As announced on 6 April 2020, as a result of the UK government's social distancing measures and prohibition on non-essential travel and public gatherings, unfortunately, shareholders were unable to attend this year's AGM in person.
To ensure that shareholders did not lose the opportunity to raise questions, we encouraged shareholders to submit questions for the Board via email.

Responses to the most frequent questions across key themes can be found below. These have been considered by the Board.

COVID-19

The COVID-19 pandemic has created a great deal of uncertainty and disruption for the people, businesses and communities we serve across the globe. It is affecting everyone in different ways, with markets at different stages of the crisis.

What is HSBC's operational response to the COVID-19 pandemic?

We have put in place measures to better protect our employees' health and safety while doing all we can to support our customers. We have activated business continuity plans including in-country split-site operations and homeworking capabilities. In addition, a large number of our processing functions are performed at our network of service centres around the world so that any potential impact on our day-to-day operation can be minimised. Focus has been put on ensuring our digital, telephone banking and transactional infrastructure allows our customers to bank, invest, trade and access a wide range of products and services so as to provide continuity of service for our customers wherever they are. In these challenging times, our ability to support our customers with all their banking and financial needs is all the more important.

What is HSBC doing to support customers at this time?

Our immediate priority is to do what we can to provide support and flexibility to those who may be entering a period of financial uncertainty. In each case, we will seek to tailor our response to suit individual customer circumstances. And as you would expect, we are constantly reviewing and updating our support packages. These currently include:

In Hong Kong: special relief loans for customers working in selected sectors impacted by the outbreak; and where appropriate deferred principal repayments on mortgages for customers experiencing hardship;

In the UK: GBP8 billion allocated to support business customers – of which GPB3 billion is earmarked to assist British firms trading internationally; and the creation of a dedicated helpline to connect business customers to trade finance specialists;

In mainland China: waiving all fees for remittances associated with donations and medical purchases; and partnering with healthcare providers to offer virtual and telephone consultation services to ease the pressure on hospitals and reduce cross-infection;

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In Europe: we have been the market leader in helping businesses access debt capital markets since this crisis began; the only bank active on every 'open' market day since volatility started; and instrumental in the recent reopening of the debt market.

For governments across the world: helping them raise money on sovereign debt markets to boost their economies and health services. We recently re-opened the sovereign EUR space with one of Spain's largest ever syndications, raising USD10 billion.

Full details can be found here.

In addition to the support we are providing to customers, and amongst many other initiatives, HSBC has committed US$25m to support the international medical response, protect vulnerable people and ensure food security.

DIVIDEND

We know how important the dividend is to our shareholders, particularly in the UK and Hong Kong. The Board, Mark Tucker (Group Chairman), Noel Quinn (Group Chief Executive) and the Executive team, deeply regret the impact that the cancellation of the 2019 fourth interim dividend (the '2019 dividend') has had on all of our loyal shareholders.

Why did you decide not to pay the 2019 dividend?

The cancellation of the 2019 dividend was taken at the clear and direct request of the Bank of England via the Prudential Regulation Authority, our lead regulator in the UK. Similar requests were made to other UK-incorporated banking groups.

We have a strong capital, funding and liquidity position; however, there are significant uncertainties in assessing the time period of the pandemic and its impact. As announced on 31 March 2020, the Board recognises the current and potential material impact on the global economy as a result of the coronavirus pandemic. HSBC has an important role to play in helping its customers to manage through the crisis and to have resources to invest when recovery occurs.

The Board met to discuss the written request from the PRA and, in response to that direct request, cancelled the 2019 dividend.

Can HSBC decide not to pay the 2019 dividend?

Under governing law and our Articles of Association, HSBC can review or cancel decisions to pay interim dividends at any time before payment, including after the shares have gone ex-dividend.

What decision has been made on the 2020 dividend?

The Board has decided that until the end of 2020, HSBC will make no quarterly or interim dividend payments or accruals in respect of ordinary shares. As previously

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disclosed on 18 February in the Annual Report and Accounts 2019, HSBC will also not undertake any share buy-backs in respect of ordinary shares in 2020 and 2021.

The Board will review our dividend policy at or ahead of the year-end results for 2020, when the economic impact of the pandemic is better understood. We will also take into account the views of our shareholders, the interests of our other stakeholders and other factors, including HSBC's financial performance and capital position.

EXECUTIVE PAY

We appreciate that these are difficult and challenging times and will continue to monitor the impact of the COVID-19 pandemic in relation to executive pay.

What actions will you take on executive pay in response to COVID-19?

Our executive pay decisions in respect of 2020 will take into consideration the impacts of the pandemic, as well as our capital position, experience of our broader workforce and shareholders, and our performance against key financial, customer and risk metrics. At the end of the financial year, the Group Remuneration Committee will, taking into account guidance issued from the PRA, review the overall 2020 variable pay for the Group and the performance and pay of the Executive Directors.

However, we do appreciate the financial strain that the COVID-19 pandemic is putting on households and businesses. Alongside the wide-ranging support that we are providing as a bank, our Group Chairman, Mark Tucker, Group Chief Executive, Noel Quinn and Ewen Stevenson, Group Chief Financial Officer, are also making personal contributions to the fight against COVID-19. Noel and Ewen are donating to charity a quarter of their base salary for six months and have decided not to take an annual cash bonus for 2020. Mark is donating 100% of his 2020 fee to charity. All three are donating to charities supporting healthcare workers and vulnerable people in the UK and Hong Kong.

ENERGY POLICY AND CLIMATE CHANGE

We have continued dialogue with our shareholders on our energy policy and sustainability commitments and are proud of our leadership in this area.

How have you updated your energy policy?

When we last updated our energy policy in 2018, we stated that we would not finance any new coal-fired power plants, recognising the need in Bangladesh, Indonesia and Vietnam, to balance local humanitarian needs with the need to transition to a low carbon economy.

We therefore agreed to consider funding of new coal-fired power plants in those three countries, subject to certain strict criteria. It is important to note that we have not provided any project finance for any new coal-fired power plants anywhere in the world since then, including those countries.

We have now amended our policy to remove this exception and will not finance any new coal-fired power plants anywhere globally. We continue to support the other needs of our customers in those countries and continue to support their governments.

Given the updated energy policy, why does HSBC hold assets in companies that do not meet its fossil fuel policies?

HSBC most frequently appears on share registers where we act as the nominee or the custodian. In these cases, we have no beneficial interest in the underlying shares, and our investment decisions are made in line with specific client mandates which determine the investible universe and risk profile.

A proportion of HSBC Global Asset Management's funds, including index funds and ETFs which replicate the components of an index, include coal companies.

In March 2020, HSBC Global Asset Management ranked 12th out of 75 asset managers in non-profit organisation ShareAction's report on approach to responsible investing.

Will you commit to 'net zero' carbon emissions by 2050?

We have commenced a review of our climate strategy and will provide an update later in the year.

Since 2017, we have made significant progress in embedding sustainability into our business model, risk management framework and operations. We are leading the development of new financing to support the transition to a low carbon economy, have integrated climate risk into our risk management framework, have tightened our energy policy and have published three disclosures under the framework set out by the Taskforce on Climate-related Financial Disclosures ('TCFD').

We acknowledge that more needs to be done but we also realise that the answer to 'net zero' is more complex in emerging markets as they transition to a low carbon economy. We have more than 150 years of history in emerging markets in Asia, the Middle East and beyond.

What is your exposure to climate financial risk?

Our Climate Financial Risk analysis to date has been focused on customer loans and advances. These represent lending to wholesale corporate clients whose credit risk is subject to both transition and physical impacts of climate change; and retail clients (the vast majority of which is residential mortgages), where the credit risk is subject to physical impacts of climate change.

Our 2019 TCFD disclosure focused on material exposures. We reported our overall exposure to sectors that are particularly exposed to transition risk. This represents approximately 21% of our wholesale balance sheet and includes six ‘transition sectors’: oil and gas, utilities, transportation, construction, metals and mining and chemicals. We also disclose the carbon intensity of our lending in these sectors.

Please refer to our latest ESG Update published alongside the Annual Report and Accounts on 18 February 2020 for further detail.

Why do you continue to provide financing to conglomerates with subsidiaries engaged in climate-harming activities?

We are playing an active and leading role in the transition to a low carbon economy. A vital part of this is working with and supporting companies who are in the process of reducing their climate impacts. Most large companies have legacy operations that cannot simply be ‘turned off’ immediately, as well as new or planned developments and activities.

Our approach creates the opportunity to support customers in their transition by directing finance to the right areas, while supporting the overall business. HSBC established a US$100bn Sustainable Financing commitment to support this transition and has provided US$52.4bn to date.

MIDLAND CLAWBACK CAMPAIGN

We have received a number of questions relating to the shareholder requisitioned resolution from the Midland Clawback Campaign Group.

The Board has given this matter a significant amount of consideration. Having carefully reviewed the matter and taken advice from our external legal advisors, the Board has concluded that passing this resolution is not in the best interests of all shareholders.

Why has HSBC opposed the shareholder requisitioned resolution?

We are currently supporting c. 50,000 retirees in the UK, and we are fully committed to all of our pension schemes. Consideration must be given to all of the Group’s pension schemes.

Since the Post 1974 Section provides a guaranteed income in retirement, it is amongst the most generous pension schemes within the Group and was – and remains – market competitive, particularly given the scheme was a final salary, non-contributory scheme up to 30 June 2009 when member contributions were introduced. Members of many other schemes, including our current UK workforce, will not receive a guaranteed income in retirement

How can you suggest that the State Deduction is moral/ethical?

The State Deduction feature is a form of state pension integration that was fairly common amongst final salary schemes at the time it was introduced. The Post 1974 Section was and remains market competitive, and provides members with a guaranteed income in retirement. The State Deduction might seem to impact lower earning employees, many of whom are female, but is not discriminatory in nature.

How was the effect of the State Deduction communicated?

As stated in the resolution response (Appendix 7 of the Notice of Meeting) we have carried out an extensive review of the communication of the State Deduction, as has the Trustee of the scheme. The State Deduction feature has been referenced in member guides since it was introduced in 1975. When the scheme introduced annual pension statements for active members in the early 1990s, these referenced the State Deduction feature and how it would apply to member's pension benefits. In addition, there are a number of points throughout a member's time in the Scheme whereby they have been reminded of this.

How are you engaging with the Equality and Human Rights Commission (EHRC) and All Party Parliamentary Group (APPG)?

We have received an approach from the EHRC on an informal basis with questions raised by the Campaign Group seeking to have the State Deduction removed. In the course of that correspondence, HSBC provided a detailed analysis of the background, rationale and legal basis on which the State Deduction operates. The EHRC have not commenced any formal proceedings and none are pending.

HSBC has responded to all of the questions raised by the APPG in 2019, and Ian Stuart, CEO HSBC UK, along with other representatives from HSBC, attended a meeting with a number of MPs from the APPG. There is currently no APPG in place that is looking at the State Deduction.

HUMAN RIGHTS – DEFENCE POLICY

Why are you invested in companies accused of human rights abuses?

HSBC has a strict Defence Policy. We do not finance any companies which solely or primarily manufacture or sell defence equipment. We further prohibit our Asset Management business from holding shares in companies associated with controversial weapons, including through index funds or other passive structures. We may however find ourselves in a position where we hold shares on behalf of our customers (individuals and institutions) as part of a custody arrangement. In these cases, HSBC does not make any active investment decision. We investigate credible allegations and work with leading information providers to substantiate any such claims.

GENDER BALANCE

What are you doing to improve gender balance at senior levels?

This is an area where we recognise that we need to do better, and we are fully committed to improving gender balance in senior leadership across the Group. We recognise the benefits of diversity and inclusive behaviours within our decision-making bodies to develop a sustainable and successful business for HSBC.

We were ranked 38th in the FTSE 100 in the 2019 Hampton-Alexander Review for gender diversity on our board. At end-2019, 5 (or 35.7%) of HSBC's board of directors were women,16% of our Executive Committee were women and the female share of our Combined Executive Committee and Direct Reports was 27%. We are actively reviewing opportunities to continue to build our female pipeline. We are taking specific steps to reach an aspirational target of 30% women in senior leadership roles by 2020 aligned to the 30% Club's CEO Campaign. Since 2012, we have progressed from 22% to 29.4% end-2019 for this population.

Disclaimer

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The information, statements and opinions set out in this document are for informational and reference purposes only. This document, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the "Group") and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters. None of the Group, any member of the Group, any of their respective affiliates or any of their respective officers, employees, agents or advisers undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this document or any additional information or to remedy any inaccuracies in or omissions from this document.

2. Forward-looking statements

This document may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, policies, strategy and business of the Group which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "seek", "intend", "target" or "believe" or the negatives thereof or other variations thereon or comparable terminology (together, "forward-looking statements"). Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management's beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause matters, policies and/or actual results to differ materially from this document is available in our Annual Report and Accounts for the fiscal year ended 31 December 2019 filed with the Securities and Exchange Commission (the "SEC") on Form 20-F on 19 February 2020 (the "2019 Form 20-F"), our Form 6-K furnished to the SEC on 26 March 2020 (containing disclosure relating to the impacts of COVID-19 on HSBC Holdings plc and its subsidiaries) and our 1Q 2020 Earnings Release which we expect to furnish to the SEC on Form 6-K on or about 28 April 2020 (the "1Q 2020 Earnings Release").

Information in this document was prepared as at 24 April 2020.