HSBC HOLDINGS PLC

G-SIB INDICATORS DISCLOSURE

31 December 2019

HSBC

G-SIB indicators disclosures

The disclosure

The 'HSBC Holdings plc G-SIB Indicators Disclosure 2019 year-end template' sets out data to be used by the Financial Stability Board and the Basel Committee on Banking Supervision in determining HSBC's 2020 global systemically important bank ('G-SIB') ranking and which will ultimately inform the G-SIB capital buffer to be applied in 2022. The data is at 31 December 2019 and has been prepared in accordance with instructions for the 2019 year-end data collection exercise of the Basel Macroprudential Supervision Group, and conforms to the European Banking Authority ('EBA') Implementing Technical Standards. As instructed, we have used the regulatory consolidation scope unless otherwise required.

The G-SIB assessment methodology

Under the Basel Committee's G-SIB ranking and capital charge assessment methodology, which the EBA's methodology reflects, a group of the largest banks, as a proxy for the global banking sector, is scored under twelve indicators.

The score for each indicator is calculated by dividing a bank's reported value by the aggregate of the values for that indicator reported by the reference group. This amount is then expressed in basis points. For example: if a bank's reported 'Size' indicator made up 3% of the aggregate value reported, its basis point score for this indicator would be 300.

The score in each of the five main categories is then determined as a simple average of the indicator scores within that category (subject to a cap on the score for Substitutability), and the bank's overall score as a simple average of the five category scores.

It is important to note that a bank's ranking for the purpose of allocation of a capital charge on the scale 0% to 3.5% will therefore be driven by its relative complexity, substitutability, etc. compared with the entire reference group of banks, materially influenced by those of the largest banks in the group.

Thus, if a bank were significantly to shrink its size, simplify operations and reduce complexity, but others were to take even greater steps in this regard, then that bank might nevertheless rise in the overall ranking and potentially incur an increased capital buffer.

End-2019 G-SIB Assessment Exercise

General Bank Data

Section 1 - General Information	GSIB	Response
a. General information provided by the relevant supervisory authority:		
(1) Country code	1001	GB
(2) Bank name	1002	HSBC Holdings plc
(3) Reporting date (yyyy-mm-dd)	1003	2019-12-31
(4) Reporting currency	1004	USD
(5) Euro conversion rate	1005	0.890154887
(6) Submission date (yyyy-mm-dd)	1006	2020-05-06
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1,000,000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2020-04-30
(4) Language of public disclosure	1010	English
(5) Web address of public disclosure	1011	https://www.hsbc.com/investors/results-and-announcements/all-reporting/group?page=1&take=20

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million USD
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	29,786
(2) Capped notional amount of credit derivatives	1201	8,975
(3) Potential future exposure of derivative contracts	1018	136,441
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	254,951
(2) Counterparty exposure of SFTs	1014	10,693
c. Other assets	1015	2,080,427
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	450,109
(2) Items subject to a 20% CCF	1022	52,591
(3) Items subject to a 50% CCF	1023	329,538
(4) Items subject to a 100% CCF	1024	33,324
e. Regulatory adjustments	1031	30,456
f. Total exposures indicator (Total exposures prior to regulatory adjustments) (sum of items 2.a.(1) thorough 2.c, 0.1 times 2.d.(1), 0.2 times 2.d.(2), 0.5 times 2.d.(3), and 2.d.(4))	1103	2,774,894

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million USD
a. Funds deposited with or lent to other financial institutions	1033	103,572
(1) Certificates of deposit	1034	2,376
b. Unused portion of committed lines extended to other financial institutions	1035	10,121
c. Holdings of securities issued by other financial institutions:		
(1) Secured debt securities	1036	14,339
(2) Senior unsecured debt securities	1037	34,920
(3) Subordinated debt securities	1038	824
(4) Commercial paper	1039	19
(5) Equity securities	1040	24,526
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	1041	13,646
d. Net positive current exposure of securities financing transactions with other financial institutions	1213	8,610
e. Over-the-counter derivatives with other financial institutions that have a net positive fair value:		
(1) Net positive fair value	1043	5,898
(2) Potential future exposure	1044	57,165
f. Intra-financial system assets indicator (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	1045	246,348

Section 4 - Intra-Financial System Liabilities	GSIB	Amount in million USD
a. Funds deposited by or borrowed from other financial institutions:		
(1) Deposits due to depository institutions	1046	41,947
(2) Deposits due to non-depository financial institutions	1047	161,326
(3) Loans obtained from other financial institutions	1105	4,430
b. Unused portion of committed lines obtained from other financial institutions	1048	3,481
c. Net negative current exposure of securities financing transactions with other financial institutions	1214	17,782
d. Over-the-counter derivatives with other financial institutions that have a net negative fair value:		
(1) Net negative fair value	1050	7,472
(2) Potential future exposure	1051	39,889
e. Intra-financial system liabilities indicator (sum of items 4.a.(1) through 4.d.(2))	1052	276,327

Section 5 - Securities Outstanding	GSIB	Amount in million USD
a. Secured debt securities	1053	9,592
b. Senior unsecured debt securities	1054	173,532
c. Subordinated debt securities	1055	32,907
d. Commercial paper	1056	14,574
e. Certificates of deposit	1057	38,081
f. Common equity	1058	177,274
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	1059	24,521
h. Securities outstanding indicator (sum of items 5.a through 5.g)	1060	470,480

Substitutability/Financial Institution Infrastructure Indicators

Section 6 - Payments made in the reporting year (excluding intragroup payments)	GSIB	Amount in million USD
a. Australian dollars (AUD)	1061	2,514,915
b. Brazilian real (BRL)	1062	0
c. Canadian dollars (CAD)	1063	1,178,441
d. Swiss francs (CHF)	1064	167,007
e. Chinese yuan (CNY)	1065	3,653,212
f. Euros (EUR)	1066	16,756,096
g. British pounds (GBP)	1067	23,213,999
h. Hong Kong dollars (HKD)	1068	4,350,109
i. Indian rupee (INR)	1069	492,550
j. Japanese yen (JPY)	1070	2,767,734
k. Mexican pesos (MXN)	1108	621,708
l. Swedish krona (SEK)	1071	343,141
m. United States dollars (USD)	1072	40,799,538
n. Payments activity indicator (sum of items 6.a through 6.m)	1073	96,858,452

Section 7 - Assets Under Custody	GSIB	Amount in million USD
a. Assets under custody indicator	1074	7,184,766

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million USD
a. Equity underwriting activity	1075	9,694
b. Debt underwriting activity	1076	207,764
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	217,458

Complexity indicators

Section 9 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million USD
a. OTC derivatives cleared through a central counterparty	1078	12,562,593
b. OTC derivatives settled bilaterally	1079	13,694,387
c. OTC derivatives indicator (sum of items 9.a and 9.b)	1080	26,256,980

Section 10 - Trading and Available-for-Sale Securities	GSIB	Amount in million USD
a. Held-for-trading securities (HFT)	1081	226,153
b. Available-for-sale securities (AFS)	1082	347,683
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	390,648
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	55,800
e. Trading and AFS securities indicator (sum of items 10.a and 10.b, minus the sum of 10.c and 10.d)	1085	127,388

Section 11 - Level 3 Assets	GSIB	Amount in million USD
a. Level 3 assets indicator (Assets valued for accounting purposes using Level 3 measurement inputs)	1086	12,730

Cross-Jurisdictional Activity Indicators

Section 12 - Cross-Jurisdictional Claims	GSIB	Amount in million USD
a. Cross-jurisdictional claims indicator (Total foreign claims on an ultimate risk basis)	1087	1,690,263

Section 13 - Cross-Jurisdictional Liabilities	GSIB	Amount in million USD
a. Foreign liabilities (excluding derivatives and local liabilities in local currency)	1088	516,284
(1) Any foreign liabilities to related offices included in item 13.a.	1089	65,496
b. Local liabilities in local currency (excluding derivatives activity)	1090	774,230
c. Cross-jurisdictional liabilities indicator (sum of items 13.a and 13.b, minus 13.a.(1))	1091	1,225,018