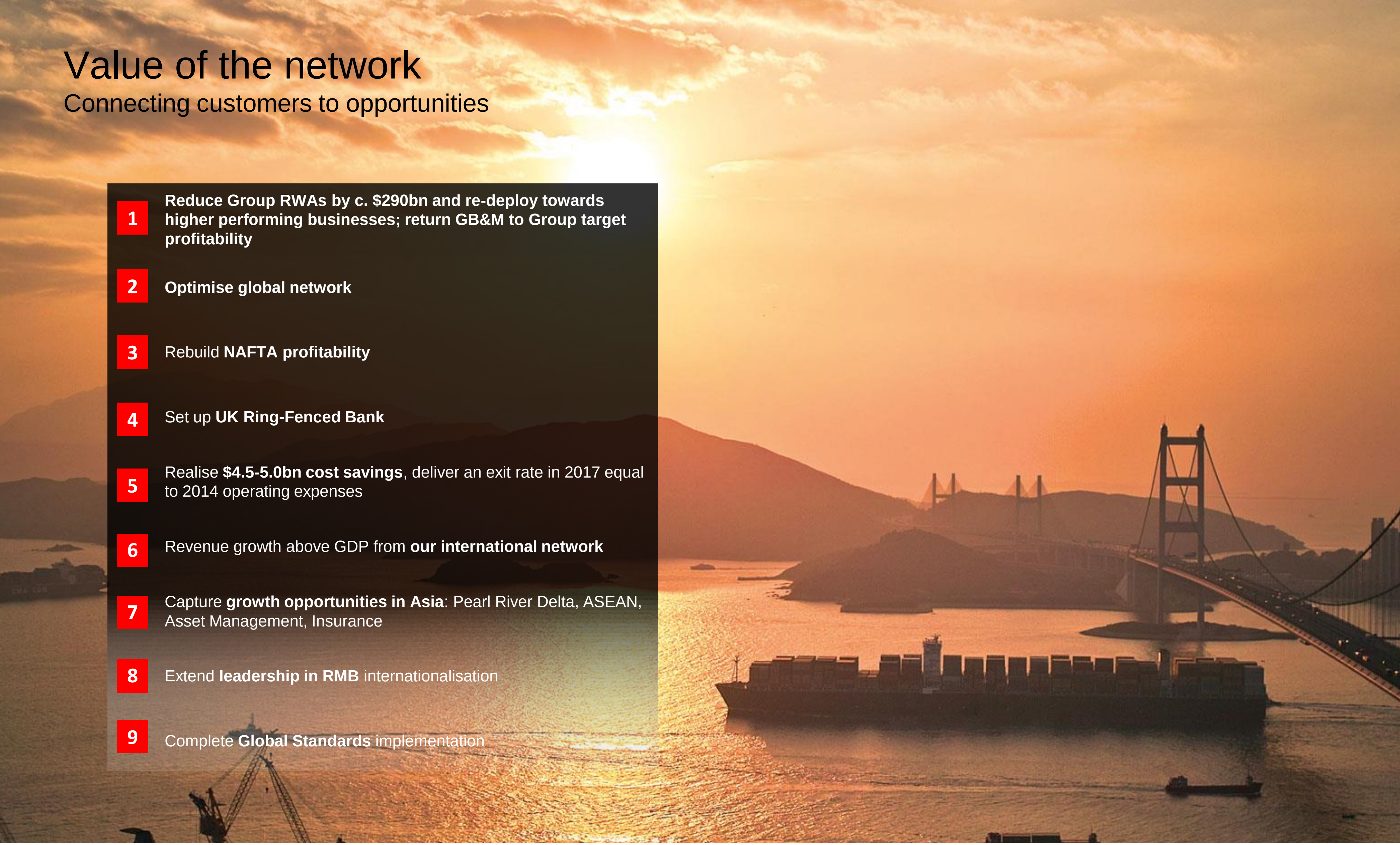


Value of the network

Connecting customers to opportunities

1. **Reduce Group RWAs by c. $290bn and re-deploy towards higher performing businesses; return GB&M to Group target profitability**
2. **Optimise global network**
3. Rebuild **NAFTA profitability**
4. Set up **UK Ring-Fenced Bank**
5. Realise **$4.5-5.0bn cost savings**, deliver an exit rate in 2017 equal to 2014 operating expenses
6. Revenue growth above GDP from **our international network**
7. Capture **growth opportunities in Asia**: Pearl River Delta, ASEAN, Asset Management, Insurance
8. Extend **leadership in RMB** internationalisation
9. Complete **Global Standards** implementation

HSBC Holdings plc 3Q 2016 Results

Presentation to Investors and Analysts

HSBC

Our highlights

3rd Quarter 2016

Reported PBT
(3Q15: $6.1bn)

$0.8bn

Adjusted PBT
(3Q15: $5.2bn)

$5.6bn

Adjusted revenue
(3Q15: $12.5bn)

$12.8bn

Adjusted Jaws

5.6%

CET1 ratio[1]
(2Q16: 12.1%)

13.9%

3Q16 Financial performance vs. 3Q15

- Reported PBT of $0.8bn includes the impact of the disposal of our operations in Brazil, changes in fair value of our own debt and costs-to-achieve
- Adjusted PBT of $5.6bn up $0.4bn or 7%;
  - Revenue of $12.8bn up $0.3bn or 2%: Client-facing GB&M up 11% and Principal RBWM up 9%;
  - LICs up $0.1bn; Compared with 2Q16, LICs decreased by $0.2bn
  - 4% fall in costs reflecting the effect of transformational cost saving programmes

9M16 vs 9M15

- Reported PBT of $10.6bn
- Adjusted PBT of $16.7bn down $1.0bn: lower revenue (mainly client-facing GB&M and Principal RBWM); higher LICs; 4% fall in costs
- Positive Jaws of 1.5%; $1.3bn of savings realised

Capital and liquidity

- Strong capital position with a CET1 ratio[1] of 13.9% and a leverage ratio of 5.4%
- Change in PRA regulatory treatment of BoCom, resulting in a $121bn reduction in RWAs and a $5.6bn threshold deduction from capital driving a 104bps increase to CET1

Strategy

- Further reduction in RWAs through the completion of Brazil disposal and other management actions
- Increased market share in a number of key markets and international product areas, including trade finance in Hong Kong and Singapore
- Share buy-back programme is now 59%[2] complete and expect to finish in late 2016 or early 2017

9M16 Key metrics

Key financial metrics	9M15	9M16
Return on average ordinary shareholders' equity[3]	10.7%	4.4%
Return on average tangible equity[3]	12.1%	5.3%
Jaws (adjusted)	-	1.5%
Dividends per ordinary share in respect of the period	$0.30	$0.30
Earnings per share	$0.73	$0.29
Common equity tier 1 ratio[1]	11.8%	13.9%
Leverage ratio	5.0%	5.4%
Advances to deposits ratio	70.8%	67.9%
Net asset value per ordinary share (NAV)	$9.00	$8.52
Tangible net asset value per ordinary share (TNAV)*	$7.73	$7.37

*TNAV was $7.53 as at 30th June 2016

Reported Income Statement, $m

	3Q16	vs. 3Q15	%	9M16	vs. 9M15	%
Revenue	9,512	(5,573)	(37)%	38,982	(9,046)	(19)%
LICs	(566)	72	11%	(2,932)	(855)	(41)%
Costs	(8,721)	318	4%	(27,349)	877	3%
Associates	618	(71)	(10)%	1,856	(144)	(7)%
PBT	**843**	**(5,254)**	**(86)%**	**10,557**	**(9,168)**	**(46)%**

Adjusted Income Statement, $m

	3Q16	vs. 3Q15	%	9M16	vs. 9M15	%
Revenue	12,787	259	2%	39,153	(941)	(2)%
LICs	(566)	(132)	(30)%	(2,184)	(871)	(66)%
Costs	(7,248)	266	4%	(22,145)	889	4%
Associates	618	(42)	(6)%	1,857	(58)	(3)%
PBT	**5,591**	**351**	**7%**	**16,681**	**(981)**	**(6)%**

Financial overview

Reconciliation of Reported to Adjusted PBT

$m	Discrete quarter 3Q15	3Q16	vs. 3Q15	9M16 9M15	9M16	vs. 9M15
Reported profit before tax	**6,097**	**843**	**(5,254)**	**19,725**	**10,557**	**(9,168)**
Includes						
Currency translation	253	-	(253)	688	-	(688)
Significant items:						
Loss on disposal of operations in Brazil	-	(1,743)	(1,743)	-	(1,743)	(1,743)
Trading results from disposed operations in Brazil	(35)	-	35	110	(338)	(448)
Fair value gains / (losses) on own debt (credit spreads only)	1,125	(1,370)	(2,495)	1,775	(144)	(1,919)
Gain on the partial sale of shareholding in Industrial Bank	-	-	-	1,372	-	(1,372)
Gain on the disposal of our membership interest in Visa Europe	-	-	-	-	584	584
Settlements and provisions in connection with legal matters	(135)	-	135	(1,279)	(723)	556
Impairment of GPB Europe goodwill	-	-	-	-	(800)	(800)
UK customer redress programmes	(67)	(456)	(389)	(204)	(489)	(285)
Costs-to-achieve	(165)	(1,014)	(849)	(165)	(2,032)	(1,867)
Other significant items[4]	(119)	(165)	(46)	(234)	(439)	(205)
Adjusted profit before tax	**5,240**	**5,591**	**351**	**17,662**	**16,681**	**(981)**

The remainder of the presentation, unless otherwise stated, is presented on an adjusted basis

3Q16 Profit before tax performance

Higher PBT from increased revenue and reduced costs

3Q16 vs 3Q15 PBT analysis[5], $m

Adjusted PBT by account line

	3Q16	vs. 3Q15 adverse	vs. 3Q15 favourable	
Revenue	$12,787m		259	2%
LICs	$(566)m	(132)		(30)%
Operating expenses	$(7,248)m		266	4%
Share of profits in associates and joint ventures	$618m	(42)		(6)%
Profit before tax	**$5,591m**		351	7%

Positive Jaws

+ 5.6%

Adjusted PBT by global business, $m	3Q15	3Q16	vs. 3Q15	%
Principal RBWM	1,356	1,747	391	29%
US CML run-off	154	52	(102)	(66)%
CMB	2,080	2,096	16	1%
GB&M	1,926	2,513	587	30%
GPB	86	109	23	27%
Other	(362)	(926)	(564)	n/a
Group	**5,240**	**5,591**	**351**	**7%**

Adjusted PBT by geography, $m	3Q15	3Q16	vs. 3Q15	%
Europe	819	863	44	5%
Asia	3,451	3,804	353	10%
Middle East and North Africa	328	379	51	16%
North America	556	383	(173)	(31)%
Latin America	86	162	76	88%

3Q16 revenue performance

2% increase vs. 3Q15 driven by client-facing GB&M and Principal RBWM; 9M16 revenue down 2% on 9M15

Revenue analysis[6], $m

	1Q15	2Q15	3Q15	1Q16	2Q16	3Q16	vs. 3Q15
Principal RBWM	4,766	5,121	4,560	4,517	4,676	4,956	9%
Wealth Management	1,463	1,820	1,191	1,119	1,288	1,500	
Principal RBWM excl. Wealth Management	3,303	3,301	3,369	3,398	3,388	3,456	
CMB	3,342	3,337	3,341	3,415	3,401	3,352	0%
Client-facing GB&M and BSM	4,620	4,511	3,985	4,193	4,336	4,380	10%
Markets (excl. Legacy credit)	1,957	1,908	1,396	1,668	1,815	1,611	
Other client-facing businesses and BSM	2,663	2,603	2,589	2,525	2,521	2,769	
GPB	568	537	489	477	474	467	
Other, US CML run-off & Legacy credit	160	31	153	375	(49)	(368)	
Group	**13,456**	**13,537**	**12,528**	**12,977**	**12,838**	**12,787**	2%

9% increase vs. 3Q15

Wealth management up 26% from more favourable market conditions in insurance manufacturing in Asia

Principal RBWM excluding Wealth Management up 3% from higher current account and savings revenue in Hong Kong, Mexico and Argentina

9M16 revenue up 2% vs. 9M15

Broadly unchanged vs. 3Q15 and 2Q16

10% increase vs. 3Q15

- Primarily in Rates (up $0.2bn) and Credit (up $0.2bn), from gains in market share and improved client flows
- Principal Investments up $0.1bn mainly from higher gains on disposal
- Equities down $0.1bn partly from lower market volumes

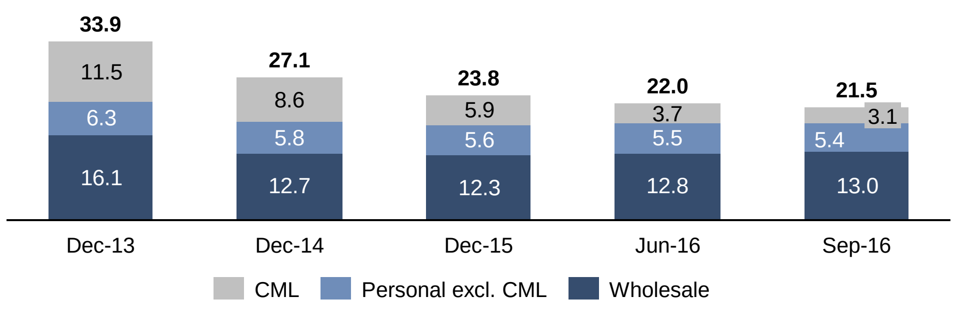
3Q16 Loan impairment charges

LICs decreased by $0.2bn compared with 2Q16

LICs analysis[6] by type

$m	3Q15	2Q16	3Q16	vs. 3Q15	vs. 2Q16
Group	**434**	**773**	**566**	**(132)**	**207**
LICs / average gross loans and advances to customers	*0.19%*	*0.35%*	*0.25%*	*(0.06)ppt*	*0.10ppt*
Of which:					
Personal	**270**	**281**	**360**	**(90)**	**(79)**
Collective	238	226	343	(105)	(117)
Specific	32	55	17	15	38
Wholesale	**167**	**527**	**277**	**(110)**	**250**
Collective	(44)	(105)	(17)	(27)	(88)
Specific	211	632	294	(83)	338
Impairment on AFS debt securities	**(8)**	**(33)**	**(59)**	**51**	**26**
Other credit-risk provisions	**5**	**(2)**	**(12)**	**17**	**(10)**

Impaired loans, $bn



Quarterly movements by region

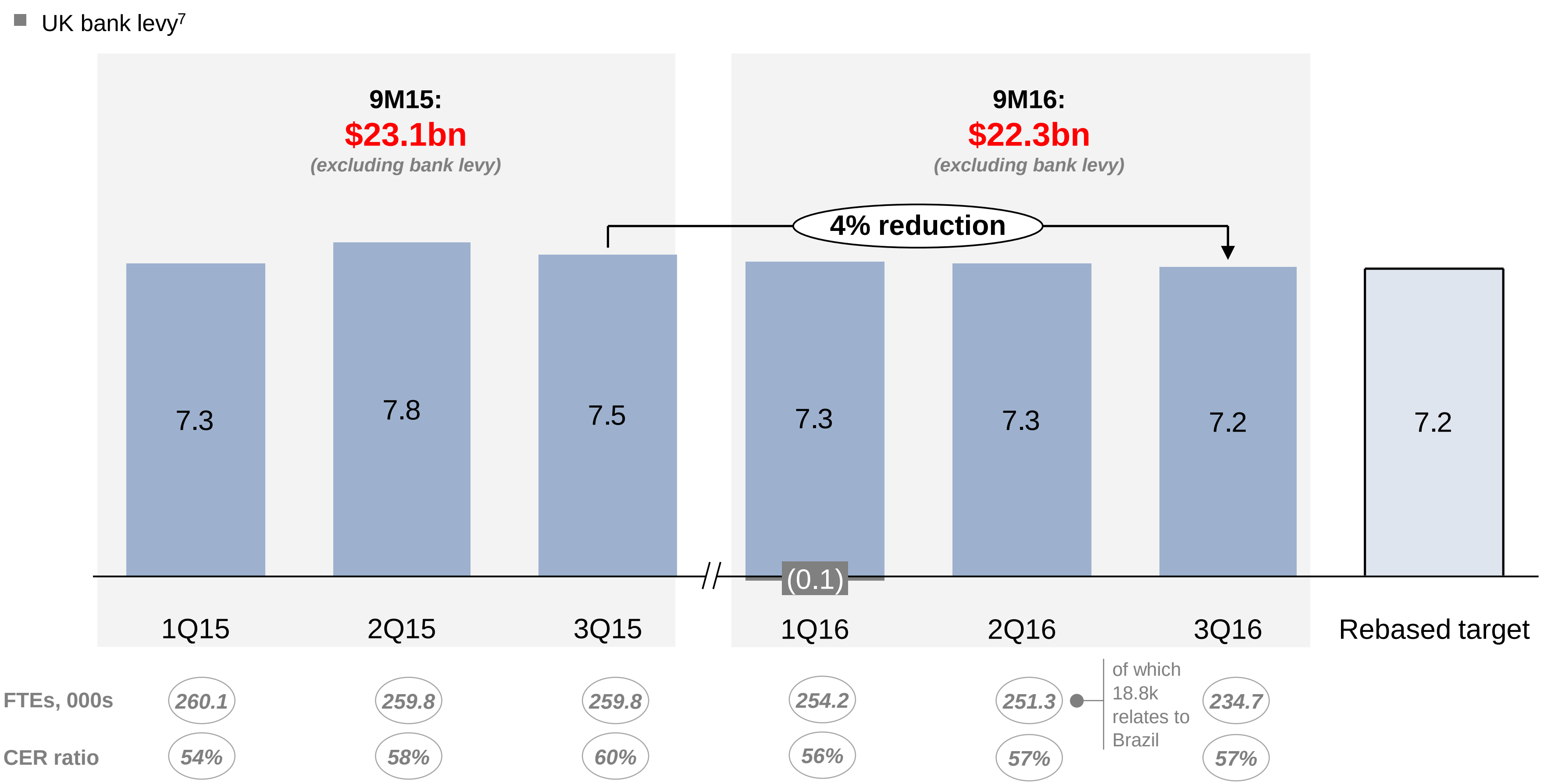
Decreased by $207m vs. 2Q16

Increased by $132m vs. 3Q15

3Q16 operating expenses

Annualised savings of $2.8bn; fully on track to achieve our target of $4.5bn to $5.0bn

Operating expenses[6] trend



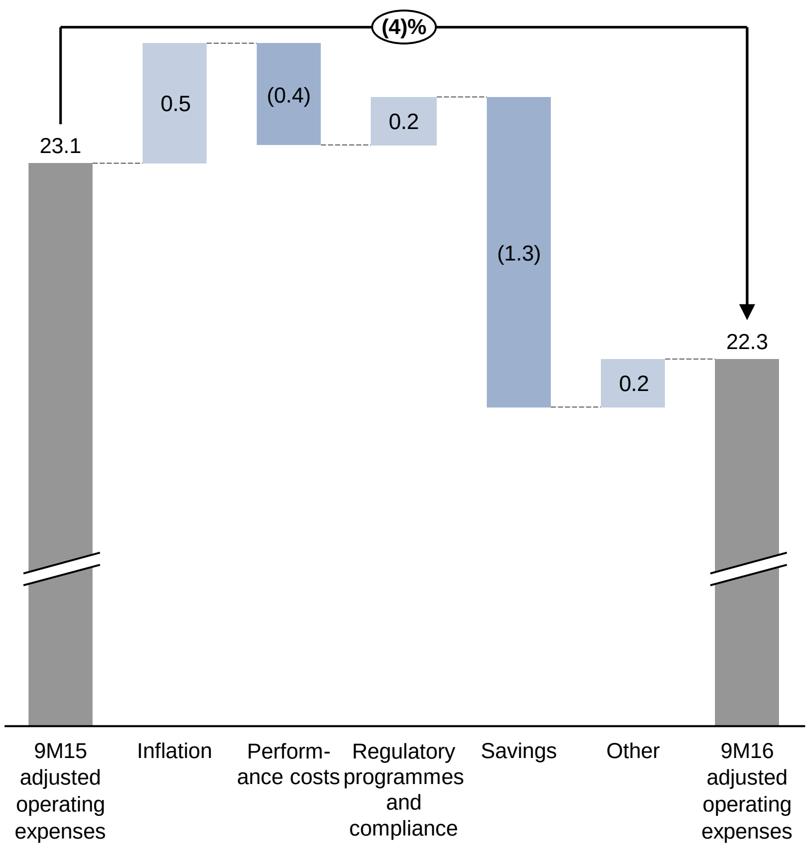
3Q16 operating expenses

Annualised savings of $2.8bn; fully on track to achieve our target of $4.5bn to $5.0bn

Operating expenses analysis (excluding UK bank levy)

9M16 vs. 9M15:

$1.3bn of savings realised



Examples of savings achieved

1 Digital investment and productivity improvement

- Enhance digital capabilities and self-service (e.g Apple, Android and Google pay in UK, HSBC easy pay in HK, Voice ID recognition)
- 271 branches closed

2 Automate and re-engineer operations

- c. 8k FTE reductions and $0.5bn saves by automating and re-engineering operations
- Moved c. 1k roles from high cost to low cost / high quality locations

3 Simplify software development and optimise IT infrastructure

- c. 2.0 – 2.5k FTE reductions and $0.6bn saves
- Delivered IT projects more effectively (Agile development)
- Migrated software development roles to low cost locations
- c. 180 net reduction in applications

4 Re-shape global functions

- Finance: Adopting a global operating model, enabling consolidation of processes and resources
- Risk: Re-engineered and simplified processes

5 Procurement

- External spend reduction through supplier consolidation and outsourcing of specialist procurement expertise

9M16 Profit before tax performance

Positive Jaws despite a challenging revenue environment

9M16 vs 9M15 PBT analysis, $m

Adjusted PBT by account line

	9M16	vs. 9M15 (adverse / favourable)	
Revenue	$39,153m	(941)	(2)%
LICs	$(2,184)m	(871)	(66)%
Operating expenses	$(22,145)m	889	4%
Share of profits in associates and joint ventures	$1,857m	(58)	(3)%
Profit before tax	**$16,681m**	(981)	(6)%

Positive Jaws

+1.5%

Adjusted PBT by global business, $m	9M15	9M16	vs. 9M15	%
Principal RBWM	4,954	4,761	(193)	(4)%
US CML run-off	368	147	(221)	(60)%
CMB	6,428	6,363	(65)	(1)%
GB&M	6,988	6,506	(482)	(7)%
GPB	402	351	(51)	(13)%
Other	(1,478)	(1,447)	31	2%
Group	**17,662**	**16,681**	**(981)**	**(6)%**

Adjusted PBT by geography, $m	9M15	9M16	vs. 9M15	%
Europe	3,482	2,753	(729)	(21)%
Asia	11,286	11,007	(279)	(2)%
Middle East and North Africa	1,190	1,370	180	15%
North America	1,461	1,067	(394)	(27)%
Latin America	243	484	241	99%

Capital adequacy

Strong capital base: common equity tier 1 ratio[1] – 13.9%

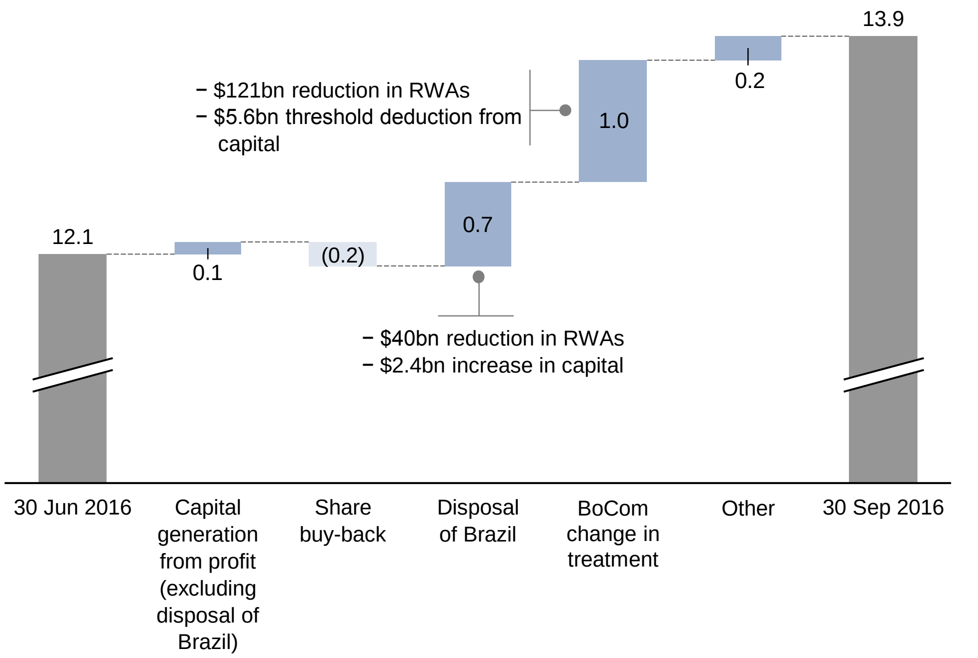
Regulatory capital and RWAs $bn

	31 Dec 2015	30 Jun 2016	**30 Sep 2016**
Common equity tier 1 capital	130.9	130.7	125.8
Total regulatory capital on a transitional basis	189.8	186.8	181.6
Risk-weighted assets	1,103.0	1,082.2	904.1

3Q16 CET1 movement, $bn

At 30 Jun 2016	**130.7**
Capital generation from profit	1.3
Profit for the period including regulatory adjustments (excluding disposal of Brazil)	2.5
Dividends[8] net of scrip	(1.2)
Disposal of Brazil	2.4
Change in treatment of BoCom	(5.6)
Share buy-back	(2.5)
Foreign currency translation differences	(1.3)
Other movements	0.8
At 30 Sep 2016	**125.8**

3Q16 CET1 ratio movement %



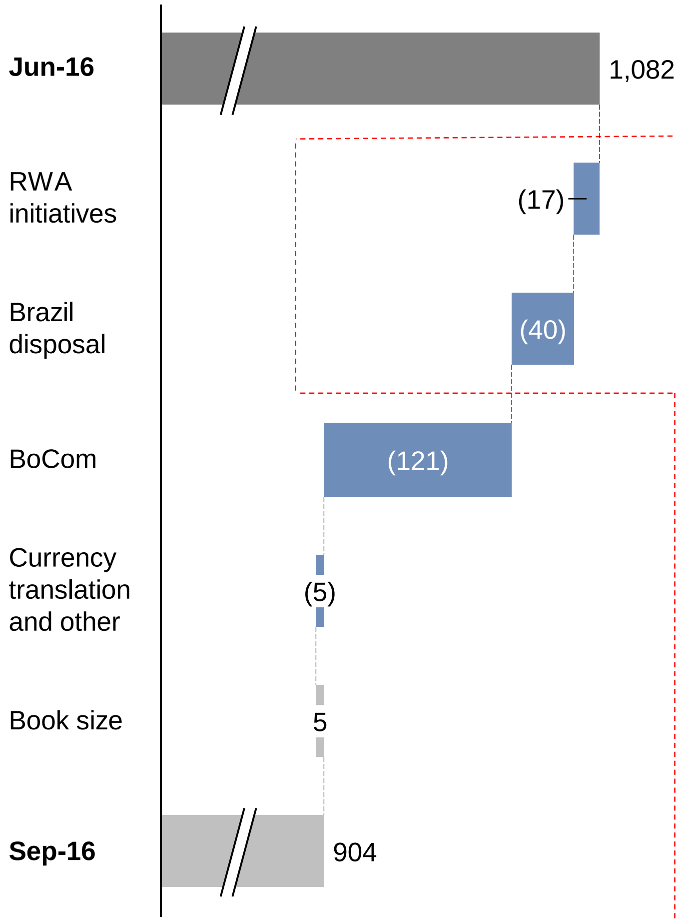
Quarterly CET1 ratio and leverage ratio progression

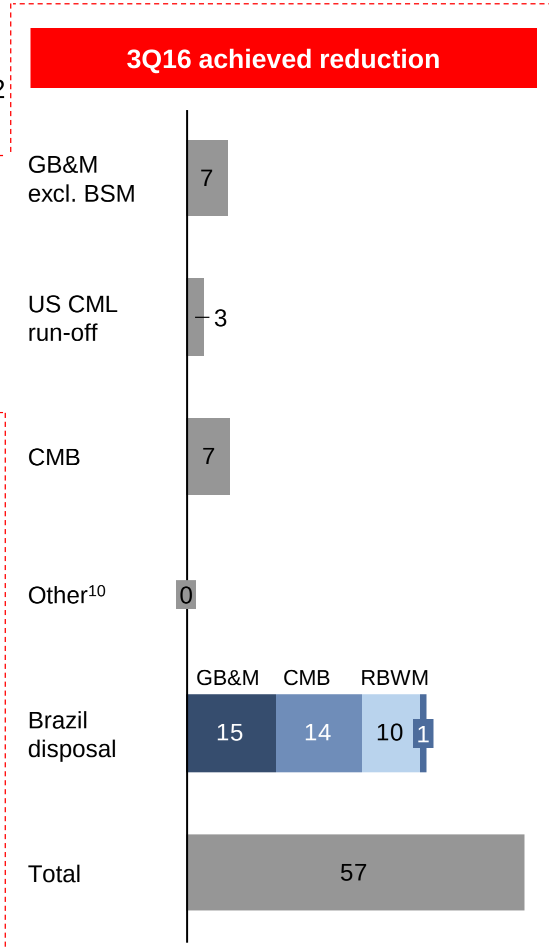
	4Q15	1Q16	2Q16	**3Q16**
CET1 ratio	11.9%	11.9%	12.1%	13.9%
Leverage ratio	5.0%	5.0%	5.1%	5.4%

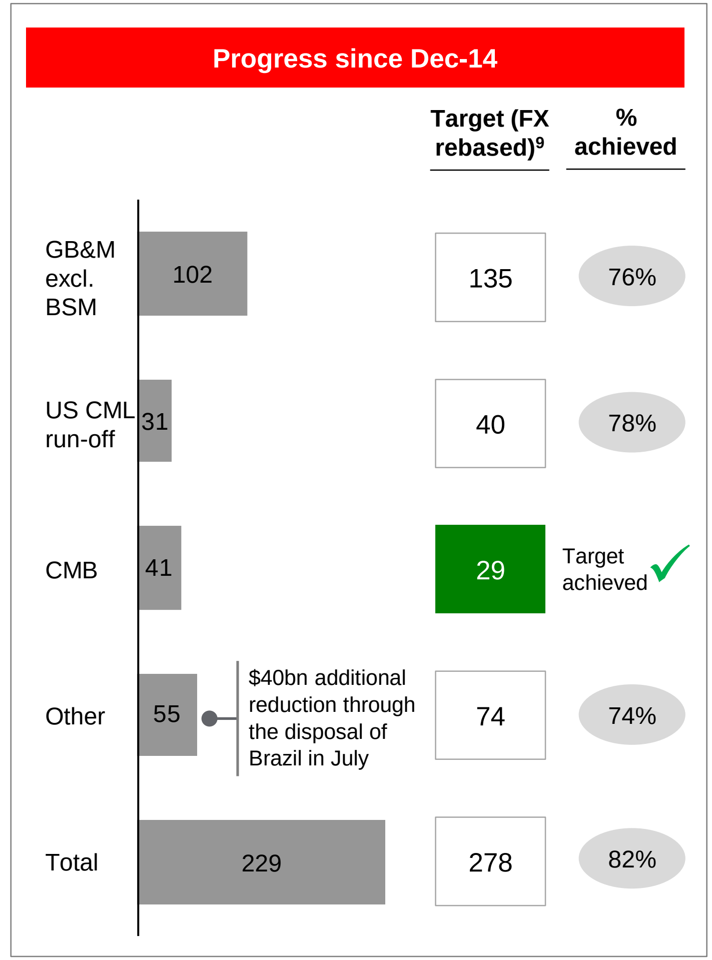
Reduce RWAs by $290bn[9]

$121bn reduction through Bocom; $57bn reduction through the disposal of Brazil and RWA initiatives

Key movements in Group RWA ($bn)



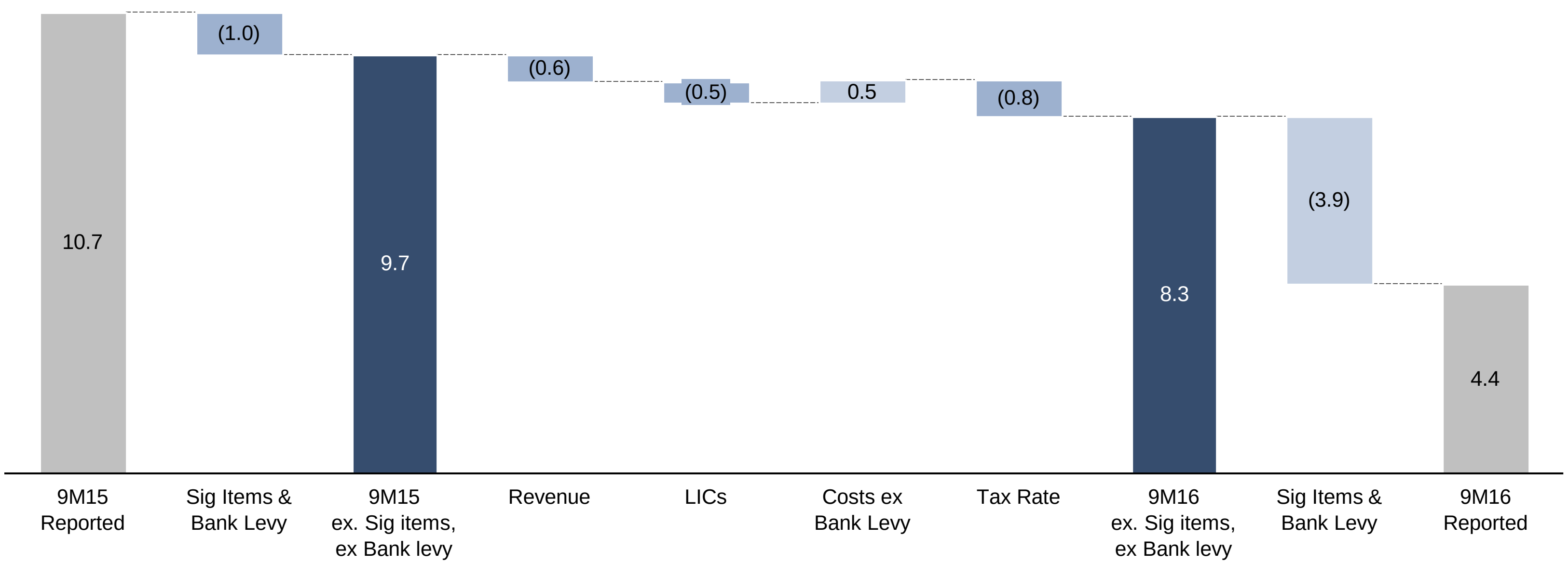




Return metrics

Drivers of returns

9M16 ROE vs. 9M15



	9M15 Reported	9M15 ex. Sig items, ex Bank levy	9M16 ex. Sig items, ex Bank levy	9M16 Reported
CET1 ratio, %	11.8%			13.9%
ROTE, %	12.1%	10.9%	8.8%	5.3%

Progress on strategic actions to capture value from our international network

✓ *On track to meet 2017 target*

— *To deliver post 2017*

Strategic actions	Progress	Targeted outcome by 2017	Status
Actions to re-size and simplify			
Reduce Group RWAs by c.$290bn	– $57bn further reduction in 3Q16, notably from the disposal of Brazil ($40bn) and initiatives in CMB and GB&M; more than 80% of Group reduction target achieved – Further $3bn reduction in CML in 3Q16 – Client-facing GB&M RWAs of $294bn; 33% of the Group total	– Group RWA reduction: $290bn – GB&M <1/3 of Group RWAs	✓
Optimise global network	– Completed sale of Brazil business (announced 1 July 2016);	– Reduced footprint	✓
Rebuild NAFTA profitability	– US Principal – Revenue: $3.6bn (broadly unchanged vs. 9M15); – PBT: $0.4bn (down 28% vs. 9M15)	– US Principal PBT c. $2bn	—
	– Mexico – Revenue: $1.5bn (up 16% on 9M15) – PBT: $0.2bn (up 69% on 9M15)	– Mexico PBT c. $0.6bn	✓
Set up UK ring-fenced bank	– Implementation in progress	– Completed by 2018	✓
Deliver $4.5-5.0bn cost savings	– $2.8bn total savings on run-rate basis since Investor Update – Positive jaws in 3Q16 and on a YTD basis	– 2017 exit rate to equal 2014 operating expenses	✓
Actions to redeploy capital and invest			
Deliver growth above GDP from international network	– Transaction banking revenue: $11.0bn (broadly unchanged vs. 9M15) – GLCM revenue: $4.8bn up 6% vs. 9M15; average deposits up 4% on prior year – GTRF revenue: $2.0bn down 7% on 9M15, reflecting decline in market conditions	– Revenue growth of international network above GDP	—
Pivot to Asia – prioritise and accelerate investments	– Asia share of adjusted PBT increased to 66% in 9M16 versus 64% in 9M15 – Insurance manufacturing new business premiums: $1.8bn (up 14% on 9M15) – Asset Mgt. AUM distributed in Asia: $145bn (up 15% on 9M15)	– Market share gains – c.10% growth p.a. in assets under management	✓
RMB internationalisation	– Renminbi internationalisation revenue: $1.0bn (down 29% on 9M15)	– $2.0-2.5bn revenue	—
Global Standards	– Implementation in progress	– Completed implementation	✓

Conclusion

Strong franchise in challenging operating environment

Strength of franchise and universal banking model

- Continued to capture value from international network:
- Gained market share in key Asian markets and businesses
- Sustainable business model with long-term earnings capacity to support our dividend[11]
- Share buy-back programme is now 59%[2] complete and expected to finish in late 2016 or early 2017

Good progress on operating expenses

- Positive jaws in 3Q16
- Achieved cost savings of $1.3bn in 9M16; $2.8bn total savings on run-rate basis since Investor Update
- On track to hit top end of $4.5-5bn cost target

Strong capital position

- Reduced RWAs by c.$229bn since start of programme (more than 80% of target); on track to deliver our target[9]
- Change in PRA regulatory treatment of BoCom, resulting in a $121bn reduction in RWAs and a $5.6bn threshold deduction from capital driving a 104bps increase to CET1
- Strengthened CET1 ratio to 13.9%

Challenging operating environment

- Uncertain economic, regulatory, and political outlook
- Positioned to benefit from increases in interest rates (Advances to deposits ratio: 68%)

Group financial targets

ROE	>10%
Costs	Positive jaws (adjusted)
Dividend and capital	– Sustain dividend through long-term earnings capacity of the businesses[11] – Contemplate share buy-backs as and when appropriate, subject to the execution of targeted capital actions and regulatory approval

Appendix

Appendix
Oil and gas

Oil and gas, $bn

Overall drawn risk exposure

$30bn

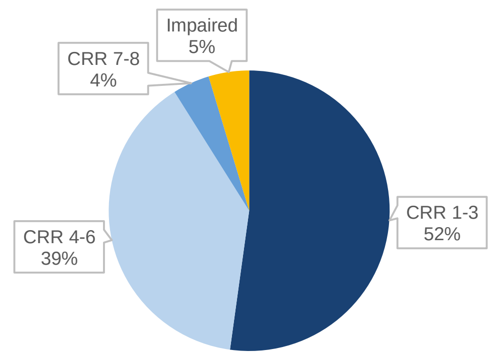
$1bn lower than June-16

Integrated Producers	Service companies	Pure producers	Infrastructure companies
$15bn	**$9bn**	**$4bn**	**$2bn**

- $30bn represents c. 2% of wholesale drawn risk exposures
- Large integrated producers remain resilient
- 4% of the portfolio is CRR 7-8, the majority of which is in service companies and pure producers
- 5% of the portfolio is impaired
- Loan impairment charges and other credit risk provisions of c. $0.4bn YTD, mainly individually assessed charges
- Past due but not impaired is insignificant
- Impairment allowances against the oil and gas portfolio of c. $0.9bn

Exposure by region	$bn
Europe	8
Asia	7
Middle East and North Africa	4
North America	9
Latin America	2
Group	**30**

Credit quality (%)



- CRR 1-3 broadly equivalent to investment grade
- CRR 4-6 Broadly equivalent to BB+ to B-
- CRR 7-8 Broadly equivalent to an external rating ranging from CCC+ to C

Appendix

Metals and mining

Metals and mining, $bn

Overall drawn risk exposure

$17bn

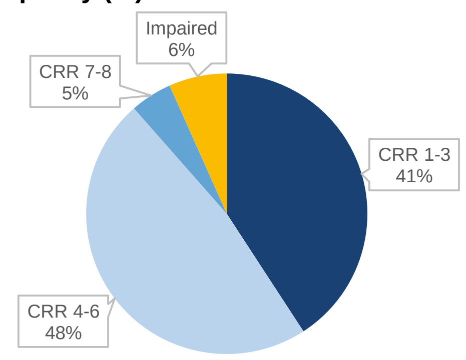
$1bn lower than June-16

Base / diversified	Bulk	Precious metals	Steel / Aluminium
$4.3bn	**$2.6bn**	**$1.3bn**	**$8.9bn**
Copper, Zinc and Nickel	Iron ore and metallurgical coal	Gold and Silver	

- $17bn represents c.1% of wholesale drawn risk exposure
- In line with expectations precious metals, copper, nickel and zinc prices improved during 2016
- The outlook for steel, aluminium and bulk metals is more negative due to a combination of oversupply and reduction in demand
- Impairment allowances of c. $0.5bn
- Loan impairment charges and other credit risk provisions of c. $0.4bn YTD, mainly individually assessed charges

Exposure by region	$bn
Europe	3
Asia	9
Middle East and North Africa	1
North America	3
Latin America	1
Group	**17**

Credit quality (%)



- CRR 1-3 broadly equivalent to investment grade
- CRR 4-6 Broadly equivalent to BB+ to B-
- CRR 7-8 Broadly equivalent to an external rating ranging from CCC+ to C

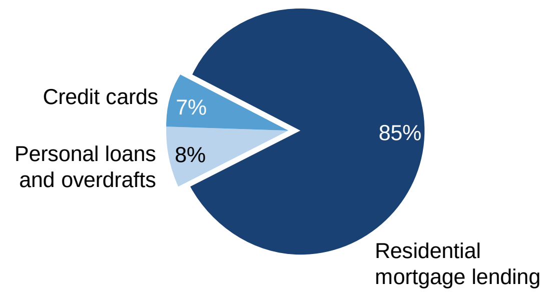
Appendix

UK loans and advances to customers, as of September 2016

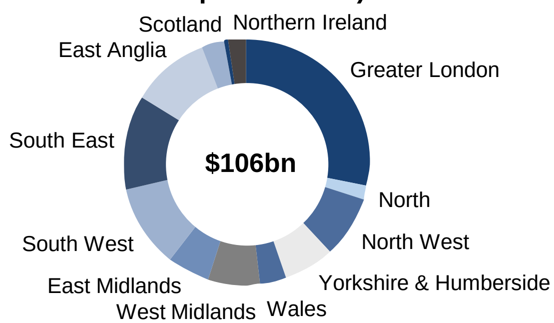
UK loans and advances to customers

- Total UK lending of $281bn which represents c. 32% of Group exposure
- Wholesale: $157bn; Personal: $124bn
- c.28% of the UK retail mortgage exposure is in Greater London; over half of the UK book is at an LTV of less than 50%
- c. 2% of our mortgage portfolio (c. 0.2% by volume) are for mortgages > £1m
- Corporate real estate lending of $17bn represents c. 11% of our UK wholesale portfolio

UK Personal of $124bn (vs. $127bn at June 16)



UK Mortgage lending of $106bn (vs. $107bn at June 16 on a reported basis)



UK Corporate real estate loans and advances of US$17bn

We lend to high quality real estate operators – typically publicly quoted firms, private family operators, Sovereign Wealth Funds, Overseas Investors, Family Offices

We have maintained conservative LTV levels and have strong interest cover

The following percentages are based on risk limits:

- Portfolio comprises lending for general financing (c. 36%) and specific property-related financing (c. 64%)
- c. 55% of specific property-related lending is in London and the South East
- General financing is focused on larger high quality names with 75% of the portfolio in CRRs 1-3, (broadly equivalent to investment grade)

Appendix

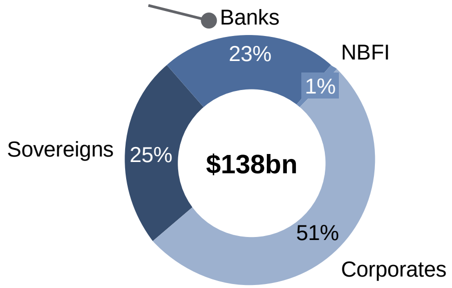
Mainland China exposure, as of September 2016

Mainland China drawn risk exposure[12]

- Total China exposure of $146bn of which 55% is onshore
- Wholesale: $138bn; Retail: $8bn
- Losses remain low (loan impairment charges of c. $100m year-to-date Sep 16)
- Impaired loans and days past due trends remain low.
- HSBC's onshore corporate lending market share is 0.2% which allows us to be selective in our lending

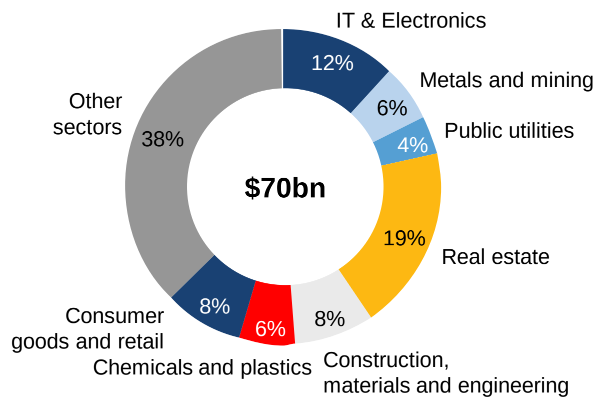
Wholesale lending by type:

Our top 5 exposures to banks amounted to $23bn



CRRs	1-3	4-6	7-8	9+	
Sovereigns	34.1	-	-	-	**$34.1bn**
Banks	31.2	0.2	-	-	**$31.4bn**
NBFI	1.5	0.3	-	-	**$1.8bn**
Corporates	41.5	28.0	0.3	0.5	**$70.3bn**
Total, $bn	**108.3**	**28.5**	**0.3**	**0.5**	**$137.6bn**
June 2016	***106.3***	***28.0***	***0.7***	***0.4***	***$135.3bn***

Corporate Lending by sector



- 29% State owned enterprises, 45% Private owned enterprises and 26% Foreign owned enterprises
- Corporate real estate
  - 66% sits within in CRR 1-3 (broadly equivalent to investment grade)
  - Total real estate is weighted towards investment grade

Appendix
Balance sheet

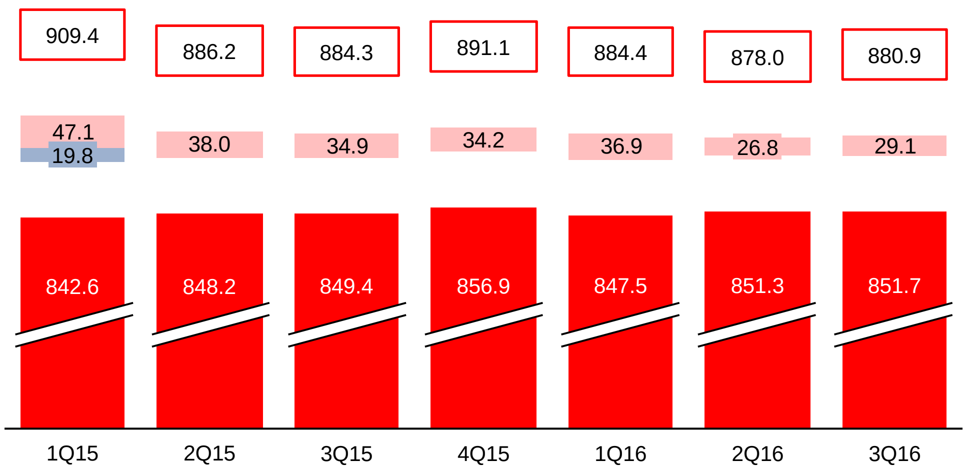
Loans and advances to customers, $bn (constant currency)

Key messages vs. June 16

– 2% mortgage growth in the UK

– Growth in CMB term lending, mainly in the UK

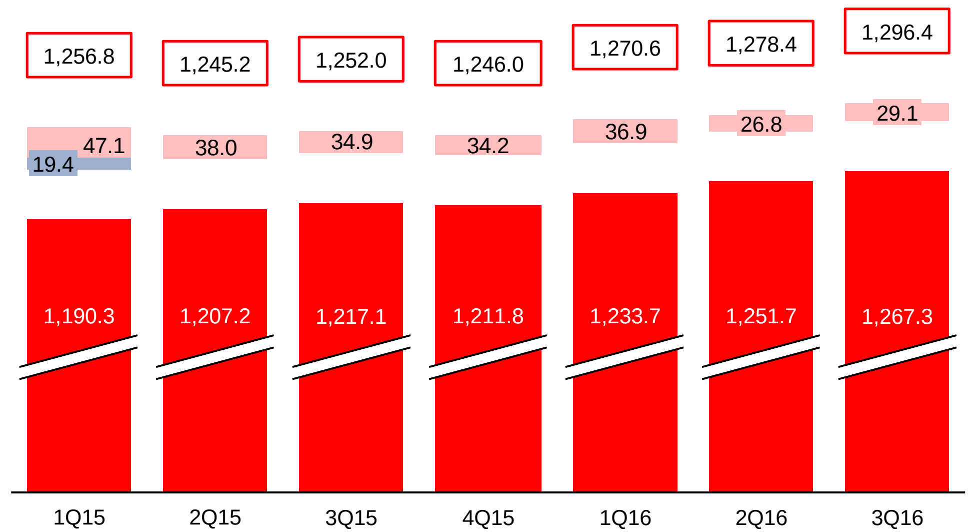
– Continued focus on reducing legacy portfolios in the US



Customer accounts, $bn (constant currency)

Key messages vs. June 16

– Growth in customer accounts driven by Asia



Total on a constant currency basis | Red-inked balances[13] | Brazil – balances reclassified to held for sale | Balances excl. red-inked balances

Appendix

Currency translation and significant items

$m	3Q15	3Q16	9M15	9M16
Currency translation	**253**	**-**	**688**	**-**
Significant items:				
Revenue				
Loss on disposal of operations in Brazil	-	(1,743)	-	(1,743)
Trading results from disposed operations in Brazil	858	-	2,489	1,470
(Loss) / Gain on sale of several tranches of real estate secured accounts in the US	(17)	(119)	-	(51)
Gain on the partial sale of shareholding in Industrial Bank	-	-	1,372	-
(Adverse) / Favourable debit valuation adjustment on derivative contracts	251	(55)	416	96
(Adverse) / Favourable fair value movements on non-qualifying hedges	(308)	12	(353)	(385)
Provisions arising from the ongoing review of compliance with the Consumer Credit Act in the UK	(10)	-	2	2
Favourable / (Adverse) movements on own credit spread	1,125	(1,370)	1,775	(144)
Gain on disposal of our membership interest in Visa Europe	-	-		584
	1,899	**(3,275)**	**5,701**	**(171)**
Loan impairment charges				
Trading results from disposed operations in Brazil	(207)	-	(609)	(748)
Operating expenses				
Trading results from disposed operations in Brazil	(686)	-	(1,769)	(1,059)
Regulatory provisions in GPB	(7)	50	(154)	46
Impairment of GPB Europe goodwill	-	-	-	(800)
Settlements and provisions in connection with legal matters	(135)	-	(1,279)	(723)
UK customer redress programmes	(67)	(456)	(204)	(489)
Restructuring and other related costs	-	-	(117)	-
Costs-to-achieve	(165)	(1,014)	(165)	(2,032)
Costs to establish UK ring-fenced bank	(28)	(53)	(28)	(147)
	(1,088)	**(1,473)**	**(3,716)**	**(5,204)**
Share of profit in associates and joint ventures				
Trading results from disposed operations in Brazil	-	-	(1)	(1)
Currency translation and significant items	**857**	**4,748**	**2,063**	**(6,124)**

Appendix

Reported Consolidated Income statement

$m	3Q15	3Q16	9M15	9M16
Net interest income	8,028	7,185	24,472	22,945
Net fee income	3,509	3,262	11,234	9,848
Net trading income	2,742	2,231	7,315	7,555
Other income	806	(3,166)	5,007	(1,366)
Net operating income before loan impairment charges and other credit risk provisions	**15,085**	**9,512**	**48,028**	**38,982**
Loan impairment charges and other credit risk provisions	(638)	(566)	(2,077)	(2,932)
Net operating income	**14,447**	**8,946**	**45,951**	**36,050**
Total operating expenses	(9,039)	(8,721)	(28,226)	(27,349)
Operating profit	**5,408**	**225**	**17,725**	**8,701**
Share of profit in associates and joint ventures	689	618	2,000	1,856
Profit before tax	**6,097**	**843**	**19,725**	**10,557**

Cost efficiency ratio %	59.9%	91.7%	58.8%	70.2%

Appendix
Footnotes

1. Since 1 January 2015 the CRD IV transitional CET1 and end point CET1 capital ratios have been aligned for HSBC Holdings plc
2. As at 2nd November 2016
3. On an annualised basis
4. Refer to slide 22 for a complete list of significant items
5. Significant items for 3Q15 and 3Q16 can be found in the '3Q 2016 Data Pack' on our website at www.hsbc.com. Any differences between reported numbers excluding significant items and the figures presented relate to foreign currency translation
6. Revenue, loan impairment charges and operating expenses trends are calculated based on 3Q16 foreign exchange rates and exclude significant items. Reported numbers and significant items to 3Q15 can be found in in the '3Q2016 Data pack' on our website www.hsbc.com. Any differences between reported numbers excluding significant items and the figures presented relate to foreign currency translation. The operating results for Brazil included revenue of $1,034m in 1Q15 and $1,008m in 2Q15, and costs of $698m in 1Q15 and $654m in 2Q15
7. 1Q15, 1Q16 and 2Q16 included credits relating to the prior year's UK bank levy charge of $44m, $106m and $22m respectively
8. This includes dividends on ordinary shares, quarterly dividends on preference shares and coupons on capital securities, classified as equity
9. Investor day target of $290bn rebased for exchange rates at 30 September 2016
10. Includes BSM
11. Dividend per ordinary share
12. Retail drawn exposures represent retail lending booked in mainland China; wholesale drawn exposures represents wholesale lending where the ultimate parent or beneficial owner is Chinese
13. Red-inked balances relate to PCM customers in the UK, who settle their overdraft and deposit balances on a net basis

Appendix

Important notice and forward-looking statements

Important notice

The information set out in this presentation and subsequent discussion does 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 recommendation in respect of such securities or instruments.

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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 3Q16 Earnings Release and the Reconciliations of Non-GAAP Financial Measures document which are both available at www.hsbc.com.

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Photography: Getty Images