



Connecting customers to opportunities

Our purpose is to be where the growth is, enabling businesses to thrive and economies to prosper, and ultimately helping people fulfil their hopes and realise their ambitions.

◆ Denotes an alternative performance measure

Group long-term strategy

Our strategy enables us to connect customers to opportunities. It is supported by long-term global trends and our strong combination of strategic advantages:

- Leading international bank
- Exceptional access to high-growth markets
- Balance sheet strength

Group FY18

Adjusted PBT ◆
(FY17: \$21.1bn)
\$21.7bn

Adjusted jaws ◆
(1.2)%

RoTE ◆
(FY17: 6.8%)
8.6%

Ordinary dividends
In respect of period
(FY17: \$0.51)
\$0.51
For reported results and further information, please refer to the 2018 Annual Report and Accounts.

Commercial Banking

We support approximately 1.5 million customers in 53 countries and territories with banking products and services to help them operate and grow. Our customers range from small enterprises focused primarily on their domestic markets, through to large companies operating globally.

FY18 Key highlights

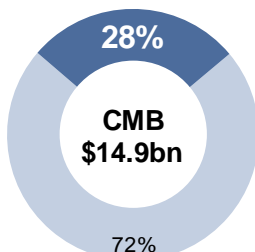
- 12% year-on-year growth in adjusted revenue and PBT, with increased revenue across all major products and regions
- Over 50% of revenue originated from international clients
- \$6.4bn of CMB-enabled revenue synergies

PBT	Jaws	Cost efficiency ratio	RoTE
◆ (FY17: \$6.8bn)	◆ % change in revenue less % change in costs	◆ Costs as a % of revenue (FY17: 44.9%)	◆ Excl. significant items and UK Bank levy (FY17: 14.0%)
\$7.7bn	+3.6%	43.5%	14.0%

CMB: an integral part of the HSBC group

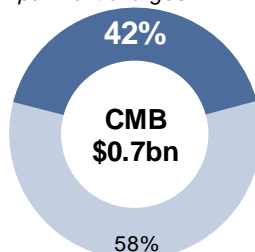
■ Group excl. CMB ■ CMB

Revenue ◆

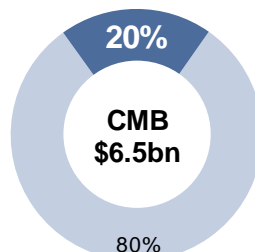


ECL ◆

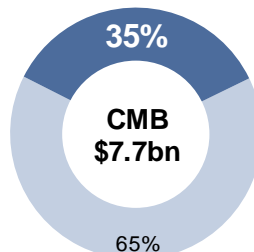
Expected credit losses and other credit impairment charges



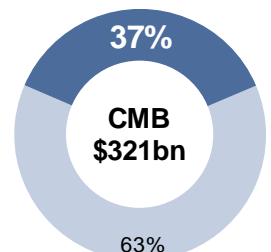
Costs ◆



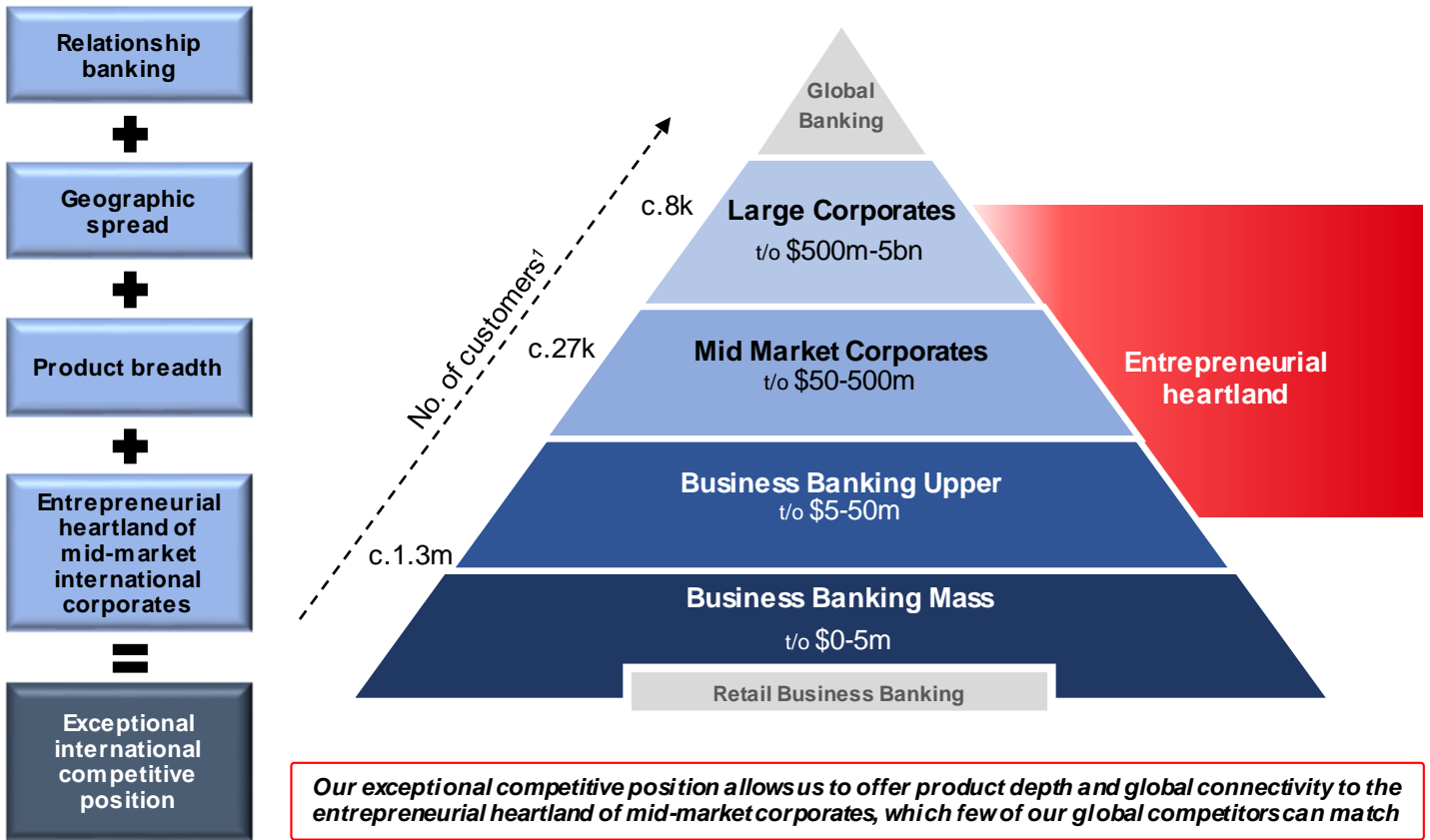
PBT ◆



RWAs



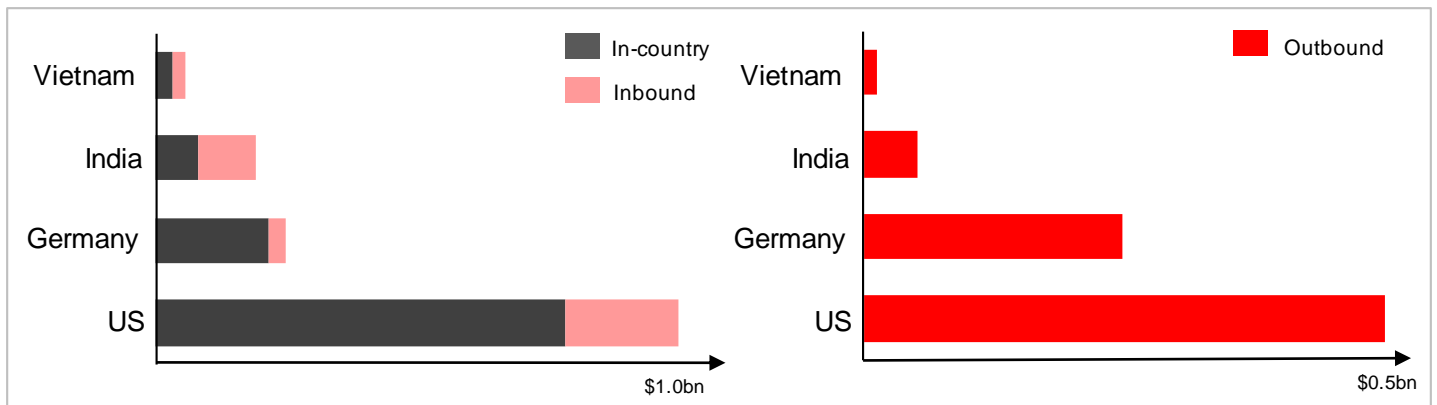
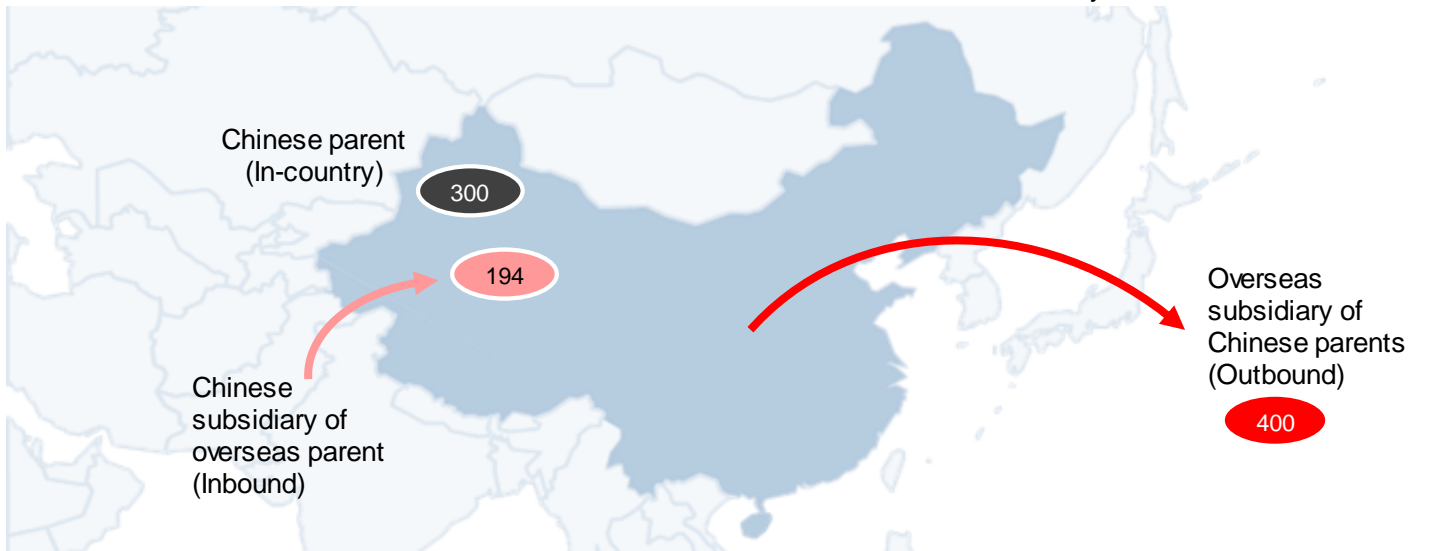
Our network is key to being a leading international bank



Our clients leverage our global network

Corporate customer value² (\$m)

■ In-country ■ Inbound ■ Outbound



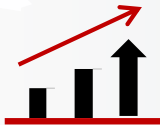
1. As at December 2018. Excludes Hang Seng. Large Corporates includes CRE customers.

2. 2018 data. Analysis relates to corporate client income which includes total income from GB&M synergy products, including Foreign Exchange and Debt/Capital Markets. This measure differs from reported revenue in that it excludes Business Banking and Other and cost of funds.

Strategy deep dive – supporting the US turnaround


US turnaround has shown **positive** momentum from **investments and growth** in CMB

2018 achievements




7% revenue growth

- Double-digit growth in inbound corporate customer value
- Revenue generated by the sale of GB&M products to CMB clients increased by 14%



9% PBT growth

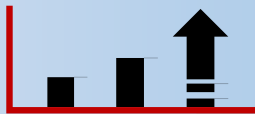
- Year-on-year improvement in returns¹
- Positive jaws



Operational Improvements

- Reduced account opening times² for domestic accounts by 50% and for cross-border accounts by 20%
- Loan fulfilment time improved by over 45%³

2019 focus



Accelerate growth


- 10%+ new client growth
- Double the number of inbound correspondent desks
- New data and analytics triggers to enhance customer experience and staff productivity

Strategy deep dive – improving customer experience through digital capabilities



PayMe app allows individuals in Hong Kong to **make digital payments**. In 2019, PayMe will help consumers and merchants to interact and transact

Significant success in 2018...



Approximately **1.5 million users**




First **app-to-app payment API integration** with HKTV mall



Most popular bank app and the 6th most popular overall app in Hong Kong⁴



Partnered with **Clockenflap** festival for a cashless event experience




Five-fold increase in monthly volume through the app⁵




Acceptance of payment via QR code technology


...will underpin focus for 2019



Launch **PayMe for Business** allowing merchants to **collect payments instantly**



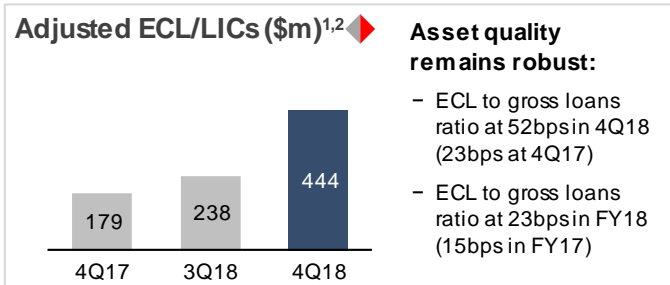
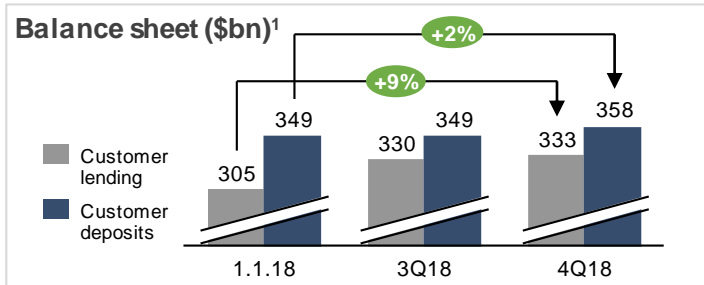
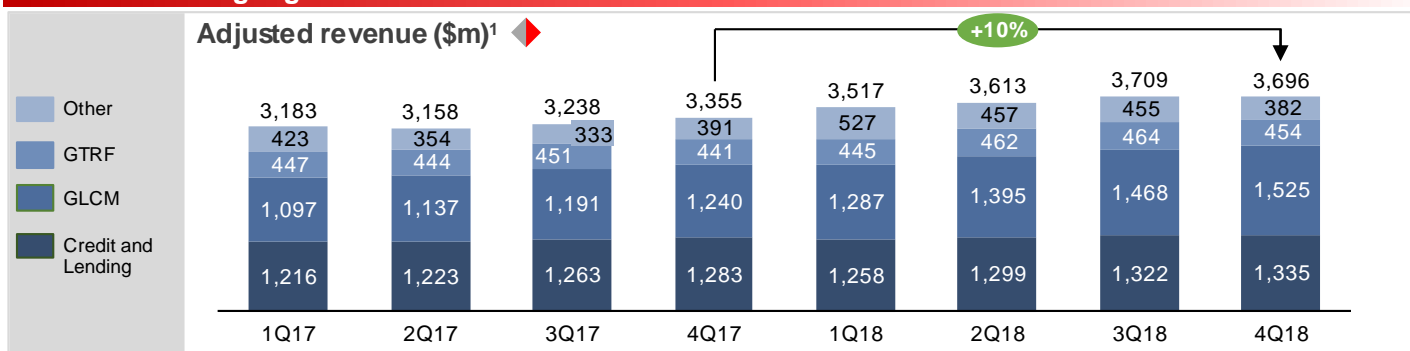
Expand PayMe's ecosystem through a trusted network of **merchants and consumers**



Business API solution to **support online merchants**

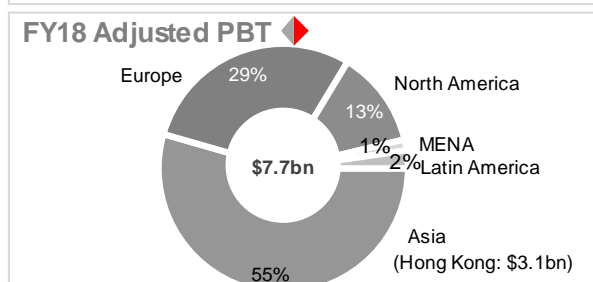
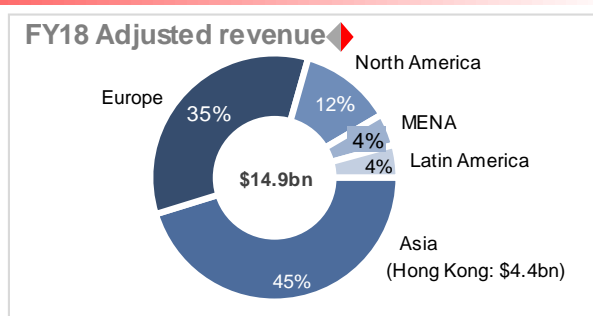
1. Year-on-year improvements in RoRWA and RoTE
 2. Account Opening time (Time with Bank): overall turnaround time, less time awaiting documents from customer
 3. Improvement in the number of days from loan approval to loan closing / funding
 4. Apple store ranking based on downloads as at Dec 18
 5. Dec 18 vs. Dec 17

Results: FY18 highlights



Adjusted income statement

\$m	FY17	FY18	% change
Revenue	13,247	14,885	12%
GTRF	1,821	1,865	2%
Credit and Lending	5,101	5,342	5%
GLCM	4,775	5,802	22%
Other	1,550	1,876	21%
ECL/LICs²	(465)	(739)	(59)%
Costs	(5,953)	(6,477)	(9)%
Profit before tax	6,829	7,669	12%
RoTE³	14.0%	14.0%	-



CMB clients accounted for \$2.8bn of revenue synergies between global businesses⁴

Important notice and forward looking statements

Important notice

The information, statements and opinions set out in this presentation and accompanying discussion ("this Presentation") are for informational and reference purposes only and do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments. This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, "the Group") and has not been independently verified by any person. You should consult your own advisers as to legal, tax, investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an "Identified Person") as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed. No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on, the accuracy or completeness of any information contained in this Presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this Presentation or any additional information or to remedy any inaccuracies in or omissions from this Presentation. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

Forward-looking statements

This Presentation may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, strategy and business of the Group which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "seek", "intend", "target" or "believe" or the negatives thereof or other variations thereon or comparable terminology (together, "forward-looking statements"), including the strategic priorities and any financial, investment and capital targets described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. Certain of the assumptions and judgements upon which forward-looking statements regarding strategic priorities and targets are based are discussed under "Targeted Outcomes: Basis of Preparation", available separately from this Presentation at www.hsbc.com. The assumptions and judgements 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 forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management's beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein. Additional detailed information concerning important factors that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2018 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 20 February 2019 (the "2018 20-F").

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 the 2018 20-F and the Reconciliations of Non-GAAP Financial Measures document, both of which are available at www.hsbc.com. Information in this Presentation was prepared as at 11 March 2019.

1. Quarterly revenue and ECL/LICs presented at average 4Q18 FX rates. Balance sheet presented at spot 4Q18 FX rates. 2. Numbers relating to 4Q17 refer to LICs, whereas 3Q18 and 4Q18 refer to Expected credit losses and other impairment charges (ECL) following the adoption of IFRS 9. ECL to gross loans ratio measured as ECL or LICs as a percentage of average gross loans and advances. 3. Excludes significant items and UK bank levy. 4. 2018 revenue generated by CMB clients and shared between CMB and other Global Businesses. CMB's share of this revenue is included within 'Other'.