

HSBC Asia Seminar for Investors and Analysts

Day 3 afternoon presentations

Date: 11 April 2018



Important notice and forward-looking statements

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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 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 6 April 2018.

Day 3 afternoon presentations

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Business Corridors, Belt and Road

11 April 2018

Mukhtar Hussain
Chief Executive Officer, Malaysia



Agenda

HSBC's network – strength of the franchise

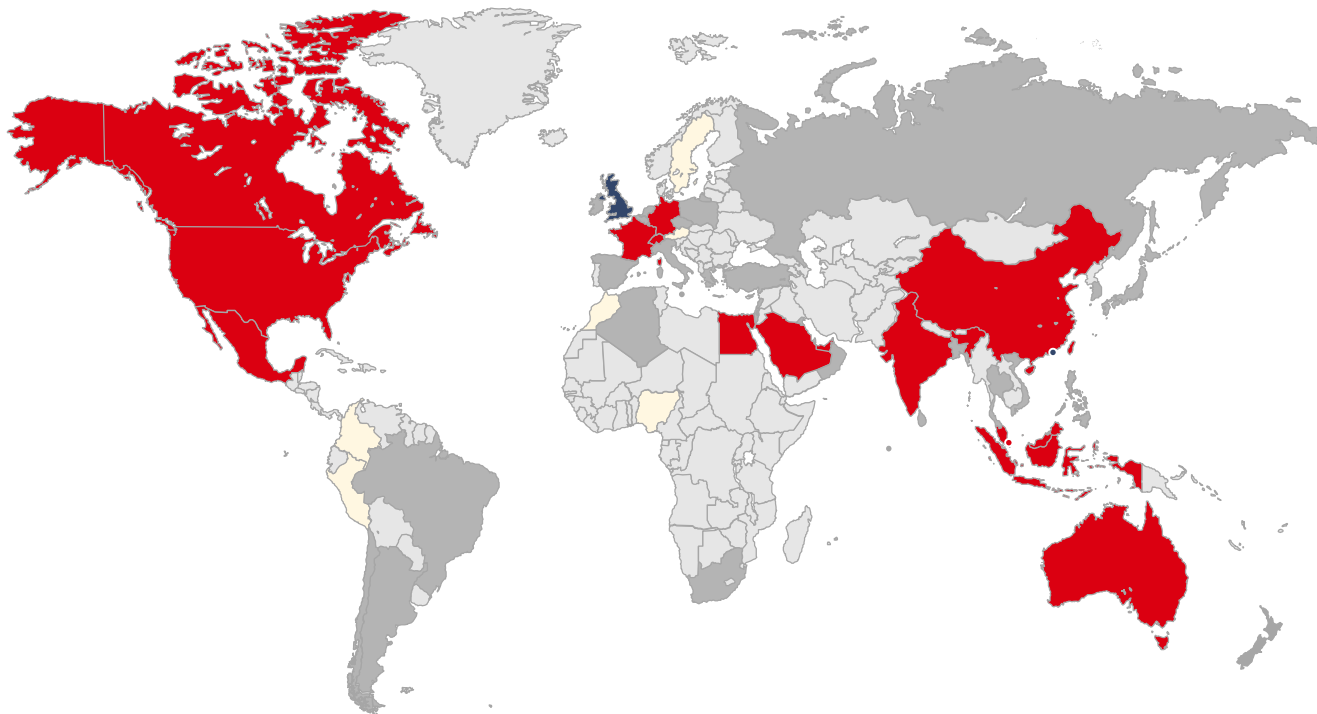
Overview of the Belt and Road Initiative

HSBC's unique positioning as the “Go to Bank” for BRI

Our global presence allows us access to c.90% of global trade and capital flows

HSBC footprint

■ Home ■ Priority ■ Network ■ Rep office



67 countries and territories

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

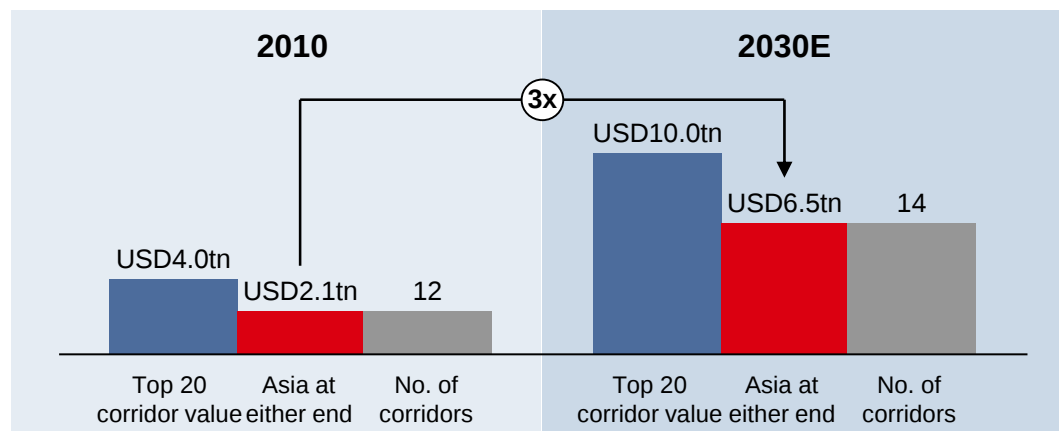
>50 % Our international network supports more than 50% of our client revenue

4 Inter-connected global businesses share balance sheets and liquidity in addition to strong commercial links

25 China desks

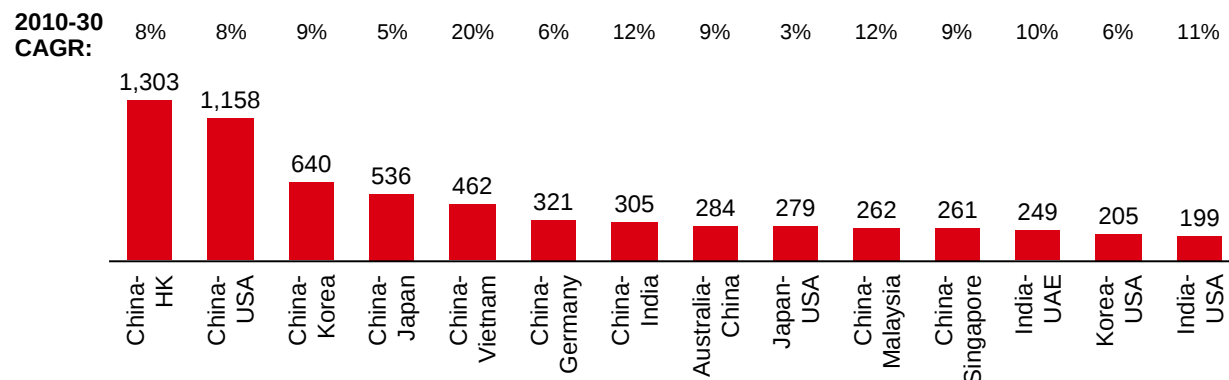
Trade flows increasingly centred around Asia, helped by BRI

Global 20 top trade corridors¹



14 of Global 20 top trade corridors by 2030 will have Asia at either end¹

USDbn



Key takeaways

- ◆ Further integration in ASEAN, RCEP², as well as the Belt and Road initiative are **expected to deliver additional trade growth in Asia**
- ◆ Mainland China expects its annual trade with the more than 65 countries along the Belt and Road routes **to surpass USD2.5 trillion in the next decade**, up from about USD1 trillion in 2015³
- ◆ Activity arising from these corridors to drive urbanisation, which will have a **material impact on regional economic growth**

1. Source: Oxford Economics

2. Regional Comprehensive Economic Partnership accord is a mega-regional trade deal covering 16 countries in the Asia-Pacific region

3. Xi Jinping in 2015 Boao Forum, Xinhuanet, 29MAR15

Majority of Group priority corridors are related to Asia, especially China

Corridor performance in 2017 has grown three times the rate of GDP and Asia-Pacific growth

HSBC Group priority corridors
(not ranked in terms of revenue size)

Example
on slide 9

1. China ↔ Hong Kong
2. China ↔ United States
3. China ↔ Germany
4. China ↔ Australia
5. China ↔ India
6. China ↔ Singapore
7. China ↔ Malaysia
8. China ↔ United Kingdom
9. China ↔ United Arab Emirates
10. China ↔ Canada
11. China ↔ Saudi Arabia
12. China ↔ France
13. Hong Kong ↔ United States
14. Hong Kong ↔ United Kingdom
15. India ↔ United Kingdom
16. India ↔ United Arab Emirates
17. India ↔ United States
18. United Kingdom ↔ United States
19. Canada ↔ United States
20. Mexico ↔ United States
21. Germany ↔ United States
22. Germany ↔ United Kingdom
23. France ↔ Germany
24. France ↔ United Kingdom
25. Saudi Arabia ↔ United States

+ 15%¹

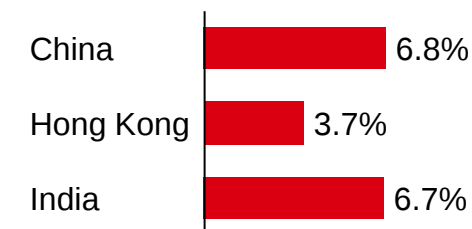
The top 17 Asia corridors have grown 15% Y-o-Y vs. 4.4% Asia-Pacific GDP growth

+ 11%¹

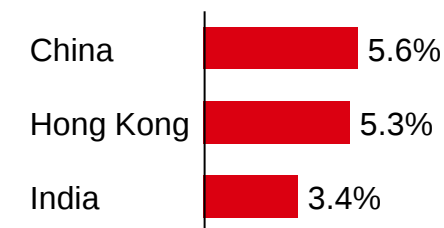
The top 25 corridors have grown 11% Y-o-Y vs. 2.9% world GDP growth

Comparison with selected market growth rates²:

GDP growth 2017:



Real export growth 2017:

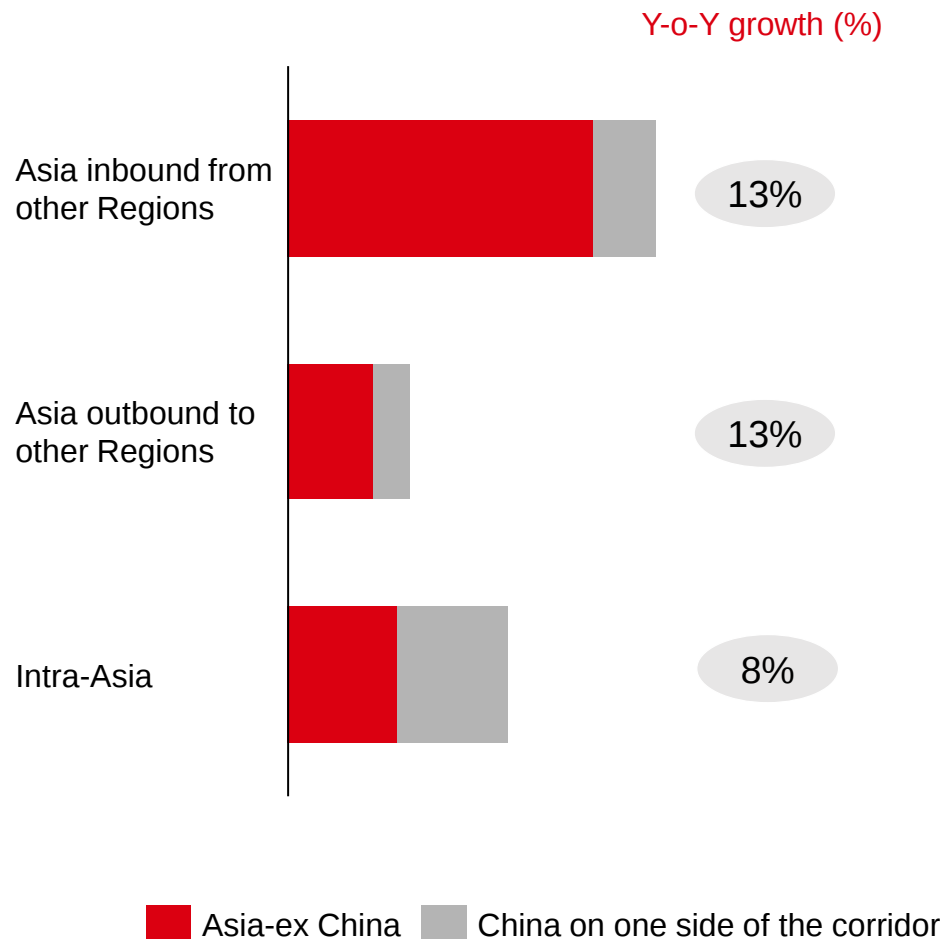


1. Growth rates exclude FIG
2. HSBC Global Research

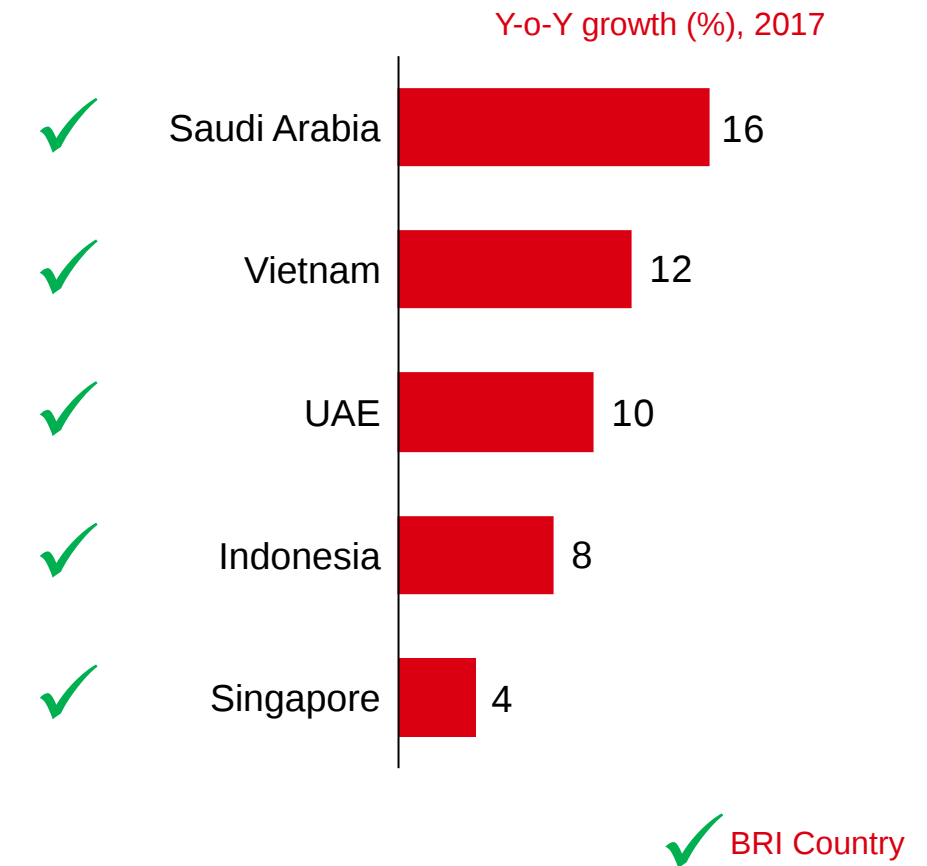
BRI is a part of our execution of the business corridors strategy

Asia's international revenue growth is led by mainland China....

USDbn, 2017¹



...with top growth areas of China outbound coming from countries along the Belt and Road



1. HSBC data

A business corridor offers multi-faceted opportunities for a universal bank: a case study – Australia and China

Business corridor: two-way flows

1 Goods & services trade

2 Capital flows

3 Wealth flows

Market trends

- ◆ Mainland China is Australia's top trading partner with c.AUD155 bn trade volume¹; however with tariffs declining for many goods & services due to the ChAFTA² DEC15
- ◆ Mainland China is a major consumer of hard and soft commodities e.g. taking over half of iron and aluminium exports where Australia is the world's #1 and #4 exporter, respectively³
- ◆ Mainland China securing access to infrastructure technology and mineral resources via M&A
- ◆ Mainland China's 5 year plan in upgrading technology across many sectors, including healthcare⁴
- ◆ Australia had c.1.4m tourists from China in 2017, up by 12% Y-o-Y⁵
- ◆ Higher education continues to be a strategic sector with strong demand seen from mainland China into Australia - up to 38% of total international students⁶
- ◆ Introduced the 'Significant Investment Visa' migration scheme during 2012-13⁷

HSBC response / action

- ◆ Gaining ground in cross-border transaction banking, especially for the middle-market⁸
- ◆ Recently hired an agri-business specialist to target this sector
- ◆ Supporting recent expansion of Australian pharma and med-tech companies in China as well as Chinese acquisition of a private healthcare services provider
- ◆ With a retail branch network and Global Premier online platform, HSBC has been growing the RBWM business in Australia.
- ◆ Strengthened collaboration between RBWM referrals from China to Australia; develop the China Australia Mortgage proposition

1. Source: Australian Government Department of Foreign Affairs and Trade

2. China Australia Free Trade Agreement

3. HSBC Research; Australia Dept. of Industry, Innovation and Science reports on Aluminium (Dec 2016) and Iron (Dec 2016)

4. The State Council, The People's Republic of China

5. Tourism Australia

6. Australia Gov Statistics - Based on government statistics, as at DEC17, international students studying Higher education from China made up 38% of total international students

7. Australia Gov

8. East & Partners 19FEB18 HSBC Bank Australia is gaining ground among the middle-market as a preferred transaction banking (TB) provider, as Corporates seek out Cross-Border Payment and International TB capabilities, new research from East & Partners shows. Over the last five years, HSBC expanded its primary relationship transaction banking market share among the Corporate (annual turnover of AUD20-725 million) segment by 17%

Case study: HSBC's ability to support China outbound: Australia

- ◆ China Communications Construction Co. Ltd (CCCC) is a long-standing GB customer of more than 25 years. Key products provided to this group include GLCM, GTRF, GM, C&L, DCM, Project Finance and ECM
- ◆ HSBC supported CCCC with its 100% acquisition of John Holland Group Pty
- ◆ The transaction represented one of the largest China outbound cross-border acquisitions into Australia and the largest single investment for CCCC
- ◆ CCCC is a leading A&H dual listed company mainly engaging in design and construction of transportation infrastructure, dredging and heavy machinery manufacturing business
- ◆ John Holland is one of Australia's leading engineering, contracting and services providers to infrastructure, energy, resources and transport services sectors

HSBC demonstrated strong international structuring capability by providing a global financing solution given the cross-border nature of the transaction

HSBC further strengthened itself as a key banking partner to CCCC through this transaction. HSBC is well-positioned to leverage its global network and strong connectivity among various product groups to support CCCC's future financing needs

2015

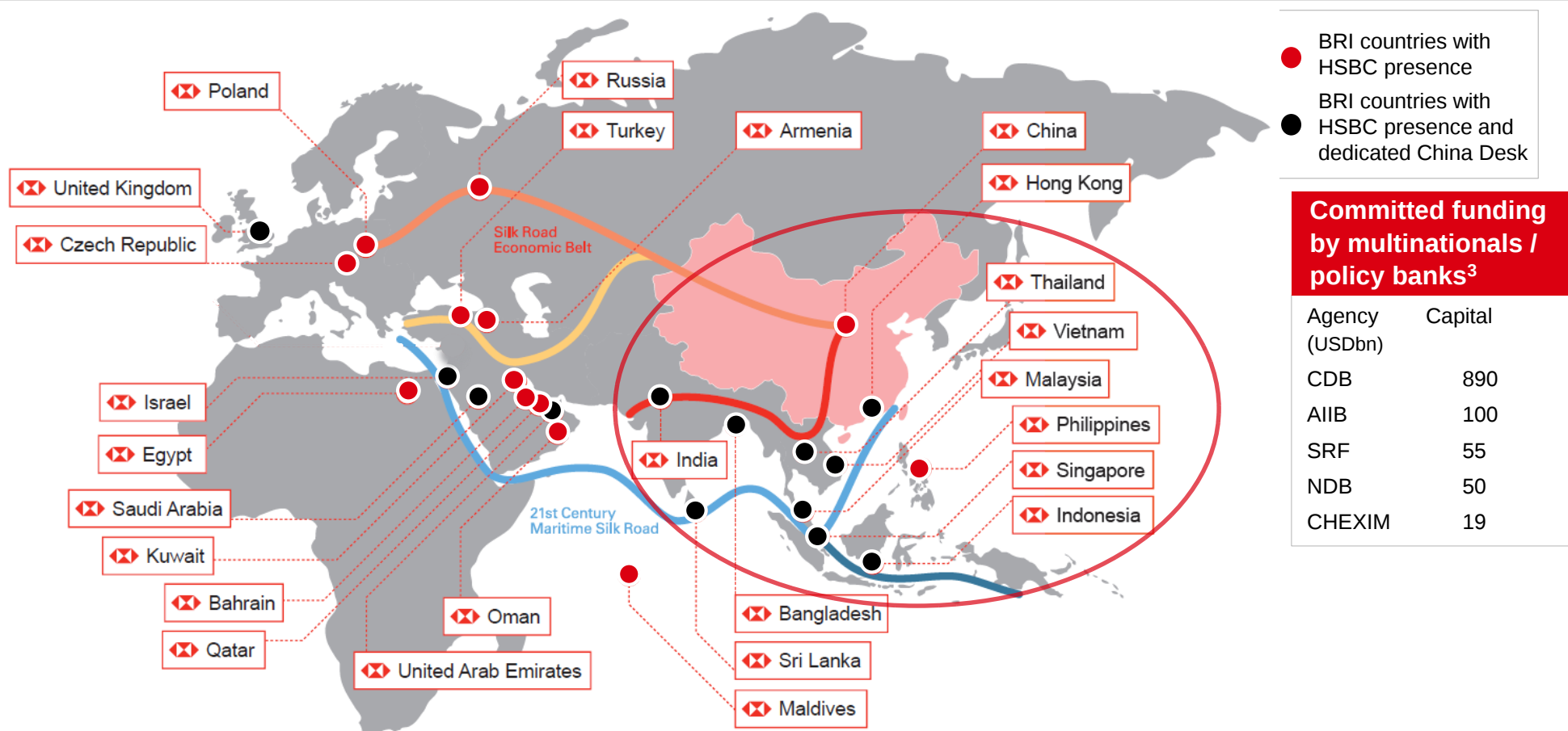
2016

2017

CCCC's acquisition of John Holland Group	CCCC's acquisition of John Holland Group	GLCM provider	John Holland Bonding Facility	Capital Metro PPP, ACT	Host to Host Connectivity	Upcoming NSW PPP Project
AUD1.1bn	AUD1bn		AUD1bn	AUD633m		AUD4bn
APR15	APR15	JUL15	MAY16	MAY16	SEP16	2018
HSBC acted as Mandated Lead Arranger for CCCC's USD1.1bn bridge loan facility in support of its 100% acquisition of John Holland Group Pty	HSBC acted as Mandated Lead Arranger and Bookrunner for John Holland's AUD1.0bn 3-year syndicated performance bond to support John Holland post acquisition to replace bonding lines available under Leighton Holding's facilities in the acquisition	HSBC was Mandated as John Holland's offshore GLCM partner bank. New account subsequently opened in Singapore, Malaysia and New Zealand	HSBC acted as Mandated Lead Arranger for the extension and reduction in pricing of John Holland's AUD1bn bonding facility	HSBC acted as Mandated Lead Arranger, Lender and Hedge Provider on the AUD633m project financing for the AUD713m Capital Metro PPP in the ACT, Australia. John Holland was 30% equity provider drawn under	HSBC implemented Host to Host Connectivity across all countries to automate connectivity between John Holland and HSBC	HSBC looking to provide PPP Project Finance and Receivable Financing to support CCCC in its bid

HSBC is well-positioned to capture BRI opportunities

- ◆ Belt and Road Initiative is made up of “The Silk Road Economic Belt” and “The 21st Century Maritime Silk Road”
- ◆ Seek to connect > 65 countries across Asia, Middle East, Africa and Europe, c.30% of global GDP and 63% of world population¹
- ◆ By improving the global infrastructure and network connectivity, mainland China can better facilitate international trade and development
- ◆ Mainland China’s trade with countries along the Belt and Road is expected to surpass USD2.5trn by 2025²



1. China Development Bank

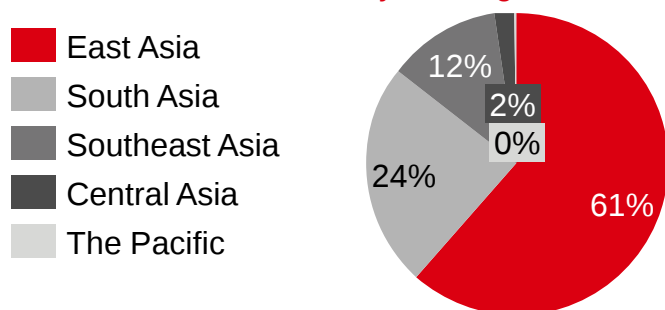
2. Xi Jinping in 2015 Boao Forum, Xinhuanet, 29MAR15

3. CDB: China Development Bank; AIIB: Asian Infrastructure Investment Bank; SRF: Silk Road Fund; NDB: New Development Bank; CHEXIM: Export-Import Bank of China

Initial opportunities arising from BRI will be focused on significant infrastructure investments...

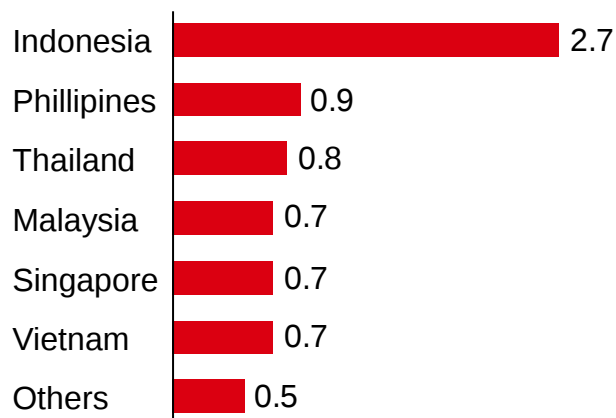
USD26tn (USD1.7tn p.a.) of infra-structure investments forecasted to 2030¹ in Asia

Infrastructure investment, by sub-region



Forecast investment spend to 2030

USDtn²



HSBC strengths in infrastructure projects

- ◆ HSBC provides a full suite of investment banking services, including advisory and financing solutions to our clients in the infrastructure sector
- ◆ Infrastructure and Real Estate Group (IRG) leads HSBC's infrastructure coverage and has over 200 personnel globally in key hubs, including London, New York, Hong Kong, Singapore, Paris and Dubai
- ◆ HSBC's expertise is well recognised in the industry and was awarded 'Best BRI bank' (AsiaMoney) and 'Best Financial Adviser Asia Pacific' (Infrastructure Journal 2017)

Notable transactions

Jul 2017 France

EUR375m

Financial Adviser to China Eastern Airlines on its acquisition of a 10% stake in Air France-KLM

Sole Financial Adviser

Apr 2017 China

USD5bn

Multi-tranche bond offering

Joint Global Coordinator, Sole Rating Adviser, Joint Lead Manager, Joint Bookrunner

1. ADB estimate. Climate adjusted estimate. Without climate change mitigation and adaptation costs, USD22.6tn will be needed, or USD1.5tn per year (baseline estimate). Definitions and source data are different to those shown in the Sustainable Finance presentation

2. Source: McKinsey "Southeast Asia at the crossroads: Three paths to prosperity"

3. For 25 economies with adequate data, comprising 96% of the region's population.

4. The difference between investment needs and current investment levels

HSBC infrastructure capabilities

HSBC provides a full suite of investment banking services, including advisory and financing solutions to our clients in the infrastructure sector

IRG Group leads HSBC's infrastructure coverage and has over 200 personnel globally in key hubs, including London, New York, Hong Kong, Singapore, Paris and Dubai

HSBC's expertise is well recognized in the industry:

★ #3 APAC Financial Advisor for infrastructure Finance 2017¹

★ #2 APAC Bond Arranger for infrastructure finance 2017¹

★ #1 Airports M&A Advisor 2005 - 2017¹

ASIAMONEY Best overall international bank for the Belt and Road Initiative

Source: IJGlobal, Dealogic

HSBC offers comprehensive infrastructure solutions

Advisory	Infrastructure	✓ Broad knowledge of the industry and in-depth understanding of the business through our dedicated teams
	Power & Utilities	
	Renewables	✓ Strategic direction lead for each sub-sector globally
	Transport, Services & Logistics	✓ International network providing M&A advisory and capital market solutions to our clients
Financing Solutions	Infrastructure Acquisition	
	Structured Bonds	✓ HSBC has a track-record of providing value-added advisory and arranging financing through volatile markets
	Rating Advisory	
	Project Finance	✓ Bankers are product agnostic providing advice on best solution be it loan, bond or private placement
	Debt Advisory	✓ Ability to provide balance sheet to support clients including underwritten and club solutions
	Export Finance	✓ HSBC has one of the largest global Export Finance teams of any commercial bank
	Debt Capital Markets	
	Equity Capital Markets	✓ Ability to arrange Export Credit Agencies (ECAs) supported facilities across diverse business sectors worldwide with all the major ECAs, with a particularly strong presence in arranging Sinusure-supported facilities
	Aviation Finance	
	Maritime Finance	✓ Single global team to ensure common / integrated client pitching
Other solutions	Green Bond	
	Global Markets	✓ HSBC has infrastructure experts in Global Markets, Global Trade Receivable Financing (GTRF) and Global Liquidity and Cash Management (GLCM)
	Global Trade Receivable Financing	
	Global Liquidity and Cash Management	✓ Ability to provide Global markets, GTRF and GLCM solutions to support infrastructure transactions

Notable transactions

Dec 2017 UK  China Resources GBP555m Acquisition of 30% stake in Dudgeon offshore wind farm from Statkraft Sole Financial Adviser	Jul 2017 France  中國東方航空 CHINA EASTERN AIRFRANCE KLM EUR375m Financial Adviser to China Eastern Airlines on its acquisition of a 10% stake in Air France-KLM Sole Financial Adviser
Jun 2017 Indonesia  FajarPaper USD29.2m Sinosure supported facility for the procurement of a 1x55MW coal-fired power Coordinating Bank, Mandated Lead Arranger, Facility and Security Agent Provider	Apr 2017 China  STATE GRID CORPORATION OF CHINA USD5bn Multi-tranche bond offering Joint Global Coordinator, Sole Rating Adviser, Joint Lead Manager, Joint Bookrunner
Jan 2017 Sri Lanka  Airport & Aviation Services (Sri Lanka) Limited USD44m Sinusure Facility Financing for the runway overlay and associated works at Bandaranaike International Airport in Katunayake, Sri Lanka Sole Arranger, Agent and Security Agent	Sep 2016 Indonesia  PJB 中国神华 CHINA SHENHUA USD1.8bn Jawa 7 2x1000MW IPP PT Shenhua Guohua Pembangkitan Jawa Bali; China Shenhua won the bid on this project Transaction Advisor to PLN

1. League table ranking by deal value

...the projects create further opportunities

In addition to the immediate opportunities, there is tremendous potential for spillover benefits

- ◆ Financial services required by participants in the immediate supply chain associated with a project
- ◆ Project development will also create local demand for upstream / construction-related materials and services
- ◆ Completed projects and enhanced connectivity will stimulate commercial / tourism development

Follow on opportunities include



Residential Development

New transport routes are a catalyst for new community development



Commercial Development

Enhanced connectivity boosts relative attractiveness of sites for commercial / industrial users



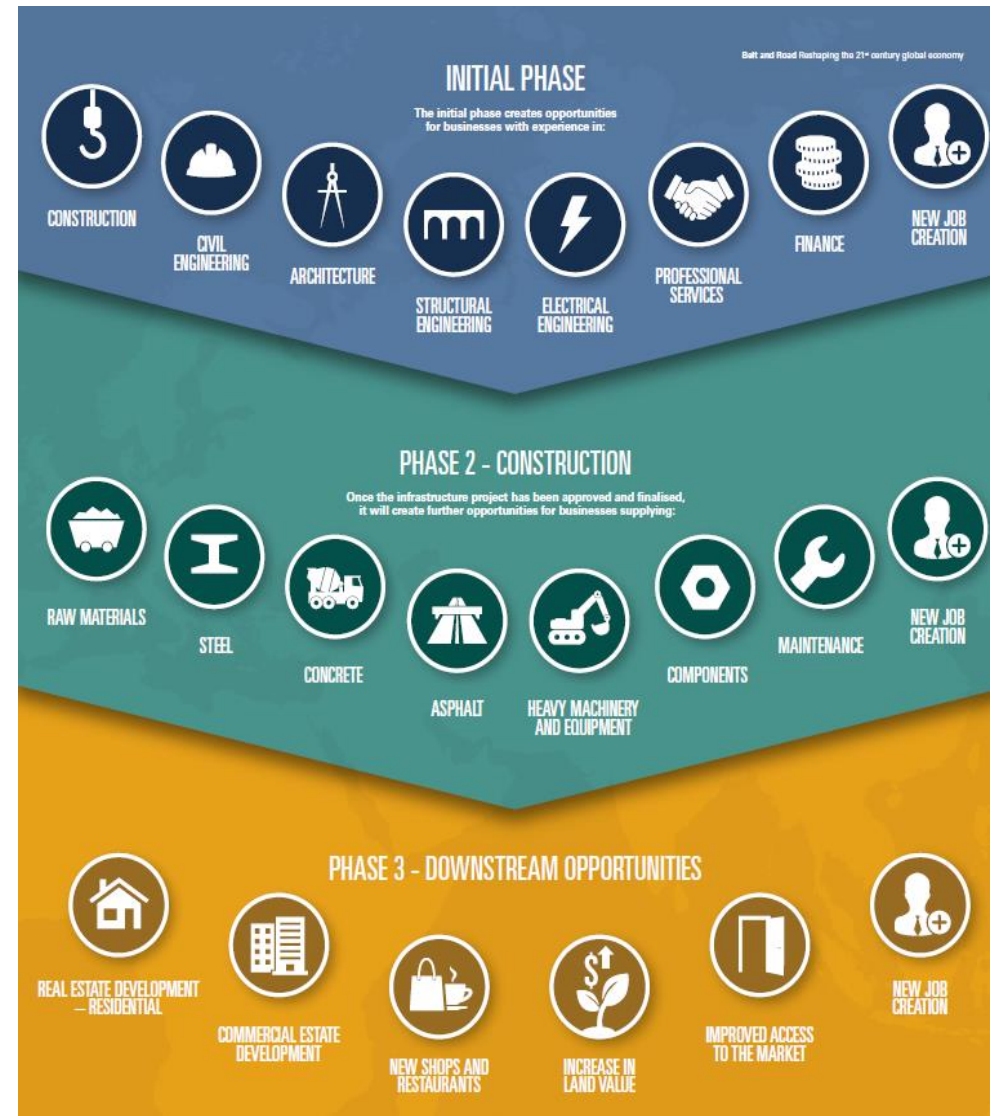
Logistics Development

Improved connectivity will impact business location and supply chain decisions



Local economic multiplier

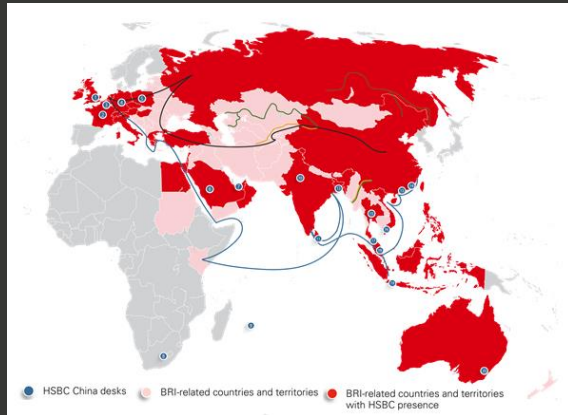
Infrastructure projects will stimulate local economy – generating increased local economic activity



Using the international network and universal banking model, HSBC can help clients of all sizes to participate in BRI opportunities

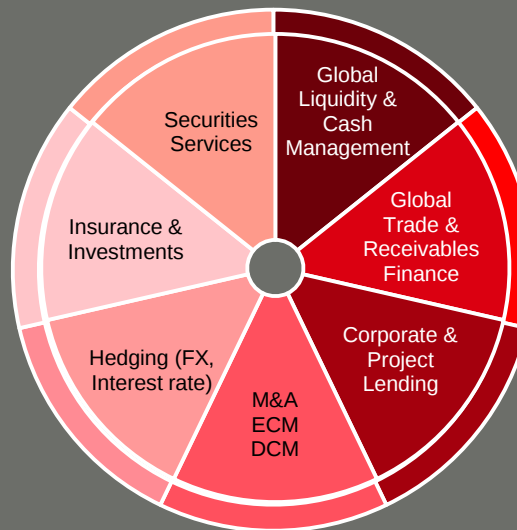
Geographic spread

- HSBC's global coverage is aligned with BRI territories
- HSBC has set up **25 China desks**¹ around the world and is the international bank with the **largest onshore network in China**



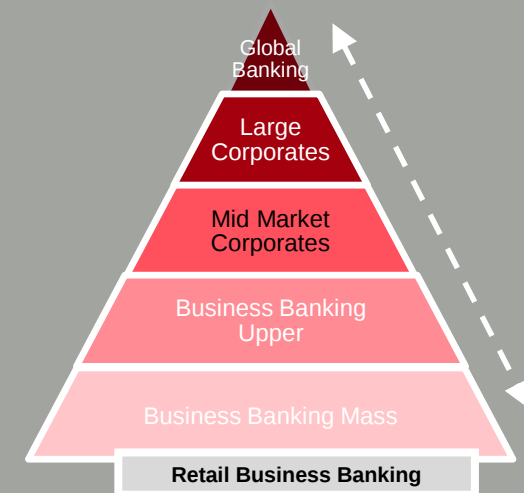
Product breadth

- HSBC's products offering provides one-stop holistic solutions for our customers



Customer depth

- HSBC's differentiated proposition



HSBC has a unique competitive position

1. China Desk locations: Hong Kong, Singapore, Australia, UK, USA, UAE, Germany, France, Poland, Luxembourg, Israel, Saudi Arabia, Malaysia, Macau, Thailand, India, Indonesia, Bangladesh, Vietnam, Sri Lanka, Canada, Argentina, Mexico, South Africa, Mauritius.

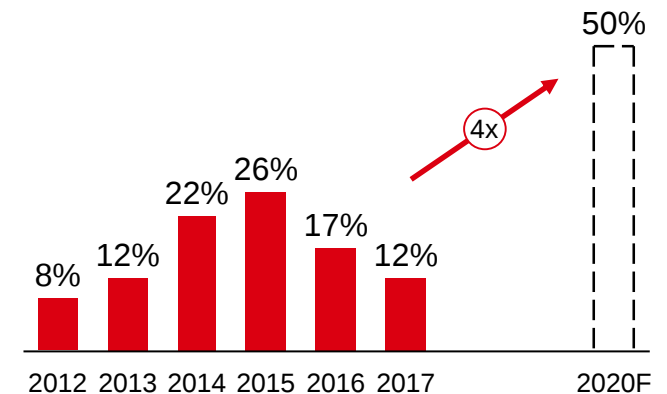
Increased trade flows from improved network connectivity and China's BRI policies will facilitate more RMB usage

- ◆ Improved network connectivity across Belt and Road (BR) routes and mainland China's trade and investment focus in key BRI countries will lead to increased usage of RMB as a trade, payment and financing currency
- ◆ 70% of corporates surveyed agreed that the BRI would have a positive impact on RMB usage in the future¹
- ◆ With RMB now the 3rd trade finance and 5th payment currency globally, China continues to improve offshore RMB infrastructure in partner countries and through its RMB Cross-border International Payments System (CIPS)

RMB usage along BR and within AIIB

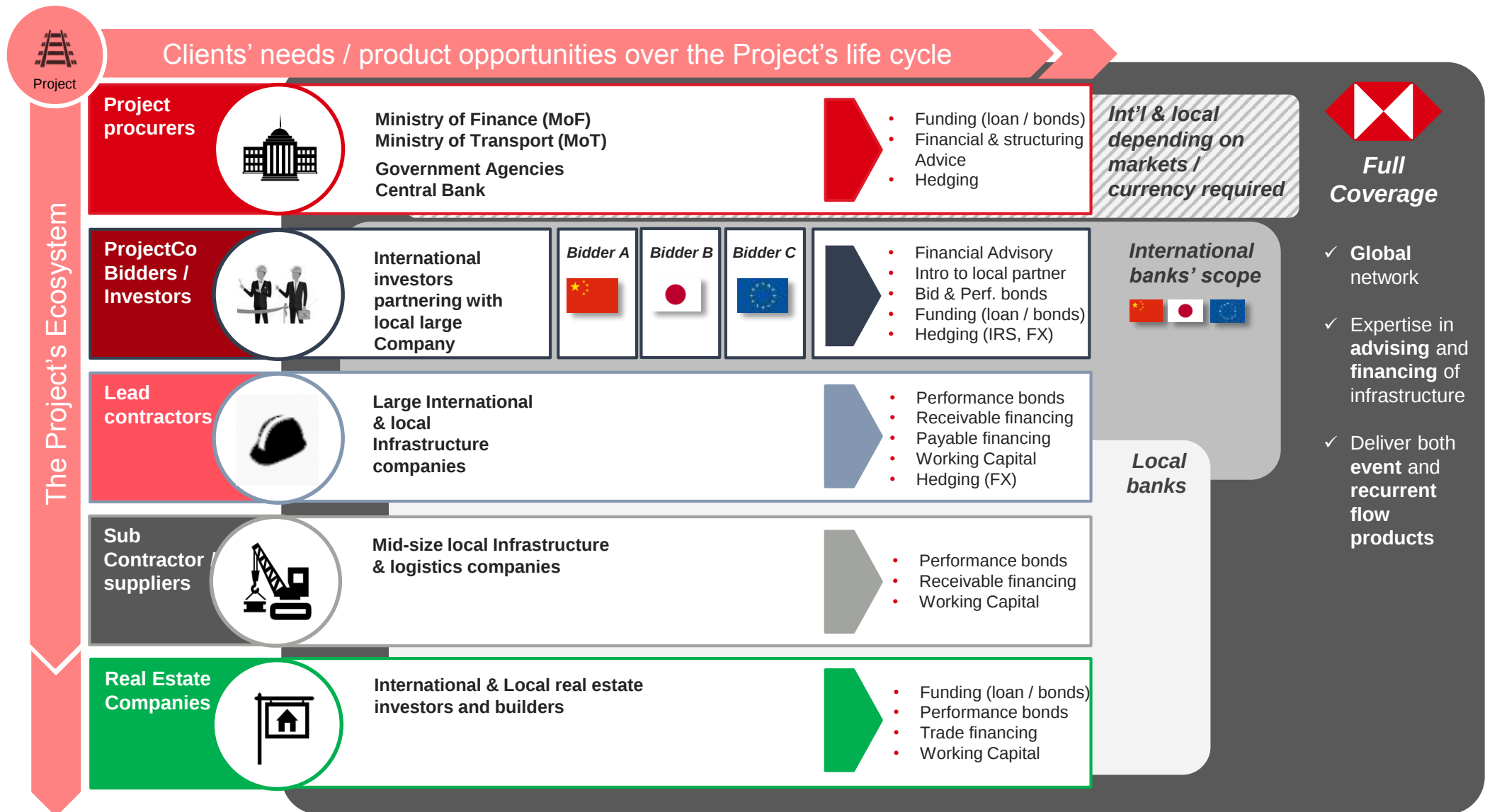
- ◆ In 2017, China's trade with countries along BR was 27% of its total trade at USD7.4tn²
- ◆ In 2017, 12% of China's total trade was conducted in RMB³. By 2020, HSBC estimates that China will conduct 50% of its trade in RMB
- ◆ Of the 24 RMB clearing banks globally, 18 countries / territories are along the BR
- ◆ Of the 25⁴ markets with active RMB swap lines (c. >RMB2.2tn), 22 are along the BR
- ◆ Most of China's top trade partners are using RMB or have RMB clearing banks

China's trade in RMB³



1. HSBC RMB Internationalisation Survey 2017; Ministry of Commerce; 3. PBOC, % trade settled 4. 36 foreign central banks have signed RMB swap lines, including 11 expired swap lines; 5. CEIC goods trade, not including services; 6. SAFE; 7. HKMA, MAS, Central Bank of the Republic of China (Taiwan), City of London, BOK; 8. European Central Bank

HSBC can reach all the business opportunities around a single BRI project proposal



Summary of recent examples of HSBC supporting Chinese clients going outbound

China to Australia



Mandated Lead Arranger for CCCC US\$1.1bn bridge loan facility in support of its 100% **acquisition** of John Holland Group Pty

Mandated Lead Arranger, and Hedge Provider on the A\$633m project **financing for Capital Metro PPP** in the ACT

Mandated as John Holland's offshore **GLCM** partner bank.

Mandated Lead Arranger for the **extension and reduction in pricing** of John Holland's A\$1bn bonding facility

China to France



Sole Financial Adviser for China Eastern Airlines to acquire 10% stake in Air France KLM. CEA financed its stake acquisition through pledging of AFK and CEA (H-shares) shares owned by CEA, where HSBC further assisted to ensure successful closing in Oct 2017

China to UK



Sole Financial adviser to the China Resources Consortium for the purchase consideration of c.£555m for the 30% equity stake in Dudgeon Holdings Limited ("Dudgeon")

China to Sri Lanka



Sole Arranger, Agent and Security Agent for the **financing of runway overlay and associated works at Bandaranaike International Airport** in Katunayake, Sri Lanka.

China to Bangladesh



Mandated Lead Arranger, Coordinating Arranger, Lender, Facility Agent and Security Agent, LC Issuing Bank, Account Bank for the USD 333m financing package for the re-powering of the 210MW Ghorasal 3rd Unit involving a Swiss-Chinese consortium, comprising General Electric (ex-Alstom) and China National Machinery Import & Export Corporation ("CMC")

China to Switzerland



Lead Financial Adviser for ChemChina on its full cash tender offer for Syngenta, the Swiss listed world leader in crop protection, valued at USD46bn

Initial advisory	Initial event financing	Risk management	Supply chain support
☐	☒	☒	☒
☒	☒	☒	☐
☒	☒	☐	☐
☐	☒	☒	☐
☐	☒	☐	☒
☒	☒	☐	☐

BRI is a significant long-term growth theme that will help trade, FDI and wealth flows across the region (and globally)

1

BRI opportunities not limited to infrastructure, but also adjacent project opportunities, and downstream opportunities

2

2017 Asian loan growth of 14%¹, and 15% revenue growth for the top 17 HSBC Asian corridors highlights early evidence of BRI benefits starting to accrue

3

BRI reaffirms our existing Business Corridor strategy

4

HSBC well-positioned to be the “go to” bank for BRI

- ◆ **Product capability allows to service the customer needs throughout the project lifecycle**
- ◆ **Our presence in BRI countries combined with our customer base (SME – Large multinational corporates) means that we are able to service multiple participants of a single project**
- ◆ **Customer / industry has recognised our ability to finance BRI opportunities**

1. Adjusted basis - same definition as shown in the HSBC Holdings plc 4Q17 results slides published on 20 February 2018

ASEAN

11 April 2018

Matthew Lobner

Head of International, Asia-Pacific and Head of Strategy and Planning, Asia-Pacific

Tony Cripps

Chief Executive Officer, Singapore

Mukhtar Hussain

Chief Executive Officer, Malaysia

Sumit Dutta

Chief Executive Officer, Indonesia



Agenda

ASEAN introduction

Opportunities arising from ASEAN integration and HSBC's position

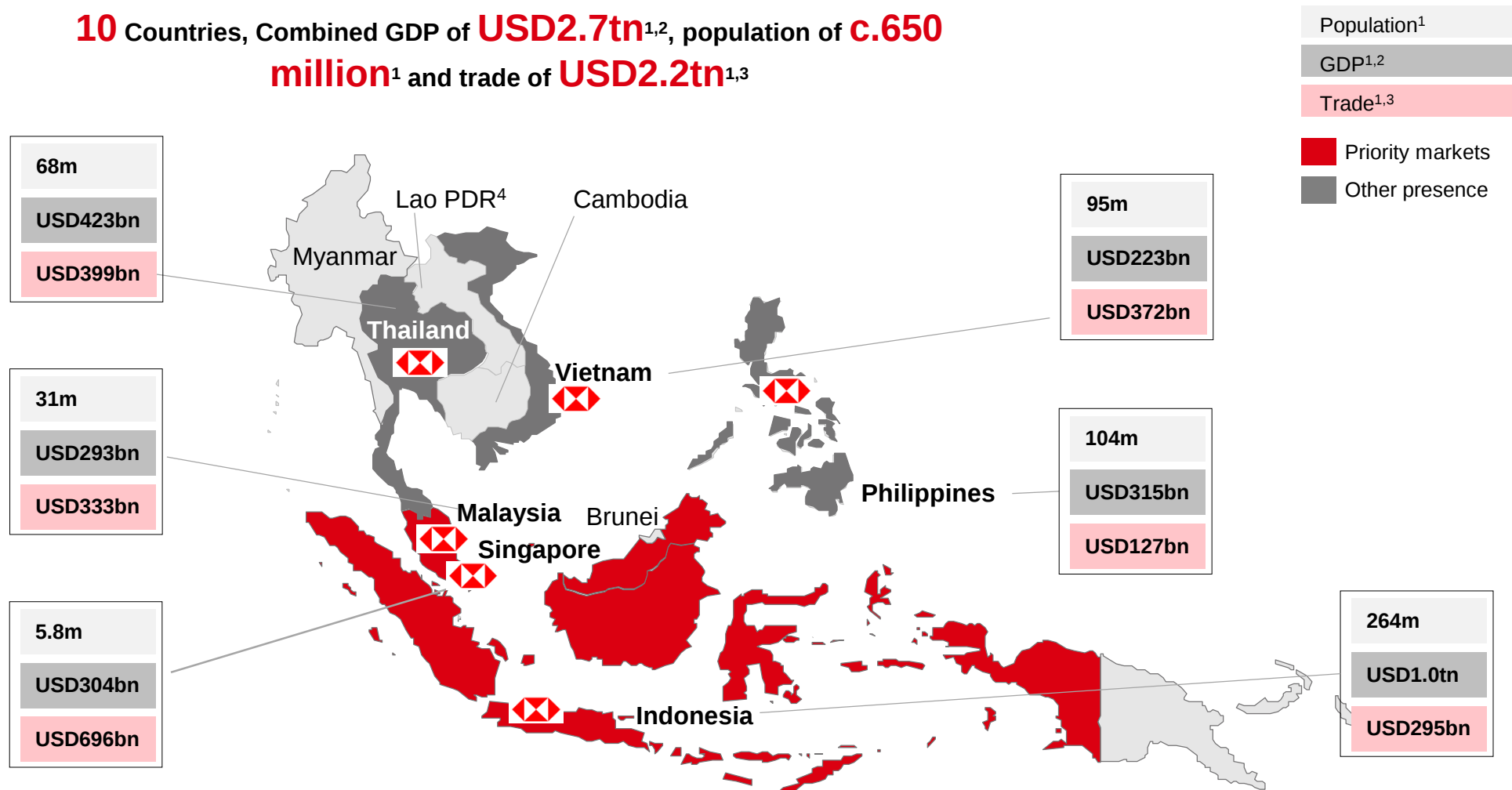
Singapore, Malaysia and Indonesia: Country overview and HSBC priorities

Clients' view of ASEAN and HSBC's structure to support their needs

Summary

Association of Southeast Asian Nations (ASEAN)

10 Countries, Combined GDP of **USD2.7tn^{1,2}**, population of **c.650 million¹** and trade of **USD2.2tn^{1,3}**

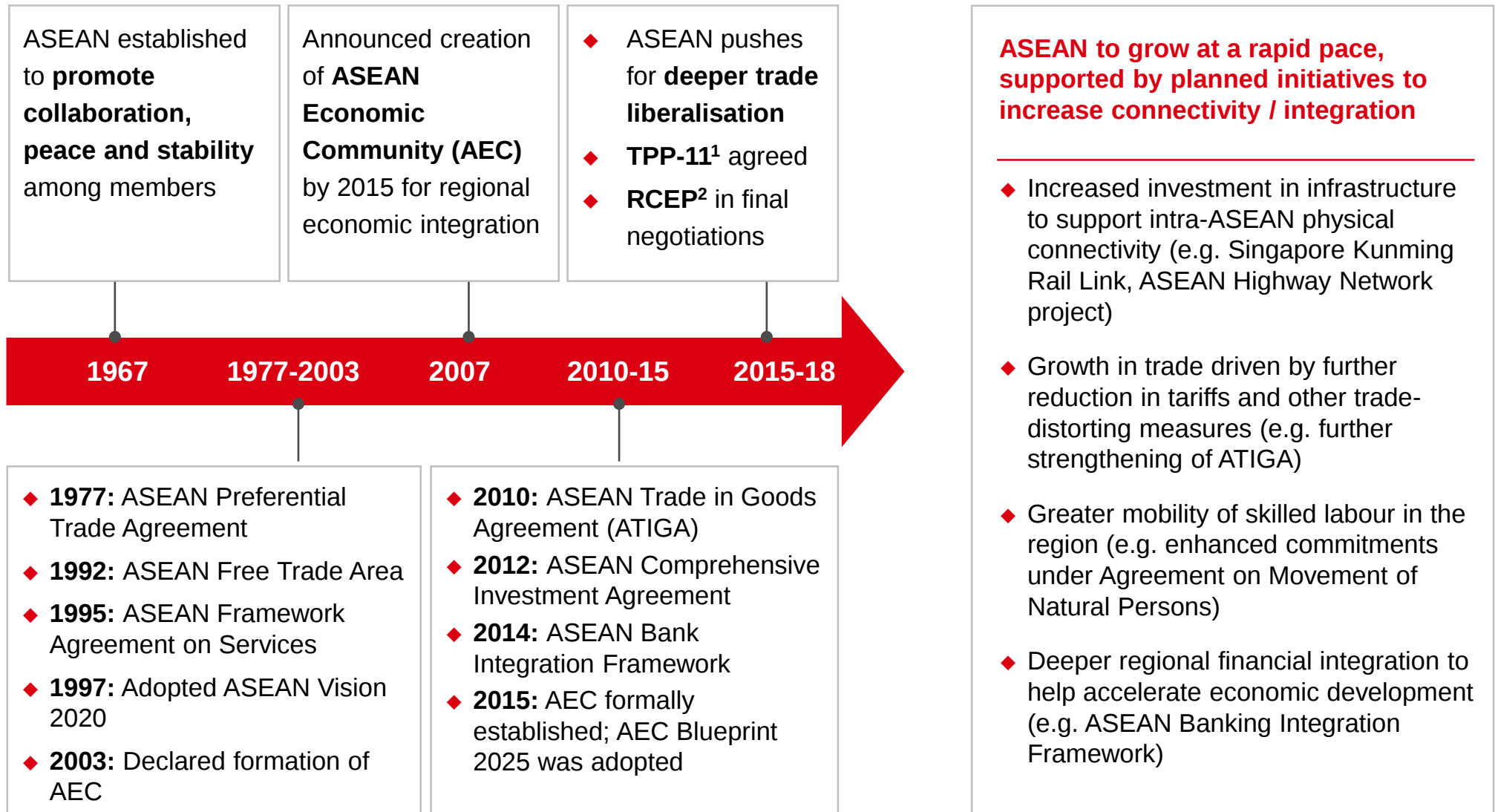


As a single entity, ASEAN ranks as world's **seventh** largest economy and is expected to become **fourth** largest by 2030⁵.

1. Source: Global Insight; 2017 data
 2. Nominal GDP
 3. Trade = Exports + Imports

4. Lao People's Democratic Republic
 5. Source: Global Insight

ASEAN: Journey towards integration



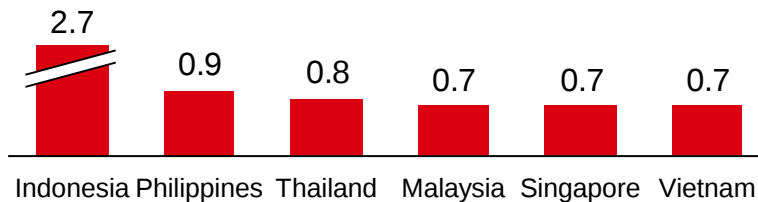
1. TPP11: Comprehensive and Progressive Agreement for Trans-Pacific Partnership
2. RCEP: Regional Comprehensive Economic Partnership

Opportunities arising from ASEAN integration

Integration to accelerate economic expansion and wealth creation across ASEAN

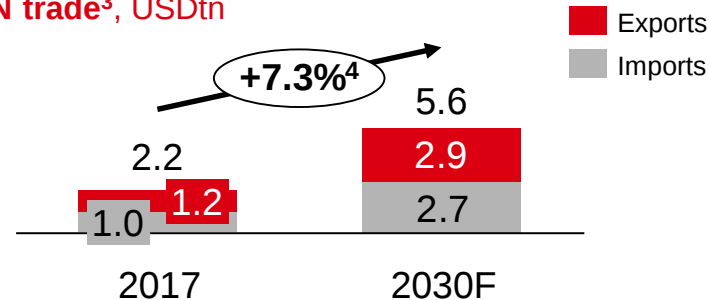
Infra-structure needs

Estimated infrastructure and real estate investment, 2014-30^{1,2}, USDtn



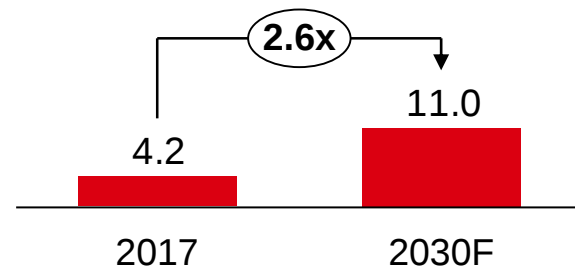
Trade growth

ASEAN trade³, USDtn



Wealth creation

ASEAN per capita GDP³, USD'000



Key opportunities

Growth of investment and corporate banking, arising from:

- ◆ ASEAN based businesses expanding across ASEAN to improve competitiveness through M&A, JVs, and upgrading regional supply chains
- ◆ MNCs outside ASEAN setting up regional HQs within ASEAN to capture opportunities across the bloc
- ◆ Acceleration of infrastructure investments to enhance regional integration, supported by the Belt and Road Initiative

Growth of transaction banking, arising from:

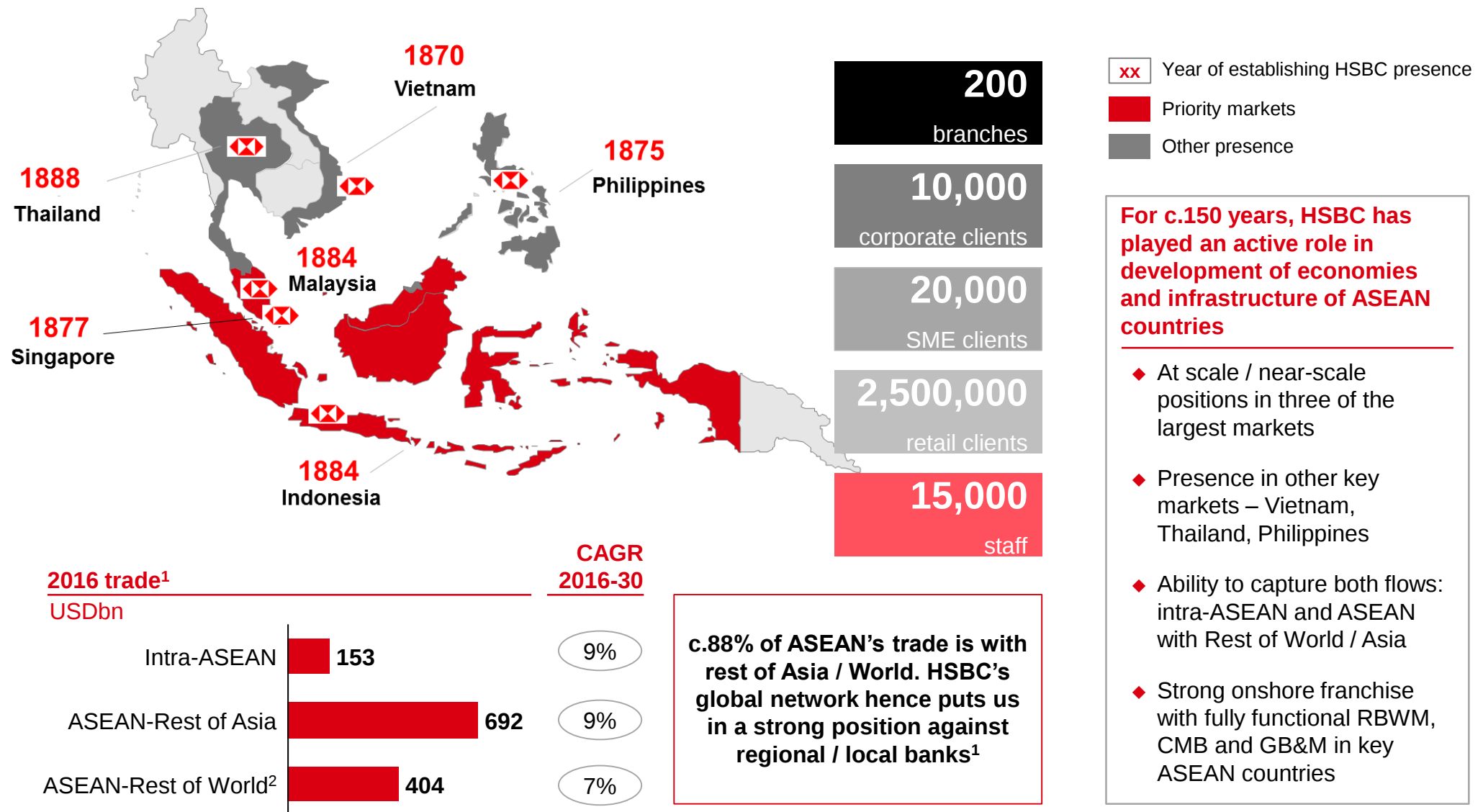
- ◆ Lowering of trade tariffs and barriers to further increase in trade flows

Growth of offshore wealth and individual international banking needs, arising from:

- ◆ Ease of labour movement / travel throughout ASEAN

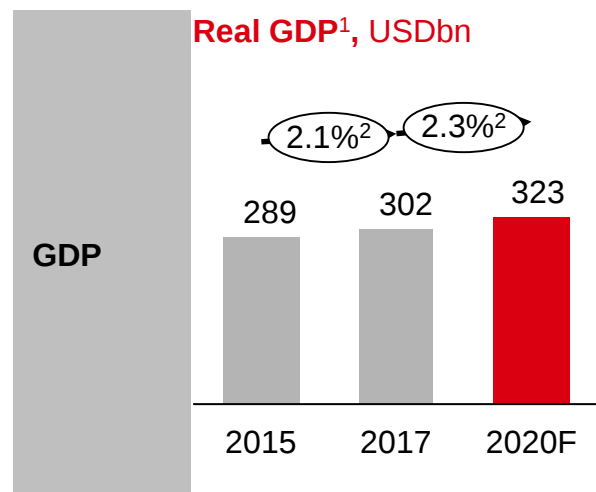
1. Source: Southeast Asia at the crossroads - Three paths to prosperity (McKinsey, 2014)
 2. ID: Indonesia; PH: Philippines; TH: Thailand; MY: Malaysia; SG: Singapore; VN: Vietnam
 3. Source: Global Insight
 4. 2017-30 CAGR

HSBC well-positioned to capture ASEAN opportunities



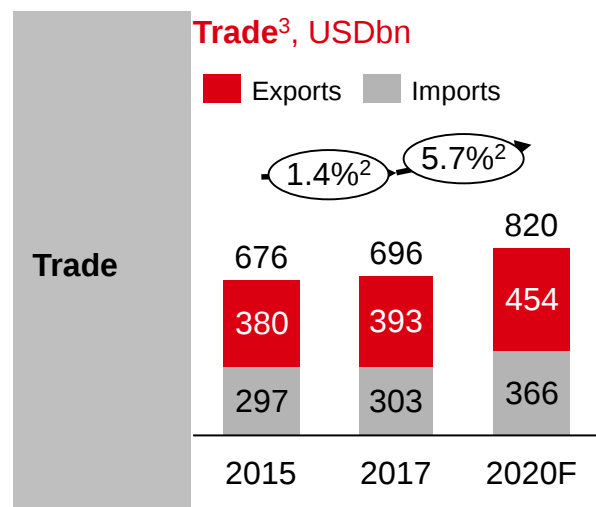
Country overview: Singapore (1/2)

Country highlights



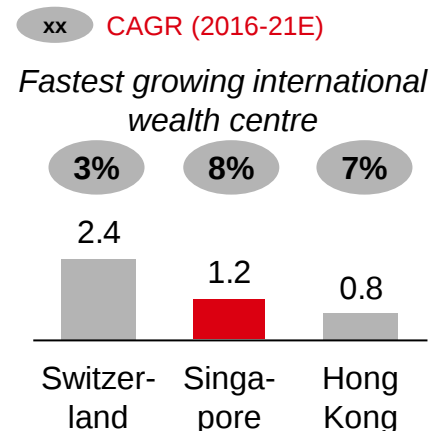
Infra-structure

USD0.7tn of investment estimated between 2014-2030⁴



Wealth

Offshore wealth⁵, USDtn



Strong fundamentals

- ◆ AAA credit rating from three ratings agencies
- ◆ One of world's most connected economies⁶

Leading international financial centre

- ◆ Largest FX centre in Asia; 3rd largest globally⁷
- ◆ Expected to become the second largest offshore wealth centre globally by 2020⁵

Centre of ASEAN finance and commerce

- ◆ World-leading hub for container transshipment, connecting ASEAN to the world
- ◆ 2/3rd of project financing in ASEAN is arranged out of Singapore⁸

Hub for regional headquarters

- ◆ Around 7,000 MNCs in Singapore with c.60% having regional responsibilities⁹

Becoming the financial conduit linking mainland China, ASEAN and the rest of the world

1. 2010 USD basis; Source: Global Insight

2. CAGR

3. Source: Global Insight

4. Source: Southeast Asia at the crossroads - Three paths to prosperity (McKinsey, 2014)

5. Source: Global Wealth 2017, Transforming the Client Experience (BCG)

6. Source: McKinsey Global Institute Connectedness Index, 2016

7. Source: Bank for International Settlements (BIS)

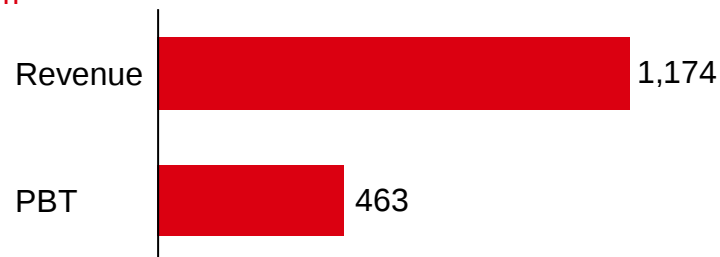
8. Source: Singapore – Asia's infrastructure hub, Monetary Authority of Singapore & International Enterprise Singapore

9. Source: Cushman & Wakefield (2016)

Country overview: Singapore (2/2)

HSBC performance highlights¹, 2017

USDm



USDbn

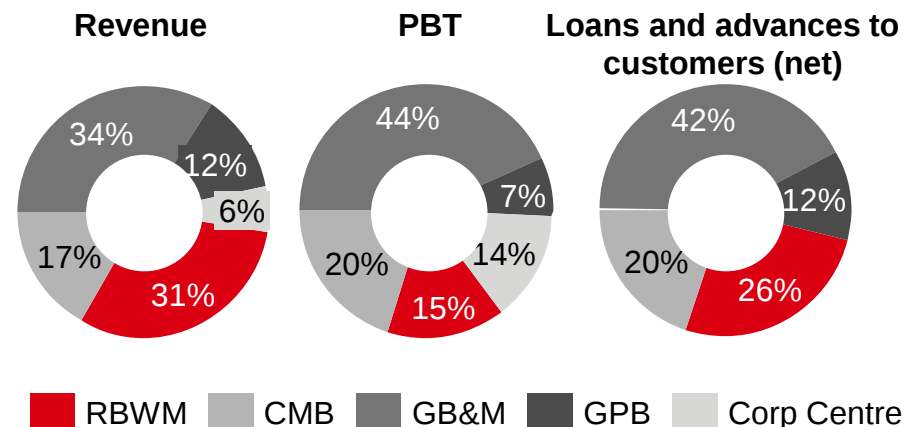


Key ratios (2017)

CER **61%**

LICs / loans **+0.03%²**

Contribution by global business



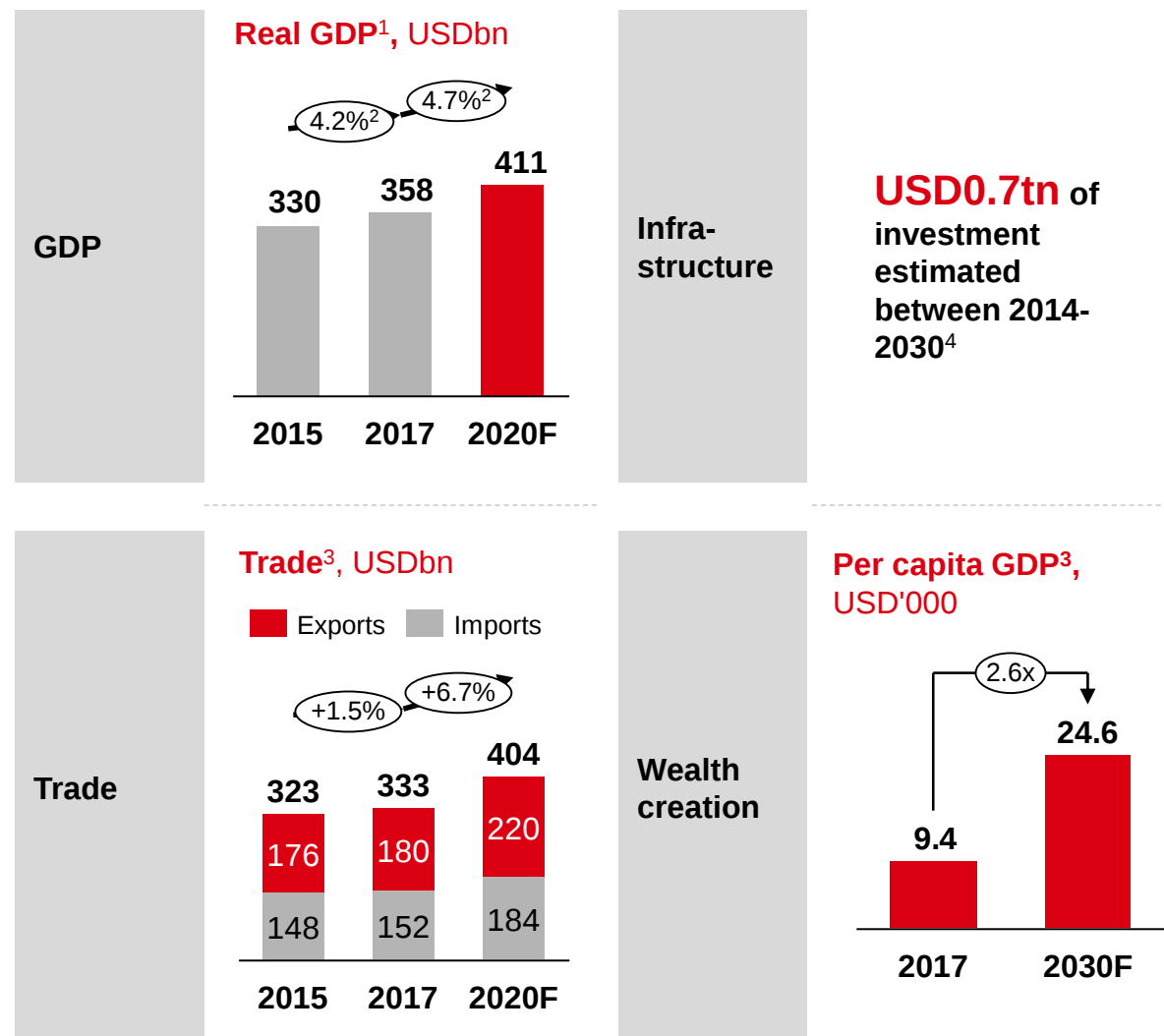
Strategic priorities

- ◆ Continue to build **regional product and coverage expertise** to capture opportunities from Singapore's role as a regional hub
- ◆ Capture **infrastructure / BRI** opportunity
- ◆ Capture **international flows** from key business corridors
- ◆ Grow **domestic retail and private banking** business, enabled by **digital and multi-channel capabilities**
- ◆ **Scale up international wealth centre** to capture greater share of wealth flows
- ◆ Be the 'go-to' financial advisor and industry thought leader for **sustainable finance**

1. All financials are on reported basis
2. The ratio is positive due to net loan recoveries

Country overview: Malaysia (1/2)

Country highlights



Strong and enduring economic fundamentals

- ◆ Forecast GDP growth at c.5% p.a. through to 2020³
- ◆ Middle and upper middle class expected to be more than 80% of population by 2020⁵
- ◆ Regional centre of excellence for Islamic Banking

Growing as a major regional hub

- ◆ Over 3,600 MNCs with global and regional representative offices. Further c.1,400 MNCs with an operating presence⁶
- ◆ Well-developed infrastructure. 18th position globally on ease of doing business⁶
- ◆ Cost competitive, ranking 212th most expensive destination in the world⁷ (Singapore ranked 24th)
- ◆ Young, educated and cost effective workforce (median age of population is c.28 years)⁸

Strong diplomatic, cultural and commercial relations with mainland China, linking it with ASEAN

- ◆ Over 30 inter-governmental MOUs signed
- ◆ 9 major Chinese corporates set up regional centers in Malaysia in the last 24 months
- ◆ Aggressive investment in ports and rail links in Malaysia under BRI

1. 2010 USD basis; Source: Global Insight

2. CAGR

3. Source: Global Insight

4. Source: Southeast Asia at the crossroads - Three paths to prosperity (McKinsey, 2014)

5. Source: Capitalizing on Asia's Booming Upper Middle Class (BCG, 2016)

6. Source: Kuala Lumpur, Asia's regional headquarters hub (EY, 2016); Malaysian Investment Development Authority (MIDA)

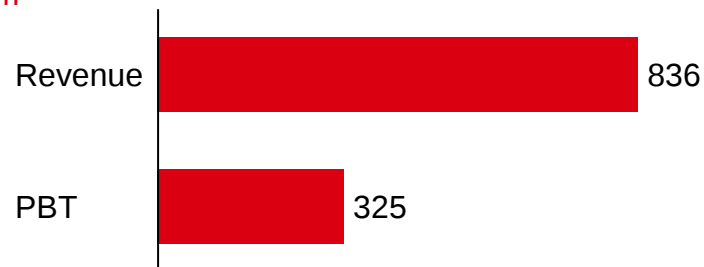
7. Source: Cost of Living survey published by ECA International

8. Source: Department of Statistics, Malaysia

Country overview: Malaysia (2/2)

HSBC performance highlights¹, 2017

USDm



USDbn



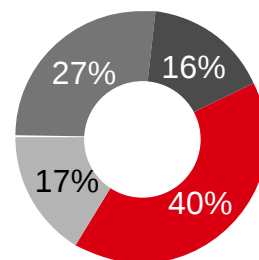
Key ratios (2017)

CER **56%**

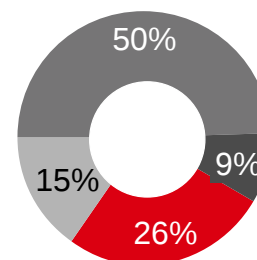
LICs / loans **(0.32)%**

Contribution by global business

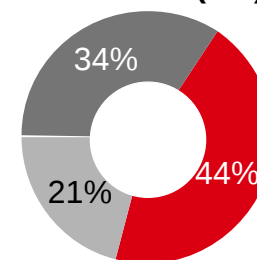
Revenue



PBT



Loans and advances to customers (net)



■ RBWM ■ CMB ■ GB&M ■ Corp Centre

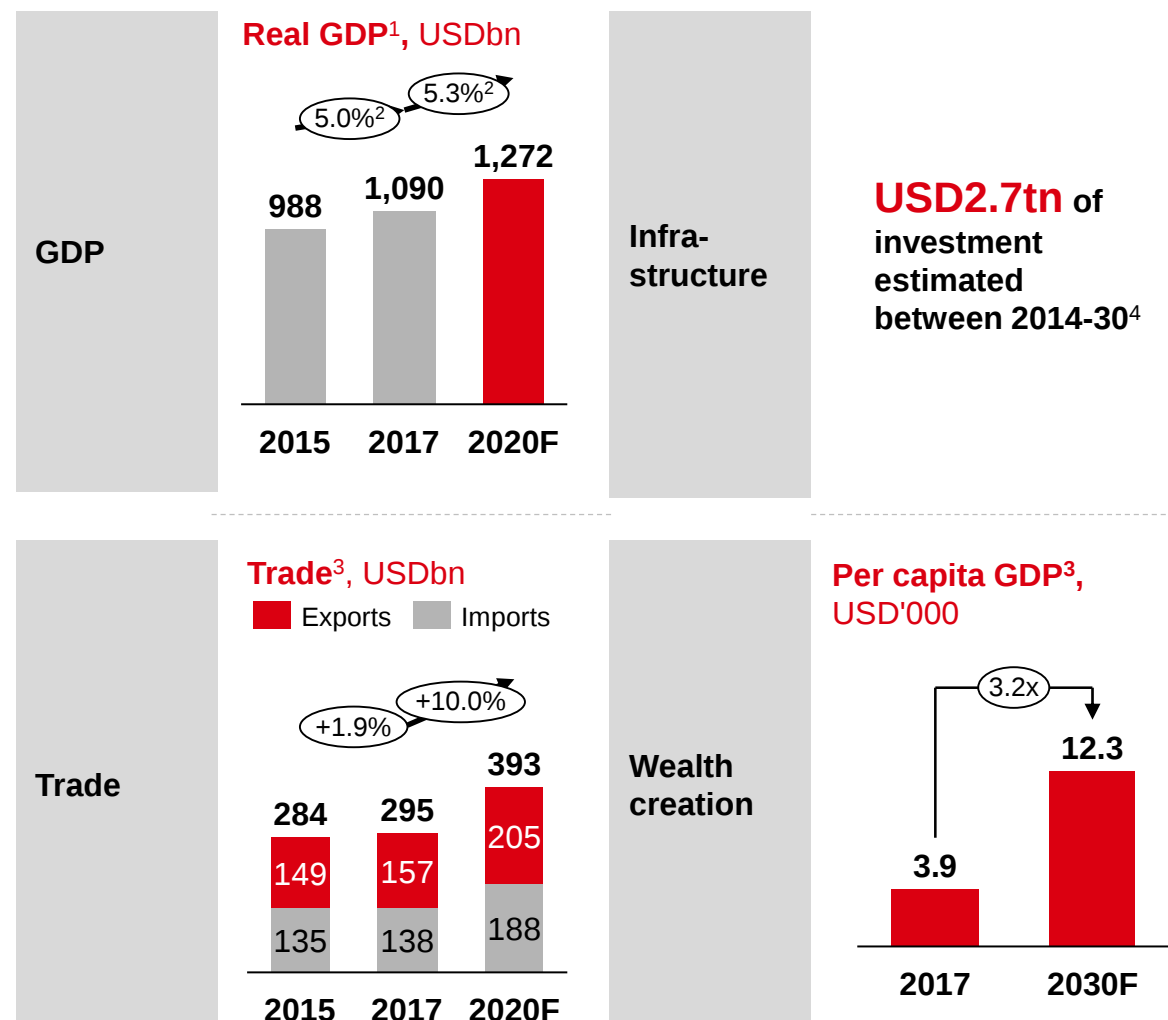
Strategic priorities

- ◆ **Build coverage and product expertise** to capture opportunities from growing numbers of MNCs using or transferring to Malaysia as their regional operating hub, especially from mainland China
- ◆ Leverage early leadership in **BRI investment flows**, capturing both event and the flow opportunities
- ◆ Capturing opportunities from **key business corridors** including mainland China, intra-ASEAN and Japan
- ◆ **Grow Retail**, leveraging propositions in Cards and Wealth. Invest in **digital** to enhance competitive positioning
- ◆ Leverage Malaysia's international capital markets leadership in **Shariah compliant financial services**. Build out Shariah compliant personal financial services to capture the rapid growth in this sector

1. All financials are on reported basis

Country overview: Indonesia (1/2)

Country highlights



Strong economic fundamentals and demographics

- ◆ ASEAN's largest economy. Expected to become the 7th largest (by GDP) globally by 2030³
- ◆ Assigned Investment Grade Credit rating by all major rating agencies in 2017
- ◆ 4th most populous country with a young population (median age of population is c.28 years)⁵
- ◆ GDP growth fuelled by strong domestic demand, supported by a growing middle class. Middle and upper middle class expected to be more than 50% of the population by 2020 (37% in 2015)⁶

Growing trade flows

- ◆ Trade to grow at c.10% CAGR between 2017-2020³, with mainland China and Singapore as leading partners, driven by commodities exports⁷

Investments in infrastructure

- ◆ Requires USD2.7tn in infrastructure and real estate investment (between 2014 and 2030) to support growth, the most in ASEAN⁴
- ◆ Currently ongoing / planned projects amount to c.USD300bn, expected to be supported by funding from private sector and BRI⁸

1. 2010 USD basis; Source: Global Insight

2. CAGR

3. Source: Global Insight

4. Source: Southeast Asia at the crossroads - Three paths to prosperity (McKinsey, 2014)

5. Source: Global Insight; IMF

6. Source: Capitalizing on Asia's Booming Upper Middle Class (BCG, 2016)

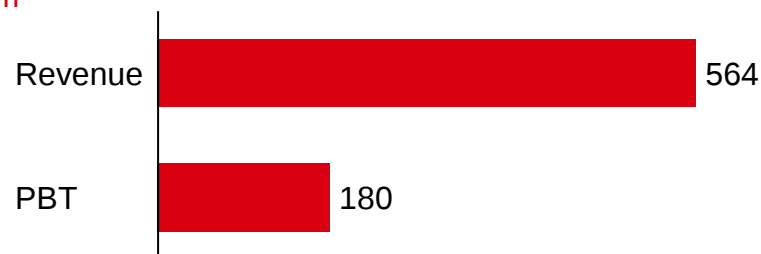
7. Source: Oxford Economics, HSBC Trade Connections

8. Source: Natixis

Country overview: Indonesia (2/2)

HSBC performance highlights¹, 2017

USDm



USDbn

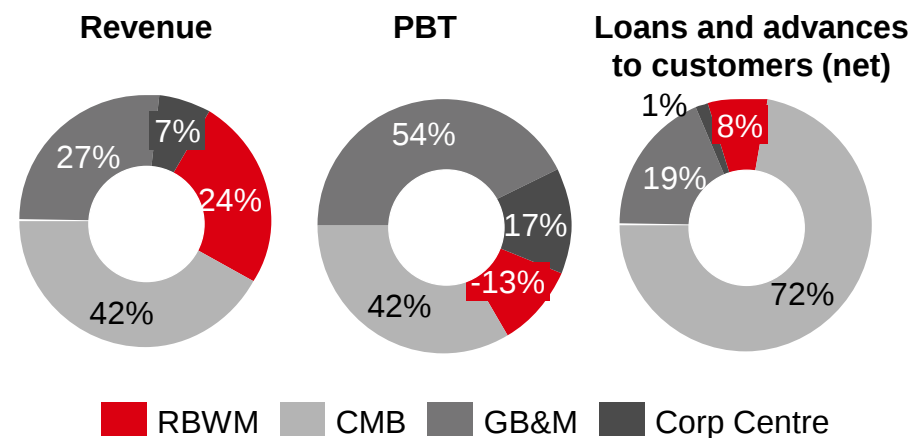


Key ratios (2017)

CER **56%**

LICs / loans **(1.6)%**

Contribution by global business



Strategic priorities

- ◆ Leverage our international network to maximise **opportunities across key Business Corridors**, including mainland China, intra-ASEAN, US, UK & Germany
- ◆ **Capture infrastructure opportunity (including BRI)** to drive growth
- ◆ **Invest in digital** to scale up Retail business
- ◆ **Grow liabilities** across businesses to support asset growth
- ◆ Strengthen and grow **local corporate and SME relationships** across the top cities to capture growth in domestic businesses

1. All financials are on reported basis

Client viewpoints: illustrating HSBC's ability to support MNCs expand into ASEAN and ASEAN clients expand within and outside ASEAN

1

Expansion opportunity beyond home country in ASEAN

Indonesian Group, aiming to establish a strong footprint in Asian markets, including ASEAN

- ◆ Large group in resin distribution and consumer packaging business
- ◆ Has expanded across 7 countries in Asia (5 in ASEAN)
- ◆ **Has strong conviction in ASEAN's growth potential**, looking to expand in the remaining ASEAN countries
- ◆ Considers **HSBC as the best partner to help in its expansion**, with its experience and international network
- ◆ HSBC Indonesia supports the client with trade facilities, FX hedging and cash management. Client also banks with HSBC in Malaysia, Singapore, Australia, and New Zealand

2

An attractive location to set up a manufacturing base

Large manufacturer in mainland China, expanding production sites in ASEAN, with regional sales hub in Malaysia

- ◆ Vertically integrated knitwear manufacturer, headquartered in Hong Kong, with most of the production in mainland China
- ◆ Actively **expanding production in Cambodia and Vietnam to mitigate rising costs** in mainland China and for better access to the **attractive ASEAN market**
- ◆ Have set up their **regional sales hub in Labuan (Malaysia)**
- ◆ HSBC supports the client by funding capital expenditure in Vietnam and providing GLCM services in Labuan, where the collections are centralised

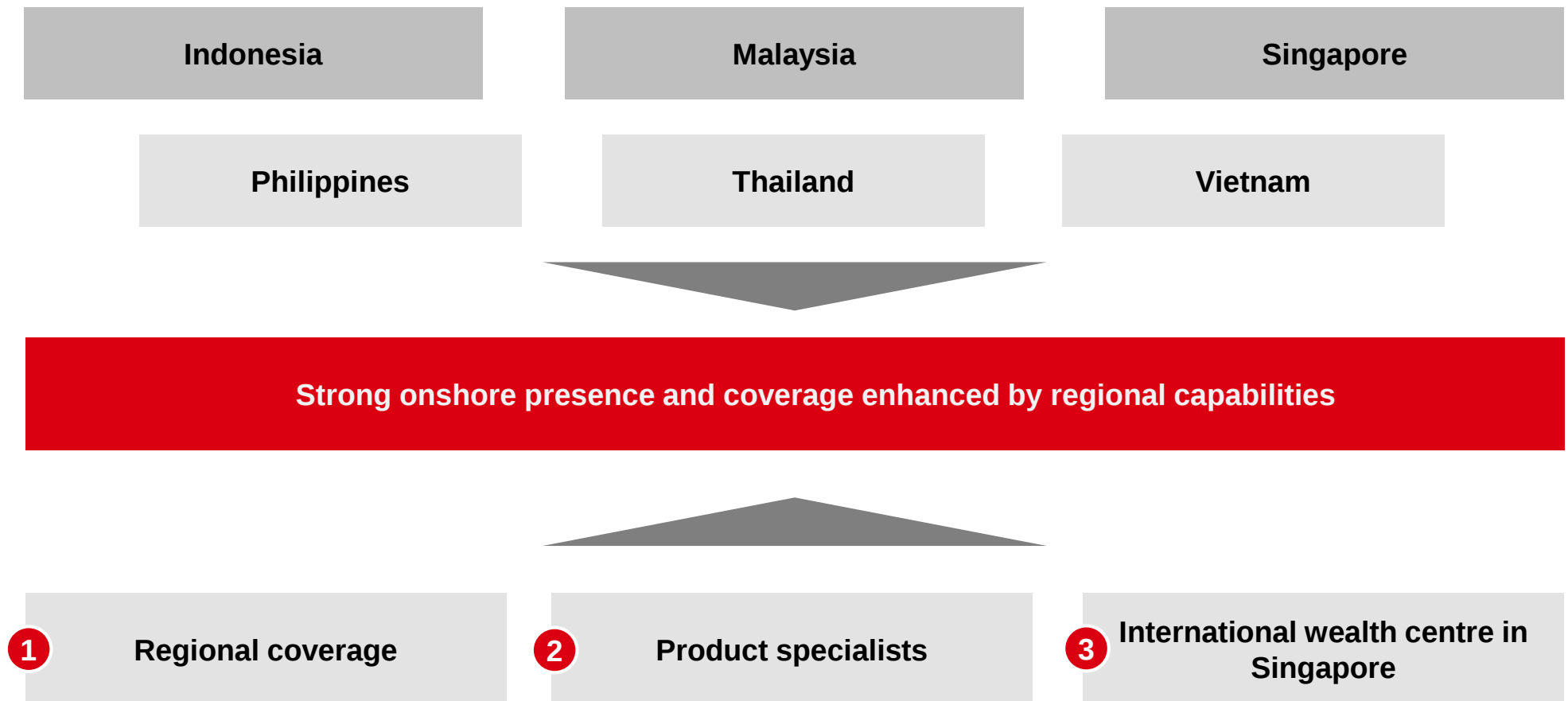
3

Strategic location for regional business hubs

Dutch marine engineering firm, with regional sales and finance hub in Singapore

- ◆ Operates in over 50 countries, including 6 locations in ASEAN
- ◆ HSBC is providing the client with a **regional cash management solution to centralise its cash position** across Asia and Netherlands
- ◆ Obtained the mandate by delivering an innovative liquidity management solution and **close cooperation between HSBC teams in Netherlands and Singapore**
- ◆ Demonstrates HSBC's transaction banking capabilities and **ability to support a corporate globally**

Structure to enable focus on ASEAN opportunities



HSBC well positioned to capture opportunities across ASEAN

Well positioned to support strong economic fundamentals in ASEAN markets, further bolstered by ongoing integration activities

Well positioned to capture opportunities across ASEAN...

- 1** Deep heritage across key ASEAN markets
 - ◆ At scale / near-scale positions in three of the largest markets
 - ◆ Presence in other markets – Vietnam, Thailand and Philippines
- 2** Ability to capture wealth, investment and trade flows intra-ASEAN and between ASEAN with Rest of World / Asia
- 3** Strong onshore franchise with full coverage, supported by regional capabilities

Sustainable finance

11 April 2018

Daniel Klier

Group Head of Strategy and Global Head of Sustainable Finance



Sustainability and HSBC's approach to ESG¹

Sustainability at HSBC

- ◆ From climate change to wealth equality and job security, the challenges to today's global economy are unprecedented in nature
- ◆ In this changing environment, HSBC is committed to develop the skills, business innovation and low-carbon solutions to secure long-term prosperity for all
- ◆ Our sustainability approach focuses on three main areas:
 - Support the transition to a low carbon economy
 - Enable sustainable supply chains and entrepreneurship
 - Provide communities, customers and employees with skills to succeed in the future

Environmental



Social



Governance



HSBC's approach

- ◆ Support the global transition to the low-carbon economy, through our own sustainable operations and by supporting our customers with their transition
 - ◆ We have robust climate-related risk management covering sensitive sectors, such as energy, palm oil and forestry
-
- ◆ Foster a customer and employee centric approach to our business
 - ◆ Focus on diversity and inclusion of our workforce, and strive to put the customer at the heart of everything we do
-
- ◆ Maintain high standards of governance across all geographies
 - ◆ Committed to protecting our customers and communities through our Financial Crime Risk management and cyber security diligence

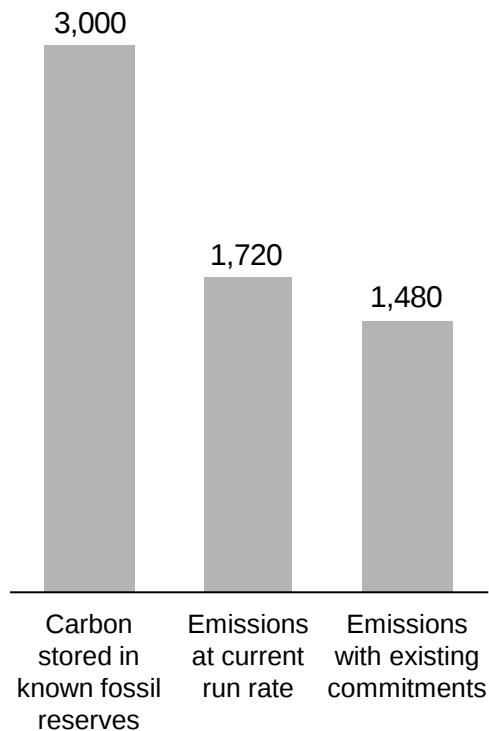
1. Environment, Social and Governance

Pathway to achieve Paris Agreement is challenging; speed of change is accelerating

Material reduction in carbon emissions required to deliver Paris Agreement¹

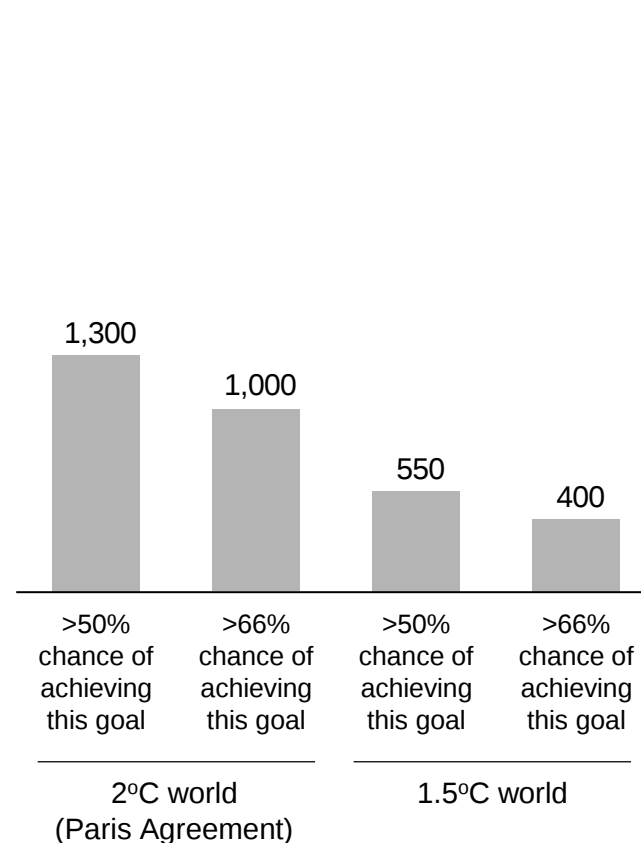
Carbon emissions

gigatonnes of carbon



Carbon budget to combat climate change

gigatonnes of carbon



...and stakeholders have already taken actions

Government

- ◆ France and UK to **ban sale of new petrol and diesel cars** by 2040
- ◆ **China cancelled** plans of more than **100 coal power plants** early 2017
- ◆ **California** to receive **all** of its power from **renewable energy** by 2045

Investors

- ◆ Investors demand **reports** from big O&G companies on possible impact of global warming policies on business
- ◆ HSBC research shows that **68%** of investors plan to **increase their climate-related investment**

Corporates

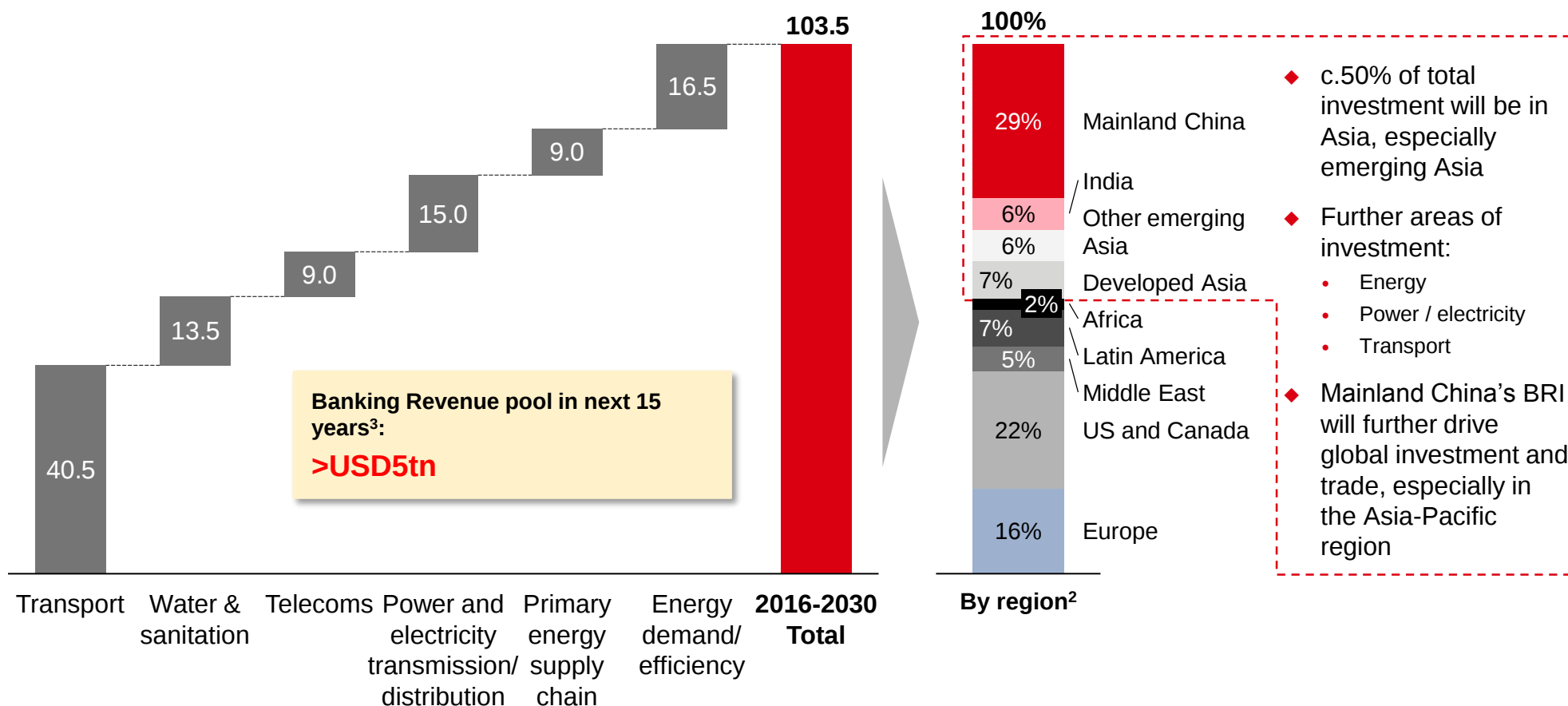
- ◆ **A global O&G company** is investing in **renewables** for their power generation and installing **charging stations** at petrol stations
- ◆ **A multinational utility company** pledged to dispose **EUR15bn** in assets to reinvest into low-carbon, distributed-energy projects
- ◆ **A global Original Equipment Manufacturer** will produce **only electric or hybrid cars** from 2019 onwards

1. Source: Inter-governmental Panel on Climate Change, UCL, HSBC calculations, until 2050

Over USD100tn investment in infrastructure in the next 15 years is required globally under 2 degree scenario, c.50% will be in Asia

Global infrastructure investment needed in the next 15 years for a 66% chance of 2°C¹

USD trillion, 2016-2030

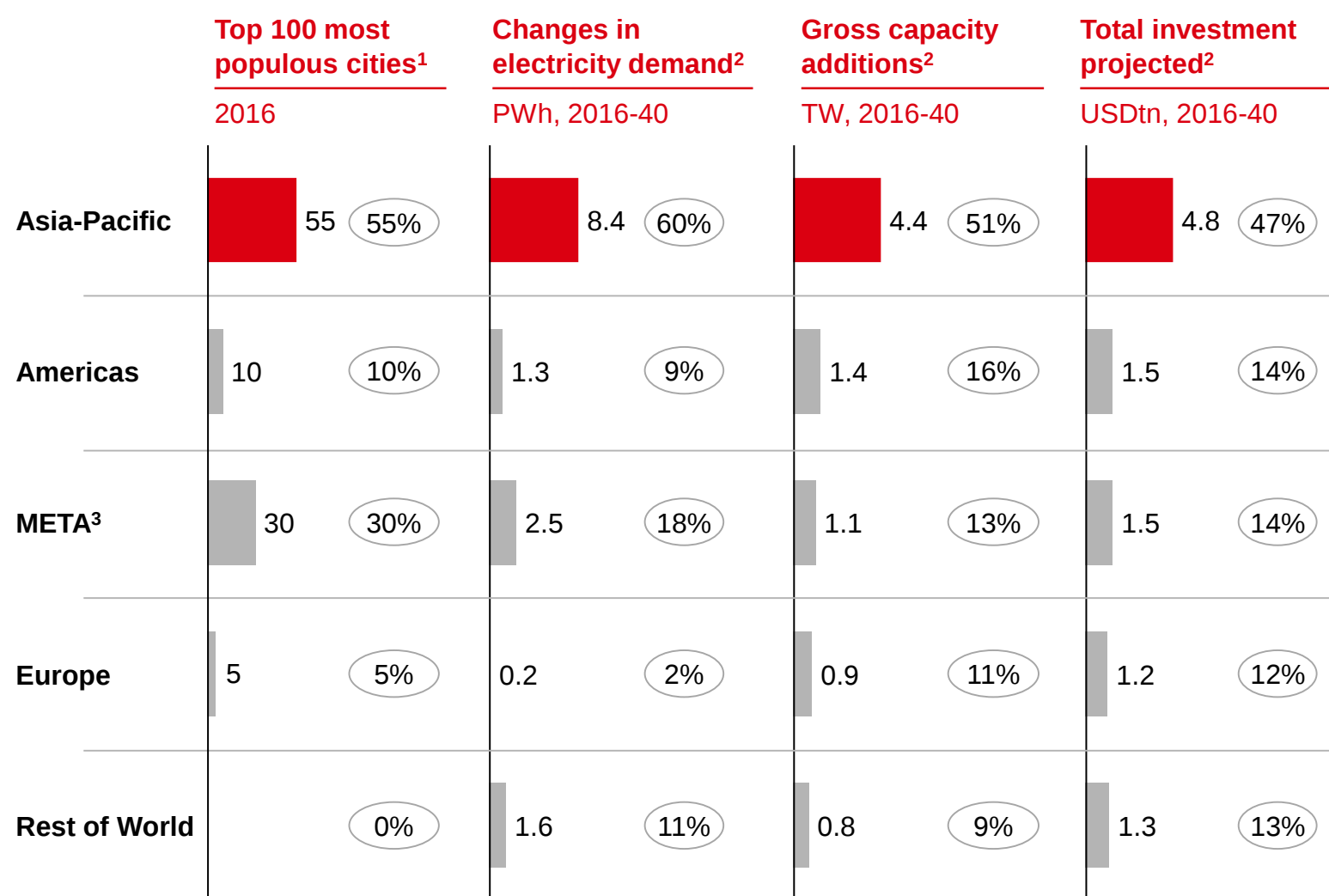


1. OECD, IEA, Investing in Climate, Investment in Growth, JUL17; The OECD estimates that for infrastructure to be consistent with a 2°C 66% scenario, investment needs to amount to USD6.9tn per year in the next 15 years, an increase of about 10% in total infrastructure investment from the reference estimate of USD 6.3 trillion. Definition and source data are different to those shown in the BRI presentation

2. McKinsey, "Bridging Global Infrastructure Gaps" JUN16

3. HSBC estimation

Asia is at the heart of the transition and key countries from Asia are pioneering in this area



Taking leadership



China

- ◆ China is the world's biggest producer of wind energy, with a total installed capacity of c.170GW in 2016⁴
- ◆ China aims for renewables (incl. hydro power plants) to contribute half of new electricity generation by 2020, committing RMB2.5tn⁵



India

- ◆ India plans to increase its solar installations from below 5GW to 100GW by 2022, more than double the present solar capacity of China and Germany⁶
- ◆ India aims for 57% of installed capacity to come from non-thermal energy by 2027⁷, requiring USD200-300bn of investment⁸

1. Country Disclosure, HSBC estimation
 2. Bloomberg New Energy Finance, 2017
 3. META includes Middle East, Turkey and Africa
 4. Global Wind Energy Council (GWEC), 2016

5. China to invest GBP292bn in renewable power by 2020, the Guardian, JAN17
 6. Financial Times, Investors look to India as the next solar power, JAN16
 7. Forbes, India Coal Power Is About To Crash, JAN18
 8. India needs over USD200bn of investment in renewables, Economic Times, NOV17

The transition will affect many industries and create opportunities

	Transition	Business opportunities	Financing solutions
Energy	◆ Risk of stranded assets ◆ Renewables will contribute at least 20% of primary energy supply by 2040¹	◆ Portfolio diversification • Transition from high-carbon to low-carbon assets • USD350bn of investment in wind and solar needed to achieve the current market share in upstream O&G³	◆ Corporate Lending ◆ M&A, DCM, ECM ◆ Trade Finance
Utilities	◆ Decentralisation of power generation system ◆ Grid health (risk of overgeneration due to intermittency of renewable energy systems); smart grids	◆ Households to install more solar panels ◆ New infrastructure: energy storage to provide behind-the-meter solutions and control over-generation	◆ Personal Loan ◆ Corporate Lending ◆ Project Finance ◆ M&A, DCM, ECM
Real Estate	◆ “Green buildings” ◆ Regulatory requirements to increase energy efficiency	◆ Total spending on energy-efficient products and services in buildings was USD406bn in 2016⁴ ◆ Better insulation materials / technologies in new buildings ◆ Smart meters	◆ Trade Finance ◆ Mortgage / Personal Loan ◆ Corporate Lending
Transportation	◆ Transition from Internal Combustion Engine (ICE) vehicles to Electric Vehicles (EV) • Countries set target years for ban of new ICE sales (e.g. France / UK by 2040) • 54% of annual global light duty vehicle sales will be EV by 2050²	◆ Car makers to invest at least USD90bn in designing new EV models and increasing production⁵ ◆ USD2.7tn investment on infrastructure needed for EV adoption⁶, i.e. building new charging points in petrol stations	◆ Corporate Lending ◆ Project Finance ◆ M&A, DCM, ECM

1. Source: IEA World Energy Outlook 2017, New Policy Scenario projection, incl. hydro, bioenergy, wind, geothermal, solar photovoltaic, concentrated solar power, marine

2. BNEF, Long-Term Electric Vehicle Outlook 2017

3. Wood Mackenzie 2017

4. UN, Global Status Report 2017; IEA

5. Reuters Analysis, JAN18

6. Morgan Stanley Research

HSBC is committed to leading the way to a sustainable future

	Our commitments	Progress so far
Provide USD100bn of sustainable financing and investment by 2025	We are committed to financing clean energy, low carbon technologies and projects, which will help deliver the 2015 Paris Climate Agreement and the UN Sustainable Development Goals	USD10.5bn of GSS ¹ bonds facilitated in 2017 3 low-carbon funds launched in 2017 Applied Equator Principles to loans ² USD67.6bn
Source 100% of our electricity from renewable sources by 2030 (90% by 2025)	We will do this via direct investment or direct purchase agreements that in turn help finance new renewable energy projects	27% of signed renewable power purchase agreements (2016: 23%)
Reduce our exposure to thermal coal and actively manage the transition for other high carbon sectors	We will reduce our exposure to thermal coal and engage with clients to actively manage the transition path for other high carbon sectors	Restrict the development of carbon intensive sources of energy Embed climate risk in credit risk assessment
Adopt recommendations of Task Force on Climate-related Financial Disclosures (TCFD)	We will adopt recommendations of the Task Force on Climate-related Financial Disclosures report 2018. This will help us identify and disclose climate-related risks and opportunities across our businesses	Reported governance, strategy and risk management components in 2017 ARA
Lead and shape the debate around sustainable finance and investment	We aim to provide the thought leadership needed to unlock the capital flows required to address the world's major sustainability challenges	Member of 20 Sustainability-focused industry forums #1 team for Climate Change research (2014-2017) ³

1. Dealogic, GSS bonds refer to green, social, sustainability bonds

2. Since 2003

3. EXEL

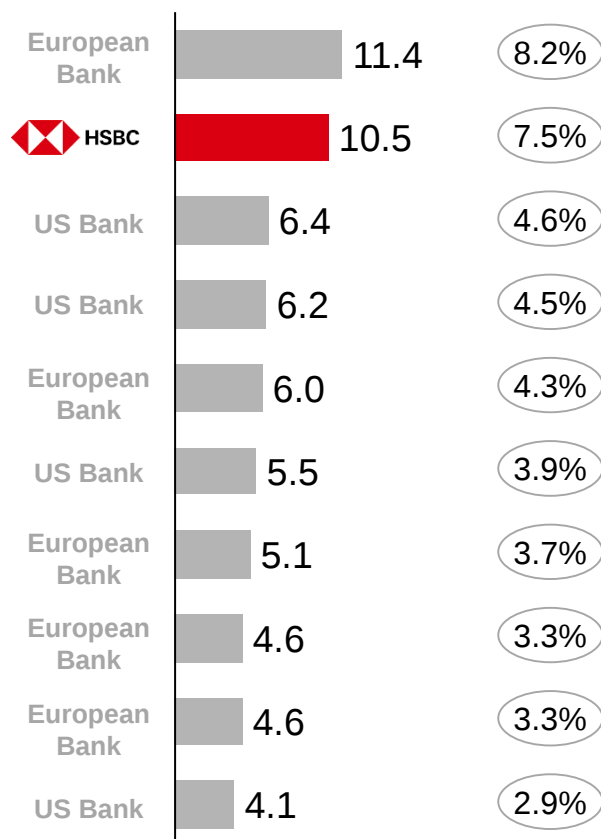
We are an industry leader in Sustainable Finance business

Examples of our leadership

Green, Social, Sustainability Bond League Table¹

2017, USDbn

% Market Share



**Issued
EUR500m HSBC
Green Bond**
to support sustainable
projects (NOV15)

**Invested
GBP1.9bn from
UK Pension
Scheme**
in eco-friendly fund

**Committed
USD1bn from
Balance Sheet**
to invest in green bond
portfolio

**Issued USD1bn
World's 1st UN
SDG Bond**
to support sustainable
development (NOV17)

Selected transactions

Swire Properties Ltd



USD500m

First in Hong Kong
to obtain pre-
issuance stage
certification under
Green Finance
Certification Scheme
by HKQAA

January 2018

China Resources



GBP555m

Acquisition of 30%
stake in Dudgeon
offshore wind from
Statkraft

December 2017

ICBC



**Triple tranche (EUR
1.1bn, USD450m and
USD 400m)**

First BRI Climate
Bond and first bond
aligned with both
ICMA and PBoC

September 2017

Anglian Water



GBP250m

First Green Bond
from a water
company and first
Sterling Green Bond
from utility sector

July 2017

CAPCO (CLP)



USD500m

Inaugural Energy
Transition Bond
(financing lower
carbon power plant)

July 2017

Mexico City



USD2bn

Largest Green Bond
(at that time) and
first for funding an
airport

October 2016

1. Dealogic, 2018; other banks include Credit Agricole, JPMorgan, Citi, BNP Paribas, Bank of America Merrill Lynch, Société Générale, Barclays, SEB, and Morgan Stanley

We have set up a global sustainable finance team to capture opportunities from various regions, segments and sectors

Leadership

Group Climate Business Council

Geographic Working Groups

Europe



UK



Germany



France

Asia



China



HK



Singapore



India

North America



US



Canada



Mexico

Middle East



UAE

Sustainable Finance Solutions

Sustainable Investing

- ◆ **Funds:** Low Carbon Funds; Climate Change Funds
- ◆ **Indices:** FTSE Climate Factors Index; MSCI Select SRI
- ◆ **Equity-linked notes**

Sustainable Financing

- ◆ **Green Bonds; Sustainable Bonds, Transition Bonds, Social Bonds**
- ◆ **Green Loans; Project Finance**
- ◆ **Sustainable supply chain solutions**
- ◆ **Advisory**
- ◆ **Green Mortgage / Unsecured lending**

Meanwhile, we are enhancing enablers to accelerate development of sustainable finance

Enablers				
	Internal staff training	External thought leadership	Governance / disclosure	Risk management
Ambition	◆ Empower frontlines to better support clients in the transition ◆ Raise awareness of sustainability across the bank	◆ Be the leading research house for climate change ◆ Proactively engage with government, NGOs, investors, academia and other stakeholders	◆ Ensure appropriate visibility, governance and executive support ◆ Be transparent about climate-related risks	◆ Develop industry leading sustainability risk policies ◆ Actively engage with clients
Achievements so far	◆ >2,150 corporate Relationship Managers already trained ◆ >1,300 senior managers completed HSBC's Sustainability Leadership Programme since 2009 ◆ Online courses for all employees	◆ #1 team for Climate Change research (2014-2017)¹ ◆ Leading role in UK and Hong Kong's Green Finance Taskforce, FSB taskforce on TCFD and strong presence at Conference of the Parties, World Economic Forums, etc.	◆ Direct oversight by Group Management Board and HSBC Holdings Board ◆ Report governance, strategy and risk management in 2017 ARA and quantitative data in 2018 ◆ Reflected in executive scorecards	◆ A new framework to measure transition risks across our loan portfolio ◆ Science-based Energy Sector risk policy ◆ >3,100 conversations with corporate clients

1. According to EXEL

Key takeaways

- 1** The transition to a low carbon economy represents one of the largest commercial opportunities as well as a fundamental risk to the financial services sector
- 2** c.USD100tn of investments are required over the next 15-20 years to enable this transition
- 3** The pace of development of sustainable finance is accelerating, with impacts across all regions and sectors. Asia will be at the heart of this energy revolution
- 4** HSBC will be a global leader in supporting our clients' transition to a low carbon economy
- 5** We have made industry-leading commitments and will report our progress
- 6** Our progress made so far – USD10.5bn of GSS bonds facilitated, 27% of signed renewable power purchase agreements, implementing TCFD

Closing remarks

11 April 2018

Peter Wong

Deputy Chairman and Chief Executive, The Hongkong and Shanghai Banking Corporation Limited



HSBC has a distinctive Asian franchise enabling our leading international bank strategy

HSBC Asia footprint



HSBC Asia results

- ◆ **Highly profitable** franchise, disciplined investments
 - 2017 CER 46%
 - 2017 RoRWA 4.6%
- ◆ **Material contributor** to HSBC Group
 - USD25.8bn 2017 Revenue⁴, USD15.3bn 2017 Profit before Tax⁴
- ◆ **Track record in delivering growth**, continuous balance sheet growth since 2010
- ◆ **Unrivalled footprint** and heritage in the region
- ◆ **Uniquely positioned** to benefit from Asia's economic development

1. Greater China includes China, Hong Kong, Macau and Taiwan

2. Other priority markets includes Singapore, Malaysia, Indonesia, India and Australia

3. Network markets includes Vietnam, Thailand, Philippines, Bangladesh, Japan, Maldives, Mauritius, New Zealand, South Korea and Sri Lanka

4. Reported basis

Strategic priorities: continue to leverage HSBC's international connectivity to capture emerging opportunities

Highly profitable, unrivalled footprint and heritage and uniquely positioned

Leverage HSBC's international connectivity

Business Corridors

- ◆ Present in top 14 global trade corridors with at least one leg in Asia
- ◆ Significant opportunity to finance cross-border capital and wealth flow and trade

BRI

- ◆ Re-affirms our Corridors strategy, significant long-term growth theme
- ◆ Well positioned to be the "Go to Bank" for BRI through product capability and footprint

Capture Greater China-related opportunities

Hong Kong

- ◆ Undisputed market leader in Hong Kong
- ◆ Further growth through Greater Bay Area integration and facilitating China outbound

China / PRD

- ◆ Leading foreign bank in mainland China
- ◆ Invest to grow scale in the PRD, deepen capital Markets franchise and support clients in China outbound / BRI activities

RMB Internationalisation

- ◆ Forefront of offshore RMB business
- ◆ Continue to strengthen position as leading international bank for RMB business globally

Grow our domestic scale in our priority markets

ASEAN

- ◆ Well positioned to capture domestic growth in key ASEAN markets and connectivity
- ◆ Build out Singapore as a regional hub, increase share of domestic Wealth and support trade / infrastructure investments from corridor growth and BRI

Wealth and Insurance

- ◆ Highly value accretive franchises
- ◆ Deepen Insurance market share in Hong Kong and continue to enhance Wealth offering to capture share of rising Wealth in Asia

Solidify HSBC Asia's core capabilities

Digital

- ◆ Delivered material digital enhancements at pace
- ◆ Continue to accelerate investments and enhance technology / data capabilities to deliver mobile-first developments and personalised customer experience

Collaboration

- ◆ Cross-business collaboration deeply integrated, delivering faster revenue growth than overall Asia growth
- ◆ Further opportunity to deepen coverage and bring "more of HSBC" to more clients

Appendix

External views on BRI

North America



- **“I know the United States has been among those countries apparently most sceptical of the Belt and Road...I hope Americans keep an open mind as the Belt and Road develops and look for opportunities to participate.”**

Hank Paulson, former US Secretary of the Treasury, former Chairman and CEO of Goldman Sachs, speaking at the Belt and Road Forum for International Cooperation in Beijing, May 14, 2017

<http://www.paulsoninstitute.org/news/2017/05/14/hank-paulson-openness-and-transparency-will-increase-belt-and-road-initiatives-international-influence/>



- **“As government funding for the BRI projects improves, this is expected to result in higher demand throughout the industry,”**

Jeff Hardee, director of Asia-Pacific government & corporate affairs at Caterpillar in Singapore

<https://www.reuters.com/article/us-caterpillar-china-b-r/caterpillar-drives-sales-on-chinas-new-silk-road-idUSKBN1GG146>

Europe



- **“After all, the ancient Silk Roads were never only Chinese,” “By definition, these roads can only be shared. If they are roads, they cannot be one-way.”**

French President **Emmanuel Macron** in Xian, China, Jan 08, 2018

http://www.xinhuanet.com/english/2018-01/29/c_136934363.htm



- **“If “One Belt, One Road” is impressive in the length of its vision, it is just as impressive in the geographical breadth ...And Shell is always finding... new relationships with Chinese partners looking to invest overseas.”**

Simon Henry, Chief Financial Officer, Royal Dutch Shell plc speaking at the 9th International Roundtable of Multinational Corporations Leaders, Beijing, China, December 7, 2016

https://www.shell.com/media/speeches-and-articles/2016/chinas-one-belt-one-road-strategy/_jcr_content/par/toptasks_427c.stream/1481109835364/48532ade8ebdbc0032cc0097fe8417b0bb25d0f59006707d95a4ea6d95dc4ec8/ecsh-beijing-071216.pdf

Asia



- **“Malaysia must certainly take advantage of the Belt and Road Initiative, which has the potential to create the world's largest platform for economic cooperation.”**

Malaysian Prime Minister **Najib Razak**, 29 Jan 2018.

http://www.xinhuanet.com/english/2018-01/29/c_136934363.htm



- **“If you look at the Hutchison Ports network, 22 locations in 18 countries are sitting along the One Belt, One Road route, ports in the Middle East and African region are important in our growth strategy in play.”**

Andy Tsoi, Managing Director, Middle East and Africa region, Hutchison Ports 16 June 2017

<https://hutchisonports.com/en/media/stories/middle-east-ports-vital-link-in-hutchison-ports-one-belt-one-road-initiative/>

Case study: ChemChina / Syngenta

ChemChina's recommended public takeover of Syngenta for USD46bn

HSBC's full service global offering proved critical in advising on this landmark transaction

HSBC added value

February 2016



USD43bn

Advising ChemChina on its recommended public offer for Syngenta AG

Lead Financial Adviser

- Announced on 3 February 2016
- HSBC is acting as Lead Financial Adviser to ChemChina on its tender offer for Syngenta, the Swiss listed world leader in crop protection, valued at USD46bn

Trusted adviser

- Extensive analysis of changing agrochemical landscape, particularly following announced merger of Dow / DuPont
- Advice on approach to Syngenta and deal structuring alternatives
- This assignment is the culmination of a long-standing and active dialogue with ChemChina in M&A

International and multi-disciplinary team

- Demonstrates HSBC's successful track record of advising on large scale cross-border transactions between Asia and Europe most particularly
- Ground breaking transaction required the entire range of HSBC's Advisory and Capital Financing services across the globe

Financing support for the intended acquisition

- Demonstrates HSBC's ability to leverage its global presence and balance sheet to structure large event-driven financings within a highly accelerated timetable
- This transaction further highlights HSBC's strong acquisition financing franchise and its ability to lead complex cross-border transactions

Glossary

Glossary of terms

Term	Definition
A/D ratio	Ratio of loans and advances to customers to customer accounts
ADB	Asian Development Bank
Adjusted performance	Adjusted performance excludes the year-on-year effects of foreign currency translation differences and significant items which distort the year-on-year comparison of reported results. The term significant items collectively describes the group of individual adjustments excluded from reported results when arriving at adjusted performance and which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the trends of the business
AIIB	Asian Infrastructure Investment Bank
AM	Asset Management
APAC	Asia-Pacific
ASEAN	Association of Southeast Asian Nations
AU	Australia
AUC	Asset Under Custody

Term	Definition
AUM	Assets under management
BARC	Barclays Bank PLC
BCG	Boston Consulting Group
bn	billion
BoAML	Bank of America Merrill Lynch
BRI	Belt and Road Initiative
BSM	Balance Sheet Management
CAGR	Compound annual growth rate
CC	Corporate Centre
CER	Cost efficiency ratio

Glossary of terms

Term	Definition
Client revenue	Client revenue data sourced HSBC internal client MI, which differs from reported revenue. Excludes synergies with other global businesses and excludes internal costs of funds
CMB	Commercial Banking
CNY	Chinese Yuan Renminbi
CS	Credit Suisse Group AG
CSRC	China Securities Regulatory Commission
DB	Deutsche Bank AG
DCM	Debt capital markets
DTC	Digital transformation for Corporates
ECM	Equities capital markets
ECM	Equity Capital Markets
EMEA	Europe, Middle East and Africa

Term	Definition
Ernst & Young (“EY”) methodology	1.Estimated Market share is calculated by taking HSS’s Asia Pacific AUC (provided by HSS) divided by Total Asia Pacific AUC (using Tricumen data, which is estimated to cover c.60% of Asia Pacific AUC) 2.Estimated Market Positioning is derived comparing HSS’s AUC in Asia Pacific to 10 Asset Servicing Asia Pacific AUC values that EY holds data for, assuming these 11 Asset Servicing companies (including HSS) are the largest in Asia Pacific
ETF	Exchange Traded Funds
FDI	Foreign Direct Investment
FICC	Fixed Income, Currencies & Commodities
FIG	Financial Institutions Group
FUM	Funds under management
FX	Foreign Exchange
G10 Currencies	G10 currencies include United States dollar, Euro, Japanese yen, Pound sterling, Swiss franc, Australian dollar, New Zealand dollar, Canadian dollar, Swedish krona, Norwegian krone

Glossary of terms

Term	Definition
GB	Global Banking
GB&M	Global Banking and Markets
GBA	Greater Bay Area
GDP	Gross domestic product
GFC	Group Finance Companies
GLCM	Global Liquidity and Cash Management
GM	Global Markets
GPB	Global Private Banking
GS	Goldman Sachs Group Inc
GTRF	Global Trade and Receivables Finance
HKMA	Hong Kong Monetary Authority
HKQAA	Hong Kong Quality Assurance Agency
HSS	HSBC Securities Services

Term	Definition
IDBC	Industrial and Commercial Bank of China Limited
IMF	International Monetary Fund
Inbound revenue	Client revenue booked in Country A where the primary relationship is managed outside of Country A
Jaws	Percentage change in revenue over the percentage change in costs
JPM	JPMorgan Chase & Co
JV	Joint Venture
LATAM	Latin America
LICs	Loan impairment charges and other credit risk provisions
M&A	Mergers and Acquisitions

Glossary of terms

Term	Definition
MENA	Middle East and North Africa
MLA	Mandated Lead Arranger
MNCs	Multi-national corporations
MS	Morgan Stanley
NAFTA	North American Free Trade Agreement
NDB	New Development Bank
NIM	Net interest margin
NZ	New Zealand
ODI	Outward Direct Investment
OECD	Organisation for Economic Co-operation and Development
Outbound revenue	Client revenue relating to clients where the primary relationship is managed in Country A, but the revenue is booked outside of Country A
PBT	Profit before tax
PRD	Pear River Delta

Term	Definition
QFII	Qualified Foreign Institutional Investor
RBWM	Retail Banking and Wealth Management
RCF	Revolving Credit Facility
Reported results	Reported view of performance is determined on an International Financial Reporting Standards (“IFRS”) basis as reported in HSBC’s annual report and accounts and other financial and regulatory reports
RMB	Renminbi
RMBI	Reminbi Internationalisation
RoRWA	Return on risk-weighted assets
RoTE	Return on tangible equity
RQFII	Renminbi Qualified Foreign Institutional Investor
RWAs	Risk-weighted assets
SAFE	State Administration of Foreign Exchange
SG	Société Générale

Glossary of terms

Term	Definition
TLA	Term Loan A
tn	trillion
UNCTAD	United Nations Conference on Trade and Development
USD	US Dollar
VNB	Value of new business
Y-o-Y	Year-on-year
YTD	Year-to-Date

