

HSBC HOLDINGS PLC

G-SIB INDICATORS DISCLOSURE

31 December 2021

G-SIB indicators disclosures

The disclosure

The 'HSBC Holdings plc G-SIB Indicators Disclosure 2021 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 2022 global systemically important bank ('G-SIB') ranking and which will ultimately inform the G-SIB capital buffer to be applied in 2024. The data is at 31 December 2021 and has been prepared in accordance with instructions for the 2021 year-end data collection exercise of the Basel Macro Prudential 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 thirteen indicators.

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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.

GSIB framework changes to the core Indicators

The following key changes to the G-SIB Indicators framework (published in BCBS D445 in 2018) have been implemented in the 2021 template:

- A new trading volumes indicator has been added with a 3.33% score weighting (Section 9) and the underwritten transactions indicator (Section 8) score weighting reduced from 6.67% to 3.33% under the Substitutability/ Financial Institution Infrastructure category.
- Insurance subsidiaries have been added to the scope of the size (Section 2), interconnectedness (Sections 3-5) and complexity (Sections 10 & 12) indicators.
- Amendments to the basis of prep for cross-jurisdictions indicators (foreign derivatives claims included in cross jurisdictional claims and foreign derivatives liabilities included in Cross-Jurisdictional Liabilities) (Sections 13 & 14).
- Mexican Pesos removed and New Zealand Dollar added to Section 6 (Payments made in the reporting year).

End-2021 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	2021-12-31
(4) Reporting currency	1004	USD
(5) Euro conversion rate	1005	0.882924245
(6) Submission date (yyyy-mm-dd)	1006	2022-04-29
b. General Information provided by the reporting institution:		
(1) Reporting unit	1007	1000000
(2) Accounting standard	1008	IFRS
(3) Date of public disclosure (yyyy-mm-dd)	1009	2022-04-29
(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
(6) LEI code	2015	MLU0Z03ML4LN2LL2L39

Size Indicator

Section 2 - Total Exposures	GSIB	Amount in million USD
a. Derivatives		
(1) Counterparty exposure of derivatives contracts	1012	23,062
(2) Capped notional amount of credit derivatives	1201	3,671
(3) Potential future exposure of derivative contracts	1018	108,496
b. Securities financing transactions (SFTs)		
(1) Adjusted gross value of SFTs	1013	265,273
(2) Counterparty exposure of SFTs	1014	10,342
c. Other assets	1015	2,351,910
d. Gross notional amount of off-balance sheet items		
(1) Items subject to a 0% credit conversion factor (CCF)	1019	480,821
(2) Items subject to a 20% CCF	1022	51,633
(3) Items subject to a 50% CCF	1023	341,282
(4) Items subject to a 100% CCF	1024	32,126
e. Regulatory adjustments	1031	34,424
f. Total exposures prior to regulatory adjustments (sum of items 2.a.(1) through 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	3,023,929
g. Exposures of insurance subsidiaries not included in 2.f net of intragroup:		
(1) On-balance sheet and off-balance sheet insurance assets	1701	143,435
(2) Potential future exposure of derivatives contracts for insurance subsidiaries	1205	101
(3) Investment value in consolidated entities	1208	2,619
h. Intragroup exposures with insurance subsidiaries reported in 2.g that are included in 2.f	2101	4,520
i. Total exposures indicator, including insurance subsidiaries (sum of items 2.f, 2.g.(1) through 2.g.(2) minus 2.g.(3) through 2.h)	1117	3,160,326

Interconnectedness Indicators

Section 3 - Intra-Financial System Assets	GSIB	Amount in million USD
a. Funds deposited with or lent to other financial institutions	1216	103,370
(1) Certificates of deposit	2102	1,811
b. Unused portion of committed lines extended to other financial institutions	1217	8,037
c. Holdings of securities issued by other financial institutions		
(1) Secured debt securities	2103	24,783
(2) Senior unsecured debt securities	2104	36,628
(3) Subordinated debt securities	2105	575
(4) Commercial paper	2106	0
(5) Equity securities	2107	66,506
(6) Offsetting short positions in relation to the specific equity securities included in item 3.c.(5)	2108	11,957
d. Net positive current exposure of SFTs with other financial institutions	1219	8,616
e. OTC derivatives with other financial institutions that have a net positive fair value		
(1) Net positive fair value	2109	5,569
(2) Potential future exposure	2110	47,815
f. Intra-financial system assets indicator, including insurance subsidiaries (sum of items 3.a, 3.b through 3.c.(5), 3.d, 3.e.(1), and 3.e.(2), minus 3.c.(6))	1215	289,942

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	2111	57,105
(2) Deposits due to non-depository financial institutions	2112	186,441
(3) Loans obtained from other financial institutions	2113	4,561
b. Unused portion of committed lines obtained from other financial institutions	1223	6,692
c. Net negative current exposure of SFTs with other financial institutions	1224	20,588
d. OTC derivatives with other financial institutions that have a net negative fair value		
(1) Net negative fair value	2114	3,223
(2) Potential future exposure	2115	23,643
e. Intra-financial system liabilities indicator, including insurance subsidiaries (sum of items 4.a.(1) through 4.d.(2))	1221	302,252

Section 5 - Securities Outstanding	GSIB	Amount in million USD
a. Secured debt securities	2116	10,362
b. Senior unsecured debt securities	2117	159,463
c. Subordinated debt securities	2118	29,103
d. Commercial paper	2119	6,655
e. Certificates of deposit	2120	16,655
f. Common equity	2121	138,885
g. Preferred shares and any other forms of subordinated funding not captured in item 5.c.	2122	25,210
h. Securities outstanding indicator, including the securities issued by insurance subsidiaries (sum of items 5.a through 5.g)	1226	386,334

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	2,432,012
b. Canadian dollars (CAD)	1063	1,108,157
c. Swiss francs (CHF)	1064	1,610,016
d. Chinese yuan (CNY)	1065	6,785,776
e. Euros (EUR)	1066	12,778,823
f. British pounds (GBP)	1067	25,162,731
g. Hong Kong dollars (HKD)	1068	6,470,114
h. Indian rupee (INR)	1069	427,989
i. Japanese yen (JPY)	1070	2,395,387
j. New Zealand dollars (NZD)	1109	342,174
k. Swedish krona (SEK)	1071	349,266
l. United States dollars (USD)	1072	46,189,649
m. Payments activity indicator (sum of items 6.a through 6.l)	1073	106,052,095

Section 7 - Assets Under Custody	GSIB	Amount in million USD
a. Assets under custody indicator	1074	9,335,649

Section 8 - Underwritten Transactions in Debt and Equity Markets	GSIB	Amount in million USD
a. Equity underwriting activity	1075	15,117
b. Debt underwriting activity	1076	240,976
c. Underwriting activity indicator (sum of items 8.a and 8.b)	1077	256,093

Section 9 - Trading Volume	GSIB	Amount in million USD
a. Trading volume of securities issued by other public sector entities, excluding intragroup transactions	2123	67,663
b. Trading volume of other fixed income securities, excluding intragroup transactions	2124	2,065,320
c. Trading volume fixed income sub-indicator (sum of items 9.a and 9.b)	2125	2,132,983
d. Trading volume of listed equities, excluding intragroup transactions	2126	1,286,615
e. Trading volume of all other securities, excluding intragroup transactions	2127	69,828
f. Trading volume equities and other securities sub-indicator (sum of items 9.d and 9.e)	2128	1,356,443

Complexity indicators

Section 10 - Notional Amount of Over-the-Counter (OTC) Derivatives	GSIB	Amount in million USD
a. OTC derivatives cleared through a central counterparty	2129	11,271,723
b. OTC derivatives settled bilaterally	1905	11,885,975
c. Notional amount of over-the-counter (OTC) derivatives indicator, including insurance subsidiaries (sum of items 10.a and 10.b)	1227	23,157,698

Section 11 - Trading and Available-for-Sale Securities	GSIB	Amount in million USD
a. Held-for-trading securities (HFT)	1081	219,247
b. Available-for-sale securities (AFS)	1082	339,891
c. Trading and AFS securities that meet the definition of Level 1 assets	1083	340,387
d. Trading and AFS securities that meet the definition of Level 2 assets, with haircuts	1084	84,211
e. Trading and AFS securities indicator (sum of items 11.a and 11.b, minus the sum of 11.c and 11.d)	1085	134,540

Section 12 - Level 3 Assets	GSIB	Amount in million USD
a. Level 3 assets indicator, including insurance subsidiaries	1229	23,627

Cross-Jurisdictional Activity Indicators

Section 13 - Cross-Jurisdictional Claims	GSIB	Amount in million USD
a. Total foreign claims on an ultimate risk basis	1087	1,890,615
b. Foreign derivative claims on an ultimate risk basis	1146	41,261
c. Cross-jurisdictional claims indicator (sum of items 13.a and 13.b)	2130	1,931,876

Section 14 - Cross-Jurisdictional Liabilities	GSIB	Amount in million USD
a. Foreign liabilities on an immediate risk basis, excluding derivatives and including local liabilities in local currency	2131	1,450,529
b. Foreign derivative liabilities on an immediate risk basis	1149	35,772
c. Cross-jurisdictional liabilities indicator (sum of items 14.a and 14.b)	1148	1,486,300