



Connecting customers to opportunities

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

Retail Banking and
Wealth Management

◀ 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.

Retail Banking and Wealth Management (numbers below relate to FY18)

We help 38 million customers across the world to manage their finances, buy their homes, and save and invest for the future.

Our Insurance and Asset Management businesses support all our global businesses in helping to meet their customers' needs.

PBT ▶
(FY17: \$6.5bn)

\$7.1bn

Jaws ▶
% change in revenue
less % change in costs

1.3%

Cost efficiency ratio ▶
Costs as a % of revenue
(FY17: 63.2%)

62.5%

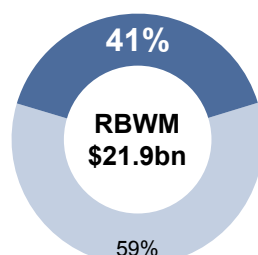
RoTE ▶
Excl. significant
items and UK
Bank levy
(FY17: 21.6%)

21.0%

RBWM: an integral part of the HSBC group

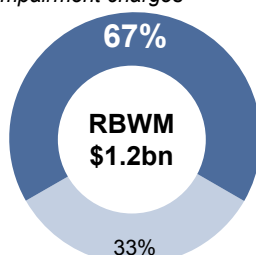
◻ Group excl. RBWM ◼ RBWM

Revenue ▶

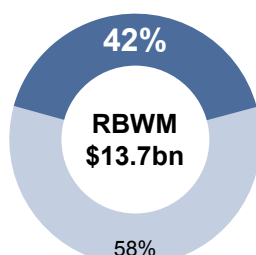


ECL ▶

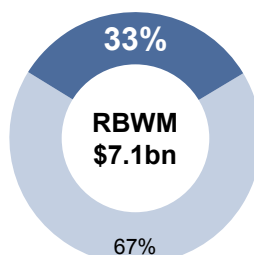
*Expected credit losses
and other credit
impairment charges*



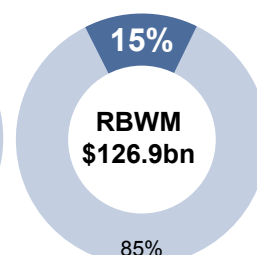
Costs ▶



PBT ▶



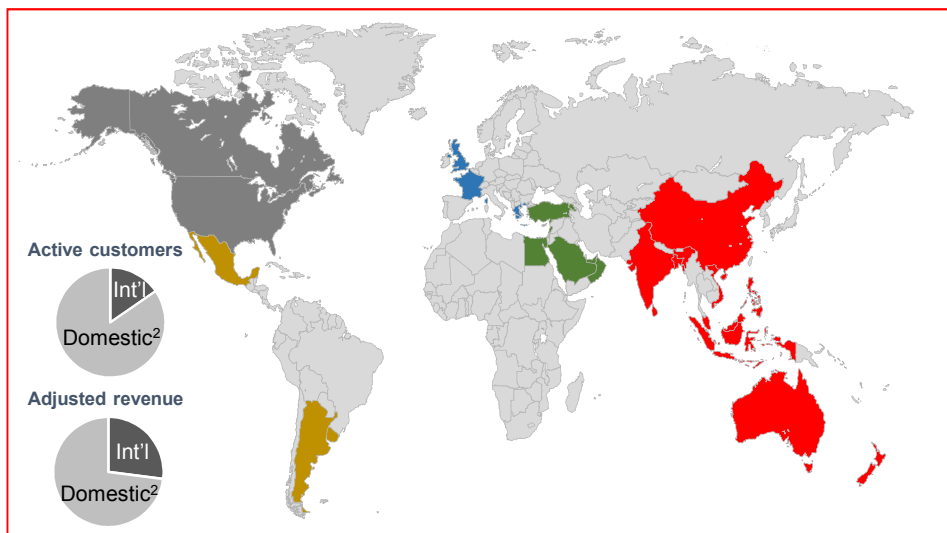
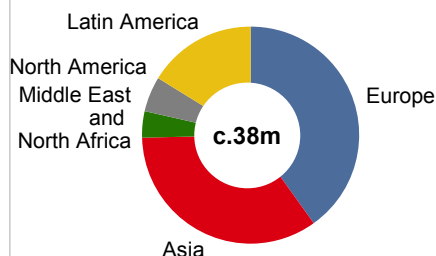
RWAs



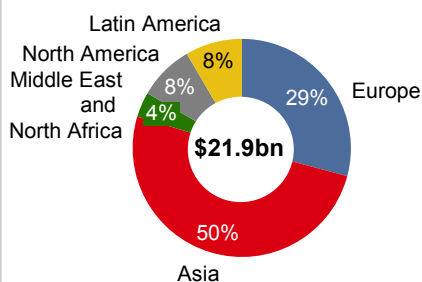
RBWM serves c.38 million customers with 89,000¹ people across more than 33 markets

RBWM presence (numbers below relate to FY18)

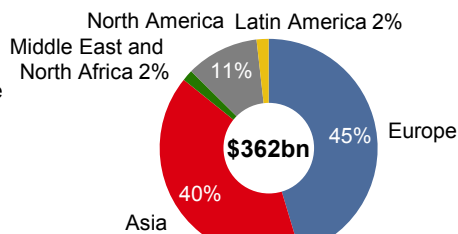
Active customers



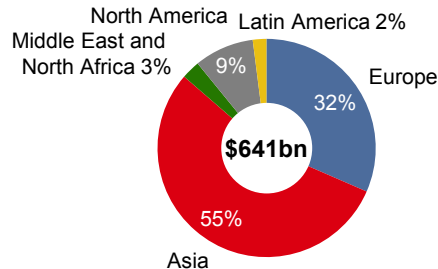
Adjusted revenue



Loans & Advances

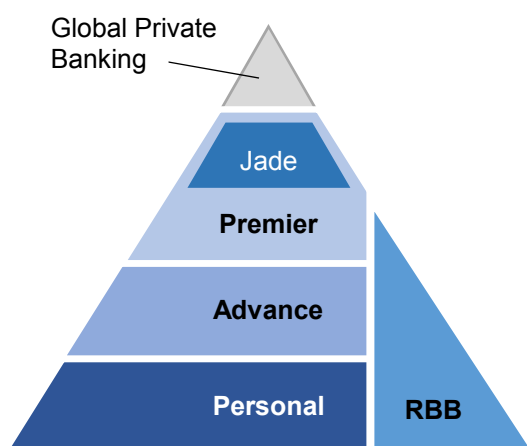


Customer Accounts



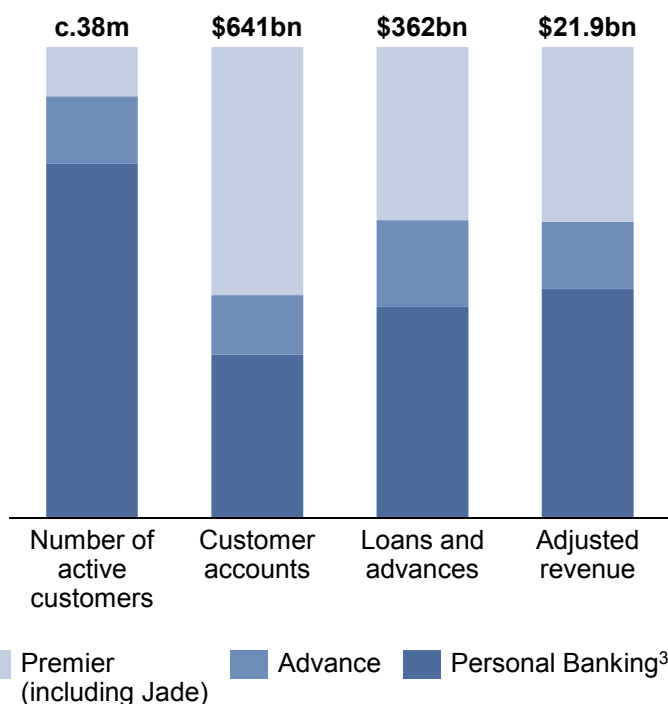
RBWM propositions

Global Private Banking



- Jade** Invitation only offering for our higher value clients
- Premier** Flagship proposition providing global privileges for affluent clients
- Advance** Preferential banking meeting the needs of the emerging affluent
- Personal Banking** Good value products and services for everyday banking needs
- Retail Business Banking** Service proposition designed to meet the needs of the small business segments

FY18 contribution by customer propositions

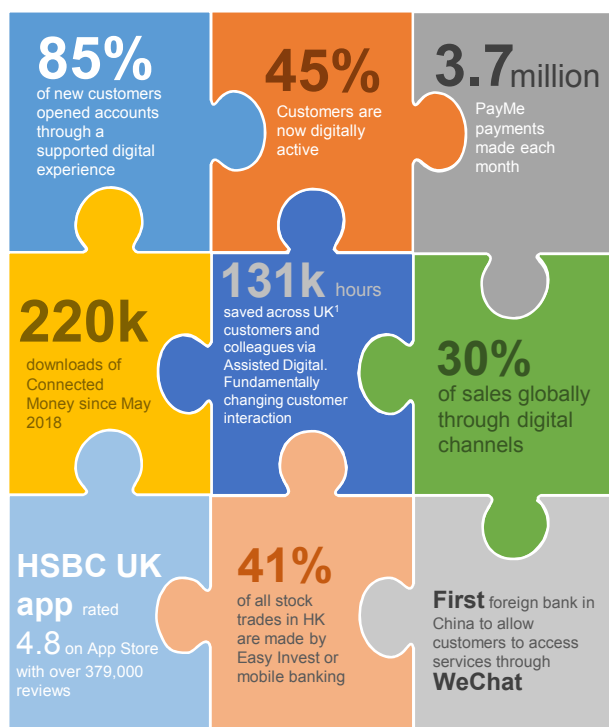


1. Direct FTE
2. Domestic customers include customers that are local national residents. International customers include non-residents and customers with multiple international relationships.
3. Include Personal Banking customers, Retail Business Banking customers, and other customers that are not categorised as Premier or Advance customers.

Enhance customer centricity and customer service through investments in technology

Digital Achievements¹

Innovation



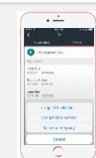
HSBC Fusion proposition is launched in 6 markets to Retail Business Banking customers, providing them with better visibility and integrated control over both their business and personal banking needs

Simplified mortgage journey enabled increased automation of underwriting, enhanced first time buyer proposition and completed the transition to a single mortgage platform for HSBC UK direct business.



Wealth Platform in Asia upgrade with new FX app in Singapore, improved wealth investment capability for mobile banking in China, and enhanced wealth product offering in Hong Kong for HNW investors.

Simplified login process by rolling out biometrics (Apple's Touch ID and HSBC Voice ID) to 18 markets.



Our priorities are to deliver growth, improve returns and enhance customer and employee experience

Deliver growth from areas of strength

- ◆ Accelerate growth from our Asian businesses, including in Hong Kong, the Pearl River Delta, ASEAN, and Wealth in Asia, including Insurance and Asset Management
- ◆ Increase mortgage market share in the UK, and improve customer service
- ◆ Gain market share and deliver growth from our international network

Turnaround of low return businesses

- ◆ Turn around our US business
- ◆ Improve capital efficiency and redeploy capital into higher-return businesses

Build a bank for the future that puts the customer at the centre

- ◆ Create the capacity for increasing investments in growth and technology through efficiency gains
- ◆ Improve our customer service by investing further in technology and our digital capabilities, increasing our reach, and delivering industry-leading financial crime standards

Empower our people

- ◆ Simplify the organisation and invest in future skills

Results: FY18 highlights

Insurance
manufacturing
market impacts

Wealth
Management excl.
market impacts

Other

Retail Banking

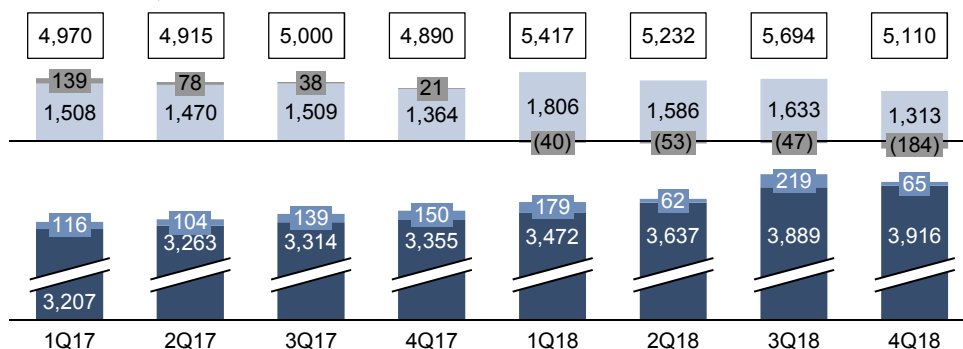
Balance sheet and assets under management²

\$bn

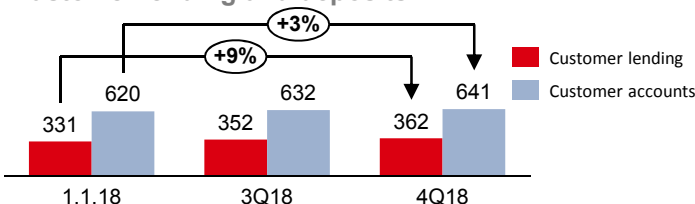
Adjusted revenue (\$m)¹

Wealth Mgt.

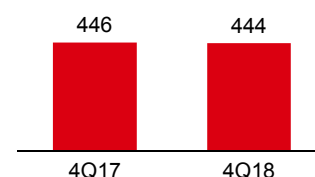
Retail Banking and other



Customer lending and deposits



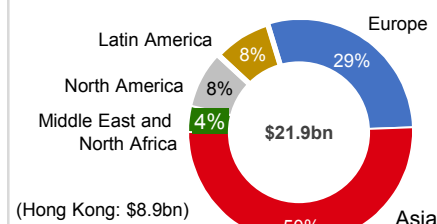
Assets under management



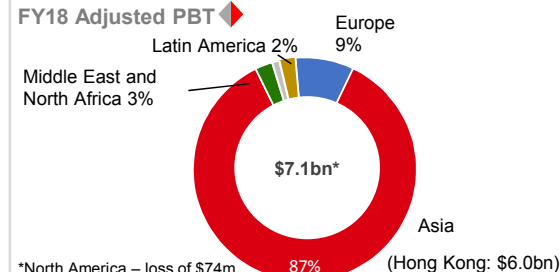
Adjusted income statement

\$m	FY17	FY18	% change
Revenue	20,220	21,935	8%
Retail Banking	13,456	15,262	13%
Current accounts, savings and deposits	6,296	8,534	36%
Personal lending	7,160	6,728	(6)%
- mortgages	2,372	1,937	(18)%
- credit cards	2,886	2,880	-%
- other personal lending	1,902	1,911	-%
Wealth Management	6,215	6,104	(2)%
- investment distribution	3,279	3,383	3%
- life insurance manufacturing	1,870	1,656	(11)%
- asset management	1,066	1,065	-%
Other	549	569	4%
LICs / ECL³	(969)	(1,177)	(21)%
Costs	(12,786)	(13,711)	(7)%
Share of profit in associates and joint ventures	14	33	>100%
Profit before tax	6,479	7,080	9%
RoTE⁴	21.6%	21.0%	(0.6)ppt

FY18 Adjusted revenue



FY18 Adjusted PBT



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 judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management's beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 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. Where a quarterly trend is presented on the Income Statement, all comparatives are re-translated at average 4Q18 exchange rates 2. Where a quarterly trend is presented on the Balance sheet and Funds under management, all comparatives are re-translated at 31 Dec 2018 exchange rates 3. Numbers relating to 2017 refer to LICs, whereas 2018 refers to Expected credit losses and other impairment charges (ECL) following the adoption of IFRS 9 4. Excludes significant items and UK bank levy