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9 June 2015

(Hong Kong Stock Code: 5)

HSBC INVESTOR UPDATE

ACTIONS TO CAPTURE VALUE FROM OUR GLOBAL PRESENCE IN A CHANGED WORLD

- HSBC is undertaking a significant reshaping of its business portfolio
- HSBC is redeploying resources to capture expected future growth opportunities and adapting to structural changes in the operating environment

HSBC Holdings plc (“HSBC”) is today holding an update for investors and analysts. A live webcast of the event, which starts at 0800 BST, will be available at www.hsbc.com, together with all presentation material.

The theme of the day is “Actions to capture value from our global presence in a changed world”. HSBC’s international network covers circa 90% of global trade and capital flows, providing access to the world’s highest growth markets. HSBC’s client revenues linked to its international business contributed approximately 40% of Group client revenues for the year ended 31 December 2014.

HSBC is now undertaking a significant reshaping of its business portfolio. It is redeploying resources to capture expected future growth opportunities and adapting to structural changes in the operating environment.

HSBC is targeting a reduction of Group Risk Weighted Assets (“RWAs”) of circa USD 290bn, including a reduction of Global Banking & Markets RWAs to less than one-third of Group RWAs. HSBC intends to sell its operations in Turkey and Brazil, but plans to maintain a presence in Brazil to serve large corporate clients with respect to their international needs. HSBC is targeting annual cost-saving initiatives of USD 4.5-5.0bn by 2017, with estimated costs to achieve these savings of USD 4.0-4.5bn over that period.

In parallel HSBC intends to accelerate investments in Asia. HSBC plans to develop its business in both the Pearl River Delta in Guangdong province, China, and in the ASEAN region. HSBC will expand asset management and insurance in Asia with the aim of capturing expected opportunities from emerging wealth in the region. HSBC aims to deliver above GDP revenue growth from its international network through investment in Foreign Exchange, Payments and Cash Management, and Global Trade and Receivables Finance. HSBC will leverage opportunities from its market leading position in Renminbi internationalisation.

The Group will target a return on equity of greater than 10% by 2017, positive adjusted jaws (revenue growth in excess of cost growth), and progressive dividends to shareholders.

HSBC Holdings plc

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Incorporated in England with limited liability. Registered in England: number 617987

Stuart Gulliver, Group Chief Executive, commented:

“HSBC has an unrivalled global position: access to high growth markets; a diversified universal banking model with strong funding and a low risk profile; and strong internal capital generation with industry leading dividends.

“We recognise that the world has changed and we need to change with it. That is why we are outlining the following ten strategic actions that will further transform our organisation:

1. Reduce Group RWAs by at least circa 25% and redeploy towards higher performing businesses; restore GB&M profitability;
2. Sell operations in Turkey and Brazil but plan to maintain a presence in Brazil to serve large corporate clients with respect to their international needs; continued application of six filter process;
3. Rebuild NAFTA profitability;
4. Set up UK Ring-Fenced Bank;
5. Realise USD 4.5-5.0bn cost savings, deliver flat costs by end 2017;
6. Deliver growth above GDP from international network;
7. Capture growth opportunities in Asia: Pearl River Delta, ASEAN, Asset Management, Insurance;
8. Extend leadership in RMB internationalization;
9. Complete Global Standards implementation; and
10. Complete Headquarters review by end 2015.

“The world is increasingly connected, with Asia expected to show high growth and become the centre of global trade over the next decade. I am confident that our actions will allow us to capture expected future growth opportunities and deliver further value to shareholders.”

For and on behalf of
HSBC Holdings plc
B J S Mathews
Group Company Secretary

ends/more

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Note to editors:

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from over 6,100 offices in 73 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world's largest banking and financial services organisations.

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The Board of Directors of HSBC Holdings plc as at the date of this announcement are: Douglas Flint, Stuart Gulliver, Phillip Ameen[†], Kathleen Casey[†], Safra Catz[†], Laura Cha[†], Lord Evans of Weardale[†], Joachim Faber[†], Rona Fairhead[†], Sam Laidlaw[†], John Lipsky[†], Rachel Lomax[†], Iain Mackay, Heidi Miller[†], Marc Moses, Sir Simon Robertson[†] and Jonathan Symonds[†].

[†] Independent non-executive Director