



Connecting customers to opportunities

HSBC aims to be where the growth is, enabling business to thrive and economies to prosper, and ultimately helping people to fulfil their hopes and realise their ambitions.

◀ Denotes an adjusted measure

Group Long-term strategy

Develop our international network

To facilitate international trade and capital flows and serve our clients, with potential to help them grow from small enterprises into large multinationals.

Invest in wealth and retail businesses with local scale

To make the most of global social mobility, wealth creation and long-term demographic changes in our priority markets.

Group 2017

Adjusted PBT ▶
(2016: \$18.9bn)

\$21.0bn

Adjusted Jaws ▶

+1.0%

Ordinary dividends

In respect of 2017
(2016: \$0.51)

\$0.51

For reported results and further information, please refer to the Annual Report & Accounts 2017

Global Banking and Markets

Global Banking and Markets provides financial solutions in more than 50 markets to approx. 4,100 multinational corporates, financial institutions and public sector clients, as well as clients from other global business lines.

- The first foreign bank with a majority owned securities joint venture in China, which will allow us to provide GB&M and CMB clients with a broad spectrum of investment banking and markets services.
- Issued the world's first corporate sustainable development bond.

PBT ▶
(2016: \$5.5bn)

\$5.8bn

Jaws ▶
% change in revenue
less % change in costs

+1.3%

Cost efficiency ratio ▶
Costs as a % of revenue
(2016: 59.4%)

58.7%

GB&M: an integral part of the HSBC group

■ Group excl. GB&M ■ GB&M

Revenue ▶

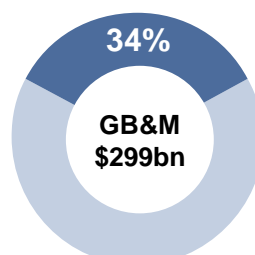
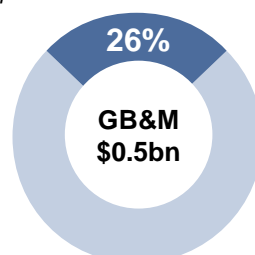
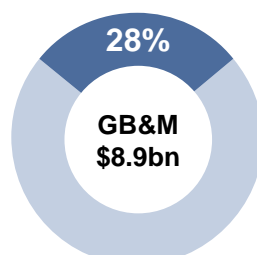
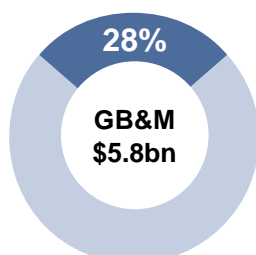
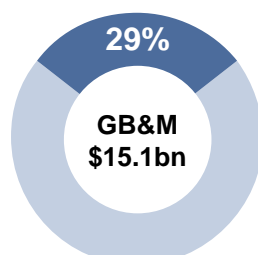
PBT ▶

Costs ▶

LICs ▶

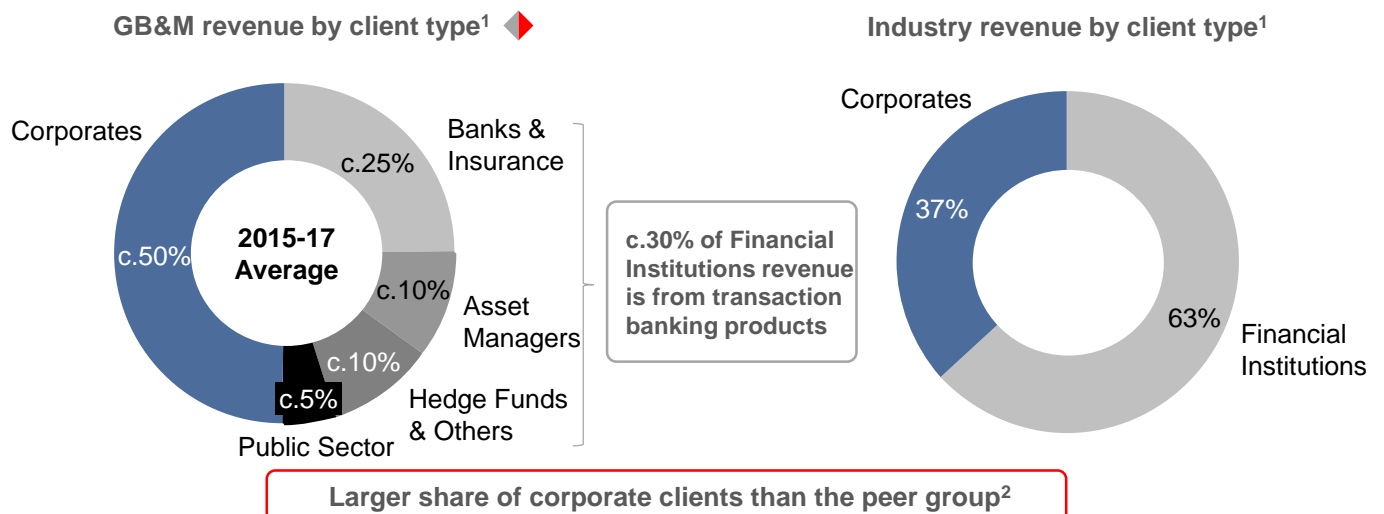
*Loan impairment charges
and other credit risk
provisions*

RWAs

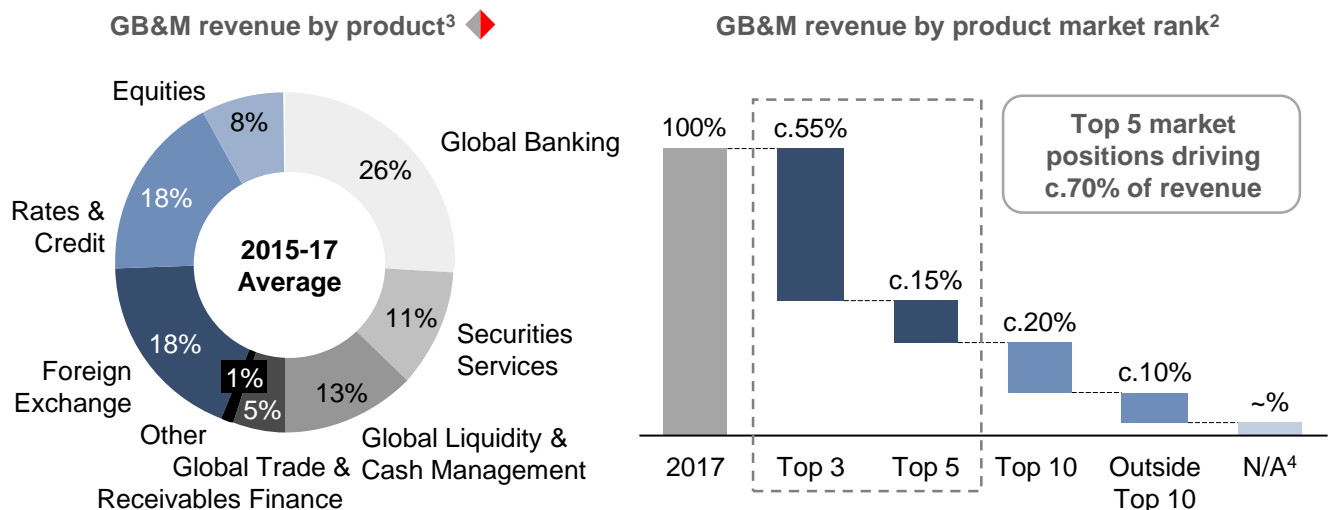


GB&M has a differentiated international universal wholesale business model

Clients – Revenue base with equal mix of corporates and financial institutions



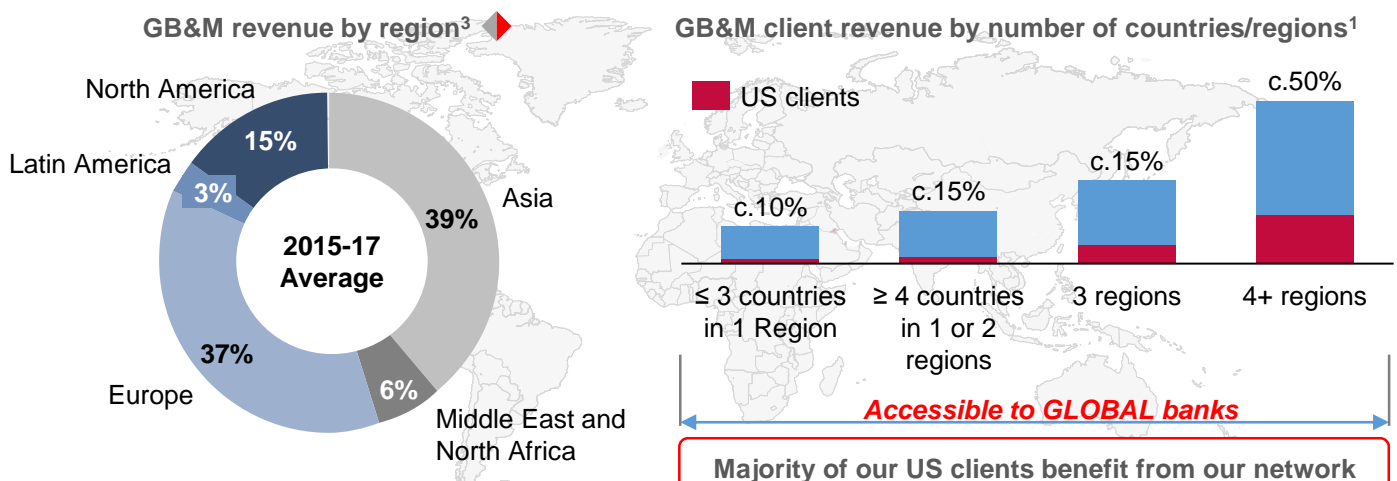
Products – Broad wholesale product offering with Top 3 and Top 5 rankings



Diversified product offering distinct from peers

Strong product ranking in relevant markets

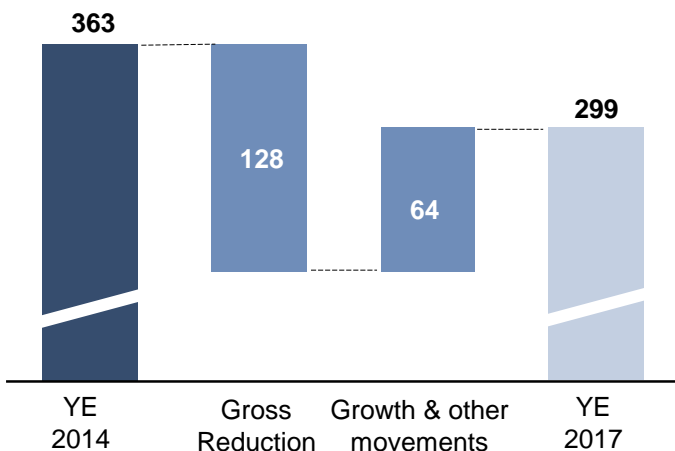
Geographies – Diversified footprint geared to growth markets enables us to serve the largest global clients



Progress Update June 2015 Investor Update

Achieved > \$100bn gross RWA reduction

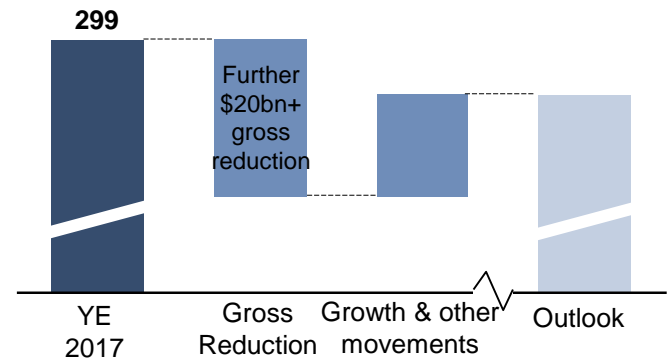
Risk Weighted Assets (RWAs)³, \$bn



Re-affirmed commitments at June 2017 Investor Update

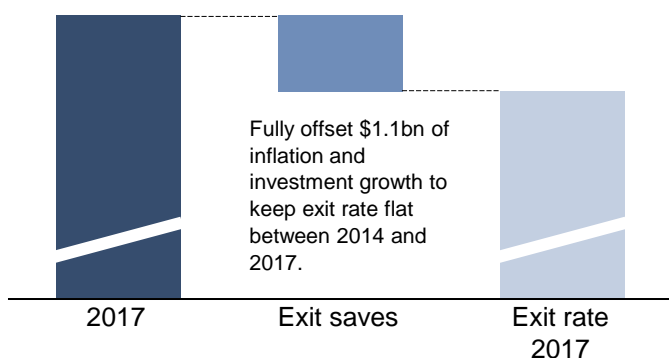
To achieve a further \$20bn gross RWA reduction

Risk Weighted Assets (RWAs)³, \$bn



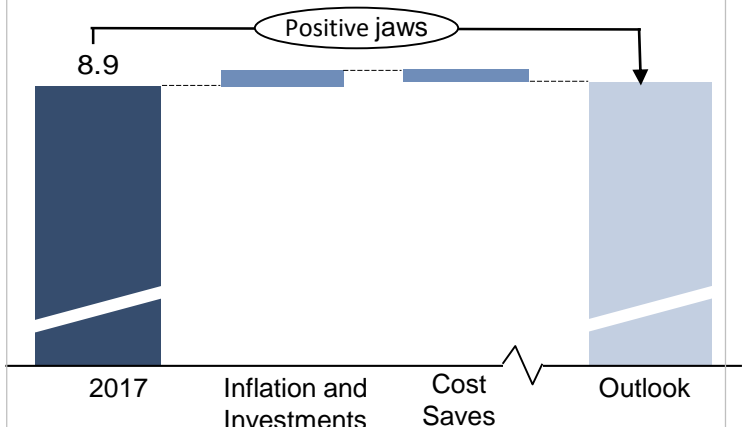
Achieved \$1.1bn cost reduction

GB&M cost reductions, \$bn run-rate basis



To achieve positive adjusted jaws

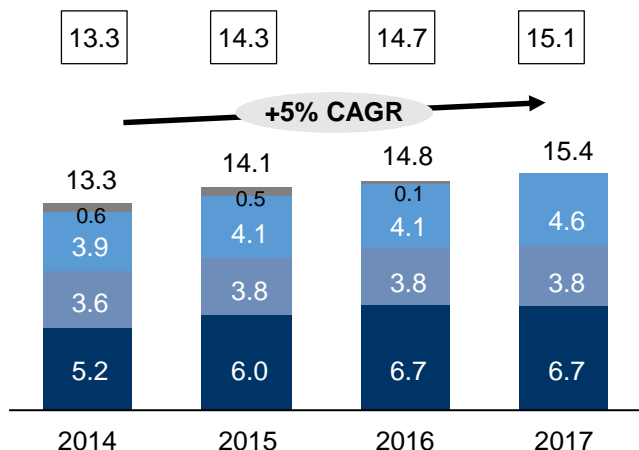
Cost walk³, \$bn



Achieved 5% revenue CAGR

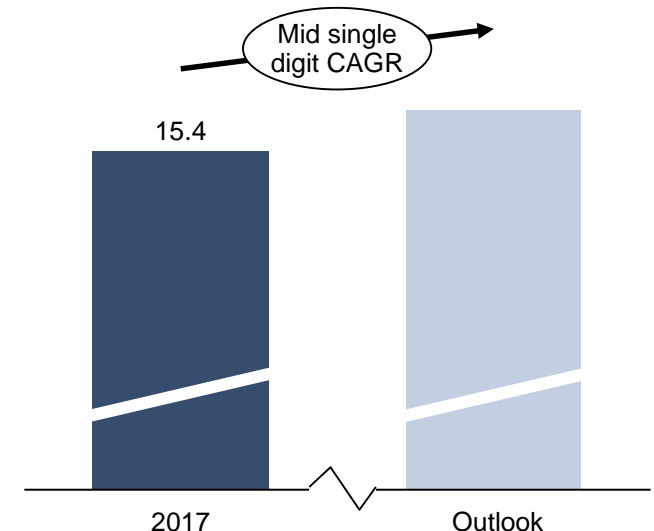
Adjusted Revenue³ \$bn

Global Markets, Global Banking, Securities Services, GLCM GTRF, PI & Other, Adjusted revenue



Mid single digit CAGR

GB&M adjusted revenue, \$bn



Financial Highlights

2017 highlights

Adjusted PBT
(2016: \$5.5bn)

\$5.8bn

Adjusted revenue
(2016: \$14.7bn)

\$15.1bn

Adjusted LICs
(2016: \$0.5bn)

\$0.5bn

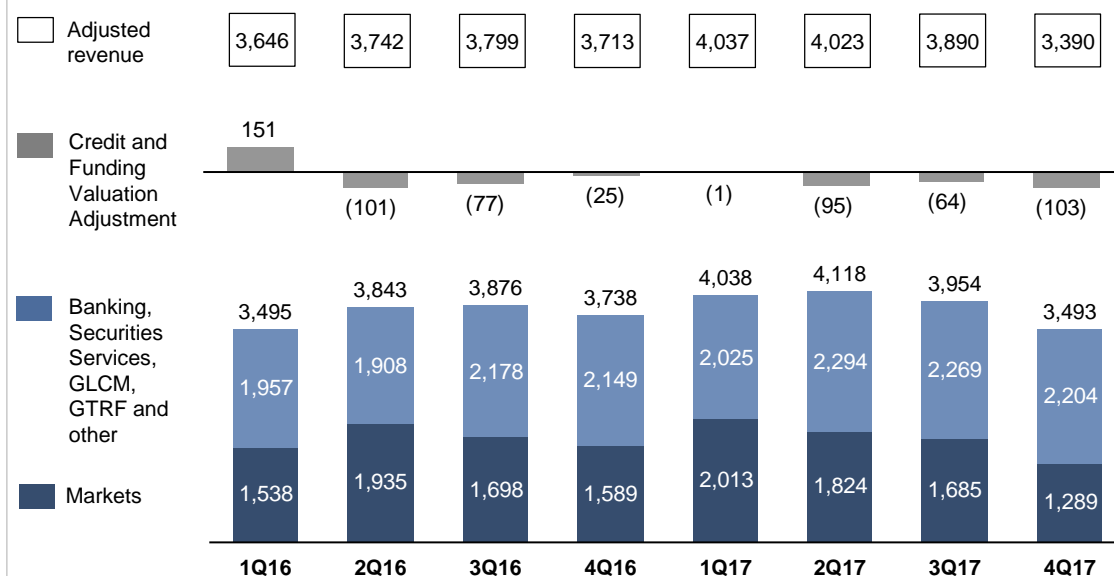
Adjusted costs
(2016: \$8.7bn)

\$8.9bn

Adjusted Jaws

+1.3%

Adjusted revenue performance, \$m



2017 Adjusted Income Statement

\$m	2016	2017	% change
Revenue	14,715	15,091	3%
Global Markets	6,656	6,689	-%
- FICC	5,665	5,438	(4)%
Foreign Exchange	2,764	2,568	(7)%
Rates	2,120	1,970	(7)%
Credit	781	900	15%
- Equities	991	1,251	26%
Global Banking	3,791	3,807	-%
Global Liquidity and Cash Management	1,885	2,197	17%
Securities Services	1,561	1,746	12%
Global Trade and Receivables Finance	689	700	2%
Principal Investments	226	318	41%
Credit and funding valuation adjustments	(51)	(262)	>100%
Other	(42)	(104)	>100%
LICs	(461)	(459)	-%
Costs	(8,745)	(8,858)	(1)%
Profit before tax	5,509	5,774	5%
Cost efficiency ratio	59.4%	58.7%	0.7ppt
RoRWA	1.7%	1.9%	0.2ppt

Important notice and forward looking statements

Important notice

The information, statements and opinions set out in this presentation and subsequent discussion 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.

The information contained in this presentation and subsequent discussion, which does not purport to be comprehensive nor render any form of financial or other advice, has been provided by the Group and has not been independently verified by any person. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an "Identified Person") as to or in relation to this presentation and any subsequent discussions (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on the accuracy or completeness of any information contained in this presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this presentation or any additional information or to remedy any inaccuracies in or omissions from this presentation.

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 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 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2017 which was filed with the Securities and Exchange Commission on Form 20-F on 20 February 2018.

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 our Annual Report and Accounts 2017 and the Reconciliations of Non-GAAP Financial Measures document which are both available at www.hsbc.com.

Information in this presentation was prepared as at 19 February 2018.

1. HSBC Internal Client MI, 2017 data unless otherwise stated.
2. Oliver Wyman 2016 analysis based on top 10 Corporate and Investment Bank peer group.
3. As reported in 2017 HSBC Holdings plc Annual Report and Accounts, all historical data translated at 2017 FX rates.
4. No market share available and includes Principal Investments, Credit and Funding Valuation Adjustments and Other