



## 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 alternative performance measure

### Group long-term strategy

Our long-term strategy positions us to capture value from our international network, capitalising on global trends affecting the industry and our unique combination of strategic advantages:

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

### Group 1Q19

**Adjusted PBT** ◆  
(1Q18: \$5.8bn)

**\$6.4bn**

**Adjusted jaws** ◆

**6.0%**

**Ordinary dividends**

*In respect of period*  
(1Q18: \$0.10)

**\$0.10**

For reported results and further information, please refer to the 1Q19 earnings release

### Global Banking and Markets 1Q19

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.

#### GB&M highlights

- Strong performance in transaction banking products, with continued growth in GLCM (up 13%), GTRF (up 12%) and Securities Services (up 3%)
- Continued to expand the product offering and capabilities from HSBC Qianhai our securities joint venture in mainland China

**PBT** ◆  
(1Q18: \$1.6bn)

**\$1.6bn**

**Jaws** ◆  
*% change in revenue less % change in costs*

**(1.1)%**

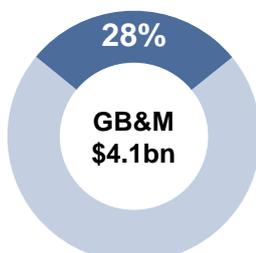
**Return on tangible equity** ◆  
(1Q18: 11.9%)

**+11.3%**

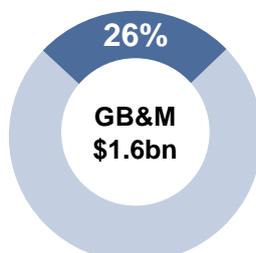
#### GB&M: an integral part of the HSBC group

■ Group excl. GB&M ■ GB&M

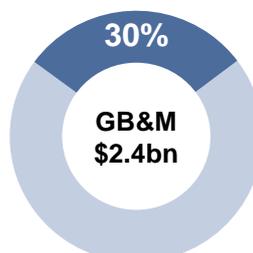
**Revenue** ◆



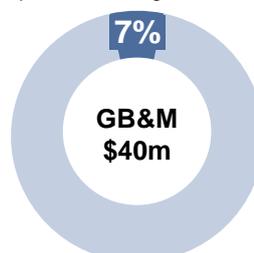
**PBT** ◆



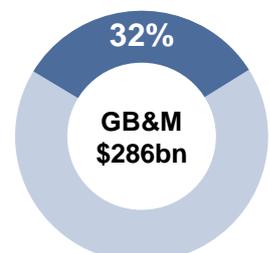
**Costs** ◆



**ECL** ◆  
*Expected credit losses and other credit impairment charges*



**RWAs**



## GB&M has a differentiated universal wholesale business model

**Our strategy is focused on being the leading transaction bank and financing house supported by our global network**

### Leading transaction banking platform<sup>1</sup>

Utilise our global network to build our strength in transaction banking

- Cash and liquidity management
- Trade and receivables finance
- Foreign exchange
- Securities services

### End-to-end financing platform

Leading financing house with end-to-end financing capabilities

- Primary
  - DCM
  - Structured finance / leveraged finance
  - Lending
- Secondary
  - Rates trading
  - Credit trading

### Selective advisory and equities platform

Leverage balance sheet strength and client relationships to deliver advisory and equities

- ECM
- M&A
- Cash equities
- Equity derivatives
- Prime finance

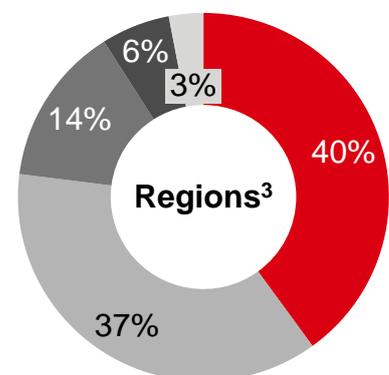
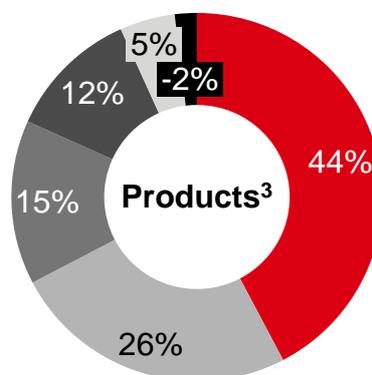
Leading franchise in Asia and emerging markets

Strength in Europe (UK, France, Germany and EU27 network)

US franchise to connect the network

## Our revenue base is diverse across Clients, Products and Regions

GB&M revenue split (2016 – 18 average)



- Corporates
- Bank & Insurers
- Asset Managers & Pension Funds
- Hedge Funds & Others
- Public Sector

- Global Markets
- Global Banking
- GLCM
- Securities Services
- GTRF
- PI, XVAs & Other

- Asia
- Europe
- North America
- MENA
- Latin America

## GB&M alignment to the 2020 Group strategic priorities

### 2020 Group strategic priorities

### GB&M strategic contributions



#### Growth

**1** Accelerate growth from our Asian franchise

- 1st securities joint-venture majority-owned by a foreign bank in China: offering services such as equity / debt fund-raising, research, brokerage and M&A advisory.

**2** UK ring-fenced bank

- Our non ring-fenced bank ratings affirmed at AA-equivalent across the three ratings agencies provides a strong platform.

**3** Gain market share and deliver growth from our international network

- Strong momentum in transaction banking businesses, with 1Q19 revenues from GLCM, GTRF and Securities Services up 13%, 12% and 3% respectively vs. 1Q18.



#### Turnaround

**4** Turn around our US business

- We have enhanced both our Global Banking and Global Markets teams with hires in strategic sectors and positions.

**5** Improve Capital efficiency

- Maintained our disciplined capital allocation to achieve a net RWA reduction of \$11bn (4% vs.1Q18), to \$286bn in 1Q19.
- We achieved a GB&M RoTE<sup>4</sup> of 11.3% in 1Q19



#### Customer

**6** Investments in growth and technology through efficiency gains

- We are investing to grow the business.
- Use technology to upgrade and deliver efficiencies in our operating model.

**7** Enhance customer centricity and customer service through investments in technology

- Invest in digital for corporate and institutional clients to enhance and personalise our client experience, end to end.
- Building digital capability and tools to improve efficiency and provide value to our clients.



#### Our People

**8** Simplify the organisation and invest in future skills

- Continue to invest in people e.g. diversity, employee development and wellbeing.
- Maintain conduct as one of our top priorities.
- Continue to embed the Healthiest Human System.

## Financial highlights

### 1Q19 highlights

#### Adjusted PBT

(1Q18: \$1.6bn)

**\$1.6bn** 0% ↑

#### Adjusted revenue

(1Q18: \$4.0bn)

**\$4.1bn** 3% ↑

#### Adjusted ECL

(1Q18: \$17m)

**\$40m** >100% ↑

charge / (net release)

#### Adjusted costs

(1Q18: \$2.3bn)

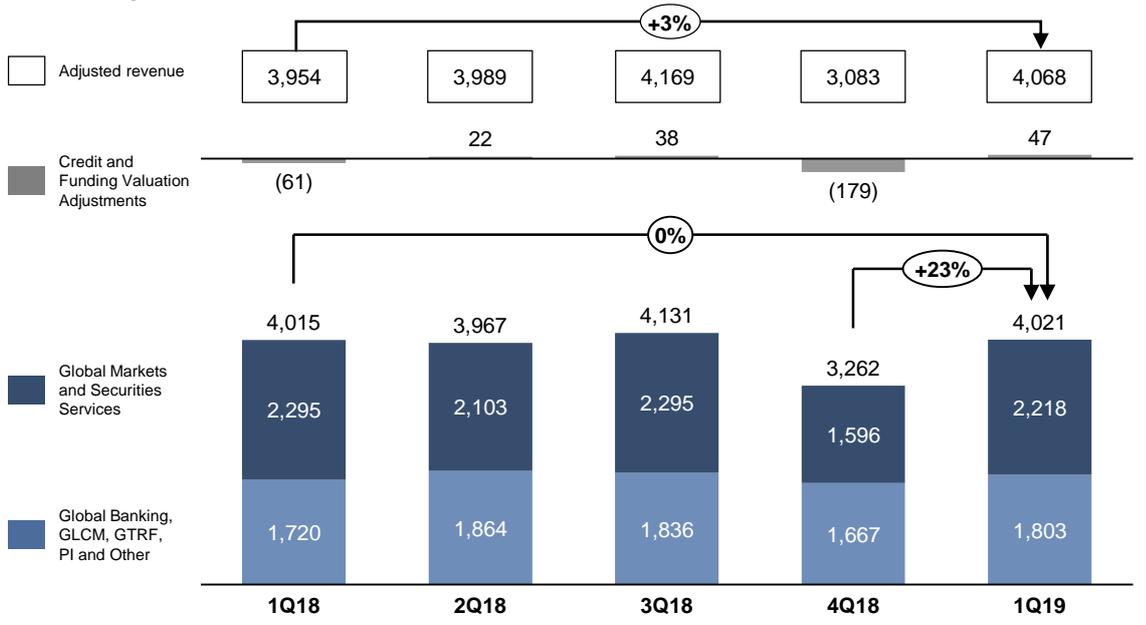
**\$2.4bn** 4% ↑

#### RoTE<sup>4</sup>

(1Q18: +11.9%)

**+11.3%**

### Revenue performance, \$m



## 1Q19 Adjusted income statement

\$m	1Q18	1Q19	% change
<b>Revenue</b>	<b>3,954</b>	<b>4,068</b>	<b>3%</b>
<b>Global Markets</b>	<b>1,833</b>	<b>1,741</b>	<b>(5)%</b>
Foreign Exchange	718	698	(3)%
Rates	455	490	8%
Credit	249	176	(29)%
- FICC	1,422	1,364	(4)%
- Equities	411	377	(8)%
<b>Securities Services</b>	<b>463</b>	<b>478</b>	<b>3%</b>
<b>Global Banking</b>	<b>1,026</b>	<b>935</b>	<b>(9)%</b>
<b>Global Liquidity and Cash Management</b>	<b>610</b>	<b>687</b>	<b>13%</b>
<b>Global Trade and Receivables Finance</b>	<b>189</b>	<b>211</b>	<b>12%</b>
<b>Principal Investments</b>	<b>70</b>	<b>84</b>	<b>20%</b>
<b>Other</b>	<b>(176)</b>	<b>(115)</b>	<b>35%</b>
<b>Credit and funding valuation adjustments</b>	<b>(61)</b>	<b>47</b>	<b>&gt;100%</b>
<b>ECL</b>	<b>(17)</b>	<b>(40)</b>	<b>&gt;(100)%</b>
<b>Costs</b>	<b>(2,297)</b>	<b>(2,389)</b>	<b>(4)%</b>
<b>Profit before tax</b>	<b>1,640</b>	<b>1,639</b>	<b>0%</b>
<b>Cost efficiency ratio</b>	<b>58.1%</b>	<b>58.7%</b>	<b>(0.6)ppt</b>
<b>RoTE<sup>4</sup></b>	<b>11.9%</b>	<b>11.3%</b>	<b>(0.6)ppt</b>

## Important notice and forward looking statements

#### Important notice

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#### 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 2018 Form 20-F, our 1Q 2019 Earnings Release which we furnished to the SEC on Form 6-K 03 May 2019, and the corresponding Reconciliations of Non-GAAP Financial Measures document, each of which are available at [www.hsbc.com](http://www.hsbc.com). Information in this Presentation was prepared as at 13 May 2019.

1. World's Best Bank for Transaction Services from Euromoney Awards for Excellence 2018  
 GTRF: Top Global Trade Finance Bank from Euromoney Trade Finance Survey 2019 – Market Leader  
 GLCM: #1 Global Cash Manager for Corporates & #1 Global for all transactions for Financial Institutions from Euromoney Cash Management Survey 2018 – Market Leader  
 FX: #1 bank for Corporate Clients (Market Share) from Euromoney FX Survey 2018  
 HSS: #1 in ASP and #1 Globally in Client Services from Global Investor / ISF Global Custody Survey 2018

Note: Numbers may not add due to rounding.  
 2. HSBC internal client MI, 2018 data unless otherwise stated  
 3. Published in 2018 HSBC Holdings plc Annual Report and Accounts, historical data translated at 2018 FX rates  
 4. RoTE is annualised and excludes significant items and the UK bank levy