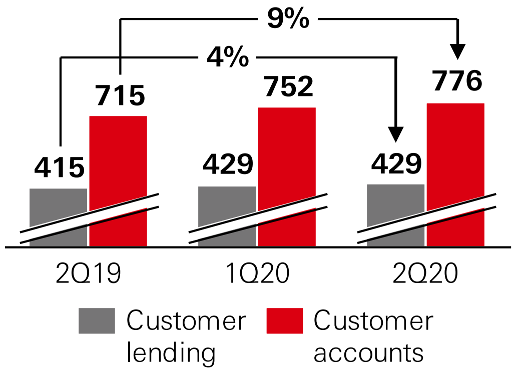
2Q20 financial highlights

Revenue	**$5.6bn**	▼	(12)% (2Q19: $6.4bn)
ECL	**$(1.1)bn**	▲	>(100)% (2Q19: $(0.2)bn)
Costs	**$(3.5)bn**	▼	7% (2Q19: $(3.8)bn)
PBT	**$1.0bn**	▼	(58)% (2Q19: $2.4bn)
RoTE[30]	**6.0%**	▼	(16.1)ppt (1H19: 22.1%)

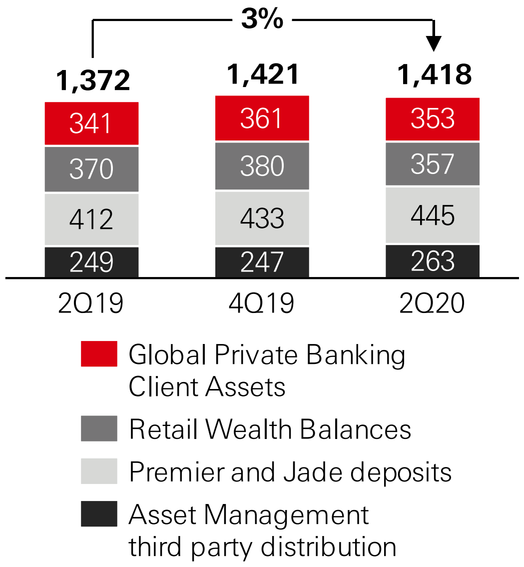
Revenue performance[25], $m



Balance sheet[31] $bn



Wealth Balances[13], $bn



2Q20 vs. 2Q19

- **Revenue** down $777m (12%) driven by:
  - Retail Banking down $809m (21%), primarily from lower NII due to 1Q20 rate cuts
  - Wealth management (excl. market impacts) decreased $365m (17%) due to lower Investment sales, Insurance VNB and Private Banking NII
  - Insurance manufacturing market impacts increased $389m due to favourable market conditions
- **ECL** up $863m from $231m, mainly due to global impact of Covid-19 on forward economic outlook
- **Costs** down $267m (7%), driven by lower performance related pay accrual and lower discretionary spend
- **Customer lending** up $15bn** (4%), broad growth across markets driven by mortgages, partially offset by lower unsecured balances
- **Customer accounts** up $61bn (9%), strong growth across markets particularly in Hong Kong and the UK

2Q20 vs. 1Q20

- **Revenue** up $131m (2%) driven by:
  - Insurance manufacturing market impact increased $1,045m due to favourable market conditions
  - Retail banking down $677m (18%) primarily from lower NII due to 1Q20 rate cuts
  - Wealth management (excl. market impacts) down $270m (13%) due to lower Investment sales and Private Banking (due to lower deposit NII)
- **ECL** up $29m (3%) due to ongoing impact of Covid-19 on forward economic outlook
- **Costs** down $200m (5%) primarily from lower performance related pay accrual
- **Customer accounts** up $24bn (3%), strong growth across markets, particularly in Hong Kong and the UK

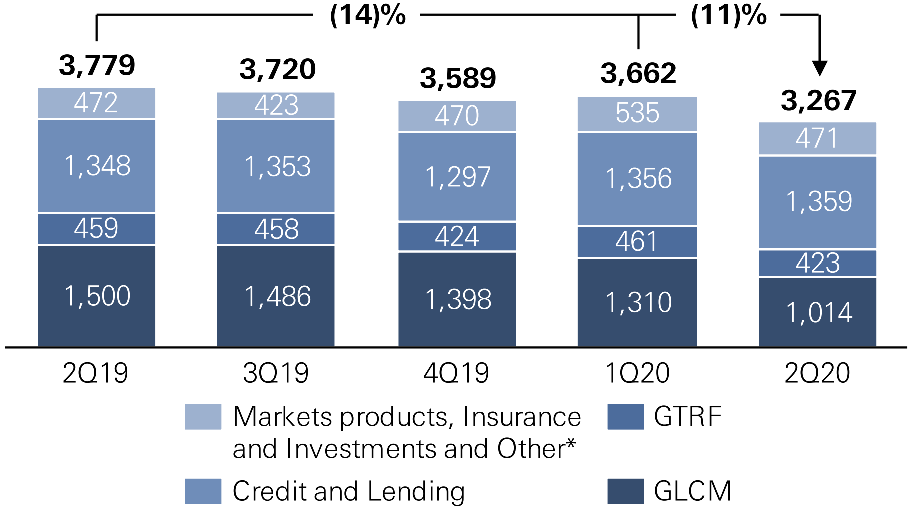
*Other includes BSM, Holdings interest expense and Argentina hyperinflation
**Growth of $14,876m, based on loans and advances to customers of $429,487m in 2Q20 and $414,611m in 2Q19

Commercial Banking

2Q20 financial highlights

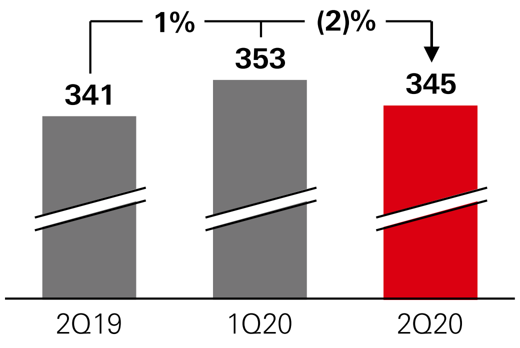
Revenue	**$3.3bn**	▼	(14)% (2Q19: $3.8bn)
ECL	**$(2.2)bn**	▲	>(100)% (2Q19: $(0.2)bn)
Costs	**$(1.6)bn**	▼	1% (2Q19: $(1.6)bn)
PBT	**$(0.5)bn**	▼	>(100)% (2Q19: $1.9bn)
RoTE[30]	**(1.6)%**	▼	(16.9)ppt (1H19: 15.3%)

Revenue performance[25], $m

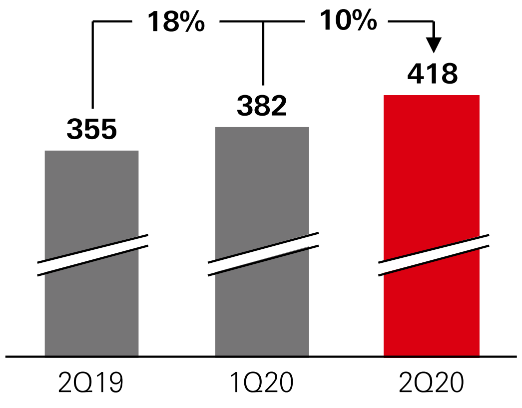


Balance sheet[31], $bn

Customer lending



Customer accounts



2Q20 vs. 2Q19

- **Revenue** down $512m (14%):
  - GLCM down $486m (32%), reflecting the impact from lower interest rates, partly offset by higher balances across all regions
  - C&L up $11m (1%) due to higher balances across all regions
  - GTRF down $36m (8%) due to lower fees with interest income broadly stable
- **ECL** up $1.9bn mainly due to the global impact of Covid-19 on forward economic outlook and a small number of specific client charges
- **Costs** down $20m (1%) due to controlled discretionary spend partly offset by investment in digital and transaction banking capabilities
- **Customer lending** up $4bn (1%): mainly drawdowns and government scheme lending, offset by lower trade balances
- **Customer accounts** up $63bn (18%) as customers raise and retain liquidity

2Q20 vs. 1Q20

- **Revenue** down $395m (11%):
  - GLCM down $296m (23%), reflecting the impact from lower interest rates, partly offset by higher balances across all regions
  - GTRF down $38m (8%) due to lower fees, with interest income broadly stable
  - Other products down $64m (12%) due to lower markets volumes ($47m) and insurance distribution ($19m) partly offset by gain on revaluation of shares
- **ECL** up $805m, mainly due to the global impact of Covid-19 on forward economic outlook
- **Costs** down $69m (4%) due to controlled discretionary spend
- **Customer lending** down $8bn (2%) due to lower trade balances and repayment of drawdowns partly offset by government scheme lending
- **Customer accounts** up $37bn** (10%) as customers raise and retain liquidity

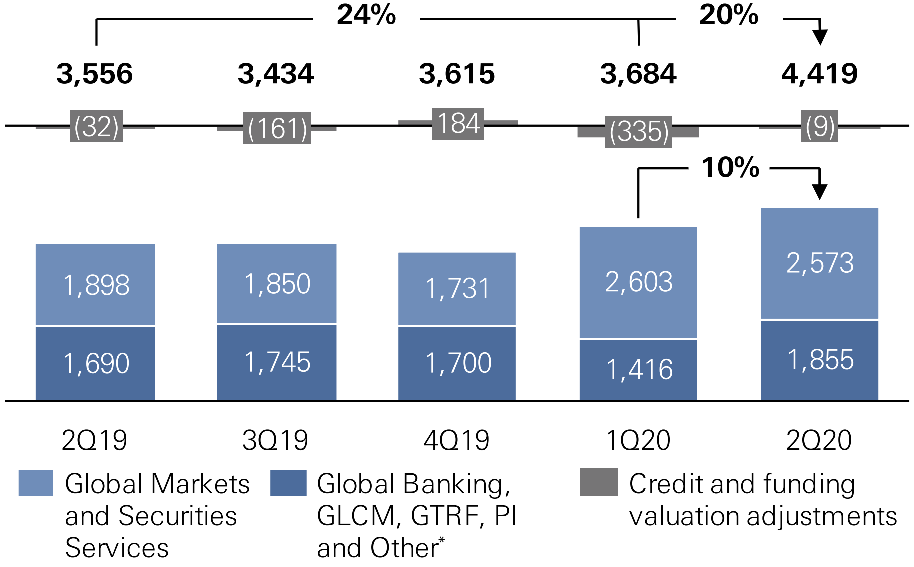
*Other includes BSM, Holdings interest expense and Argentina hyperinflation
**Growth of $36,695m, based on customer accounts of $418,263m in 2Q20 and $381,568m in 1Q20

Global Banking and Markets

2Q20 financial highlights

Revenue	$4.4bn	▲	24% (2Q19: $3.6bn)
ECL	$(0.6)bn	▲	>(100)% (2Q19: $(0.06)bn)
Costs	$(2.2)bn	▼	8% (2Q19: $(2.4)bn)
PBT	$1.7bn	▲	48% (2Q19: $1.1bn)
RoTE[30]	7.7%	▼	(2.5)ppt (1H19: 10.2%)

Revenue performance[25], $m

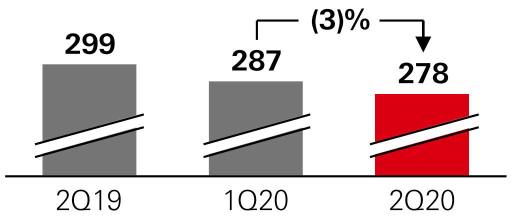


*Other includes BSM, Holdings interest expense and Argentina hyperinflation

View of adjusted revenue

$m	2Q20	Δ2Q19
Global Markets	**2,139**	**55%**
FICC	**2,069**	**79%**
- FX	*788*	33%
- Rates	*676*	76%
- Credit	*605*	>100%
Equities	70	(70)%
Securities Services	**434**	**(16)%**
Global Banking	**1,002**	**4%**
GLCM	**487**	**(28)%**
GTRF	**199**	**3%**
Principal Investments	**223**	**>100%**
Credit and Funding Valuation Adjustments	**(9)**	**72%**
Other	**(159)**	**25%**
BSM, Holdings interest expense and Argentina hyperinflation	103	>100%
Total	**4,419**	**24%**

Adjusted RWAs[32], $bn



2Q20 vs. 2Q19

- **Revenue** up $863m **(24%), excl. XVAs up $840m (23%):**
  - Global Markets up $755m (55%) as higher client activity and market volatility drove improved FICC performance
  - Global Banking up $37m (4%) driven by higher capital markets revenues, corporate lending balances and MTM gains on syndicated loans, partly offset by the impact of tightening credit spreads on portfolio hedges
  - GLCM down $193m (28%) as a result of lower rates, while average balances continue to grow in all regions
  - Securities Services down $80m (16%) as a result of lower rates
  - Principal Investments up $185m, reflecting fund valuation gains
  - Asia contributed nearly 45% of GBM total revenue
- **ECL** increased by $517m, reflecting a small number of specific client charges and Covid-19 economic overlay related provisions
- **Costs** down $195m (8%) primarily from lower performance related pay accrual which more than offset investment spend in regulatory programs and higher technology amortization
- **RWAs** down by $21bn (8%)

2Q20 vs. 1Q20

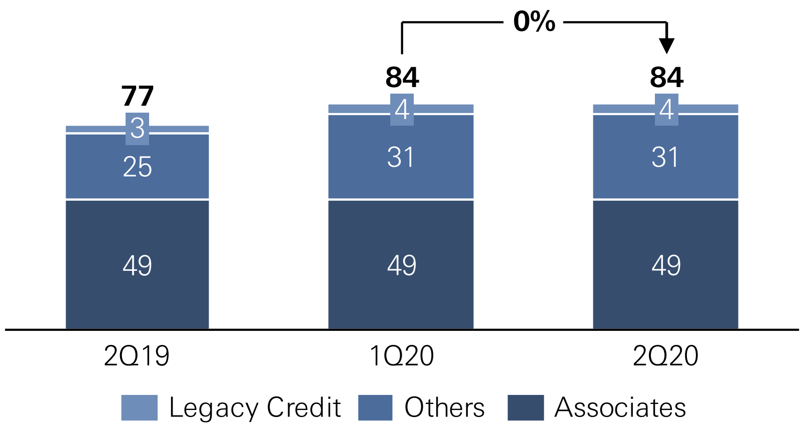
- **Revenue** up $735m **(20%), excl. XVAs up $409m (10%):**
- Global Markets maintained strong 1Q20 performance, with increased Credit revenue offsetting lower revenue in FX and Equities
- Transactional Products revenue down, increased balances in GLCM were offset by spread compression due to lower rates and decreased FX volumes
- **RWAs** down $9bn (3%) of which c.$12bn were from management actions, partly offset by credit rating migration and market volatility

Corporate Centre

2Q20 financial highlights

Revenue	**$(166)m**	▼	>(100)% (2Q19: $(76)m)
ECL	**$(14)m**	▲	>(100)% (2Q19: $6m)
Costs	**$37m**	▼	>100% (2Q19: $(47)m)
Associates	**$541m**	▼	(20)% (2Q19: $678m)
PBT	**$398m**	▼	(29)% (2Q19: $561m)
RoTE[30]	**4.7%**	▲	4.1ppt (1H19: 0.6%)

Adjusted RWAs[32], $bn



Revenue performance[25], $m

	2Q19	3Q19	4Q19	1Q20	2Q20
Central Treasury	**116**	**88**	**(47)**	**265**	**(64)**
Of which:					
Valuation differences on long-term debt and associated swaps	93	76	(73)	259	(64)
Other central treasury	23	12	26	6	–
Legacy Credit	**(13)**	**(40)**	**13**	**(91)**	**43**
Other	**(179)**	**(247)**	**(126)**	**36**	**(145)**
Total	**(76)**	**(199)**	**(160)**	**210**	**(166)**

2Q20 vs. 2Q19

- **Revenue** down $90m, largely due to adverse valuation differences on long term debt and associated swaps (down $157m)
- **Associates** down $137m (20%), reduction in income and share of profit, mainly driven by impact of Covid-19 and lower interest rates

2Q20 vs. 1Q20

- **Revenue** down $376m, largely due to adverse valuation differences on long term debt and associated swaps (down $323m)
- **Associates** up $120m (29%), including a change in valuation of a UK associate

HSBC Wealth

HSBC Wealth Balances[13] of $1,418bn comprise Private Bank client assets of $353bn, Retail wealth balances of $357bn, Premier and Jade deposits of $445bn and AMG funds distributed to third parties of $263bn

- Now all managed under one global business unit
- Wealth balances have proved robust despite market volatility

Global Private Banking

- Net new money of $5.3bn in 1H20, with strength in Asia
- Client assets benefited from more favourable market conditions in Q2

Retail Wealth Management

- Deposit growth of $12bn in 1H20 across our Premier and Jade client base
- Continued high transactional activity on Hong Kong equity markets, highest levels since 2018

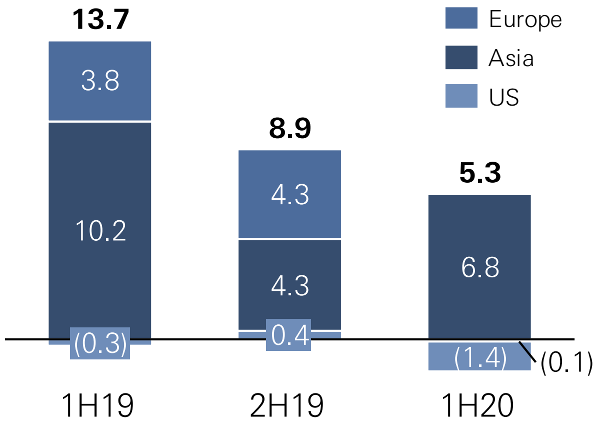
Funds managed on behalf of others

- Institutional liquidity funds contributed net new money of $20bn with long term net inflows of $5bn

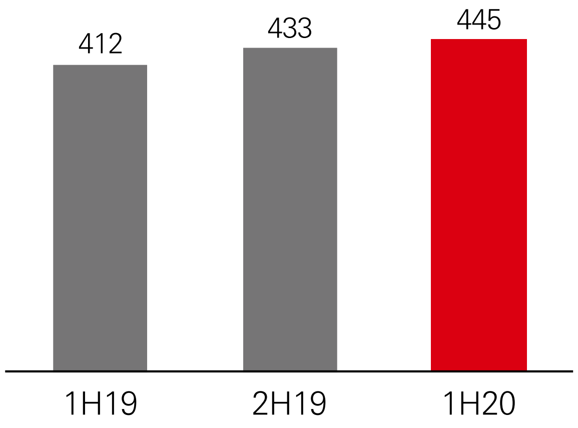
Asset Management and Insurance Manufacturing

- Asset Management balances have grown 3% vs. 2H19 despite market volatility
- Despite value of new business being impacted by market conditions in 1Q20 and restrictions imposed by Covid-19 on the distribution of insurance products, Hong Kong market share at 1Q20 increased by 4ppts to 20% vs. 4Q19, supported by remote engagement with customers

Private Bank Net New Money, $bn

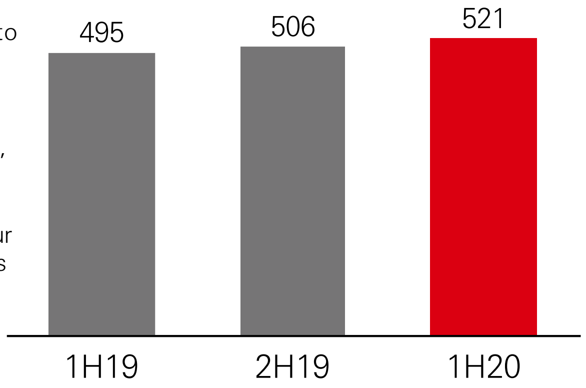


Premier and Jade Deposits, $bn

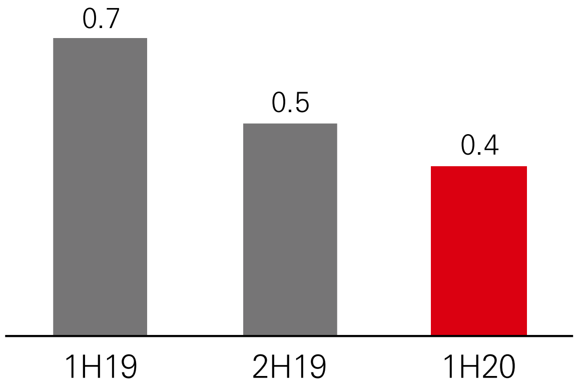


Asset Management AUM, $bn

In addition to third party institutions and wholesalers, AMG manages funds for our WPB clients



Insurance VNB, $bn



GBM and CMB IRB RWA inflation and mitigating actions

Wholesale counterparty IRB RWAs and exposures

All CRR Bands	**FY19**	**2Q20**	**Δ**
RWA, $bn	**341**	**353**	**12**
EAD, $bn	695	695	–
RWA density, %	49.0	50.9	1.9ppt
Weighted average PD, %	0.93	1.04	0.11ppt

Of which: **CRR 1.1 – 5.3**	**FY19**	**2Q20**	**Δ**
RWA, $bn	**318**	**322**	**4**
EAD, $bn	678	672	(6)
RWA density, %	46.8	47.9	1.1ppt
Weighted average PD, %	0.60	0.63	0.03ppt

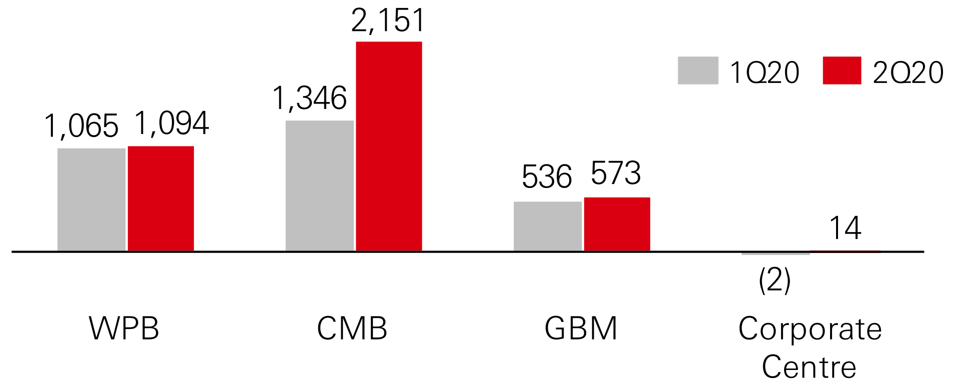
Of which: **CRR 6.1+**	**FY19**	**2Q20**	**Δ**
RWA, $bn	**23**	**31**	**8**
EAD, $bn	17	23	6
RWA density, %	138.3	136.4	(1.9)
Weighted average PD, %	14.17	13.00	(1.17)ppt

- GBM and CMB wholesale performing IRB book:
  - Includes: corporates, sovereigns and financial institutions
  - Excludes: slotting exposures, BSM allocations and exposures in default
- **Some growth in RWAs due to credit risk migration** over 1H20
- **>90% of the book is higher quality** (CRR1-5) with RWAs growing only modestly over 1H20
- Total RWA inflation is being **mitigated through actions to improve book quality,** namely maintenance of the CRR 1-5 book size and its RWA density
- Overall RWA density moderately up as the relative size of the CRR 6+ book is small (<9% of total RWA)
- Of the higher risk bands, 65% of exposures sit in the top two bands (6.1 and 6.2). As at 31 December 2019, this percentage was 60%
- Expect overall increased negative credit rating migration impacts in 2H20 vs. 1H (1H: $18.3bn)
- Continue to expect mid-high single digit percentage RWA growth for FY20 due to credit rating migration, partially offset by RWA saves

CRR: Customer risk rating. CRR 1-3 considered Strong to Good credit quality (roughly equivalent to an external credit rating of AAA to BBB-); CRR 4-5 considered Satisfactory (BB+ to BB-); CRR 6+ considered Sub-standard, broadly equivalent to an external rating of B- or below

ECL analysis

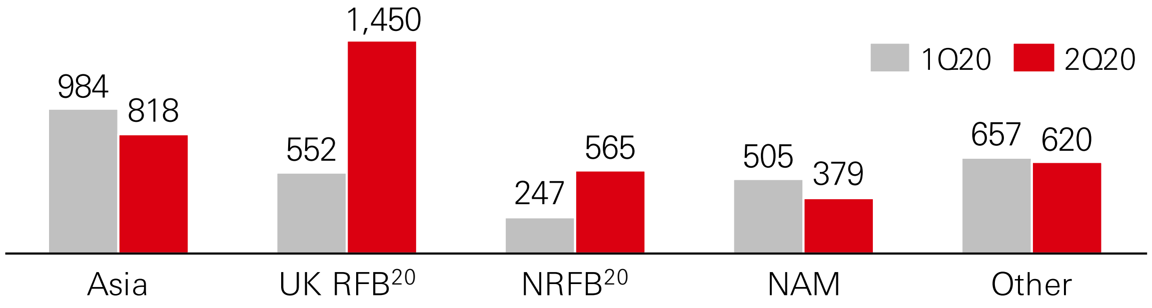
ECL charge by global business, $m



Analysis by stage

Reported basis, $bn	Stage 1	Stage 2	Stage 3	Total[33]	Stage 3 as a % of Total
2Q20					
Gross loans and advances to customers	852.7	161.8	17.1	**1,031.9**	1.7%
Allowance for ECL	1.9	4.6	6.7	**13.2**	
1Q20					
Gross loans and advances to customers	934.3	101.7	14.4	**1,050.7**	1.4%
Allowance for ECL	1.5	3.1	5.7	**10.4**	
2Q19					
Gross loans and advances to customers	955.5	61.3	13.0	**1,030.2**	1.3%
Allowance for ECL	1.3	2.1	5.0	**8.5**	

ECL charge by geography, $m



2Q20 vs. 1Q20 geographic analysis

Asia

- **ECL charge decreased $0.2bn** including the non-recurrence of a $0.6bn single-name charge in Singapore

UK RFB

- **ECL charge of $1.5bn up $0.9bn vs. 1Q20**, primarily driven by forward economic guidance updates of $0.7bn; charge split across personal ($0.5bn) and wholesale ($1.0bn)

Customer relief and lending (including government) support programmes

- We have granted personal customers more than 700,000 payment holidays on loans, credit cards and mortgages, and provided **c.$30bn** of relief in major markets
- More than 172,000 wholesale customers have received **c.$52bn** of lending support, including $33bn through government schemes and $19bn through HSBC-backed lending
- The total percentage of the loan book under relief in major markets is c.8%
- HSBC holds **$2.7bn** in RWAs against government guaranteed loan schemes. Absent government guarantees, RWAs would have been **c.$9bn**

UK

- BBLS[34]: £4.9bn approved*, 14.4% share of BBLS lending[35] against an SME lending market share of 9.3%[36]
- CBILS[34]: £2.6bn approved*, 20.3% share of CBILS lending[35]
- CLBILS[34]: £0.8bn approved*, 27.1% share of CLBILS lending[35]
- HSBC UK has a c.3% market share of all mortgage repayment holidays, vs. overall mortgage market share of 6.9%[37]

Hong Kong

- Over $18bn of payment holidays and c.$0.5bn of interest subsidies relating to wholesale lending, market-wide schemes

As at 30 June 2020	UK	Hong Kong	US	Other major markets	Total
Personal lending					
Number of customers granted mortgage relief, '000s	65	3	3	63	134
Drawn loan value of accounts granted mortgage customer relief, $m	**13,550**	**1,231**	**1,322**	**6,414**	**22,517**
Number of accounts granted other personal lending customer relief, '000s	153	1	19	419	592
Drawn loan value of accounts granted other personal lending customer relief, $m	**1,594**	**95**	**150**	**3,364**	**5,203**
Mortgage relief as a proportion of total mortgages, %	10.3%	1.4%	7.2%	9.0%	7.2%
Other personal lending relief as a proportion of other personal lending, %	8.7%	0.3%	6.5%	7.1%	5.2%
Wholesale lending					
Number of customers under market-wide measures, '000s	130	7	4	6	147
Drawn loan value of customers under market-wide schemes, $m (BBLS, CBILS and CLBILS in UK)	**6,696**	**18,711**	**1,197**	**6,736**	**33,340**
Number of customers under HSBC-specific measures, '000s	5	4	<1	16	25
Drawn loan value of customers under HSBC-specific measures, $m	**3,998**	**6,216**	**1,229**	**7,873**	**19,316**
Total wholesale relief as a proportion of total wholesale lending, %	7.7%	13.2%	5.0%	7.5%	9.2%

*Data as of 29 July 2020

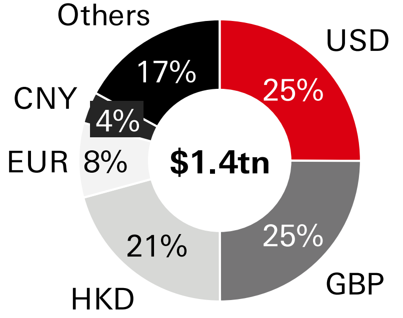
Net interest margin supporting information

Quarterly NIM by key legal entity

	3Q19	4Q19	1Q20	2Q20	% of 2Q20 Group NII	% of 2Q20 Group AIEA
The Hongkong and Shanghai Banking Corporation (HBAP)	2.05%	2.00%	1.96%	1.69%	54%	42%
HSBC Bank plc (NRFB)	0.47%	0.46%	0.48%	0.54%	9%	22%
HSBC UK Bank plc (RFB)[38]	1.93%	1.95%	2.01%	1.68%	20%	16%
HSBC North America Holdings, Inc	0.87%	0.99%	0.91%	0.85%	7%	11%

HSBC Group customer accounts by currency

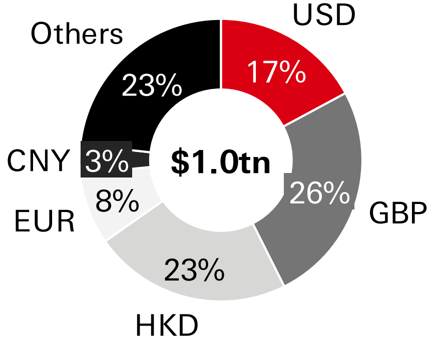
FY19



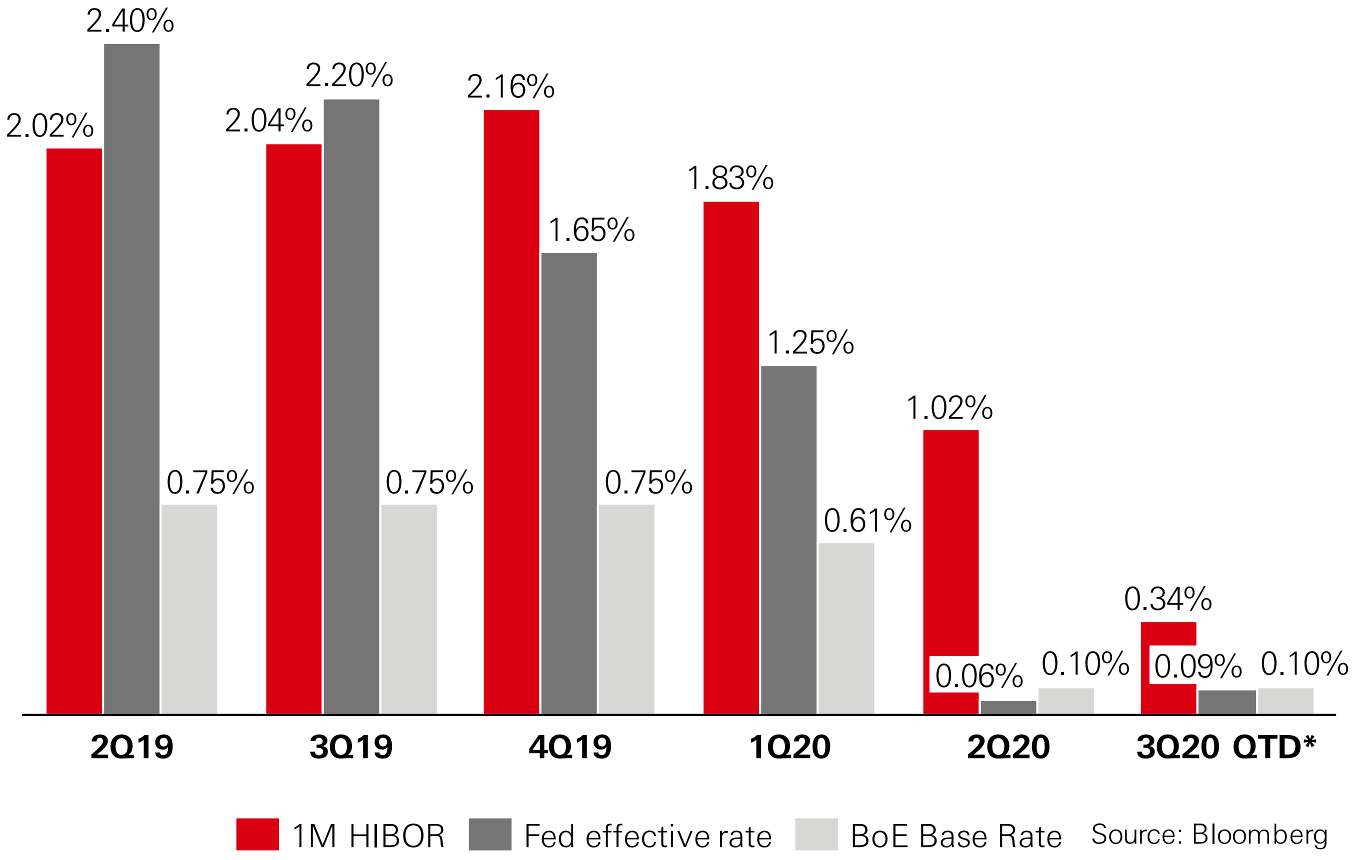
Hong Kong system deposits by currency as at 31 May 2020: 50% HKD; 37% USD; 13% Non-US foreign currencies. Source: HKMA

HSBC Group loans and advances to customers by currency

FY19



Key rates (quarter averages)



Source: Bloomberg

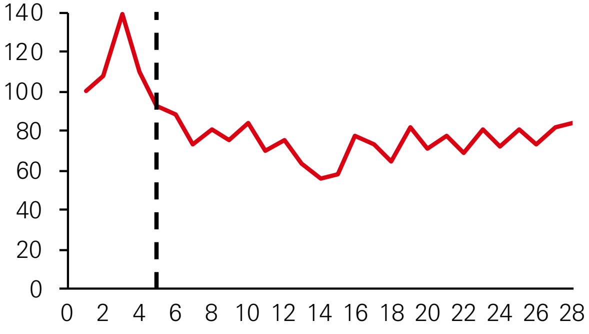
*As at 30 July

Hong Kong and UK WPB customer activity data

- Increases in credit card spending towards the end of 2Q20 as movement restrictions eased in key markets
- UK mortgages: Strong momentum as we continue to support homebuyers
- Hong Kong mortgages: daily mortgage applications increased 42% in 2Q20 vs.1Q20, consistent with the trend in overall residential Sales and Purchase (S&P) registrations
- Digital sales in Hong Kong becoming increasingly enabled to allow further remote sales in future
- UK digital sales mix pre-social distancing was 71%, increasing to 81% post-social distancing

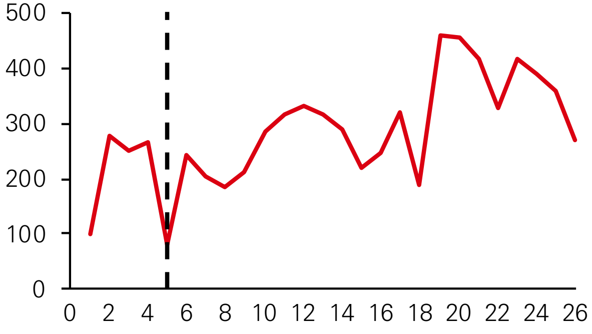
Hong Kong

Credit card spend*



Week in 2020

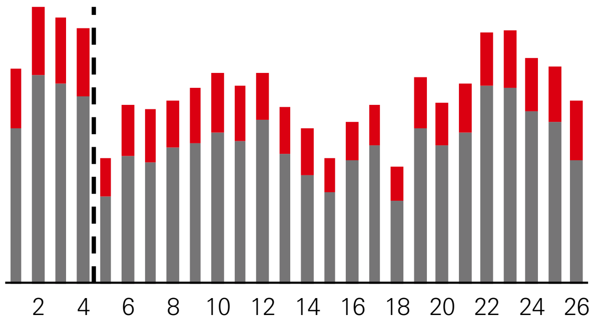
Mortgage applications*



Week in 2020

Start of social distancing

Retail sales units[39]

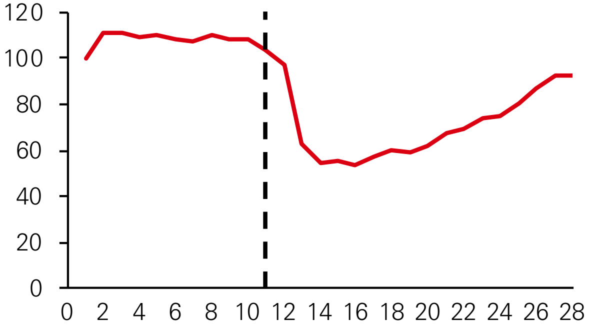


Week in 2020

Digital Non-digital

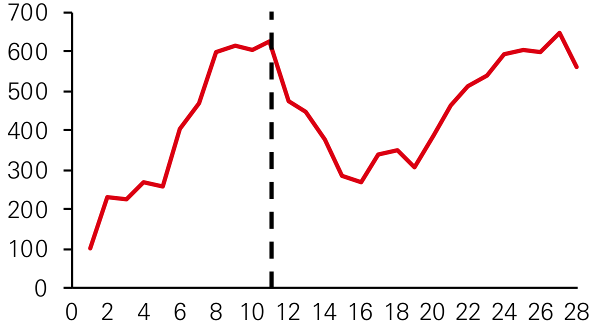
UK

Credit card spend*



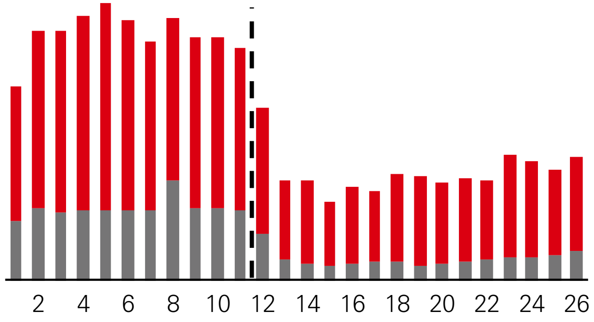
Week in 2020

Mortgage applications*



Week in 2020

Retail sales units[39]



Week in 2020

*Rebased to 100

RoTE by global business excluding significant items and UK bank levy

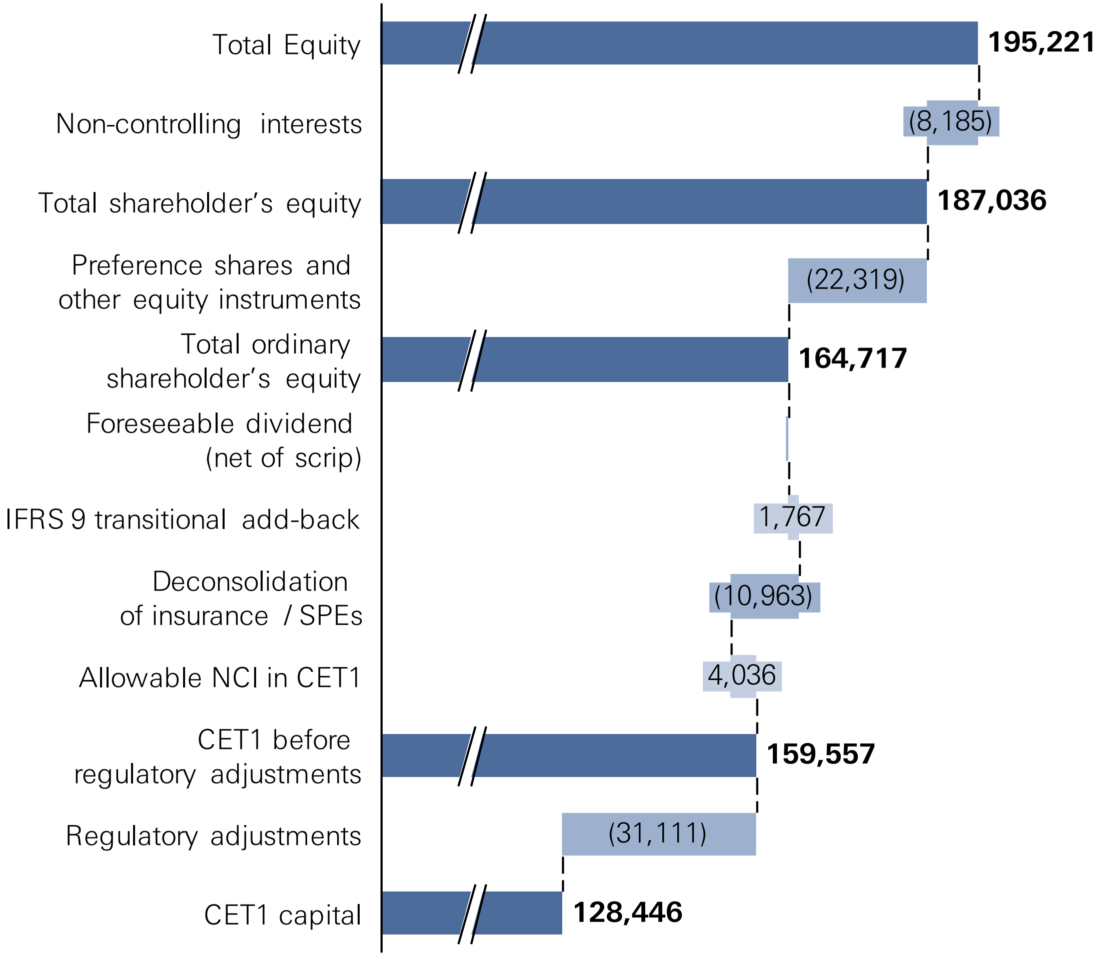
1H20 $m	WPB	CMB	GBM	Corporate Centre	Group
Reported profit before tax	**1,491**	**77**	**1,914**	**836**	**4,318**
Tax expense	(269)	(147)	(650)	(127)	(1,193)
Reported profit after tax	**1,222**	**(70)**	**1,264**	**709**	**3,125**
less attributable to: preference shareholders, other equity holders, non-controlling interests	(353)	(330)	(322)	(143)	(1,148)
Profit attributable to ordinary shareholders of the parent company	**869**	**(400)**	**942**	**566**	**1,977**
Increase in PVIF (net of tax)*	(299)	(9)	—	(2)	(310)
Significant items (net of tax) and UK bank levy	195	109	624	272	1,200
BSM allocation and other adjustments	9	(3)	(4)	180	181
Profit attributable to ordinary shareholders excluding PVIF, significant items and UK bank levy	**773**	**(303)**	**1,562**	**1,016**	**3,048**
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments[40]	25,865	37,233	40,865	43,200	147,163
RoTE excluding significant items and UK bank levy (annualised), %	**6.0**	**(1.6)**	**7.7**	**4.7**	**4.2**

1H19 $m	WPB	CMB	GBM	Corporate Centre	Group
Reported profit before tax	**4,208**	**3,948**	**2,160**	**1,641**	**12,407**
Tax expense	(572)	(723)	(284)	(891)	(2,470)
Reported profit after tax	**3,636**	**3,225**	**2,326**	**750**	**9,937**
less attributable to: preference shareholders, other equity holders, non-controlling interests	(620)	(456)	(445)	91	(1,430)
Profit attributable to ordinary shareholders of the parent company	**3,016**	**2,769**	**1,881**	**841**	**8,507**
Increase in PVIF (net of tax)*	(610)	(27)	—	(1)	(638)
Significant items (net of tax) and UK bank levy	512	24	156	(685)	7
BSM allocation and other adjustments	(8)	1	(3)	(45)	(55)
Profit attributable to ordinary shareholders excluding PVIF, significant items and UK bank levy	**2,910**	**2,767**	**2,034**	**110**	**7,821**
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments[40]	26,593	36,411	40,358	40,059	143,455
RoTE excluding significant items and UK bank levy (annualised), %	**22.1**	**15.3**	**10.2**	**0.6**	**11.0**

*Excludes the increase in PVIF (net of tax) attributable to non-controlling interests. The increase in PVIF (net of tax), including those attributable to non-controlling interest, was $393m in 1H20 and $748m in 1H19

Total shareholders' equity to CET1 capital

Total equity to CET1 capital, as at 30 June 2020, $m



Total equity to CET1 capital walk, $m

	2Q20	4Q19
Total equity (per balance sheet)	**195,221**	**192,668**
- Non-controlling interests	(8,185)	(8,713)
Total shareholders' equity	**187,036**	**183,955**
- Preference share premium	(1,405)	(1,405)
- Additional Tier 1	(20,914)	(20,871)
Total ordinary shareholders' equity	**164,717**	**161,679**
- Foreseeable dividend (net of scrip)	--	(3,391)
- IFRS 9 transitional add-back	1,767	809
- Deconsolidation of insurance/SPEs	(10,963)	(10,682)
- Allowable NCI in CET1	4,036	4,865
CET1 before regulatory adjustments	**159,557**	**153,280**
- Additional value adjustments (PVA)	(1,162)	(1,327)
- Intangible assets	(11,181)	(12,372)
- Deferred tax asset deduction	(1,505)	(1,281)
- Cash flow hedge adjustment	(426)	(41)
- Excess of expected loss	(1,191)	(2,424)
- Own credit spread and debit valuation adjustment	5	2,450
- Defined benefit pension fund assets	(7,409)	(6,351)
- Direct and indirect holdings of CET1 instruments	(40)	(40)
- Threshold deductions	(8,202)	(7,928)
Regulatory adjustments	**(31,111)**	**(29,314)**
CET1 capital	**128,446**	**123,966**

2Q20 vs. 1Q20 equity drivers

	Shareholders' Equity, $bn	Tangible Equity, $bn	TNAV[16] per share, $	Basic number of ordinary shares, million
As at 31 March 2020	**189.8**	**150.0**	**7.44**	**20,172**
Profit attributable to:	0.4	1.5	0.08	–
Ordinary shareholders[41]	0.2	1.5	0.08	–
Other equity holders	0.2	–	–	–
Dividends gross of scrip	(0.2)	–	–	–
On ordinary shares	–	–	–	–
On other equity instruments	(0.2)	–	–	–
Scrip	–	–	–	–
FX[41]	1.1	0.8	0.04	–
Actuarial gains/(losses) on defined benefit plans	(1.1)	(1.1)	(0.06)	–
Fair value movements through 'Other Comprehensive Income'	(2.9)	(2.9)	(0.14)	–
Of which: changes in fair value arising from changes in own credit risk[42]	(3.6)	(3.6)	(0.18)	–
Of which: Debt and Equity instruments at fair value through OCI[43]	0.7	0.7	0.04	–
Other[41]	(0.1)	(0.4)	(0.02)	(10)[44]
As at 30 June 2020	**187.0**	**147.9**	**7.34**	**20,162**

- Average basic number of shares outstanding during the period (QTD): 20,162
- **2Q20 TNAV per share decreased by $0.18** to $(0.01) per share due to own credit adjustments vs. $0.17 per share at 1Q20

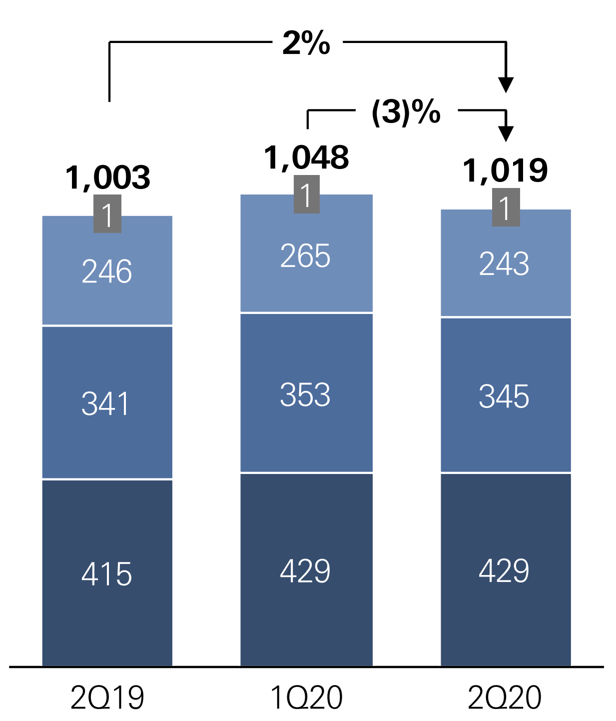
$7.32 on a fully diluted basis

20,198 million on a fully diluted basis

Balance sheet

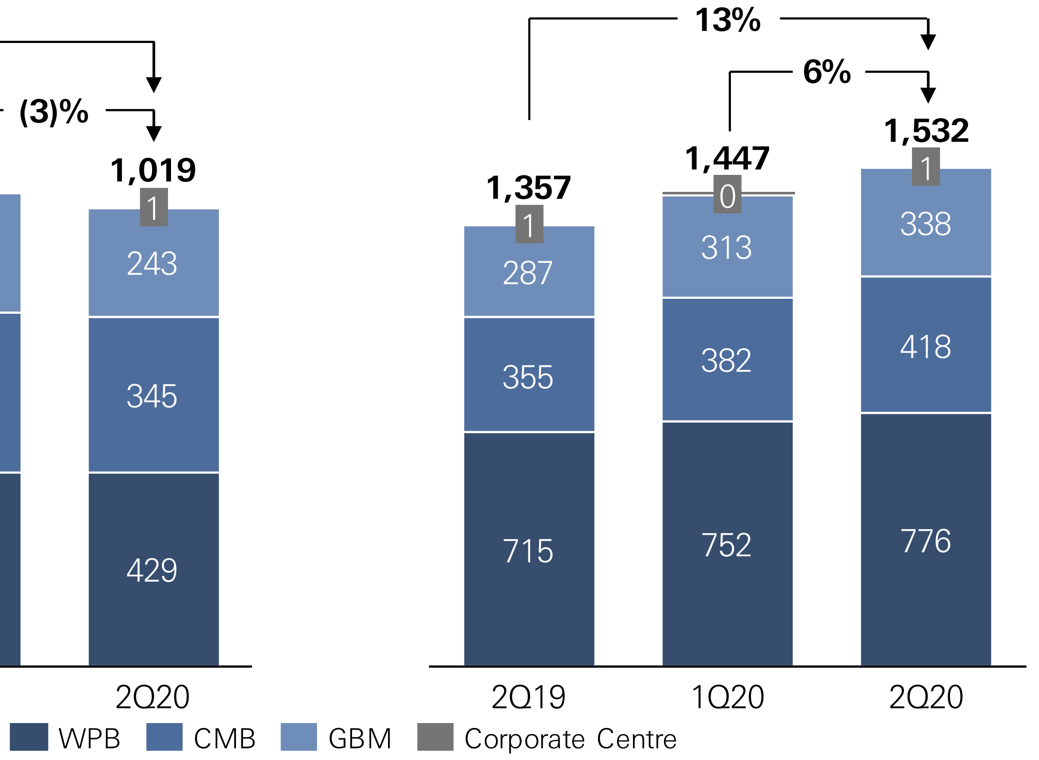
Net loans and advances to customers

$bn



Customer accounts

$bn



LDR: 66.5%

HQLA: $654bn

LCR*: 148%

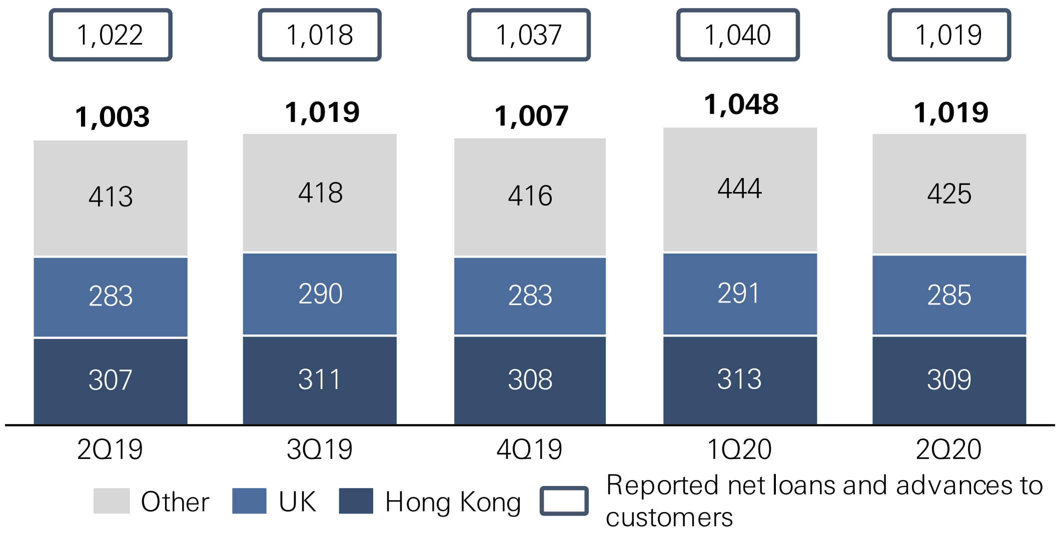
- **Net loans and advances to customers decreased by $29bn (3%)** vs. 1Q20 as wholesale clients repaid credit facilities drawn over 1Q20
- **Customer accounts increased by $85bn (6%)** vs. 1Q20, largely driven by CMB (up $37bn, 10%) as a result of customers saving more and spending less following Covid-19 restrictions across markets
- **Deposit surplus of $514bn increased by $114bn (29%)** vs. 1Q20 due to significant deposit growth against decreased lending
- **Loan to deposit ratio decreased 5.9%** from 72.4% to 66.5% over 2Q20
- Maintained strong liquidity, with **$654bn of high quality liquid assets ('HQLA'), up $37bn (6%)** vs. 1Q20
- **Gross HQLA of $784bn** (pre regulatory haircuts to reflect limitations in intragroup fungibility of liquid assets) up $138bn in 1H20

Totals may not cast due to rounding

*The methodology used in the Group consolidated LCR in relation to the treatment of part of our HQLA is currently under review with our regulators

Balance sheet – customer lending

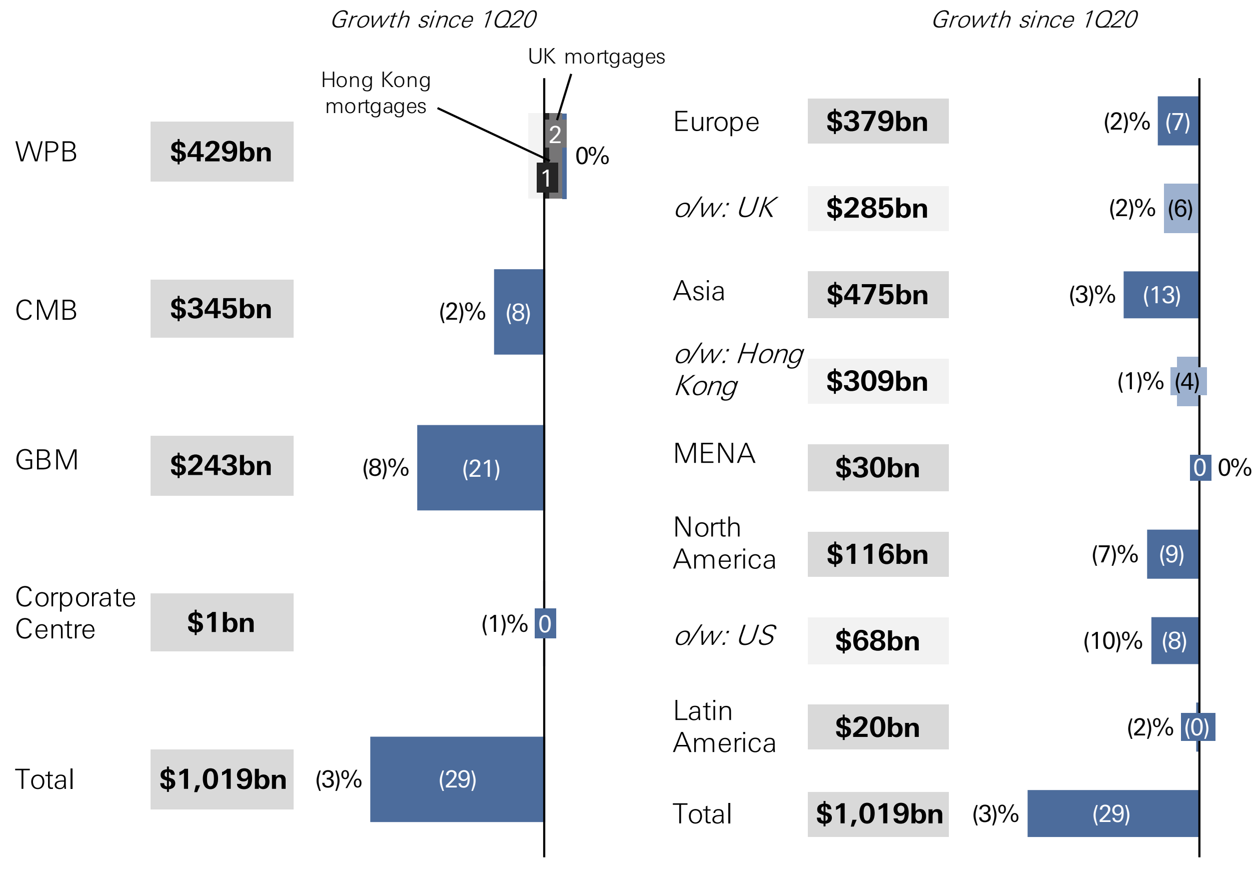
Adjusted customer lending (on a constant currency basis), $bn



Adjusted customer lending decreased by $29bn (3%) vs. 1Q20 and increased by $16bn (2%) vs. 2Q19

- Customer lending in GBM and CMB decreased by $30bn as clients repaid portions of credit balances drawn in 1Q20
- WPB lending was stable compared to the prior quarter as growth in mortgages was offset by reductions in other personal lending as customer activity levels fell
- Customer lending includes $104.1bn of personal lending excluding mortgages. See p.41 for further details

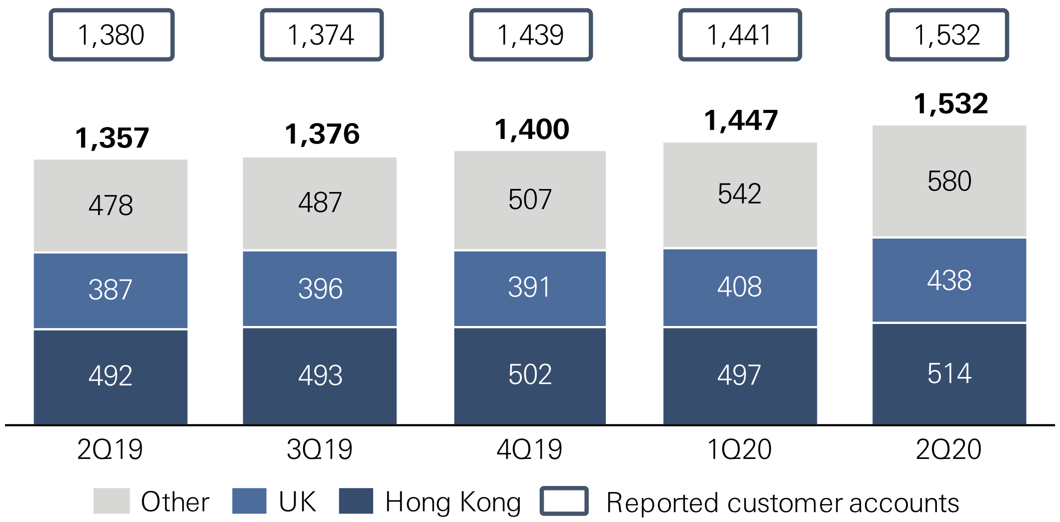
2Q20 adjusted customer lending growth by global business and region, $bn



Totals may not cast due to rounding

Balance sheet – customer accounts

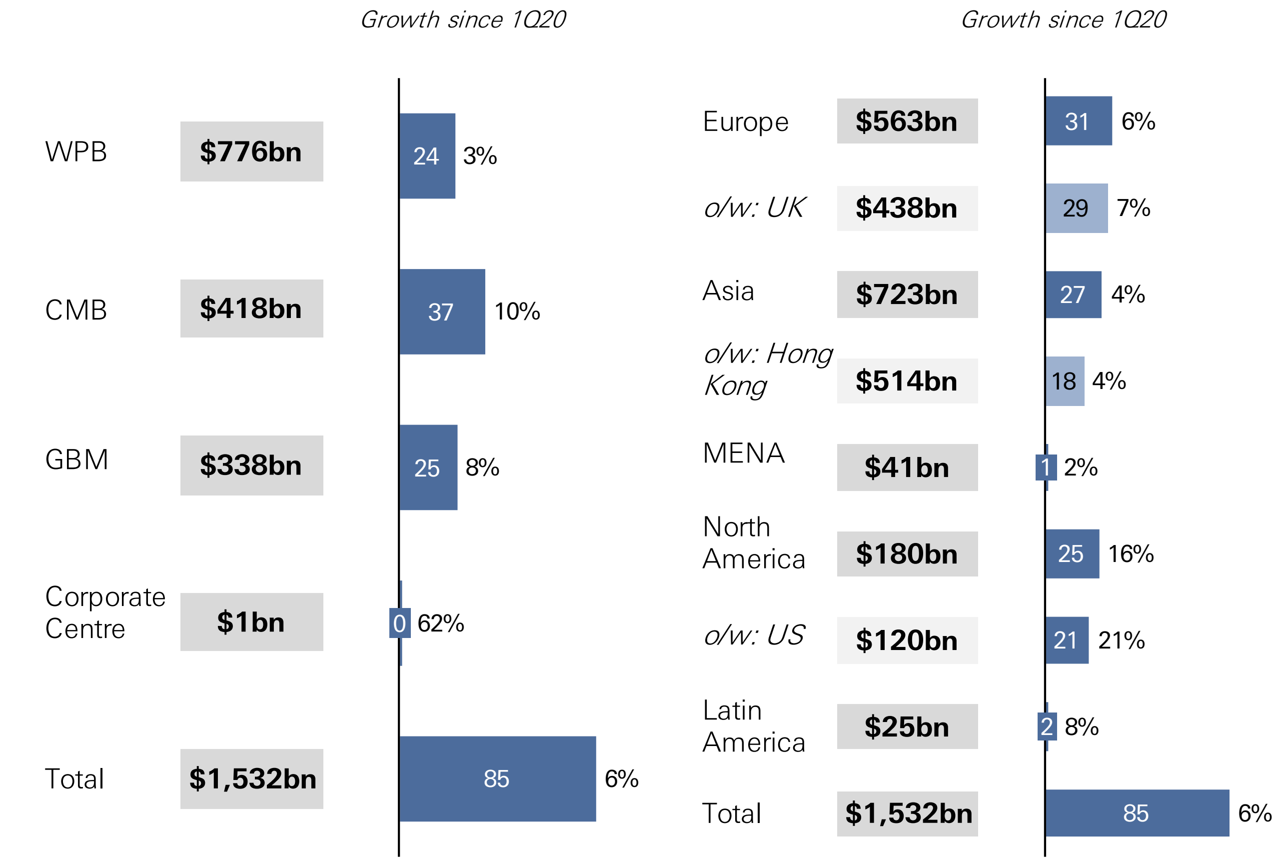
Adjusted customer accounts (on a constant currency basis), $bn



Adjusted customer accounts increased by $85bn (6%) vs. 1Q20 and increased by $175bn (13%) vs. 2Q19

- GBM and CMB customer accounts increased $61bn vs. 1Q20, as clients redeployed cash into their customer accounts and saved more as a result of Covid-19 uncertainty and reduced activity levels
- WPB customer accounts increased by $24bn as a result of customers saving more and spending less following Covid-19 restrictions across markets, notably in the UK, Hong Kong and the US

2Q20 adjusted customer account growth by global business and region, $bn



Totals may not cast due to rounding

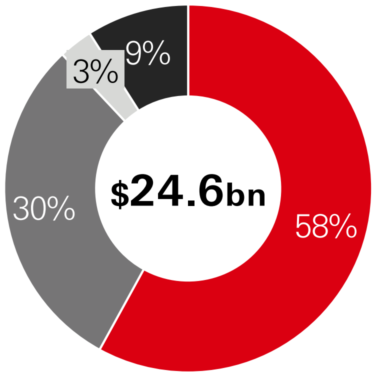
Oil and gas exposures[45]

Drawn risk exposure[46] by region, $bn	2Q20	1Q20
Asia	8.2	8.7
Europe	5.8	6.3
Middle East and North Africa	3.9	3.8
North America	5.2	5.5
Latin America	1.4	1.4
Total	**24.6**	**25.7**

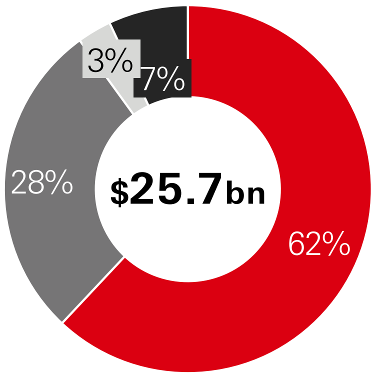
Drawn risk exposure[46] by sector, $bn	2Q20	1Q20
Infrastructure companies	0.9	1.1
Integrated producers	12.0	11.7
Intermediaries	1.8	2.1
Pure producers	3.0	2.9
Pure traders	1.6	2.1
Service companies	5.4	5.8
Total	**24.6**	**25.7**

Credit quality

As at 30 June 2020



As at 31 March 2020



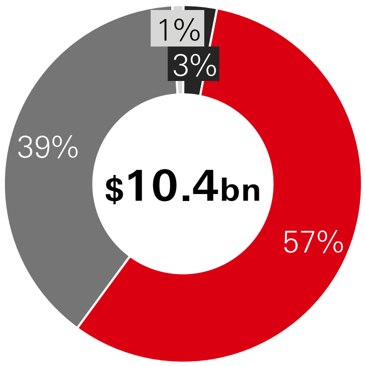
CRR 1-3 CRR 4-6 CRR 7-8 Defaulted

- Overall impact on the sector 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 (1Q20: $4.5bn) of exposure in the form of guarantees
- Allowances on Stage 3 exposures amounted to $1.2bn (4Q19: $0.2bn)

Sectors particularly affected by Covid-19

Aviation[47]

As at 30 June 2020

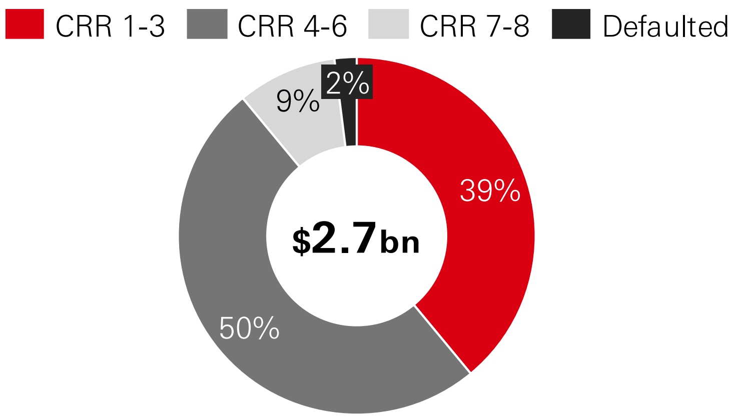


Drawn risk exposure[46] by region, $bn	
Asia	4.8
Europe	3.0
Middle East and North Africa	1.4
North America	1.1
Latin America	0.1
Total	**10.4**

- >75% of exposure is to airlines
- >50% of exposures benefit from credit risk mitigation via aircraft collateral and guarantees

Restaurants and leisure

As at 30 June 2020

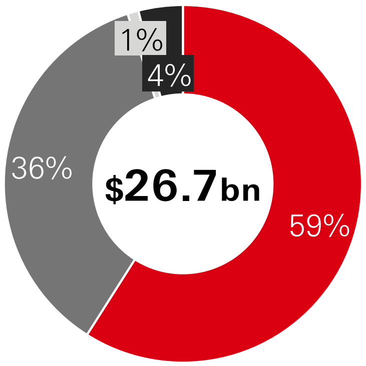


Drawn risk exposure[46] by region, $bn	
Asia	0.6
Europe	1.6
Middle East and North Africa	0.0
North America	0.5
Latin America	0.0
Total	**2.7**

- Some exposures to restaurants and leisure are categorised as corporate real estate exposures; excludes an element of small business exposure; excludes hotels

Retail

As at 30 June 2020



Drawn risk exposure[46] by region, $bn	
Asia	12.9
Europe	9.0
Middle East and North Africa	1.0
North America	2.7
Latin America	1.0
Total	**26.7**

- Broad category including traditional bricks and mortar retailers, online retailers, food retailers, health and beauty, and luxury goods
- Covid-19 related impacts depend on product offering, strength of online proposition and geography

Limited credit rating migration occurred in 2Q20, we expect negative rating migration to occur over the remainder of 2020

Consumer credit

Gross personal lending (excl. first lien mortgages), $m

As at 30 June 2020	**Total**	*Of which:* **UK**	*Of which:* **Hong Kong**
Crédit Logement	17,585	–	–
Motor vehicle finance	1,523		
Second lien residential mortgages	810		
All other	62,565	11,181	24,825
Other personal lending (excl. cards)	**82,483**	**11,181**	**24,825**
Retail credit cards	21,616	7,046	7,276
Personal lending (excl. first lien mortgages)	**104,099**	**18,227**	**32,101**

As at 31 December 2019	**Total**	*Of which:* **UK**	*Of which:* **Hong Kong**
Crédit Logement	18,406	–	–
Motor vehicle finance	1,637		
Second lien residential mortgages	889		
All other	64,393	12,579	25,018
Other personal lending (excl. cards)	**85,325**	**12,579**	**25,018**
Retail credit cards	26,768	9,816	8,043
Personal lending (excl. first lien mortgages)	**112,093**	**22,395**	**33,061**

Unsecured

- **Retail credit cards,** primarily in Hong Kong and the UK
- c.$29bn **unsecured personal loans and overdrafts** (within 'All other'), mainly in Hong Kong and the UK
  - Balances in this portfolio have increased by c.$2.5bn in 2Q20

Secured

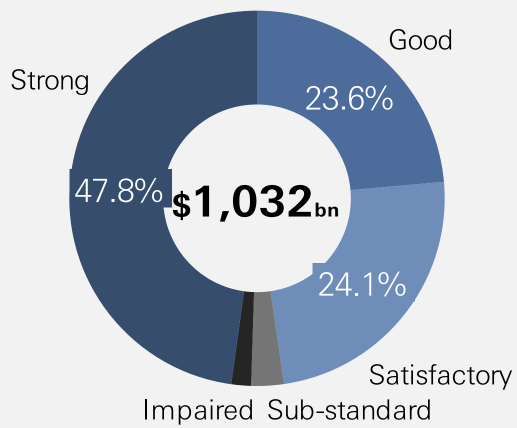
- **Crédit Logement:** French nationwide home loan guarantee scheme, regulated by the French regulatory authority (ACPR) providing robust guarantees to lenders against the risk of borrower default
- **Motor vehicle finance**
- c.$30bn **Private Banking portfolio** (within 'All other'), mainly Lombard lending in France, Hong Kong, Switzerland and the US. Lombard lending is secured against readily marketable assets such as securities portfolios

Asset quality

Gross loans and advances to customers

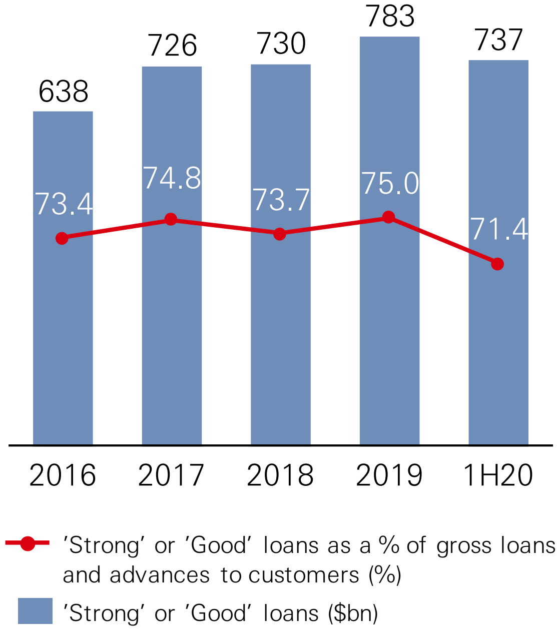
By credit quality classification

As at 30 June 2020



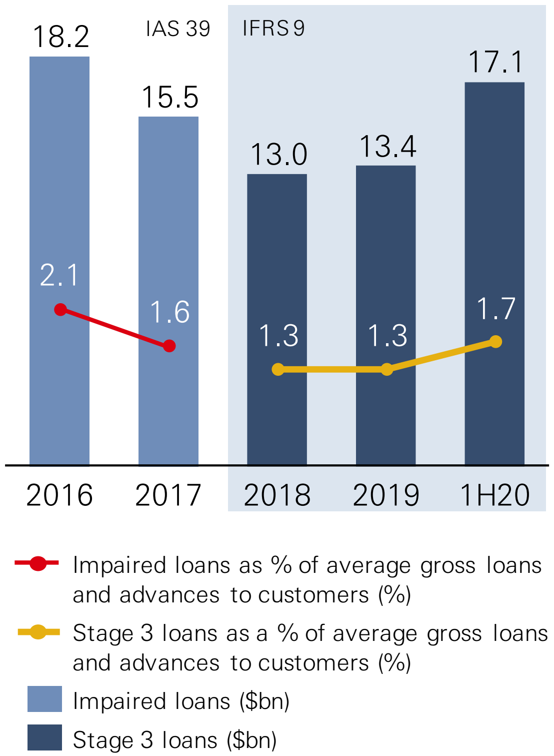
Strong	CRR 1-2
Good	CRR 3
Satisfactory	CRR 4-5
Sub-standard	CRR 6-8
Credit impaired	CRR 9-10

Loans and advances to customers of 'Strong' or 'Good' credit quality



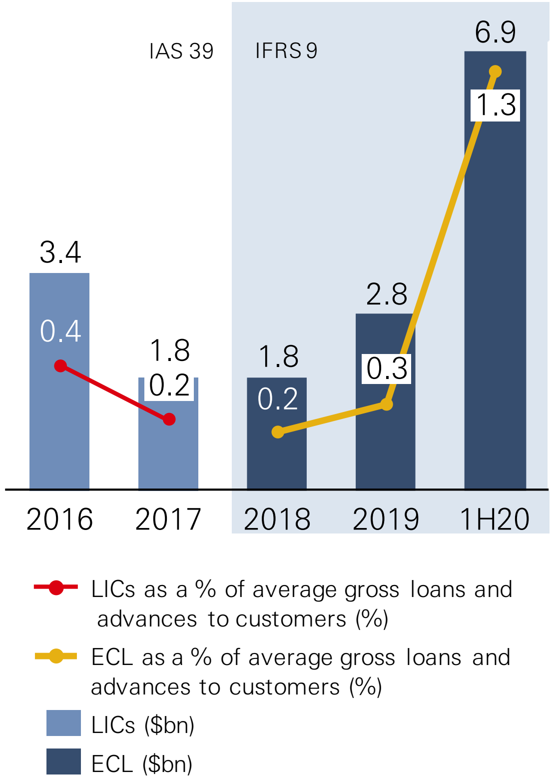
Strong or Good loans as a % of gross loans and advances to customers decreased to 71.4% due to the impact of Covid-19

Stage 3 and impaired loans and advances to customers



Stage 3 loans as a % of gross loans and advances to customers was 1.7%

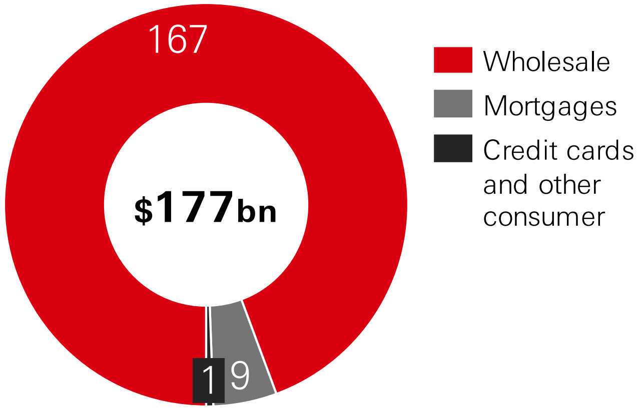
LICs/ECL



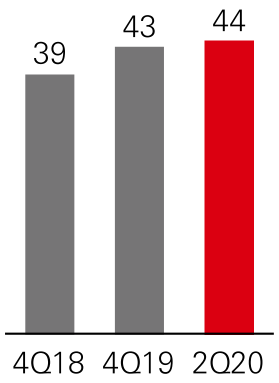
ECL charge of $6.9bn in 1H20; ECL as a % of average gross loans and advances to customers (annualised) was 133bps

Mainland China[48] drawn risk exposure

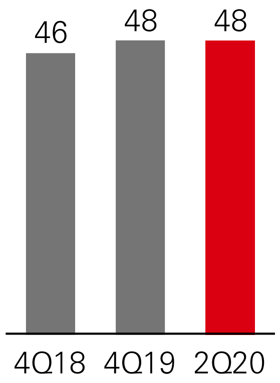
China drawn risk exposure, $bn



Loans and advances to customers

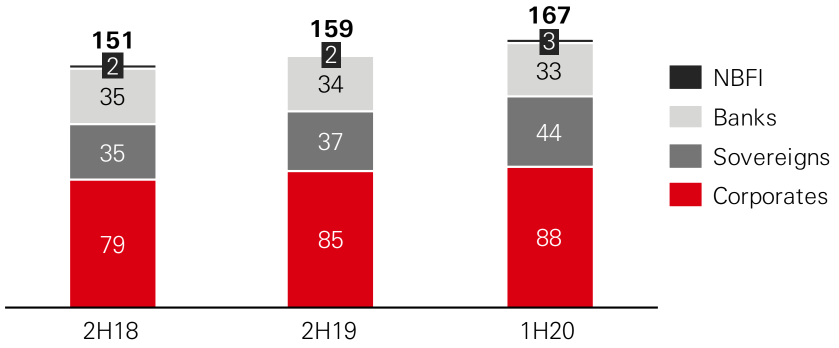


Customer deposits



- China drawn risk exposure (including Sovereigns, Banks and Customers) of $177bn comprising: Wholesale $167bn (of which 54% is onshore); Retail: $10bn
- Gross loans and advances to customers of $44bn (Wholesale: $34bn; Retail $10bn) in mainland China, by booking location excluding Hong Kong and Taiwan. Mainland China Stage 3 balances remain low at $0.2bn (1H19: $0.2bn) and change in ECL was $107m (1H19: $68m)
- HSBC is selective in its lending. HSBC's onshore corporate lending market share is 0.14% as at 1H20

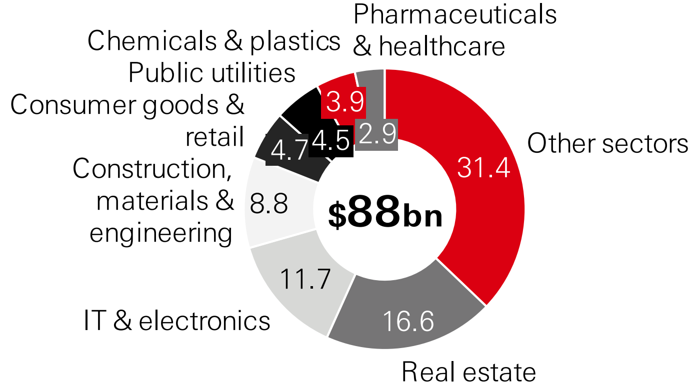
Wholesale lending analysis, $bn



Wholesale lending by risk type:

CRRs	1-3	4-6	7-8	9+	Total
Sovereigns	43.5	0.1	–	–	43.6
Banks	32.6	0.3	–	–	32.9
NBFI	2.3	0.5	–	–	2.7
Corporates	58.8	28.5	0.1	0.2	87.7
Total	**137.1**	**29.4**	**0.1**	**0.2**	**166.9**

Corporate lending by sector



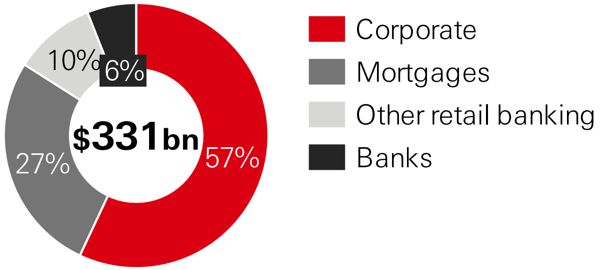
- c.20% of lending is to Foreign Owned Enterprises, c.38% of lending is to State Owned Enterprises, c.42% to Private sector owned Enterprises

Corporate real estate:

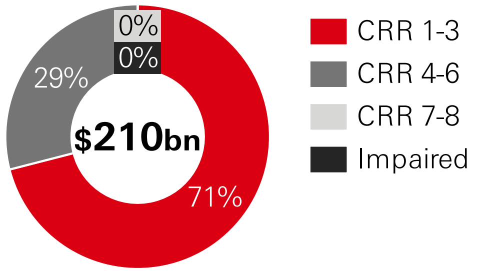
- 67% sits within CRR 1-3 (broadly equivalent to investment grade)
- Highly selective, focusing on top tier developers with strong performance track records
- Focused on Tier 1 and selected Tier 2 cities

Hong Kong drawn risk exposure

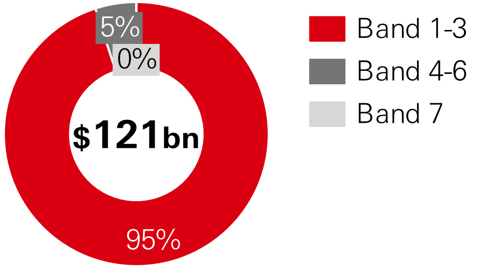
Total gross loans and advances, $bn



Wholesale credit quality



Personal credit quality

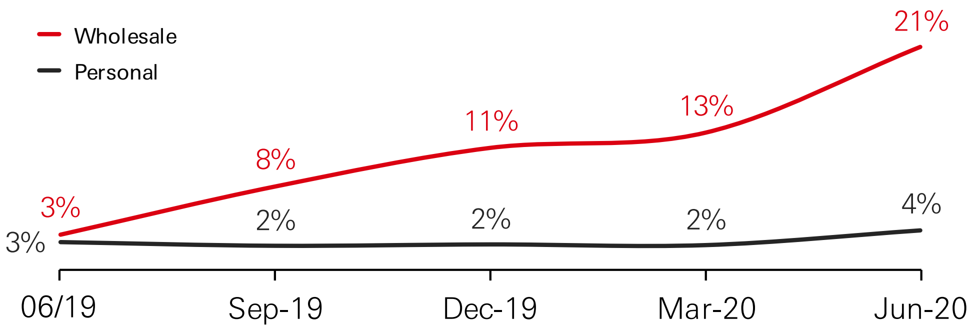


- Total gross loans and advances to customers and banks of $331bn as at 30 June 2020 by booking location (wholesale: $210bn; personal: $121bn)
- During 1H20, ECL and Stage 2 balances increased due to the current market conditions
- ECL charge of $516m in 1H20 (CMB: $258m, WPB: $203m, GBM $55m), compared with $134m in 1H19 (CMB $72m, WPB: $40m, GBM: $21m)
- For 1H20, average LTV ratio on new mortgage lending was 59% (2H19: 49%); average LTV for the overall mortgage portfolio was 43% (2H19: 41%)
- Loans and advances to Business Banking customers (SMEs) of $15bn as at 30 June 2020
- The number of mainland Chinese domiciled companies with offices in Hong Kong has increased from 160 in 2001 to 1,280 by 2019[49], in the same period the number of US domiciled companies increased from 167 to 609 and number of UK domiciled companies increased from 104 to 366

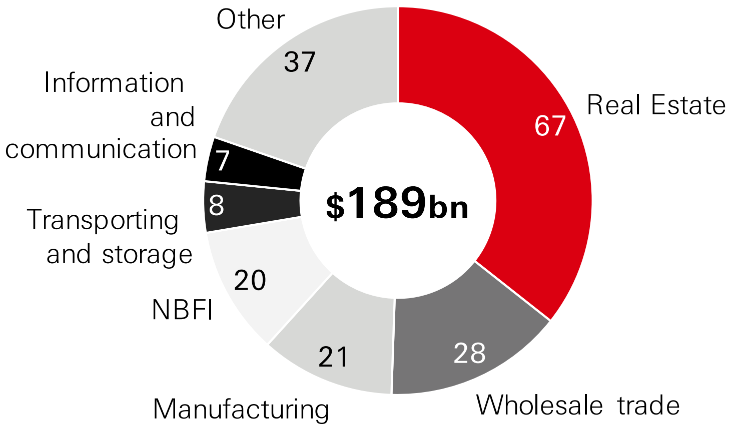
Gross loans and advance to customers and banks by IFRS 9 stage

	2Q20			4Q19		
IFRS 9 Stage	Gross L&A $bn	ECL Allowance $bn	ECL % L&A	Gross L&A $bn	ECL Allowance $bn	ECL % L&A
Stage 1	282.1	0.3	0.1%	299.5	0.2	0.1%
Stage 2	48.4	0.5	1.1%	26.5	0.4	1.5%
Stage 3	1.1	0.6	50.7%	0.9	0.5	60.0%
POCI	0.0	0.0	50.4%	0.0	0.0	58.5%
	331.7	1.4		326.9	1.1	

Stage 2 as % of total loans and advances to customers and banks



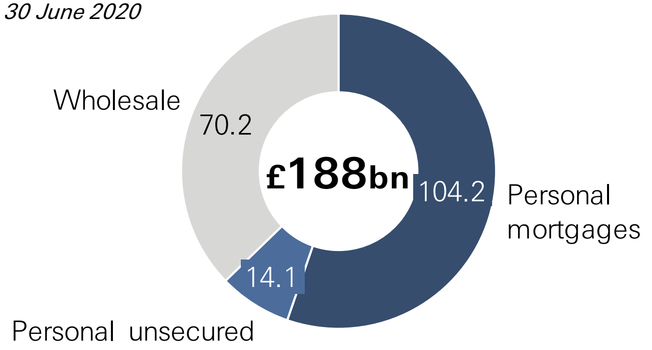
Corporate lending by sector as at 30 June 2020



UK RFB disclosures

Total RFB lending, £bn

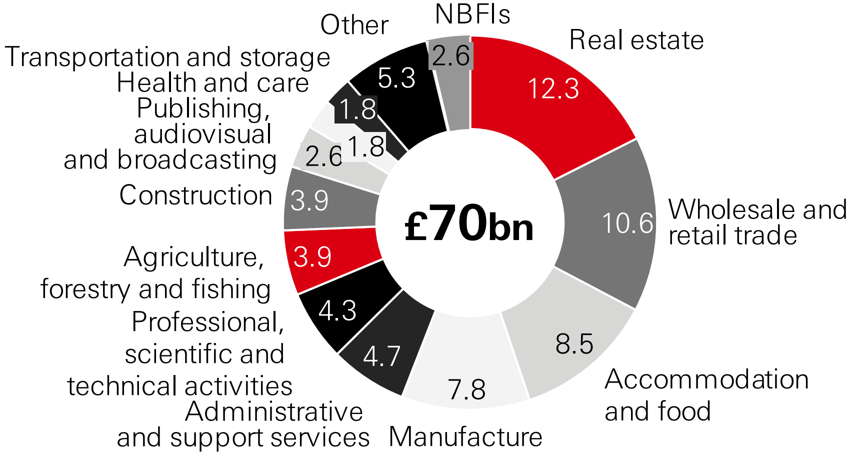
As at 30 June 2020



Wholesale

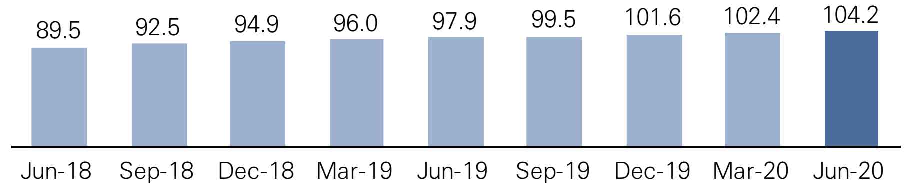
Gross wholesale loans and advances to customers, £bn

As at 30 June 2020



Personal

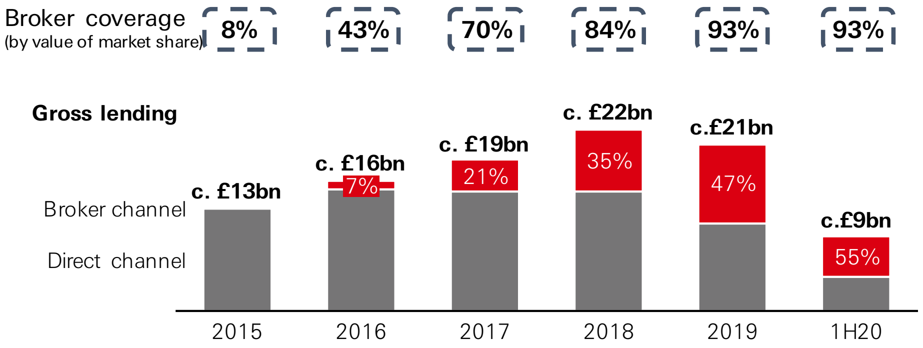
WPB gross residential mortgages, £bn



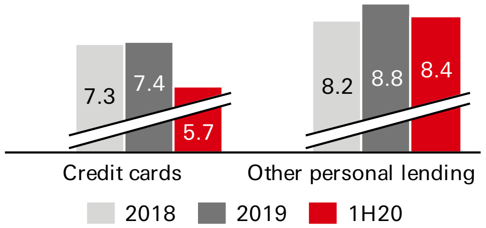
By LTV

Less than 50%	£47.0bn
50% - < 60%	£16.4bn
60% - < 70%	£16.1bn
70% - < 80%	£14.7bn
80% - < 90%	£8.6bn
90% +	£1.5bn

- c.27% of mortgage book is in Greater London
- Buy-to-let mortgages of £2.8bn
- Mortgages on a standard variable rate of £2.8bn
- Interest-only mortgages of £18.1bn[50]
- LTV ratios:
  - c.46% of the book <50% LTV%
  - new originations average LTV of 67%
  - average portfolio LTV of 52%



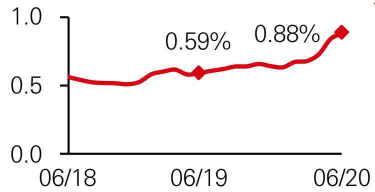
WPB gross unsecured lending, £bn



- The UK RFB was the largest net gainer under the Current Account Switch Service over 1Q20 with c.34k accounts net, 48% more than the second placed provider[51]

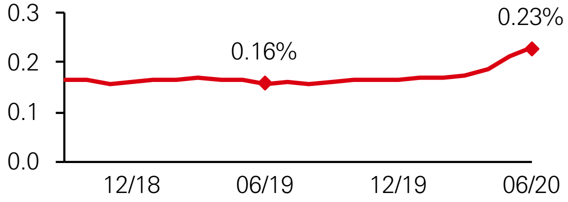
Delinquencies

Credit cards: 90-179 day delinquency trend, %



- Uptick from March 2020 driven by a fall in customer balances due to reduced spending following the introduction of Covid-19 related movement restrictions

Mortgages: 90+ day delinquency trend, %



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
GBM	Global Banking and Markets, a global business
GLCM	Global Liquidity and Cash Management
GPB	Global Private Banking, a former global business now part of Wealth and Personal Banking
Group	HSBC Holdings plc and its subsidiary undertakings
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 former global business now part of Wealth and Personal Banking
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 global business created from the consolidation of RBWM and GPB
XVAs	Credit and Funding Valuation Adjustments

Footnotes

1. Unless otherwise stated, risk-weighted assets and capital amounts at 30 June 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
2. Source is Oliver Wyman and Coalition. Market share is for Asia Pacific
3. Cards spend data for Hong Kong. Indexed YoY for each corresponding month
4. Source: HSBC Global Research. 2Q20 is estimated
5. Includes revenue from other HSBC companies related to our operations and technology centres
6. Includes revenue from Singapore, Malaysia, Indonesia, Philippines, Thailand and Vietnam. ASEAN GDP is estimated using a weighted average of six markets weighted by 2019 GDP output
7. Expected
8. Source: Dealogic. Shows the full (non-apportioned) amount of financing raised in transactions in which HSBC led or co-led
9. Awarded by Euromoney Awards for Excellence 2020
10. Particularly in UK and Canada. Furthermore, across all markets, online banking NPS (customer satisfaction) score significantly improved
11. In Greenwich's Buy-Side Global Foreign Exchange Flash Study, which assessed the impact of the pandemic
12. The number of wealth transactions (# units) through digital channels across Mutual Funds, Structured products, Cash FX, Equities & Wealth Insurance. Data is for May 2020 year-to-date
13. Includes Private Bank client assets, retail wealth balances including insurance investment balances, Premier & Jade deposits, and asset management funds distributed to third parties
14. Greater Bay Area Wealth Management Connect Pilot Scheme announced by the People's Bank of China, Hong Kong Monetary Authority, and Monetary Authority of Macao on 29 June 2020
15. 2Q20: 20,190 million weighted average basic ordinary shares outstanding during the period; 1Q20: 20,161 million weighted average basic ordinary shares outstanding during the period; 2Q19: 20,203 million weighted average basic ordinary shares outstanding during the period
16. 2Q20 TNAV includes $(0.01) per share ($(0.2)bn) of own credit spread adjustments or reserves, a decrease of $0.18 vs $0.17 per share ($3.4bn) at 1Q20
17. Of the $1,198m software intangibles writedown, $1,025m related to changes in long-term growth rates to applicable cash-generating units and $173m was due to planned restructuring activity
18. YTD, annualised. 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
19. Including non-interest bearing current accounts (NIBCAs)
20. NRFB: Non ring-fenced bank in Europe and the UK = HSBC Bank plc; RFB: UK Ring-fenced bank = HSBC UK Bank plc
21. Adjusted profits: regulatory profits attributable to ordinary shareholders, adjusted for intangible assets impairment
22. Prudent valuation adjustment ('PVA') is applied to fair-valued positions to address source of valuation uncertainty (e.g. market price uncertainty, bid-offer & unearned credit spreads, model & concentration risks etc). It estimates with a 90% degree of certainty the price applicable for orderly transactions occurring between market participants at the balance sheet date. For more detail, please see our Pillar 3 Disclosures at 31 December 2019
23. 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
24. Leverage ratio at 30 June 2020 is calculated using the CRR II end-point basis for additional tier 1 capital
25. Where a quarterly trend is presented on the Income Statement, all comparatives are re-translated at average 2Q20 exchange rates
26. From 1st July 2018, Argentina was deemed a hyperinflationary economy for accounting purposes

Footnotes

27. In Europe, where observable long-tenor interest rates are at or close to zero, the -100bps stress sensitivity allows for the impact of negative rates; in other regions the calculation floors rates at zero
28. 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
29. A change in reportable segments was made in 2Q20. Comparative data have been re-presented accordingly
30. 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 2Q20 considers AT1 Coupons on an accruals basis, vs. Reported RoTE where it is treated on a cash basis
31. Where a quarterly trend is presented on the Balance Sheet and Funds Under Management, all comparatives are re-translated at 30 June 2020 exchange rates
32. A reconciliation of reported RWAs to adjusted RWAs can be found in the 'HSBC Holdings plc 2Q 2020 Datapack'
33. Total includes POCI balances and related allowances
34. BBLS: Bounce Back Loan Scheme; CBILS: Coronavirus Business Interruption Loan Scheme; CLBILS: Coronavirus Large Business Interruption Scheme
35. Market shares by value of approved lending as at 26 July 2020. BBLS, CBILS, CLBILS market sizing sources: Her Majesty's Treasury
36. 9.3% of SME loans and overdrafts balances as at 30 June 2020. SME is defined as a client with turnover of up to £25m. Market size source: Bank of England
37. Mortgage market share as at 31 May 2020, source: Bank of England; mortgage payment holiday market share: UK Finance
38. Due to customer redress programmes, HBUK 2Q20 NIM has been favourably impacted by 3bps (4Q19 NIM adversely impacted by 5bps, 3Q19 NIM adversely impacted by 19bps), FY19 NIM of 2.05% has been adversely impacted by 6bps
39. Sales include weekly sales units where a digital journey is available for Retail products including Current and Savings Accounts, Cards, Loans, and Mortgages
40. Tangible Equity is allocated to global businesses at a legal entity level, using RWAs, or a more suitable local approach, where appropriate
41. Differences between shareholders' equity and tangible equity drivers primarily reflect goodwill and other intangible 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'
42. $(0.18) TNAV per share impact from: $3.6bn unrealised losses on own credit spreads
43. $0.04 TNAV per share impact from: $0.7bn gain on debt instruments, with fair value on equity instruments remaining broadly unchanged
44. 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
45. 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
46. Risk measure, excludes repos and derivatives. Guarantees are excluded from tables and charts
47. Includes aircraft lessors. Aircraft lessors that are part of a banking group are not included in aviation exposures
48. Mainland China drawn risk exposure. Retail drawn risk exposures represent retail lending booked in mainland China; wholesale lending where the ultimate parent and beneficial owner is based in mainland China
49. Hong Kong Census and Statistics Department
50. Includes offset mortgages in first direct, endowment mortgages and other products
51. Current Account Switch Service Dashboard, Issue 27: covering the period 1 April to 30 June 2020. Published 30 July 2020

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.

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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. 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, regulatory changes or due to the impact of Covid-19). 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 1Q 2020 Earnings Release furnished to the SEC on Form 6-K on 28 April 2020 (the "1Q 2020 Earnings Release"), and our Interim Financial Report for the six months ended 30 June 2020 which we expect to furnish to the SEC on Form 6-K on 03 August 2020 (the "2020 Interim Report").

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, our 2020 Interim Report 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 03 August 2020.