Deutsche Bank Global Financial Services Investor Conference



Important notice and forward-looking statements

Important notice

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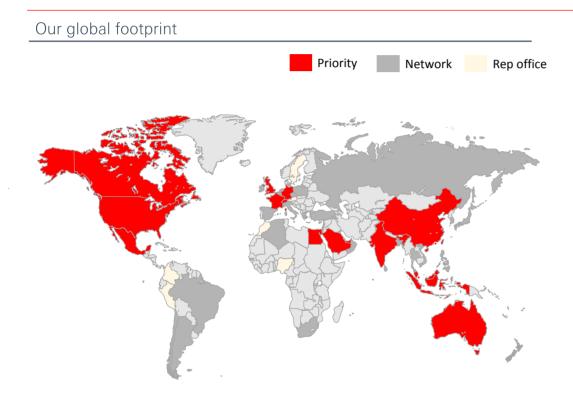
Forward-looking statements

This presentation and subsequent discussion 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 and business of the Group (together, "forward-looking statements"). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant assumptions and subjective judgements which may or may not prove to be correct and 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. Forward-looking statements are statements about the future and are inherently uncertain and generally based on stated or implied assumptions. The assumptions 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 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 ac

This presentation contains non-GAAP financial information. The primary non-GAAP financial measure we use is 'adjusted performance' 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 the 2017 20-F, the Reconciliations of Non-GAAP Financial Measures document and the 1Q 2018 Earnings Release which are available at www.hsbc.com.

Information in this presentation was prepared as at 29 May 2018.

HSBC is a leading, truly international bank



67
countries and territories

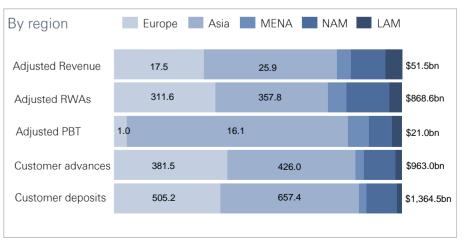
Our network covers countries accounting for more than 90% of global GDP, trade and capital flows

> 50%
Our international network supports more than 50% of our client revenue

Interconnected global businesses share balance sheets and liquidity in addition to strong commercial links

Diversified global businesses and regions¹





[.] Metrics relate to FY 2017 and are on an adjusted basis unless otherwise stated, totals provided are for the Group and include Corporate Centre.

Simpler, Better, Faster

\$5.3bn

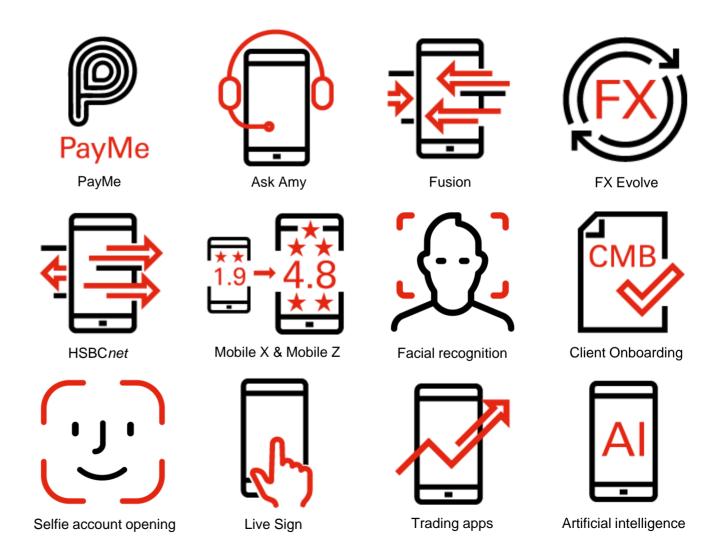
Technology spend in 2017

\$2.3bn

Digital investment 2015-17

\$6.1bn

Removed from cost base 2015-17



Digitisation and innovation Personal customers

2015 - present



40% of retail log-ons are now password-less (via-biometrics)

1m+ customers use VoiceID instead of a password for telephone banking



Our **Connected Money** app enables customers to see their accounts, loans and mortgages – even if they are held with other banks – in one place

Retail customers can trade securities instantly and get free market information including real time quotes, news and market data using **Easy Invest**

PayMe is the **#1** Finance app in Hong Kong. Send money to other users of the app instantly, securely and for free – whatever bank they use

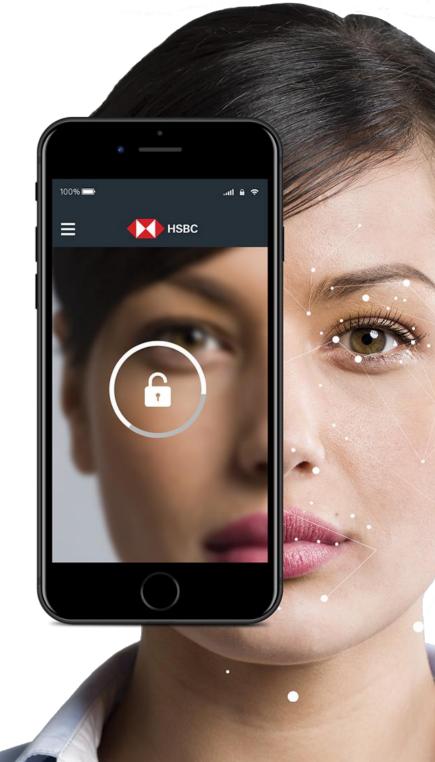


Fully digital account opening from your mobile

80% of retail transactions are via digital channels

Sign application documents on your phone or tablet with LiveSign





Digitisation and innovation

Business customers

2015 - present



access

Business clients can transact FX in real time, manage trade transactions and their liquidity globally using **HSBC***net*

- 128,000 customers transacted USD 9 trillion on the platform in 2017
- 60% growth in volume and value for HSBC net mobile in 2017
- HSBC is the first bank to roll out Face ID to corporate clients globally



We completed the world's first end-to-end trade finance transaction on a scalable **Blockchain** platform

FX Everywhere Our distributed ledger platform allows for quicker processing of end-to-end FX settlements with greater transparency

\$15tn of transactions on our digital business platforms in 2017



HSBC Evolve gives customers live, executable pricing on over 1,500 currency pairs 24 hours a day, 5.5 days a week

Get real-time, trade transaction status updates using our **Trade Transaction Tracker app**



Increasing efficiency

Automation

2015 - present

80% Reduction in CMB manual payments by moving customers to **automated channels**

1.2m transactions **processed by robots** in 2017 enabling faster service to customers. Student accounts open within 24 hours from 2-3 weeks



Credit card application processing times down from 2 weeks to **2 minutes** ... and from 3-6 days to **5 seconds** for a pre-approved credit card application

Ask Amy is an online virtual assistant, launched in February 2017, capable of answering 350 frequently-asked questions in English, traditional or simplified Chinese. She answered 96,777 questions during 2017 with 92% accuracy

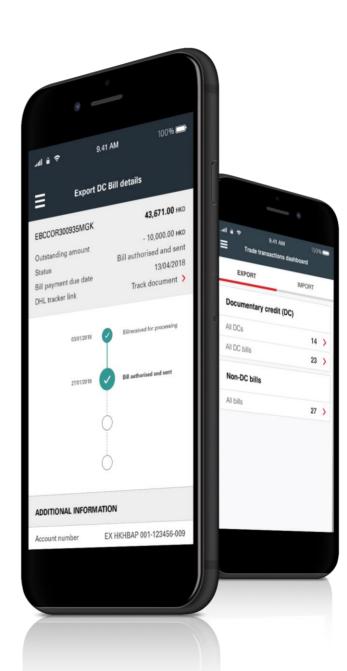
Customers are receiving offers and access to funds 30% faster through CMB HotDocs, an automated document assembly tool aiding front office staff with the drafting and negotiation of client documentation



Initial market intelligence is delivering Traders detailed analytics to save costs in the over the counter markets

E2E Visibility tracker allows GBM colleagues to automatically track customer on-boarding progress, including KYC

MyDeal is a one-stop shop that brings all deal-related information into a single platform



Increasing efficiency

Simplification

2015 - present



Delivered over **\$1bn** of cost savings across Global Functions through process re-engineering and better use of on-shore and **off-shore** locations

\$110m savings in GB&M from near-shoring/off-shoring analysis and research teams to global service centres

\$1bn+ reduction in 3rd party spend through supplier consolidation, contracts re-negotiation and outsourcing procurement



On-board **Fintech** vendors much faster, with pre-approved legal documentation. 21 Fintech projects delivered so far, with 20 more in the pipeline

Simplifying Suppliers can now send their invoices straight to accounts payable **procurement** with **Fusion procurement**

Expense claims are paid within **five days** instead of up to three weeks with **Fusion expenses**



Investing in our future

What's next?

Machine learning and big data analytics

Fraud detection



Make financial crime compliance and sanctions screening more robust and cost efficient

Retail



Timely, relevant and personalised offers to customers

AML and sanctions



Using AI to improve the speed and accuracy of anti-money laundering and sanctions screening

Partnerships



First financial sector to partner with the Alan Turing Institute



Science and Technology Research Company Ltd



Developed a 'social network' to connect suppliers and companies.





HSBC supports the Fintech Innovation lab



USD200m allocated to invest in Fintechs and enterprise startups