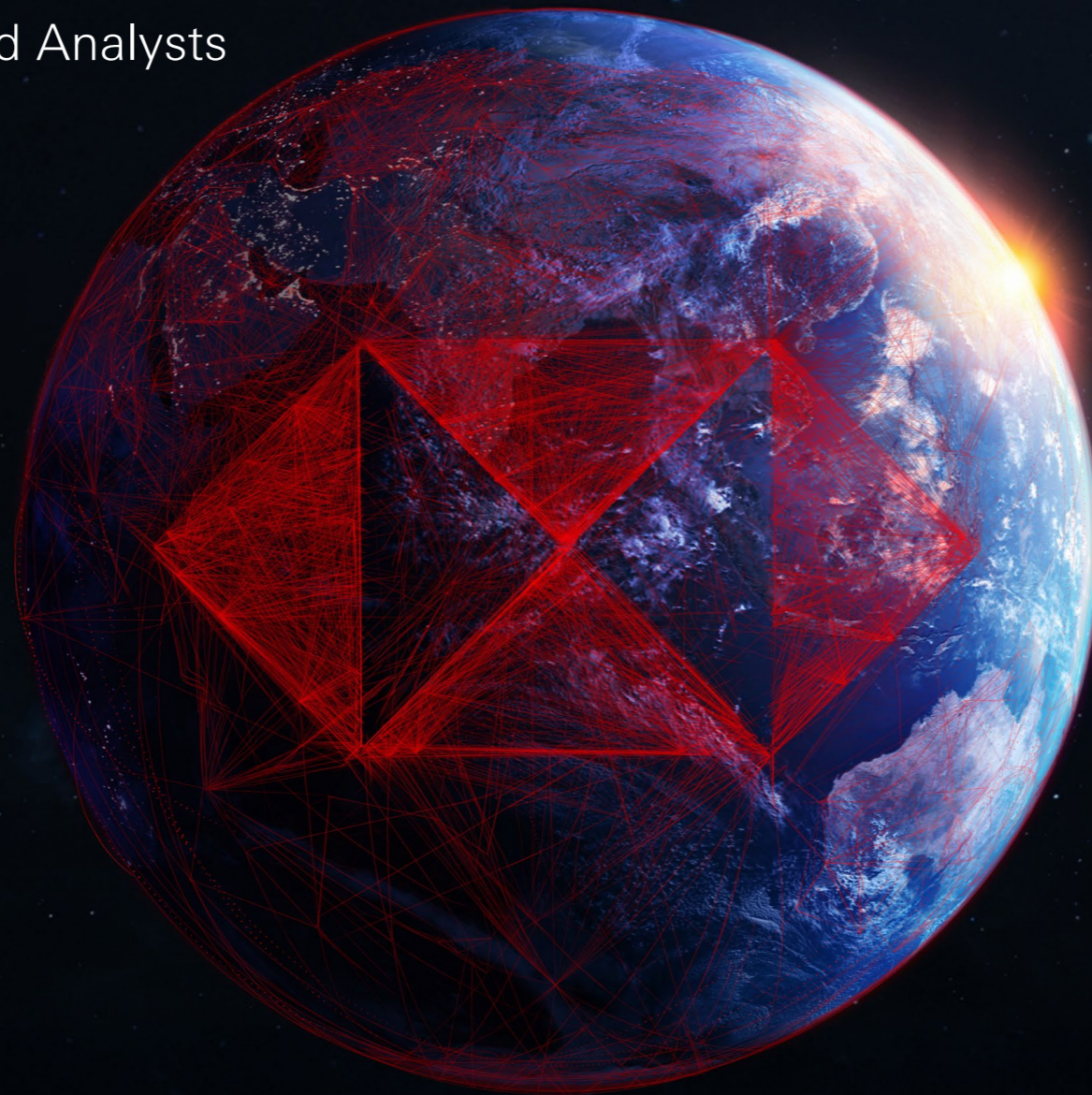


HSBC Holdings plc 4Q23 Results

Presentation to Investors and Analysts



Key messages

What we delivered in 2023

- ◆ Record reported PBT of **\$30.3bn**
- ◆ Reported revenue of **\$66.1bn**
- ◆ Reported RoTE of **14.6%**; **15.6%** excluding strategic transactions and the impairment of BoCom
- ◆ CET1 ratio of **14.8%**¹
- ◆ Sale of retail banking operations in France completed; Canada sale approved; acquired SVB UK; launched HSBC Innovation Banking
- ◆ Returned **c.\$19bn** to shareholders by way of dividends and buybacks in respect of 2023²
- ◆ Announced buyback of up to **\$2.0bn** to be completed ahead of 1Q24 results announcement; committed to consider special dividend of **\$0.21** per share in 1H24 following the sale of Canada

What we expect in 2024

Macro environment:

- ◆ **Interest rates** to trend downwards, as efforts to combat **inflation** broadly successful, though timing remains uncertain
- ◆ Continued reconfiguration of **supply chains and trade** — growth in select corridors

Our focus:

- ◆ We continue to **target a mid-teens RoTE** for 2024³
- ◆ Driving **non-NII revenue growth** (e.g. wealth, transaction banking)
- ◆ Maintaining **cost discipline** (approximately 5% growth in 2024 on a target basis)⁴ whilst absorbing inflation, driving operational efficiencies and investing for growth

Buy-backs remain subject to appropriate capital levels

The remainder of the presentation unless otherwise stated, is presented on a constant currency basis

Figures throughout this presentation may be subject to rounding adjustments and therefore may not sum precisely to totals given in charts, tables or commentary

4Q23 Results

Georges Elhedery
Group Chief Financial Officer

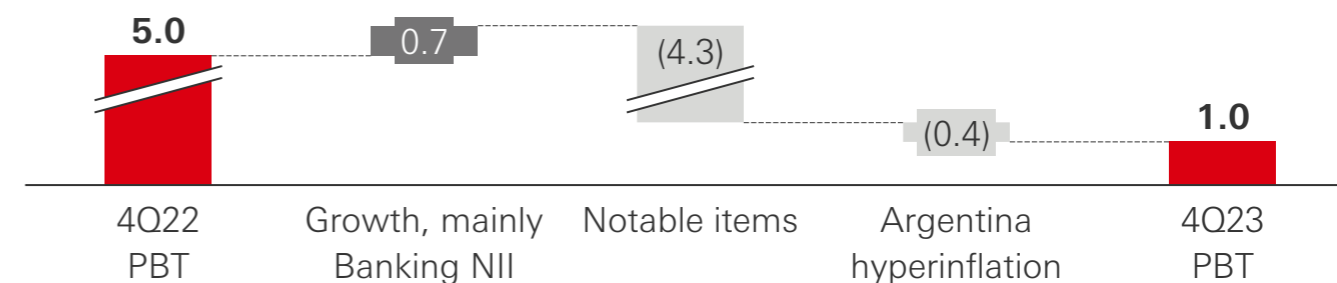


Good underlying performance in 4Q23; PBT included \$(6.3)bn relating to notable items and Argentina hyperinflation

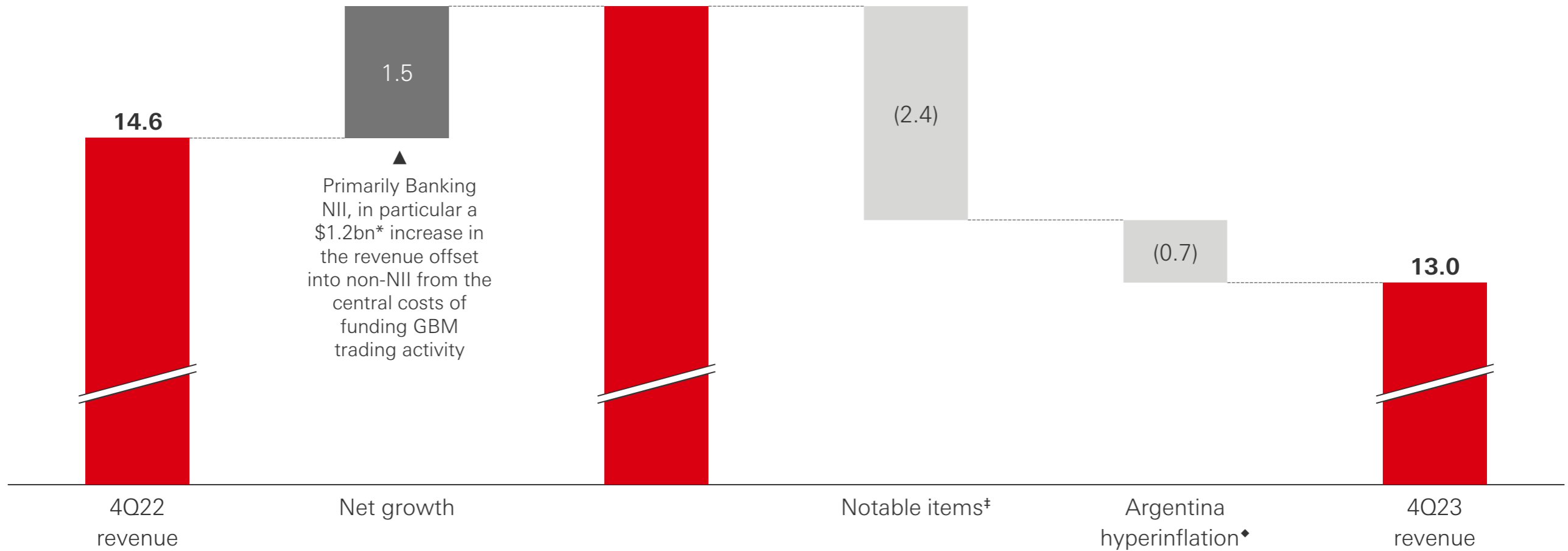
\$bn	4Q22	4Q23	Δ
Revenue	14.6	13.0	(1.6)
o/w: notable items	(0.3)	(2.7)	(2.4)
o/w: Argentina hyperinflation	(0.1)	(0.8)	(0.7)
<i>included in NII</i>	<i>(0.0)</i>	<i>(0.5)</i>	<i>(0.5)</i>
<i>included in non-NII</i>	<i>(0.1)</i>	<i>(0.3)</i>	<i>(0.2)</i>
ECL	(1.5)	(1.0)	0.4
Costs	(8.9)	(8.6)	0.2
o/w: notable items	(1.2)	(0.1)	1.1
o/w: Argentina hyperinflation	0.0	0.2	0.2
Associates	0.7	(2.4)	(3.1)
o/w: notable item (BoCom impairment)	—	(3.0)	(3.0)
PBT	5.0	1.0	(4.0)
o/w: notable items	(1.5)	(5.8)	(4.3)
o/w: Argentina hyperinflation	(0.1)	(0.5)	(0.4)

- ◆ **Revenue growth**, primarily Banking NII, was offset by **\$(2.7)bn notable items** booked in 4Q23, primarily two items guided to at 3Q23:
 - ◆ \$(2.0)bn **France** retail loss on sale (slide 45)
 - ◆ \$(0.4)bn **treasury disposal losses**
- ◆ **Target basis costs up (1)% vs. 3Q23 guidance** due to higher-than-forecast levies¹
- ◆ Associates included a **\$(3.0)bn impairment of BoCom** — no material impact on CET1 capital / ratio; no impact on dividend or share buyback (slide 41)
- ◆ **Argentina hyperinflation** (primarily due to the devaluation of the Argentine peso in December, see slide 43) **impacted 4Q23 PBT by \$(0.5)bn**

4Q22 to 4Q23 PBT walk



4Q23 revenue growth primarily driven by Banking NII



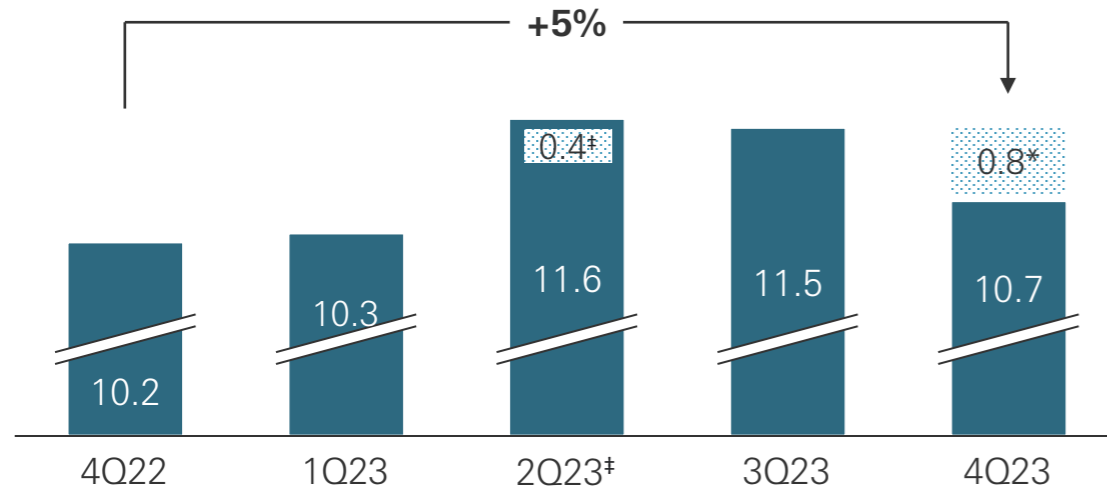
* Reported FX basis

‡ 4Q23 \$(2.7)bn, primarily \$(2.0)bn France retail loss on sale and \$(0.4)bn treasury disposal losses; 4Q22 \$(0.3)bn

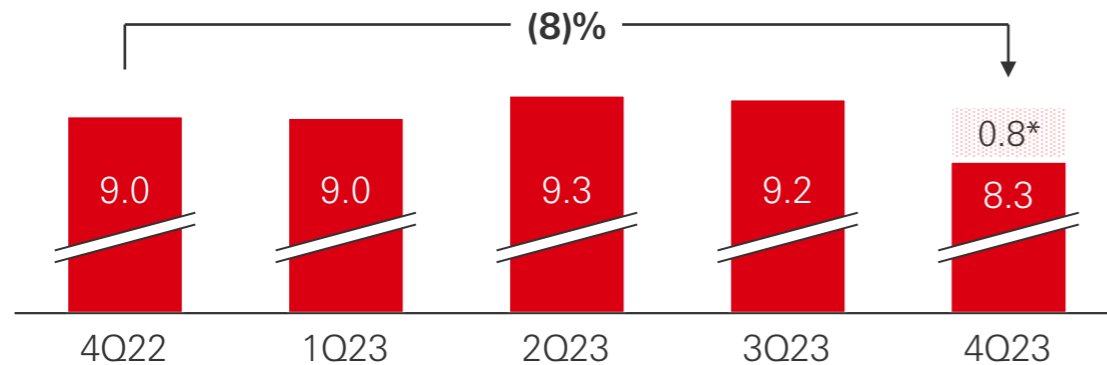
◆ 4Q23 \$(0.8)bn, 4Q22 \$(0.1)bn

Continued good Banking NII performance

Banking NII, \$bn[♦]

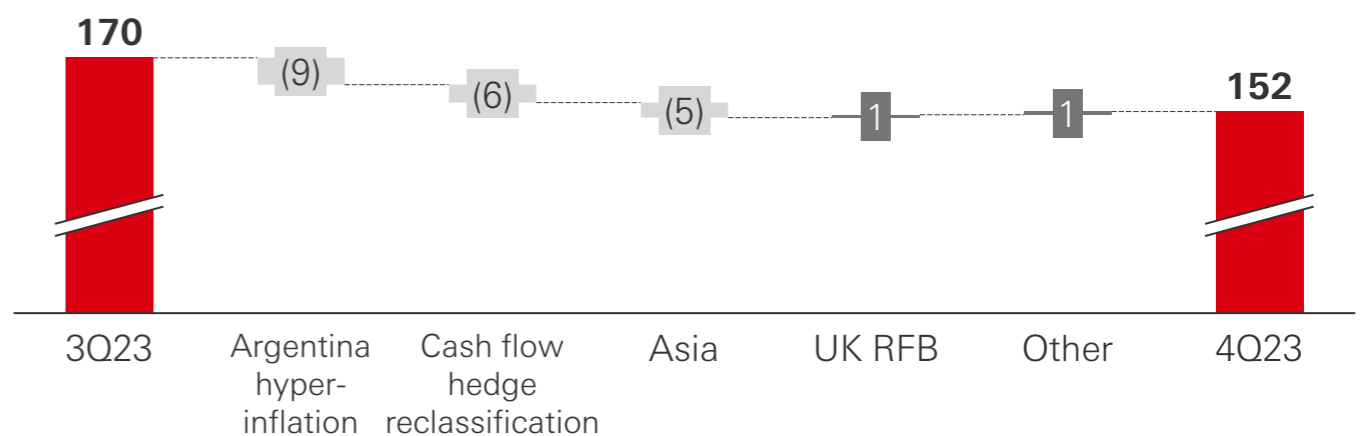


NII, \$bn[♦]



- ♦ * 4Q23 NII and Banking NII included \$(0.8)bn from:
 - ♦ \$(0.5)bn Argentina hyperinflation¹
 - ♦ \$(0.3)bn reclassification of cash flow hedge revenue between NII and non-NII, of which \$(0.2)bn related to 9M23
- ♦ **NIM** down (18)bps vs. 3Q23, principally:
 - ♦ (9)bps Argentina hyperinflation
 - ♦ (6)bps reclassification of cash flow hedge revenue referred to above
 - ♦ (5)bps Asia, primarily due to higher time deposit costs and time deposit migration in Hong Kong

NIM, bps[♦]



Further Banking NII / NII information on slides 32 to 34

[‡] 2Q23 Banking NII of \$11.6bn included \$0.4bn due to methodology changes which related broadly equally to 1Q23 and 2Q23

[♦] Reported FX basis

Banking NII outlook

Rebase 4Q23 Banking NII of \$10.7bn:

- ◆ **Add back \$0.5bn to 4Q23 Banking NII for Argentina hyperinflation¹ and the reclassification of cash flow hedge revenue²**
- ◆ **Deduct c.\$(1.3)bn from 4Q23 annualised** to reflect the impact on FY24 Banking NII of the **disposals** of Canada and France retail

Principal drivers in FY24 and beyond:

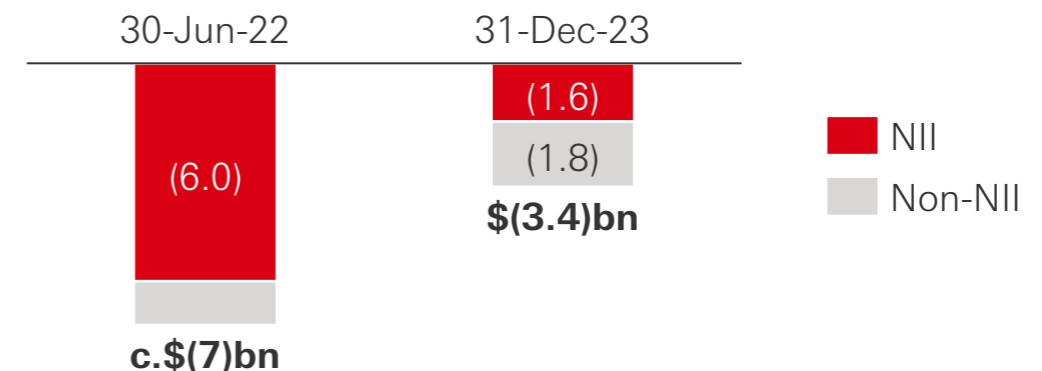
- ◆ **Interest rates** (refer to 4Q23 Banking NII sensitivity on the right)
- ◆ Re-investment of **structural hedge** assets at higher yields
- ◆ **Deposit migration**, particularly in Hong Kong³
- ◆ **Loan growth:** cautious outlook for 1H24, expect mid-single digit annual percentage growth over the medium to long term⁴

Whilst recognising the inherent uncertainty of some of the above factors, we **expect Banking NII of at least \$41bn in FY24⁵**

Banking NII 1 year sensitivity*

\$m	Currency					Total
	USD	HKD	GBP	EUR	Other	
+100bps	343	411	496	285	1,297	2,832
(100)bps	(494)	(493)	(602)	(304)	(1,460)	(3,353)

Year 1 Banking NII sensitivity to a (100)bps down-shock,* \$bn

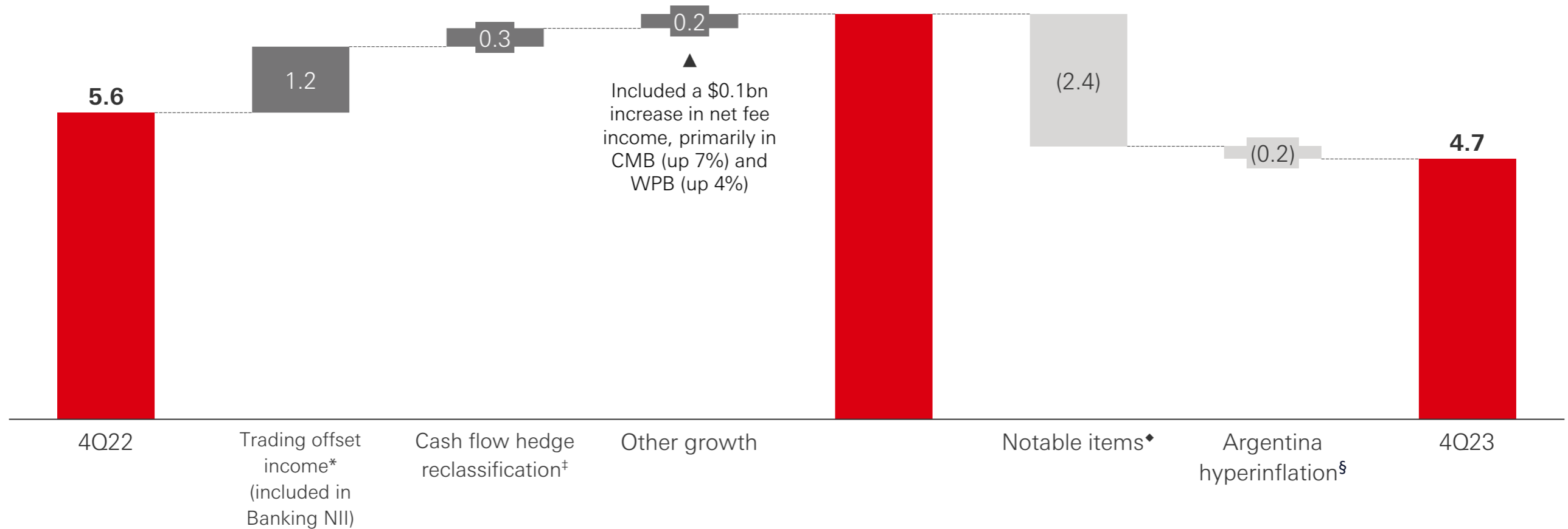


Further interest rate stabilisation and structural hedge information on slide 34

* Assumptions include a static balance sheet, no management actions from Global Treasury and a 50% pass-through – see page 214 of the Annual Report and accounts for further detail. HSBC Canada sensitivity at 31 December 2023: +100bps \$100m; (100)bps \$(97)m

Non-NII

4Q22 to 4Q23 non-NII (reported FX), \$bn



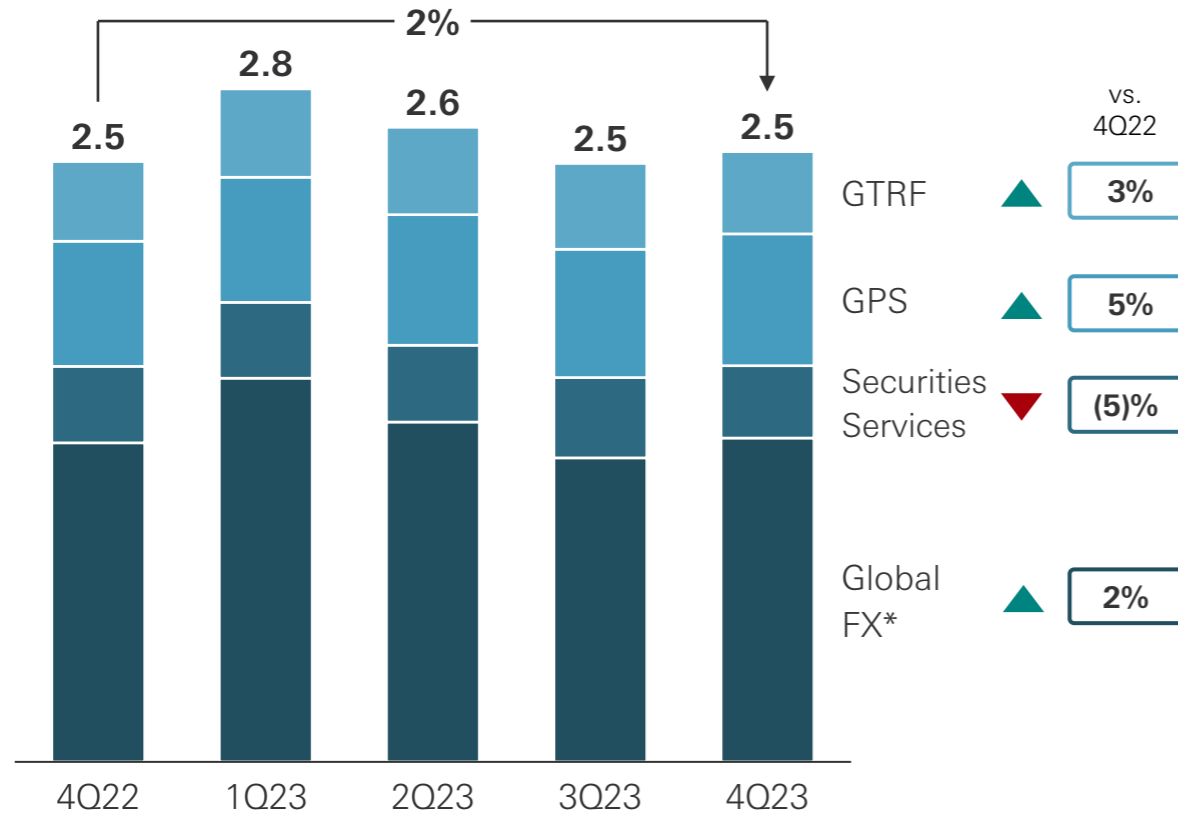
* Revenue offset into non-NII from the central costs of funding GBM trading activity
 ‡ Reclassification of cash flow hedge revenue between NII and non-NII (referred to on slide 5)

♦ 4Q23 \$(2.7)bn, primarily \$(2.0)bn France retail loss on sale and \$(0.4)bn treasury disposal losses; 4Q22 \$(0.3)bn
 § 4Q23 \$(0.3)bn, 4Q22: \$(0.1)bn

Non-NII: Wholesale Transaction Banking and Wealth

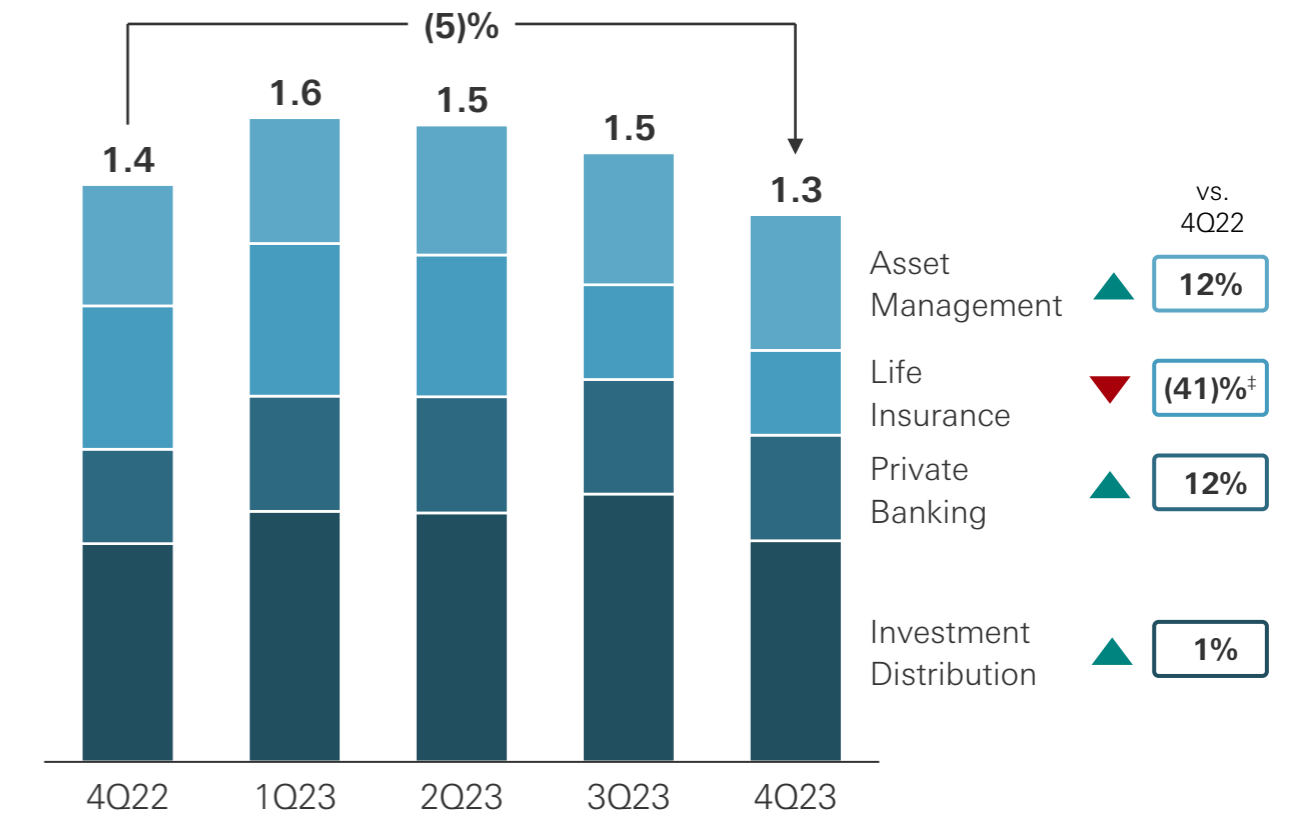
Wholesale Transaction Banking non-NII: stable vs. 4Q22

\$bn



Wealth non-NII: a strong 4Q23 performance in Asset Management and Private Banking was offset by corrections to historical valuation estimates in our Insurance business

\$bn

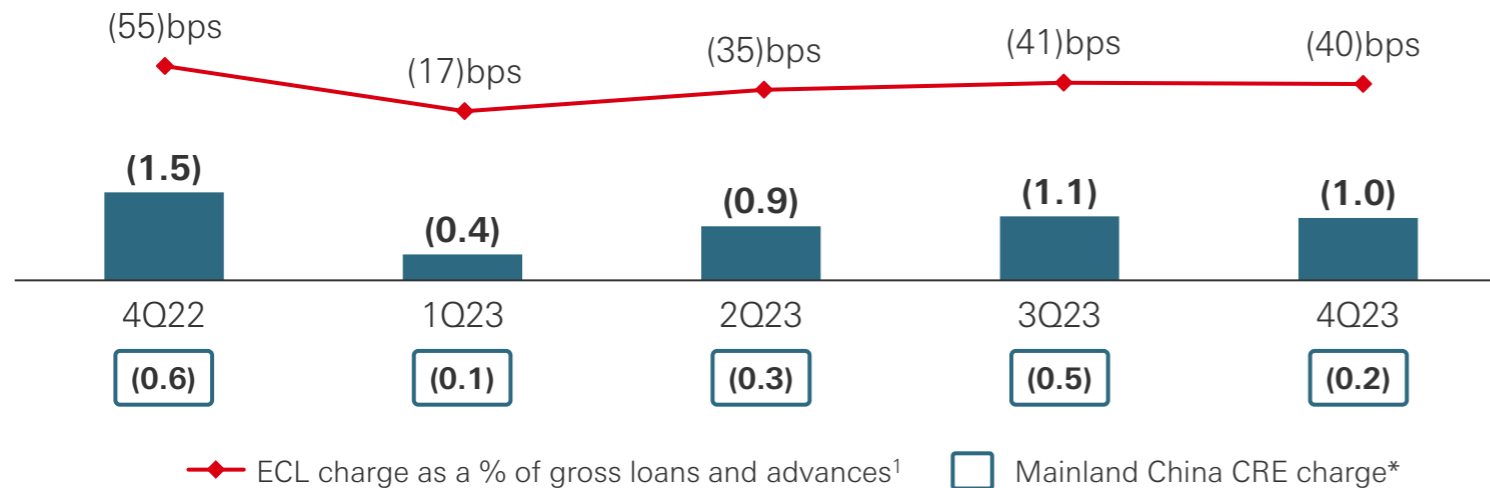


* Includes (i) GFX in GBM management view of income and (ii) GFX from cross sale of FX to CMB clients, included within 'CMB Markets products, Insurance and Investments and Other'

‡ Includes a \$(0.2)bn correction to historical valuation estimates in 4Q23

Credit performance

ECL charge trend, \$bn



4Q23 ECL charge, \$bn

	Stage 1-2	Stage 3	Total
Wholesale	0.0	(0.7)	(0.7)
Personal	(0.1)	(0.2)	(0.3)
Total	(0.1)	(0.9)	(1.0)

- ◆ 4Q23 ECL charge **\$(1.0)bn**:
 - ◆ \$(0.7)bn Stage 3 charge in Wholesale, of which \$(0.2)bn related to mainland China CRE
 - ◆ \$(0.3)bn Personal charge, primarily unsecured lending in Mexico
- ◆ Stage 3 balances of **\$19.3bn** (2.0% of customer loans), stable vs. 3Q23
- ◆ FY23 ECL charge of **\$(3.4)bn**:
 - ◆ **(33)bps** of average gross loans and advances including loans in held-for-sale
 - ◆ **(36)bps** of average gross loans and advances
- ◆ Guidance: **FY24 ECL charge of around (40)bps¹**; through-the-cycle planning range unchanged at (30)-(40)bps²

* Mainland China CRE charge is on a reported FX basis and has not been currency adjusted in prior periods, 4Q23 charge: \$(195)m, FY23 charge: \$(1,019)m

Mainland China commercial real estate update

Mainland China CRE exposures by booking location and credit quality

At 31 December 2023

\$bn	<i>Memo: Hong Kong at 3Q23</i>	Hong Kong	Mainland China	Rest of Group	Total
Total	7.5	6.3	5.0	0.9	12.1
Strong	1.2	0.8	1.7	0.0	2.5
Good	0.6	0.6	1.0	0.4	2.0
Satisfactory	0.9	0.7	1.7	0.3	2.6
Sub-standard	1.5	1.3	0.3	0.2	1.8
Credit impaired	3.3	2.9	0.3	—	3.2
Allowance for ECL	<i>(2.0)</i>	(1.8)	(0.2)	(0.0)	(2.1)

Hong Kong booked sub-standard and credit impaired exposures

\$bn	Total exposure	Of which not secured	ECL allowance [‡]
Sub-standard	1.3	0.9	(0.0)
Credit impaired	2.9	2.3	(1.7)
Total	4.2	3.2	(1.7)

75% coverage ratio against not secured, credit impaired exposures

- ◆ **Total exposure** of \$12.1bn, down \$(1.5)bn vs. 3Q23 / \$(4.6)bn vs. FY22
- ◆ **Hong Kong** booked exposure of \$6.3bn, **down \$(1.2)bn** vs. 3Q23* / \$(3.1)bn vs. FY22
- ◆ **ECL charge** of \$(0.2)bn in 4Q23 / **\$(1.0)bn in FY23**
- ◆ Of our \$2.1bn Hong Kong-booked exposures classified as strong, good or satisfactory:
 - ◆ **c.55%** are to state-owned enterprises
 - ◆ **c.45%** are primarily to privately-owned enterprises that are not residential property developers

Exposure in previous periods is on a reported FX basis

* Includes \$(0.4)bn write-offs

‡ ECL allowance shown on not secured exposures only

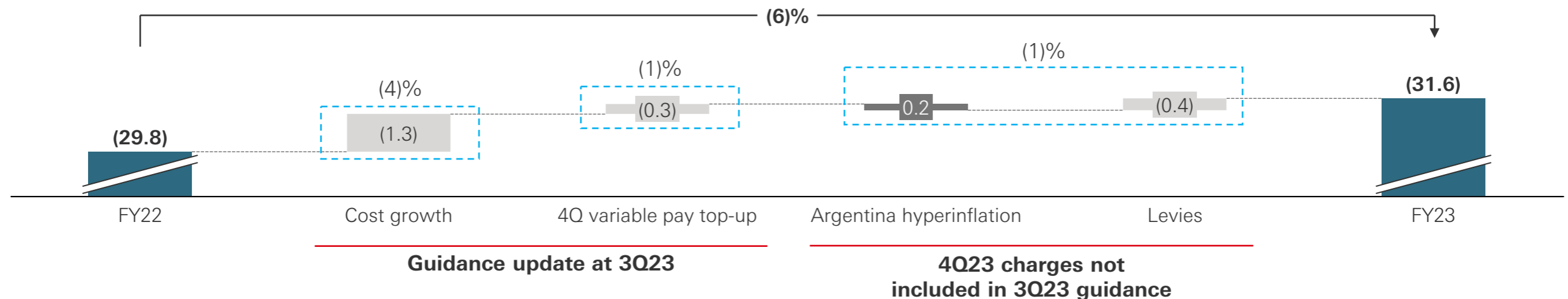
Target basis costs up (1)% vs. 3Q23 guidance due to higher-than-forecast levies

Constant currency costs to target basis, \$bn

\$bn	FY22	FY23	Δ
Constant currency costs	(32.3)	(32.1)	1%
<i>o/w: 4Q23 variable pay top up</i>	—	0.3	
Notable items	2.9	0.2	
FX retranslation for hyperinflationary economies	(0.4)	—	
Innovation Banking	—	0.3	
Target basis	(29.8)	(31.6)	(6)%

- ◆ **Constant currency costs of \$(32.1)bn, down \$0.2bn (1%) vs. FY22, primarily due to lower restructuring costs**
- ◆ **On a target basis, costs exceeded 3Q23 guidance by (1)% due to higher-than-forecast levies (partly offset by a \$0.2bn benefit from Argentina hyperinflation):**
 - ◆ \$(0.2)bn FDIC special assessment
 - ◆ \$(0.2)bn UK bank levy, primarily due to adjustments relating to prior years

Target basis, \$bn



Costs outlook: expect growth in FY24 of approximately (5)% vs. FY23 on a target basis

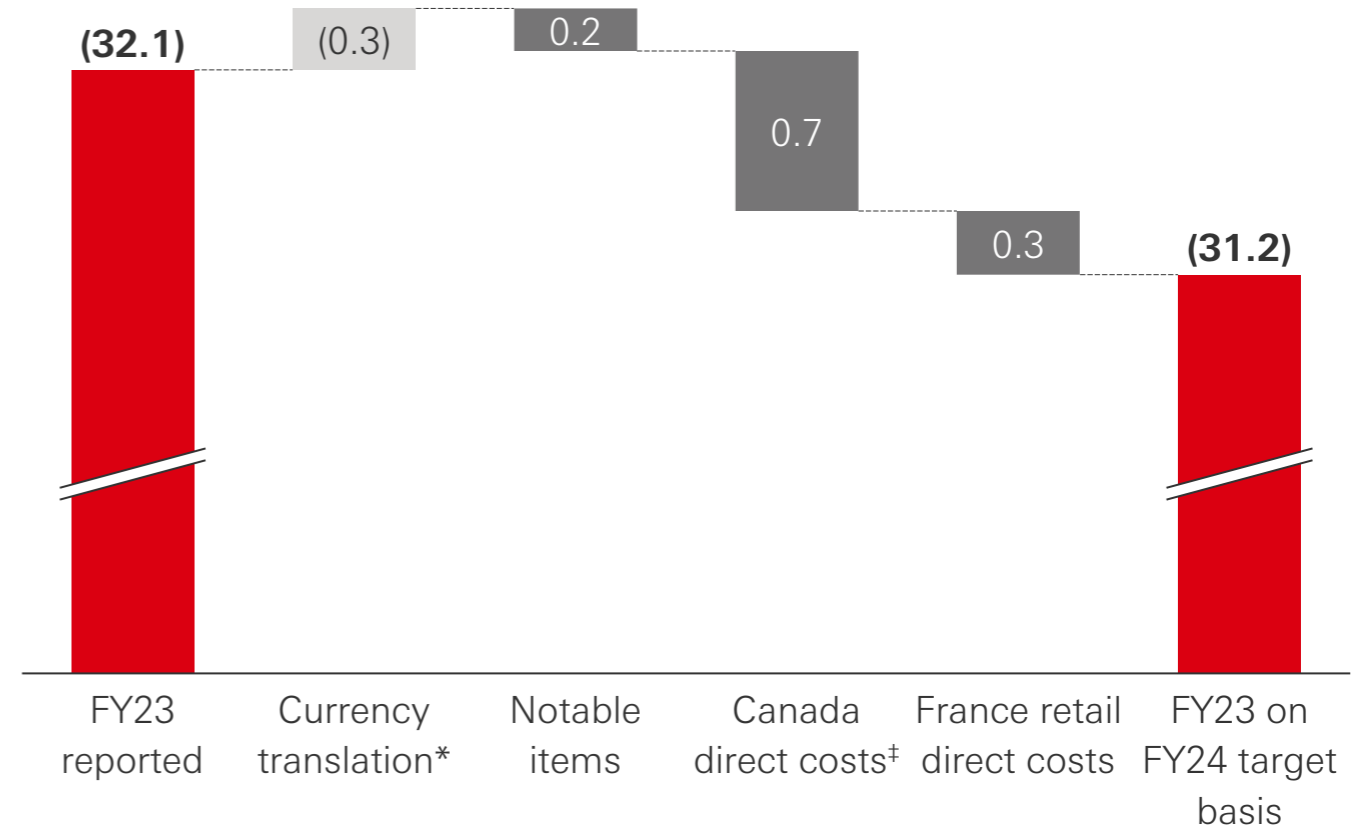
Reflects:

- ◆ **Investment** in growth and efficiency; and
- ◆ **Inflation**, partly offset by **cost management actions**

FY24 target basis calculation methodology:

- ◆ FY23 calculated on a constant currency basis, excluding the impact of retranslating FY23 results in hyperinflationary economies at constant currency
- ◆ Excludes notable items from FY23 and FY24
- ◆ Excludes from FY23 and FY24 the direct costs relating to our business in Canada and our retail banking operations in France (Canada sale expected to complete 1Q24; France closed 1 January 2024)

Baseline for FY24 cost target, \$bn

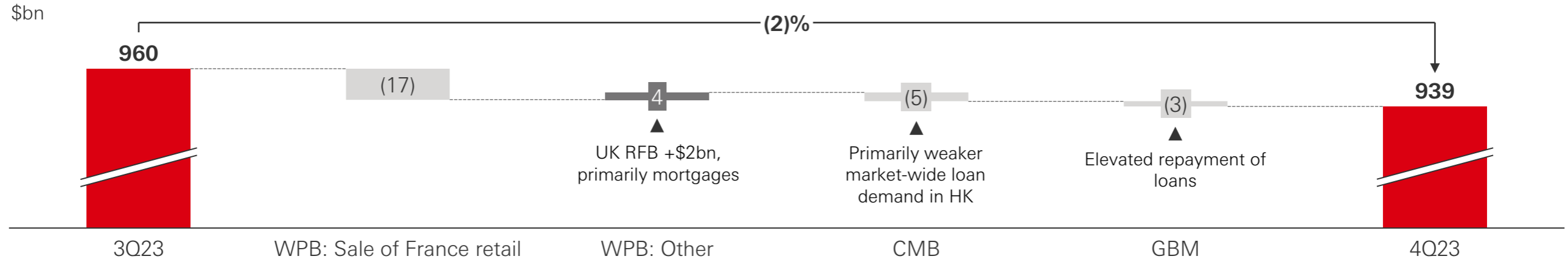


* At average January 2024 FX

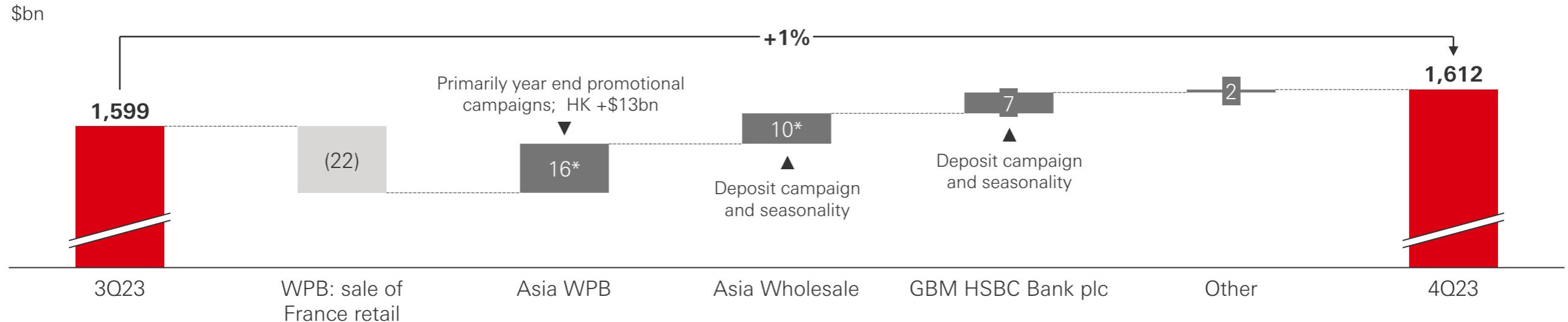
† Although direct costs relating to our banking business in Canada will be excluded from both FY23 and FY24 for the purposes of our cost target calculation, we will continue to incur these costs until the sale is complete (expected 1Q24)

Customer lending and deposits broadly stable vs. 3Q23

Customer lending



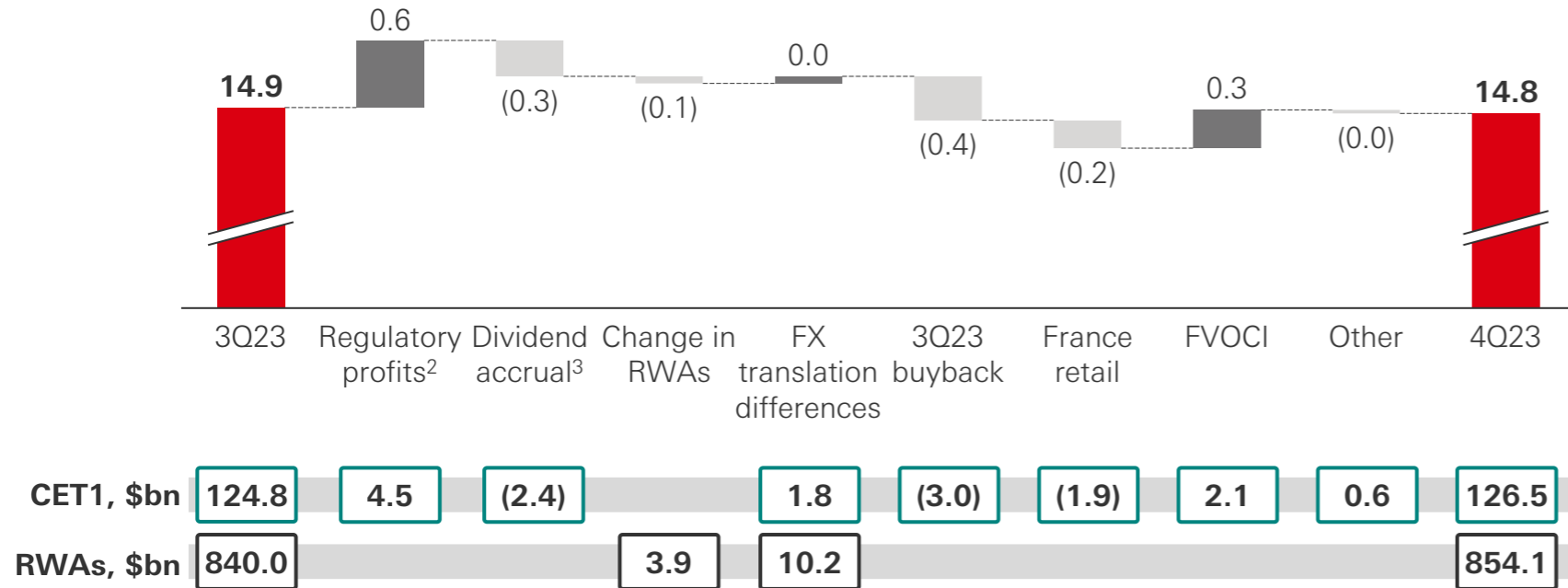
Customer deposits included \$27bn of growth in Asia; UK RFB stable



Constant currency basis
 *Growth in Asia \$16.4bn WPB, \$10.2bn Wholesale

Capital and distributions

CET1 ratio¹, %



Capital progression¹

	4Q22	3Q23	4Q23
Common equity tier 1 capital, \$bn	119	125	127
RWAs, \$bn	840	840	854
CET1 ratio, %	14.2	14.9	14.8
Leverage ratio exposure, \$bn	2,417	2,478	2,575
Leverage ratio, %	5.8	5.7	5.6

- ◆ No material impact from the impairment of BoCom due to a compensating release of threshold deductions
- ◆ CET1 ratio benefit from FVOCI mainly due to an increase in the market value of bonds in our treasury portfolio

Expected 1Q24 CET1 ratio impacts:

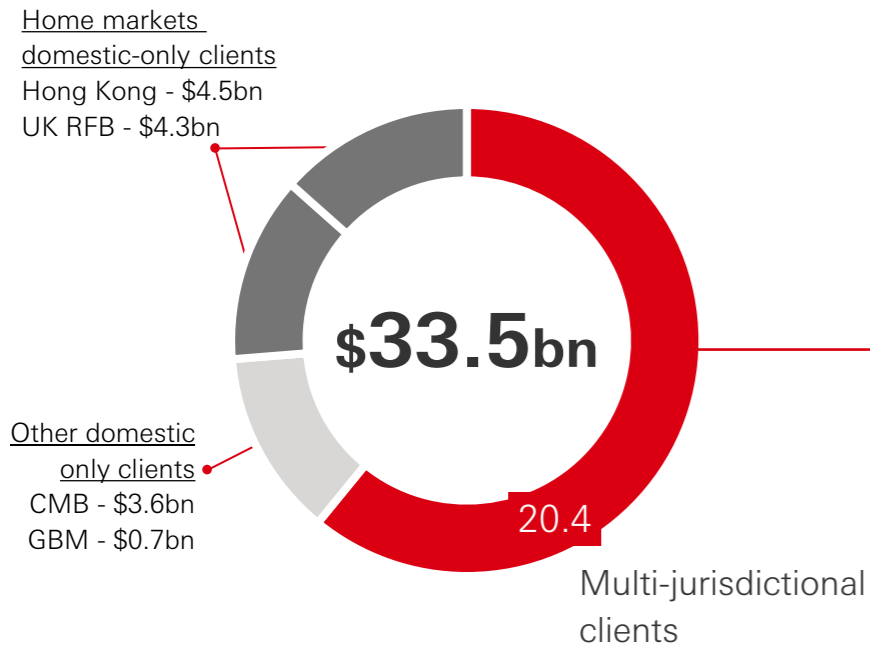
- ◆ Up to \$2bn share buyback announced today **c.(25)bps**
- ◆ Sale of our banking business in Canada **c.1.2ppts**, which may be reduced by c.(0.5)ppts by the \$0.21 per share special dividend which we remain committed to consider as a priority use of the proceeds in 1H24

International revenue

Our network enables us to serve wholesale clients with international needs

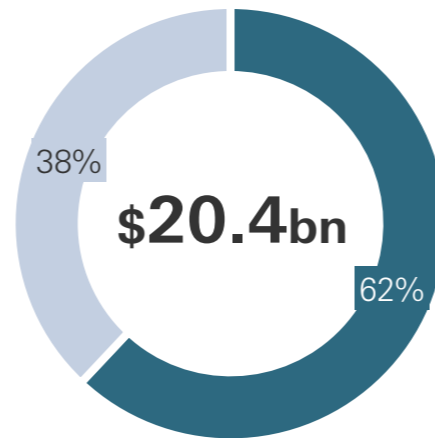
61% of wholesale client revenue is from multi-jurisdictional clients...

FY23 Wholesale client revenue, \$bn

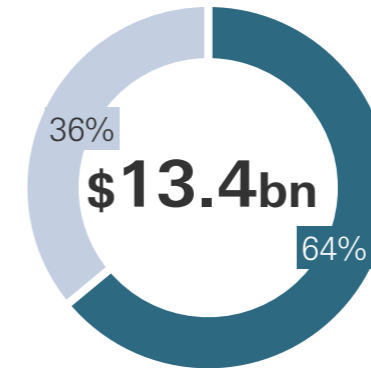


...a majority of which is earned from activity outside the clients' home market

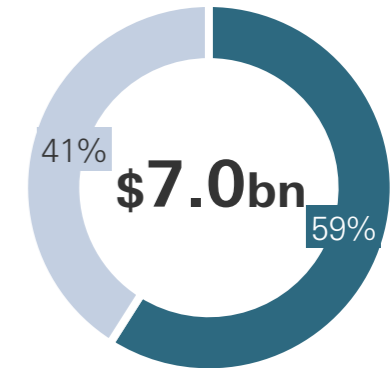
All multi-jurisdictional clients



Clients whose home market is in the West¹



Clients whose home market is in the East²

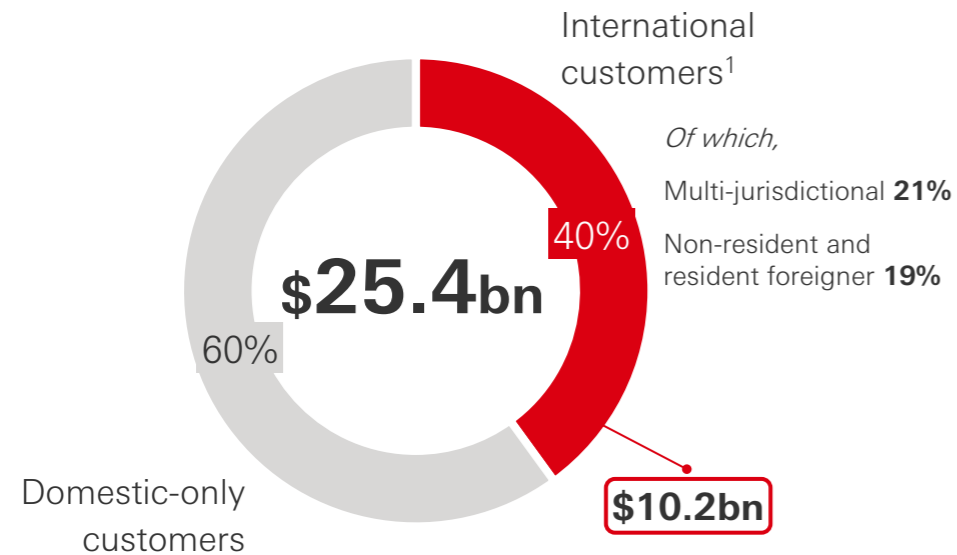


■ Revenue earned outside clients' home market
 ■ Revenue earned in clients' home market

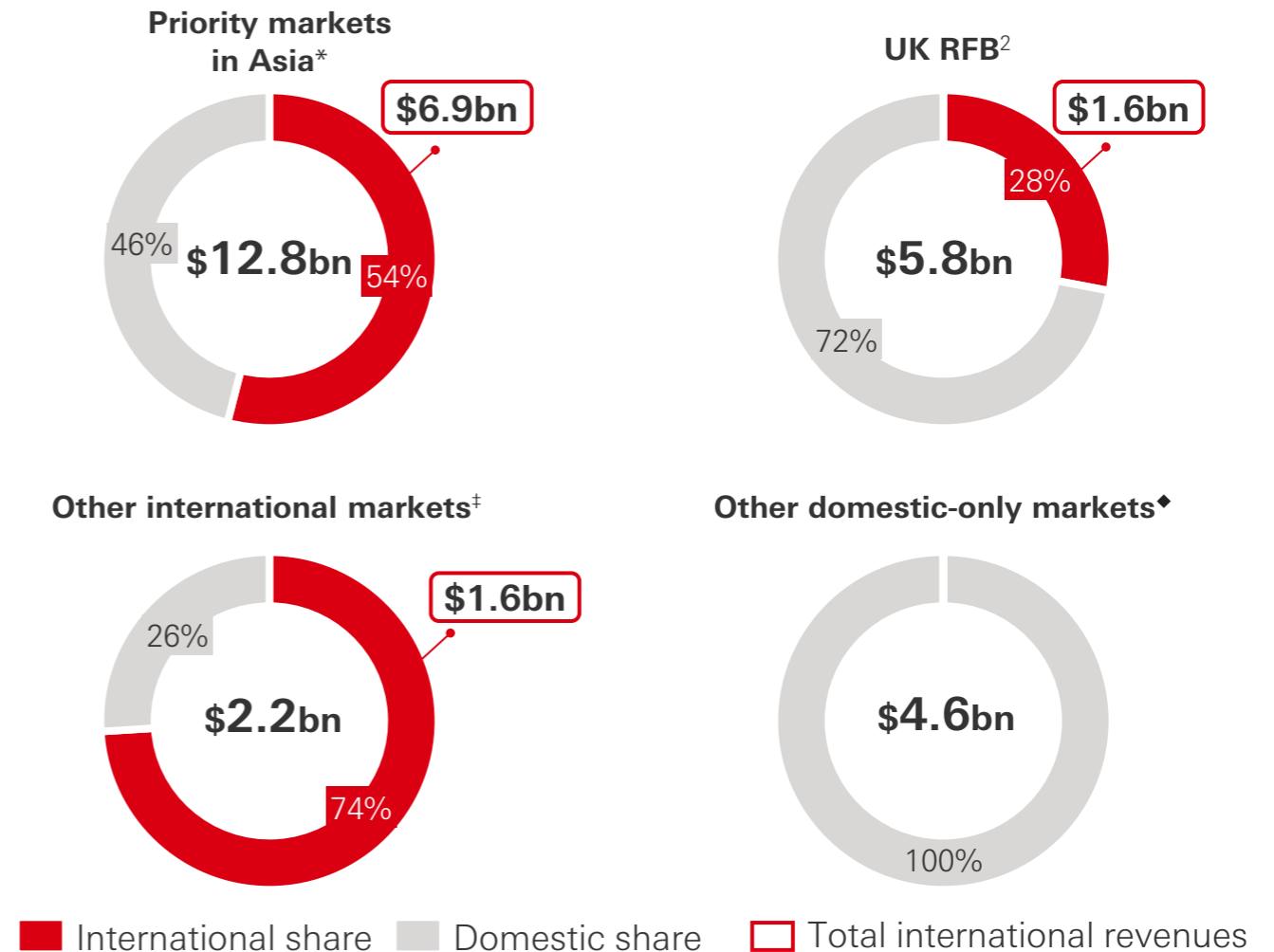
In WPB, we continue to develop our international proposition to cater for the cross-border banking needs of our customers

40% of WPB customer revenue is from international customers...

FY23 WPB customer revenue, \$bn



...delivering \$10.2bn international customer revenues in 2023



Reconciliation from WPB revenue to client revenue and further detail on slide 36. Charts do not cast due to rounding

* Priority markets in Asia: Hong Kong, Singapore, Malaysia, mainland China, India, Australia

‡ Channel Islands and Isle of Man, UAE, US

♦ 100% domestic markets. Includes Mexico and international customers that we do not yet track in certain countries

Strategic actions

Noel Quinn
Group Chief Executive



Why we're here. Where we're going. How we'll get there. What guides us.

Our purpose, ambition, strategy and values give us clarity and direction. We call this page our 'plan on a page'.

Our purpose	<h2>Opening up a world of opportunity</h2>			
Our ambition	To be the preferred international financial partner for our clients			
Our strategy	Focus	Digitise	Energise	Transition
	<ul style="list-style-type: none"> ◆ Maintain leadership in scale markets ◆ Double-down on international connectivity ◆ Diversify our revenue ◆ Maintain cost discipline and reshape our portfolio 	<ul style="list-style-type: none"> ◆ Deliver seamless customer experiences ◆ Ensure resilience and security ◆ Embrace disruptive technologies and partner with innovators ◆ Automate and simplify at scale 	<ul style="list-style-type: none"> ◆ Inspire leaders to drive performance and delivery ◆ Unlock our edge to enable success ◆ Deliver a unique and exceptional colleague experience ◆ Prepare our workforce for the future 	<ul style="list-style-type: none"> ◆ Support our customers ◆ Embed net zero into the way we operate ◆ Partner for systemic change ◆ Become net zero in our operations and supply chain by 2030, and our financed emissions by 2050
Our values	We value difference	We succeed together	We take responsibility	We get it done
	Seeking out different perspectives	Collaborating across boundaries	Holding ourselves accountable and taking the long view	Moving at pace and making things happen

Focus: Wholesale – Double down on leadership in international connectivity

Untapped opportunities from client base and macro environment

International expansion
core growth strategy for clients we serve

Supply chain reconfiguration from **reshoring and nearshoring**

Leveraging leadership in transaction banking to drive fee income growth

#1

In trade revenue since 2018¹
>\$850bn trade facilitated in 2023

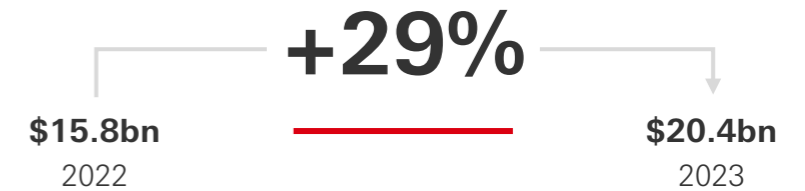
#2

By GPS revenue in 1H23²
c.\$500tn electronic payments processed

#3

By GFX revenue since 2021³
\$5.1bn GFX revenue in 2023

Growing higher value wholesale international revenues



Wholesale client revenue from multi-jurisdictional⁴ clients

c.5x

CMB corporate client revenue multiplier multi-jurisdictional⁵ vs domestic customers

+39%

GBM cross-border client revenue from clients managed in the West and booked in the East vs. 2022

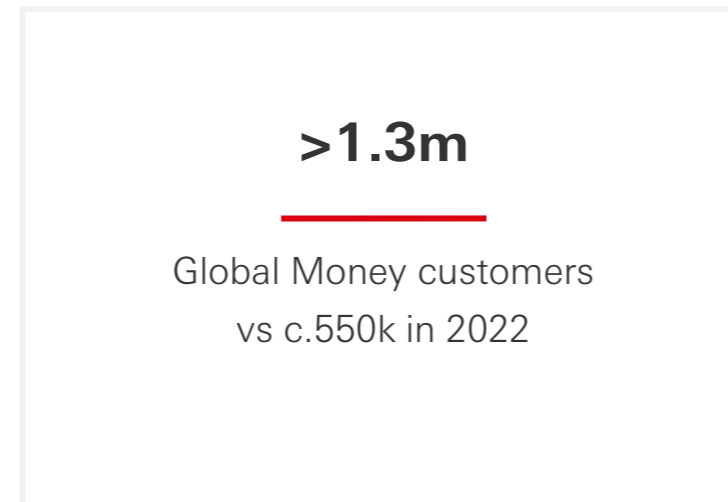
Focus: WPB – Build our international and wealth proposition

Macro environment and customer trends present opportunities

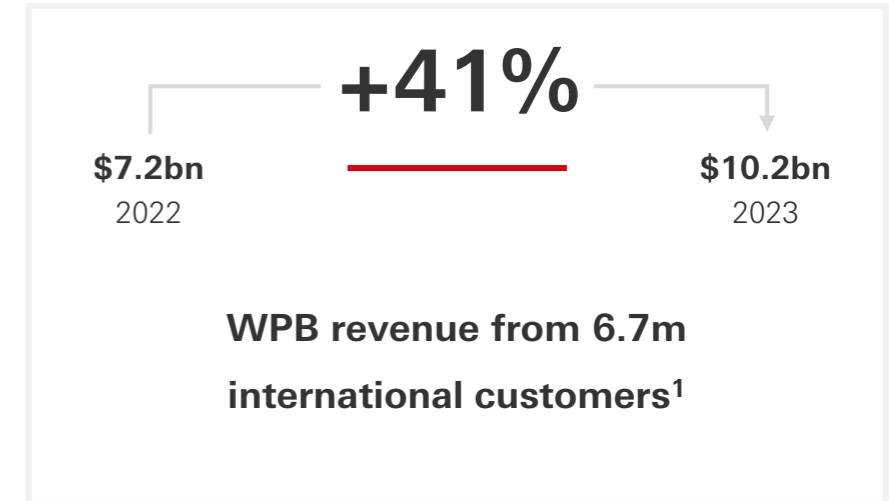
Growth of Wealth assets in Asia expected to outpace rest of world

Customers demand **seamless banking across geographies**

Investing to build fee income streams in international and wealth



Growing higher value WPB international revenues



+43% NTB² WPB international customers¹ vs. 2022

c.3x WPB revenue multiplier international¹ vs domestic customers

Focus: Leadership in scale markets

Hong Kong: Continue to grow from our leadership position

#1 in deposits¹, assets¹, card spend², insurance³, cash management⁴

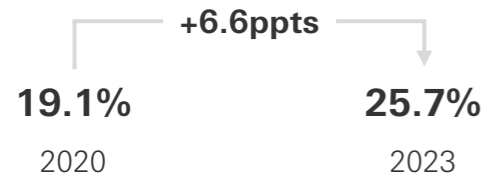
\$10.7bn | PBT

HK as a leading **financial centre** and **gateway to mainland China**

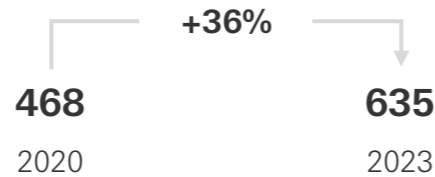
\$544bn | Deposits

Positive momentum in further strengthening market position

Trade finance⁵ market share, %



New-to-bank WPB customers⁶, K



UK RFB: Capitalise on our leadership in CMB; grow WPB

#1 in trade finance⁷, cash management⁸, #3 in L&A and deposits⁹

\$8.3bn¹⁰ | PBT

UK is #2 global **financial centre**¹¹

\$340bn | Deposits

Solid traction in CMB; continued market share gains in WPB

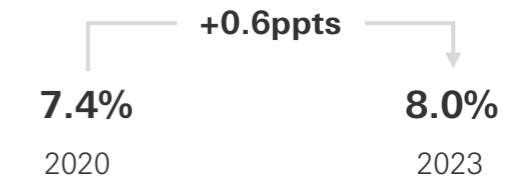
#1

CMB large corporate banking¹², >70% market penetration in 2023

#1

Best Bank for SMEs¹³, 45% increase in NTB business banking customers in Kinetic in 2023

Mortgage market share (stock), %



+8ppts growth in mortgage stock vs market¹⁴

Focus: Diversify our revenue – Be a leader within international and wealth in select markets

	Mainland China	India	Singapore	UAE	Mexico
International wholesale	#1 FX House ²	#1 Cash management ⁴	#1 Best International Bank ⁶	#1 ECM and DCM in MENAT ⁸	#1 Trade finance ⁹
International retail and WPB wealth	+53% Wealth invested assets ³ YoY	#1 Foreign bank for NRI wealth ⁵	+76% NTB WPB ⁷ international customers YoY	+35% Wealth invested assets YoY	51% WPB client acquisition from wholesale referrals ¹⁰
Strong growth¹	\$1.1bn PBT (excl. BoCom) (+9% YoY)	\$1.5bn PBT (+19% YoY)	\$1.1bn PBT (+45% YoY)	\$0.9bn PBT (+90% YoY)	\$0.8bn PBT (+38% YoY)

Focus: Maintain cost discipline and reshape our portfolio

Maintain cost discipline whilst investing in select areas

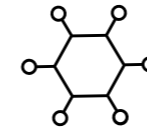
Modernising and simplifying our **core technology** platforms

Maintaining market leadership in **transaction banking**

Building our **WPB** proposition in wealth and international

Investing in **innovation** across product lines

Continue to reshape portfolio through exits & bolt-on acquisitions

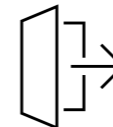


Bolt-on acquisitions

SVB UK; thereafter launched HSBC Innovation Banking

Citi's retail wealth management portfolio in mainland China

SilkRoad Property Partners, real estate fund manager



Exits

Completed

- France retail banking operations
- Greece
- Oman¹
- New Zealand WPB

Underway

- Canada
- Russia
- Armenia
- Mauritius retail

Digitise: Investing to improve customer experience, operational efficiency and drive business model innovation

Driving growth from today's business model and operations...

Serving customers digitally:

54%	Mobile active WPB customers ¹ (+6 ppts YoY)
83%	Digitally active CMB customers ² (+5 ppts YoY)

Improving operational efficiency and customer experience:

+12pts	Wholesale international onboarding NPS (4Q23 vs 1Q23)
75%	WPB International accounts opened digitally (+30 ppts YoY)

...while investing to build the bank of the future

Open-market propositions:

- ◆ Embedded finance focused JV with **Tradeshift** expected to launch in 1H24
- ◆ **Zing**, mobile platform for cross-border payments available to non-HSBC customers

Transition: Supporting the Net Zero Transition

Supporting the transition

Supporting our **customers**

Embedding net zero into the way we operate

Aiming to become a **Net Zero** bank by 2050

Delivering on our ambitions

Net Zero Transition Plan

Released our first Net Zero Transition Plan in January 2024

\$294bn

Cumulative since 2020

Sustainable finance and investment, Ambition to provide and facilitate \$750bn to \$1tn by 2030

Financed emissions targets

Set combined on-balance sheet financed emissions and facilitated emissions targets for oil and gas, and power and utilities sectors

(57.3)%

vs 2019 baseline

Reduction in absolute operational greenhouse gas emissions
Ambition to be net zero by 2030

Energise: Inspiring a dynamic culture

Energising our colleagues

Inspiring leaders to **drive performance and delivery**

Unlocking our edge to enable success

Improving **colleague experience**

Preparing workforce for the future

Empowering our colleagues

73%

Of our employees see the positive impact of our strategy
(+11pts vs. 2020)

81%

Of our employees feel confident about HSBC's future
(+11pts vs. 2020)

Summary

- ◆ **Strong performance in 2023** – record PBT of \$30.3bn, RoTE of 14.6% (15.6% excluding strategic transactions and the impairment of BoCom)
- ◆ **Returned c.\$19bn to shareholders** by way of dividends and buybacks in respect of 2023¹
- ◆ **Announced buyback of up to \$2.0bn** to be completed ahead of 1Q24 results announcement; committed to consider **special dividend of \$0.21 per share** in 1H24 following the sale of Canada
- ◆ Building a strong platform for **growth** and **improving earnings sustainability**

Selected FY24 guidance

RoTE in the mid-teens²

Banking NII of at least \$41bn³

Cost growth of approximately (5)%
on a target basis⁴

Appendix

Financial performance summary

\$m	4Q22	1Q23	2Q23	3Q23	4Q23	Δ 4Q22	FY22	FY23	Δ FY22
NII	8,918	8,825	9,023	9,001	8,284	(7)%	29,762	35,796	20 %
Non-NII	5,731	11,256	7,346	6,886	4,737	(17)%	20,109	30,262	50 %
Revenue	14,649	20,081	16,369	15,887	13,021	(11)%	49,871	66,058	32 %
ECL	(1,453)	(427)	(895)	(1,058)	(1,031)	29 %	(3,630)	(3,447)	5 %
Costs	(8,867)	(7,517)	(7,702)	(7,822)	(8,645)	3 %	(32,302)	(32,070)	1 %
Associates	685	699	830	594	(2,368)	>(100)%	2,602	(193)	>(100)%
Constant currency PBT	5,014	12,836	8,602	7,601	977	(81)%	16,541	30,348	83 %
<i>Memo: notable items</i>	<i>(1,526)</i>	<i>3,552</i>	<i>(250)</i>	<i>(323)</i>	<i>(5,798)</i>	<i>>(100)%</i>	<i>(6,638)</i>	<i>(2,850)</i>	<i>57 %</i>
FX translation	35	50	169	113	—	—	517	—	—
Reported PBT	5,049	12,886	8,771	7,714	977	(81)%	17,058	30,348	78 %
Tax	(388)	(1,860)	(1,726)	(1,448)	(755)	(95)%	(809)	(5,789)	>(100)%
Profit attributable to ordinary shareholders	4,378	10,327	6,639	5,619	(153)	>(100)%	14,346	22,432	56 %
Earnings per share, \$	0.22	0.52	0.34	0.29	(0.01)	\$(0.23)	0.72	1.15	\$0.43
EPS excluding material notable items, \$	N/A	0.36	0.34	0.27	0.25	N/A	N/A	1.22	N/A
Dividend per share, \$ ¹	0.23	0.10	0.10	0.10	0.31	\$0.08	0.32	0.61	\$0.29
RoTE (YTD, annualised), %	12.3	27.4	17.1	14.6	(0.4)	(12.7)ppts	10.0	14.6	4.6ppts

\$bn	4Q22	1Q23	2Q23	3Q23	4Q23	Δ 3Q23	FY22	FY23	Δ FY22
Customer loans	942	974	964	960	939	(2)%	942	939	0 %
Customer deposits	1,598	1,620	1,601	1,599	1,612	1 %	1,598	1,612	1 %
Reported RWAs	840	854	860	840	854	2 %	840	854	2 %
CET1 ratio, % ²	14.2	14.7	14.7	14.9	14.8	(0.1)ppts	14.2	14.8	0.6ppts
TNAV per share, \$	\$7.44	\$8.08	\$7.84	\$7.96	\$8.19	\$0.23	\$7.44	\$8.19	\$0.75

Guidance summary

Banking NII	At least \$41bn in FY24 ¹
ECL	FY24 ECL charge of around (40)bps ² ; through-the-cycle planning range of (30)-(40)bps ³
Costs	Growth in FY24 of approximately (5)% vs. FY23 on a target basis, reflecting our current business plan for 2024. See slide 12
Lending growth	Cautious outlook for 1H24, expect mid-single digit annual percentage growth over the medium to long term ³
RoTE	Targeting a mid-teens RoTE in 2024 , excluding notable items. Our guidance reflects our current outlook for the global macroeconomic environment, including customer and financial markets activity
CET1 ratio	Manage in 14-14.5% target range in the medium term ³
Dividends	Dividend payout ratio of 50% for 2024 , excluding material notable items and related impacts

Whilst Asia remains a strategic focus for the Group, we no longer intend to report 'Asia as a % of Group tangible equity'

Banking NII

Constant currency NII to Banking NII, \$bn

\$bn	4Q22	1Q23	2Q23	3Q23	4Q23	Δ 4Q22	FY22	FY23	Δ FY22
Constant currency NII	8.9	8.8	9.0	9.0	8.3	(0.6)	29.8	35.8	6.0
FX translation	0.1	0.1	0.3	0.2	—	—	0.6	—	—
Reported NII	9.0	9.0	9.3	9.2	8.3	(0.7)	30.4	35.8	5.4
Less: insurance NII	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	(0.4)	(0.4)	0.0
Central costs of funding trading income ¹	1.3	1.4	2.4	2.4	2.5	1.2	2.5	8.7	6.2
Banking NII	10.2	10.3	11.6*	11.5	10.7*	0.5	32.5	44.1	11.6

* 2Q23 Banking NII included \$0.4bn due to methodology changes, of which \$0.2bn related to 1Q23 and \$0.2bn to 2Q23

4Q23 included: (i) \$(0.5)bn of Argentina hyperinflation impacts (Argentina NII was \$0.0bn in 4Q23 / \$1.0bn in FY23, including the impact of hyperinflation adjustments of \$(0.5)bn in 4Q23 / \$(0.5)bn in FY23); (ii) the reclassification of \$(0.3)bn of cash flow hedge revenue between NII and non-NII (of which \$(0.2)bn related to 9M23)

AIEAs and Group NIM, \$bn

\$bn	4Q22	1Q23	2Q23	3Q23	4Q23	Δ 4Q22	FY22	FY23	Δ FY22
Average interest earning assets [‡]	2,116	2,153	2,172	2,157	2,164	48	2,144	2,162	18
NIM, bps	168	169	172	170	152	(16)bps	142	166	24bps

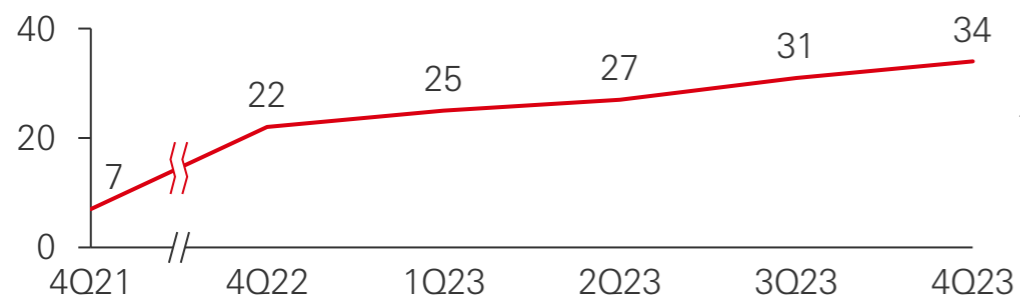
Net interest margin

Quarterly NIM by key legal entity

	4Q22	1Q23	2Q23	3Q23	4Q23	% 4Q23 NII	% 4Q23 AIEA
The Hongkong and Shanghai Banking Corporation (HBAP)*	1.94%	1.83%	1.83%	1.85%	1.73%	48%	42%
HSBC Bank plc	0.50%	0.59%	0.60%	0.53%	0.50%	8%	23%
HSBC UK Bank plc (UK RFB)	2.19%	2.33%	2.49%	2.41%	2.50%	30%	18%
HSBC North America Holdings, Inc	1.16%	1.15%	1.01%	0.87%	0.90%	5%	8%
Group	1.68%	1.69%	1.72%	1.70%	1.52%	n.m	n.m

* In FY23, c.60% of the interest expense relating to the central costs of funding trading income was booked in HBAP

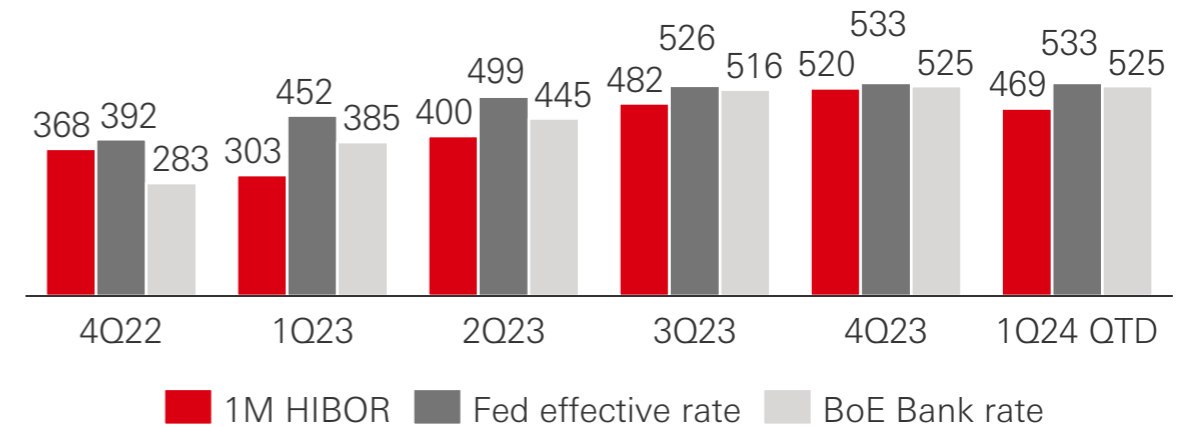
Time deposits as a % of Hong Kong customer accounts



A 3ppts shift from CASA to TMD results in an incremental annual interest expense of c.\$(0.5)bn¹

Key rates (quarter averages), bps

Source: Bloomberg
At 19 February 2024

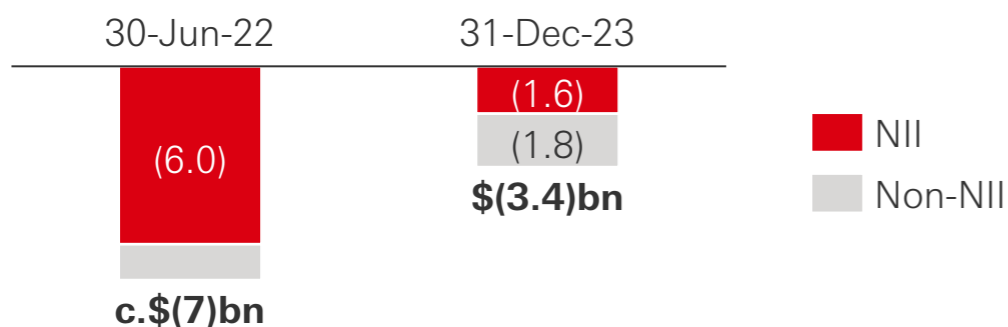


Group customer accounts by type², \$bn

Average balances	FY20	FY21	FY22	FY23
Demand and other – non-interest bearing	272	323	315	258
Demand – interest bearing	898	1,056	1,024	882
Savings	290	255	263	356
Time and other	66	51	55	96
Total	1,526	1,686	1,657	1,593

Interest rate stabilisation and structural hedge

Year 1 Banking NII sensitivity to a (100)bps down-shock,* \$bn



Banking NII – sensitivity to a (100)bps down-shock,* \$bn

	Year 1	Year 2	Year 3
USD	(0.5)	(1.0)	(1.3)
HKD	(0.5)	(0.7)	(0.8)
GBP	(0.6)	(0.9)	(1.4)
EUR	(0.3)	(0.3)	(0.4)
Other	(1.5)	(1.8)	(1.9)
Total	(3.4)	(4.8)	(5.8)

- ◆ Banking NII sensitivity to a (100)bps down-shock of **\$(3.4)bn**, down **c.50%** vs. 30 June 2022
- ◆ We estimate that **over one third of the reduction is due to increased structural interest rate hedging**, with the remainder driven by changes in the balance sheet, changes in interest rates and methodology enhancements
- ◆ At FY23, the notional amount of the structural hedge[‡] was **\$478bn**, weighted average life **2.8 years**
- ◆ Subject to market conditions, we expect to increase both the notional and the duration of the structural hedge in 2024
- ◆ Our ability to hedge HKD is limited by the availability of liquid, fixed-rate instruments with a maturity of >1 year

* Assumptions include a static balance sheet, no management actions from Global Treasury and a 50% pass-through – see page 214 of the Annual Report and Accounts for further detail

‡ Excludes instruments with an original term to maturity of one year or less

Wholesale client revenue

FY23 Wholesale client revenue

\$bn

CMB and GBM revenue	39.0
Allocated revenue and other ¹	0.9
Client facilitation in Fixed Income and Equities ²	(4.8)
Gain on acquisition of SVB UK	(1.6)
Wholesale client revenue	33.5
Domestic-only clients	13.1
Hong Kong	4.5
UK RFB	4.3
Other	4.3
<i>Of which: CMB</i>	<i>3.6</i>
<i>Of which: GBM</i>	<i>0.7</i>
Clients banked in multiple jurisdictions	20.4

- ◆ **\$20.4bn (61%)** of wholesale client revenue is from clients we bank in multiple jurisdictions, of which **\$12.7bn is cross-border**, i.e. earned outside the clients' home market*
- ◆ **GBM:** 91% of client revenue is from clients banked in multiple jurisdictions
- ◆ **CMB:** 44% of client revenue is from clients banked in multiple jurisdictions, with a further 39% from domestic-only clients in Hong Kong and the UK. For clients managed outside the UK and Hong Kong, two thirds of client revenue is multi-jurisdictional
 - ◆ \$3.6bn CMB client revenue from domestic-only clients outside Hong Kong and the UK includes \$0.5bn Canada, \$0.4bn US, \$0.3bn Mexico, \$0.3bn mainland China, \$2.1bn Other

FY23 Wholesale client revenue: clients banked in multiple jurisdictions by managed location³

\$bn

East	Asia	5.8
	MENAT	1.2
West	United States	4.7
	Rest of Americas	1.2
	UK NRFB	1.8
	UK RFB	1.8
	Rest of Europe	3.9

Refer to footnote 3 relating to slide 16 for basis of preparation

* Home market refers to the market of the client's Global Relationship Manager

WPB international revenue

FY23 WPB customer revenue by type of customer

\$bn

WPB revenue	27.3
France retail and Canada	(1.4)
Allocated revenue and other ¹	(0.5)
WPB customer revenue	25.4
International customers	10.2
Resident foreigner and non-resident	4.9
Multi-jurisdictional	5.3
Domestic-only customers	15.2

- ◆ **\$10.2bn (40%)** of WPB customer revenue is from international customers
 - ◆ \$4.9bn (19%) is from resident foreigner and non-resident foreigner customers
 - ◆ \$5.3bn (21%) is from multi-jurisdictional customers, i.e. customers who bank with us in more than one market
- ◆ International customer revenue has increased by 41% compared with FY22
- ◆ 77% of WPB customer revenue from domestic-only customers is in markets where we have a scale presence, i.e. Hong Kong, UK and Mexico

FY23 international customer revenue by booking location

\$bn	International	<i>o/w: multi-jurisdictional</i>	<i>o/w: non-resident and resident foreigner</i>	International as a % of customer revenue
Priority markets in Asia ²	6.9	3.8	3.1	54%
<i>Of which: Hong Kong</i>	<i>5.5</i>	<i>2.9</i>	<i>2.6</i>	<i>52%</i>
<i>Of which: rest of Asia</i>	<i>1.4</i>	<i>0.9</i>	<i>0.6</i>	<i>64%</i>
UK RFB ³	1.6	0.6	1.0	28%
Other international markets ⁴	1.6	0.9	0.8	74%

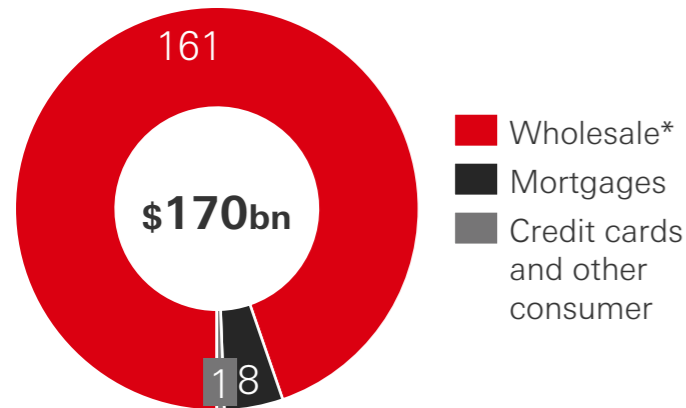
ECL charge by legal entity (constant currency basis)

\$m	4Q22	1Q23	2Q23	3Q23	4Q23	FY23
Asia (HBAP)	(898)	(64)	(392)	(749)	(437)	(1,641)
<i>o/w Hong Kong</i>	<i>(766)</i>	<i>(44)</i>	<i>(451)</i>	<i>(660)</i>	<i>(375)</i>	<i>(1,528)</i>
<i>o/w mainland China CRE*</i>	<i>(598)</i>	<i>(62)</i>	<i>(259)</i>	<i>(503)</i>	<i>(195)</i>	<i>(1,019)</i>
UK RFB (HBUK)	(249)	(164)	(255)	(57)	(47)	(523)
HSBC Bank plc (HBEU)	(59)	(19)	(55)	(79)	(59)	(212)
USA (HNAH)	1	(29)	(33)	15	(47)	(94)
Canada (HBCA)	(20)	(1)	(10)	(20)	(15)	(46)
Mexico (HBMX)	(194)	(136)	(136)	(154)	(274)	(696)
HSBC Bank Middle East (HBME)	(37)	7	(7)	(6)	(84)	(90)
Other	3	(21)	(7)	(8)	(68)	(145)
Total	(1,453)	(427)	(895)	(1,058)	(1,031)	(3,447)

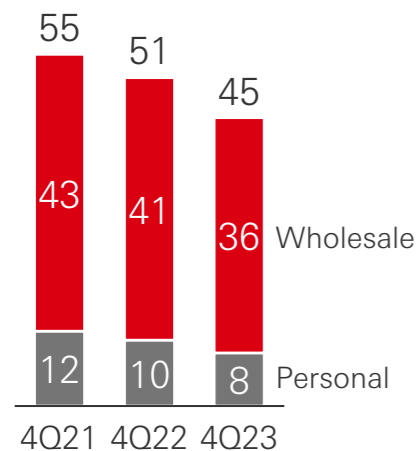
* Mainland China CRE charge, primarily relating to exposures booked in Hong Kong, is on a reported basis and has not been currency adjusted in prior periods

Mainland China risk exposure

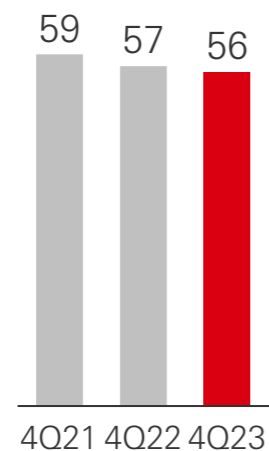
Mainland China risk exposure, \$bn



Reported gross loans and advances to customers, \$bn



Reported customer deposits, \$bn



- ◆ Mainland China drawn risk exposure is defined as lending booked in mainland China and wholesale lending booked offshore where the ultimate parent and beneficial owner is in mainland China

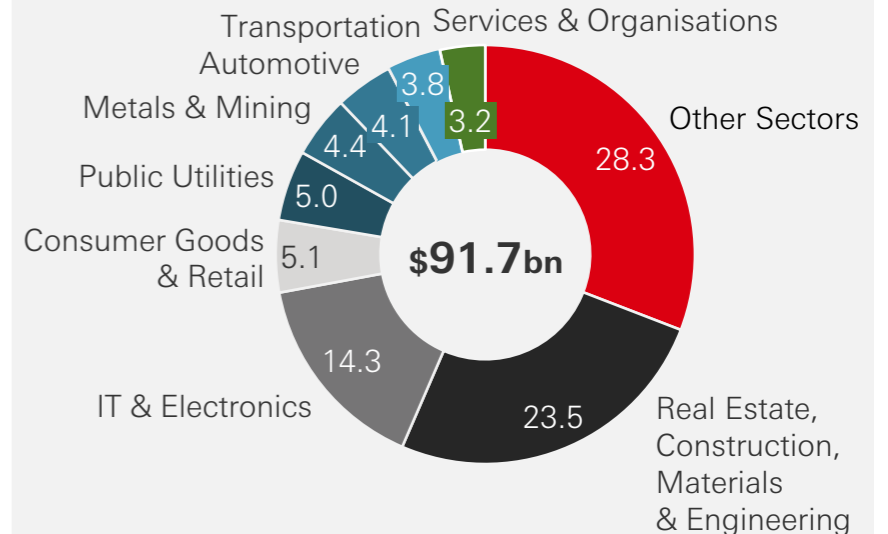
Wholesale lending analysis, \$bn

	4Q22	2Q23	4Q23
NBFI	2.2	2.0	1.2
Banks	40.1	35.6	31.0
Sovereign & public sector	34.0	34.0	37.1
Corporates	100.6	93.1	91.7
Total	176.8	164.7	161.0

Wholesale lending by counterparty type and credit quality, \$bn

	NBFI	Banks	Sovereign & public sector	Corporates	Total
Strong	0	30	37	33	99
Good	1	1	—	28	31
Satisfactory	0	0	—	24	24
Sub-standard	—	—	—	3	3
Credit impaired	—	—	—	4	4
Total	1	31	37	92	161

Corporate lending by sector, \$bn



- ◆ c.15% of corporate lending is to foreign-owned enterprises
- ◆ c.40% of lending is to state-owned enterprises
- ◆ c.45% of lending is to private sector owned enterprises

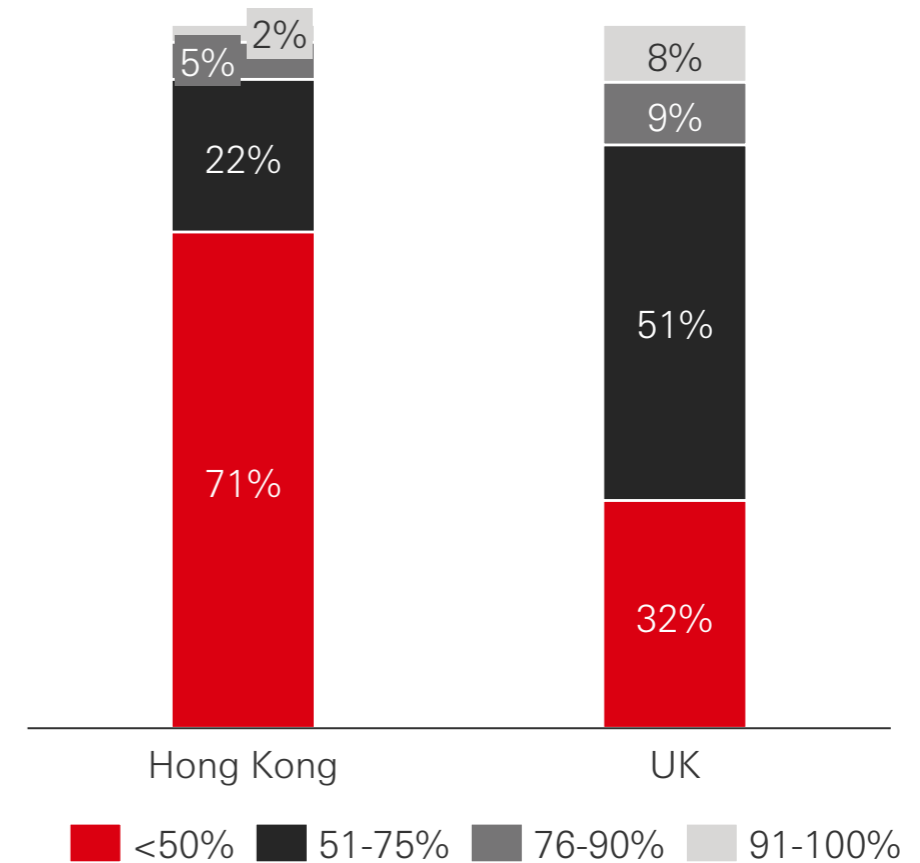
Global CRE exposures

Commercial real estate gross loans and advances, \$m¹

	FY22	FY23	Δ	FY23 stage 3 %
Asia	66,350	58,121	(12)%	6
<i>o/w Hong Kong*</i>	<i>50,021</i>	<i>42,462</i>	<i>(15)%</i>	<i>8</i>
UK RFB	14,874	14,010	(6)%	3
HSBC Bank plc	6,188	4,834	(22)%	4
USA	5,345	3,925	(27)%	4
Mexico	903	780	(14)%	3
HSBC Bank Middle East	1,681	1,460	(13)%	10
Other	1,054	459	(56)%	4
Total	96,395	83,589	(13)%	5

* Includes FY22 \$9.1bn / FY23 \$6.0bn exposure relating to mainland China CRE. At FY23, this accounted for 91% of the stage 3 exposure in Hong Kong

LTV analysis (fully collateralised exposure)²



FY23 cost target basis reconciliation

\$m	FY22	FY23
Reported	(32,701)	(32,070)
Currency impact	399	—
Constant currency	(32,302)	(32,070)
Notable items	2,931	185
Impact of retranslating results of hyperinflationary economies at constant currency	(440)	—
Innovation Banking and related international investments	—	271
Target basis	(29,811)	(31,614)

BoCom

BoCom impairment testing, \$bn

	FY21	FY22	FY23
Carrying value	23.6	23.3	21.2
Value-in-use	24.8	23.5	21.2
Fair value	8.5	8.1	8.8
<i>Memo: impairment charge</i>	—	—	(3.0)

- ◆ We maintain a 19.03% interest in BoCom. Since our initial investment from 2004, BoCom has grown its business significantly to the extent that it has recently been designated as a global systemically important bank ('GSIB')
- ◆ For accounting purposes, the balance sheet carrying value attributed to BoCom represents our share of its net assets. We perform quarterly impairment tests incorporating a value-in-use calculation, recognising the gap between this carrying value and the fair value (based on the list share price). We have previously disclosed that the excess of the value-in-use calculation over its carrying value has been marginal in recent years, and that reasonably possible changes in assumptions could generate an impairment
- ◆ Recent macroeconomic, policy and industry factors resulted in a wider range of reasonably possible value-in-use outcomes for our BoCom valuation. At 31 December 2023, the Group performed an impairment test on the carrying value, which resulted in an impairment of \$(3.0)bn, as the recoverable amount as determined by a VIU calculation was lower than the carrying value. Our value-in-use calculation uses both historical experience and market participant views to estimate future cash flows, relevant discount rates and associated capital assumptions
- ◆ This impairment will have no material impact on HSBC's capital, capital ratios or distribution capacity, and therefore no impact on dividends or share buy-backs. The insignificant impact on HSBC's capital and CET1 ratio is due to the compensating release of regulatory capital deductions to offset the impairment charge
- ◆ We remain strategically committed to mainland China as demonstrated by our recent announcements to acquire Citi's retail wealth management portfolio and the investments made into mainland China in recent years. BoCom remains a strong partner in China, and we remain focused on maximising the mutual value of our partnership. Our positive views on the medium and long-term structural growth opportunities in mainland China are unchanged

Notable items (reported FX basis)

Notable items, \$m	4Q22	1Q23	2Q23	3Q23	4Q23	FY22	FY23
Revenue	(320)	3,577	(241)	(268)	(2,733)	(3,602)	335
<i>o/w: Disposals, acquisitions and related costs*</i>	<i>(71)</i>	<i>3,562</i>	<i>(241)</i>	<i>310</i>	<i>(2,333)</i>	<i>(2,737)</i>	<i>1,298</i>
<i>o/w: Fair value movements on financial instruments</i>	<i>35</i>	<i>15</i>	<i>—</i>	<i>—</i>	<i>(1)</i>	<i>(618)</i>	<i>14</i>
<i>o/w: Restructuring and other related costs</i>	<i>(284)</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>(247)</i>	<i>—</i>
<i>o/w: Disposal losses on Markets Treasury repositioning</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>(578)</i>	<i>(399)</i>	<i>—</i>	<i>(977)</i>
Costs	(1,169)	(61)	(10)	(49)	(65)	(2,900)	(185)
<i>o/w: Disposals, acquisitions and related costs</i>	<i>(9)</i>	<i>(61)</i>	<i>(57)</i>	<i>(79)</i>	<i>(124)</i>	<i>(18)</i>	<i>(321)</i>
<i>o/w: Impairment of non-financial items</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>o/w: Restructuring and other related costs</i>	<i>(1,160)</i>	<i>—</i>	<i>47</i>	<i>30</i>	<i>59</i>	<i>(2,882)</i>	<i>136</i>
Associates	—	—	—	—	(3,000)	—	(3,000)
<i>o/w: Impairment of interest in associate</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>(3,000)</i>	<i>—</i>	<i>(3,000)</i>
Total	(1,489)	3,516	(251)	(317)	(5,798)	(6,502)	(2,850)
<i>Memo: Notable items on a constant currency basis</i>	<i>(1,526)</i>	<i>3,552</i>	<i>(250)</i>	<i>(323)</i>	<i>(5,798)</i>	<i>(6,638)</i>	<i>(2,850)</i>

* 1Q23 includes an impairment reversal of \$2.1bn and 4Q23 includes \$(2.0)bn loss on sale, both relating to our retail banking operations in France

Argentina hyperinflation impacts

\$m	4Q22	4Q23	FY22	FY23
NII	(19)	(495)	(3)	(526)
Non-NII*	(100)	(329)	(377)	(853)
Revenue	(119)	(824)	(380)	(1,379)
ECL	2	62	2	64
Costs	12	213	(3)	226
PBT	(105)	(548)	(381)	(1,090)
Tax	(16)	83	3	67
PAT	(122)	(466)	(379)	(1,022)

- ◆ Argentina was a **hyperinflationary economy** for accounting purposes in FY23. As a consequence, **IAS 29** 'Financial Reporting in Hyperinflationary Economies' and the hyperinflation provisions of **IAS 21** 'The Effects of Changes in Foreign Exchange Rates' applied
- ◆ The impacts of IAS 29 and IAS 21 have **adversely affected 4Q23 PBT by \$(0.5)bn**, up from \$(0.1)bn in 4Q22, primarily **due to the devaluation of the Argentine peso** in December 2023

* Includes gain/(loss) on net monetary position

EPS excluding material notable items and related impacts

\$m	1Q23	2Q23	3Q23	4Q23	FY23
PAOS	10,327	6,639	5,619	(153)	22,432
Provisional gain on acquisition of SVB UK	(1,511)	4	(86)	44	(1,549)
Impairment loss relating to the sale of our retail banking operations in France (net of tax)	(1,636)	7	—	1,737	108
Impact of planned sale of our banking business in Canada ¹	(109)	55	(376)	119	(311)
Impairment of interest in associate (BoCom)	—	—	—	3,000	3,000
PAOS excluding material notable items and related impacts	7,071	6,705	5,157	4,747	23,680
Average basic number of ordinary shares (m)	19,724	19,662	19,404	19,130	19,478
Basic EPS, \$	0.52	0.34	0.29	(0.01)	1.15
Basic EPS excluding material notable items and related impacts, \$	0.36	0.34	0.27	0.25	1.22

Canada and France disposals

Banking business in Canada

- ◆ Our banking business in Canada remains in held-for-sale. We expect the transaction to **complete in 1Q24** for a base cash consideration of CAD13.5bn for the issued common equity of HSBC Bank Canada
- ◆ Estimated gain on sale **\$5.2bn** (as at 31-Dec-23), which we will recognise through a combination of Canada earnings from 31-Dec-23 until completion and a remaining gain on sale at completion
- ◆ Expected **CET1 ratio impact of around 1.2ppts**. This may be reduced by c.(0.5)ppts due to the \$0.21 per share special dividend which we remain committed to consider as a priority use of the proceeds in 1H24

Retail banking operations in France

- ◆ **Completed on 1 January 2024**, re-instated the \$(2.0)bn impairment loss on sale in 4Q23

Costs

- ◆ Around \$(0.6)bn of operating expenses from the businesses (\$(0.3)bn Canada, \$(0.3)bn France) relate to Group recharges and other costs and will not transfer as part of the planned transactions. These include adjustments relating to IFRS 17 and notable items

HSBC Bank Canada and France retail selected financials

FY23, \$bn	Canada	France
NII*	1.3	0.2
Non-NII	0.7	0.1
Revenue	2.0	0.3
ECL	(0.0)	0.0
Costs	(1.0)	(0.6)
PBT	0.9	(0.2)
RWAs [†]	31.9	4.1
Customer loans (reported in HFS)	56.1	16.9
Customer accounts (reported in HFS)	63.0	22.3

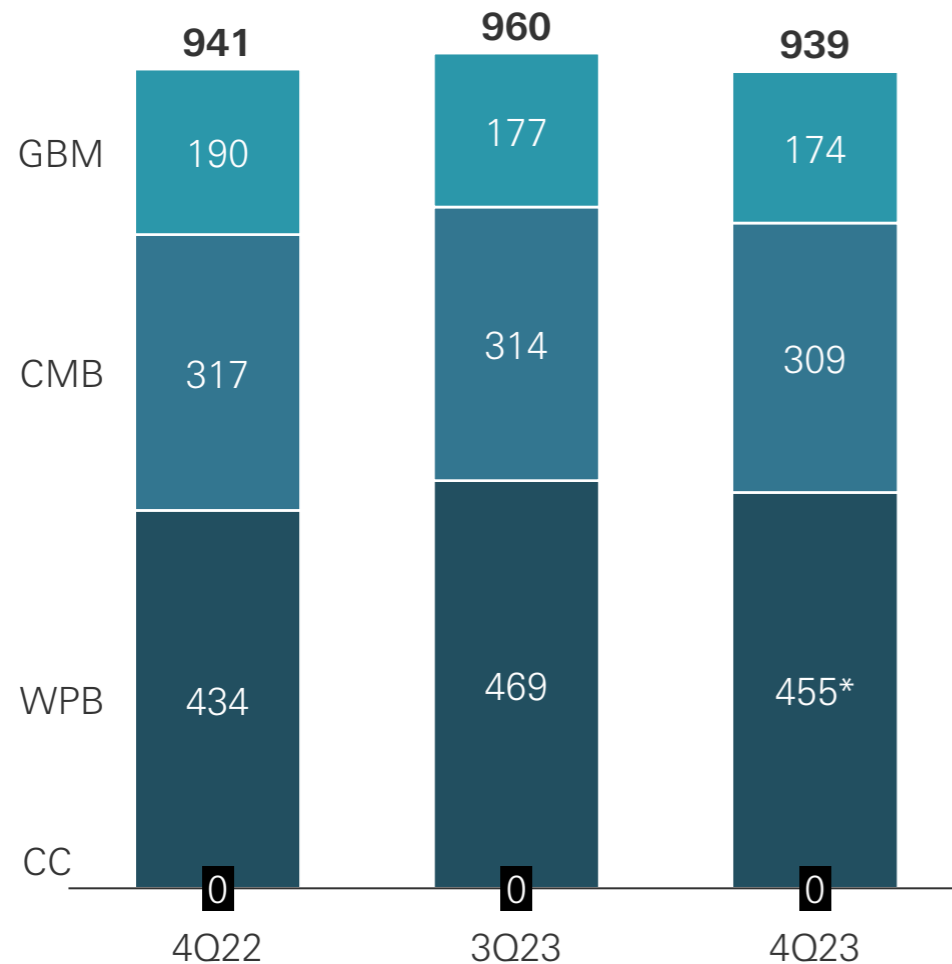
Financials are shown on a reported FX basis

* 4Q23 NII for Canada \$292m

† Includes \$3.5bn in Canada in respect of operational risk RWAs, and \$0.6bn associated with our retail banking business in France

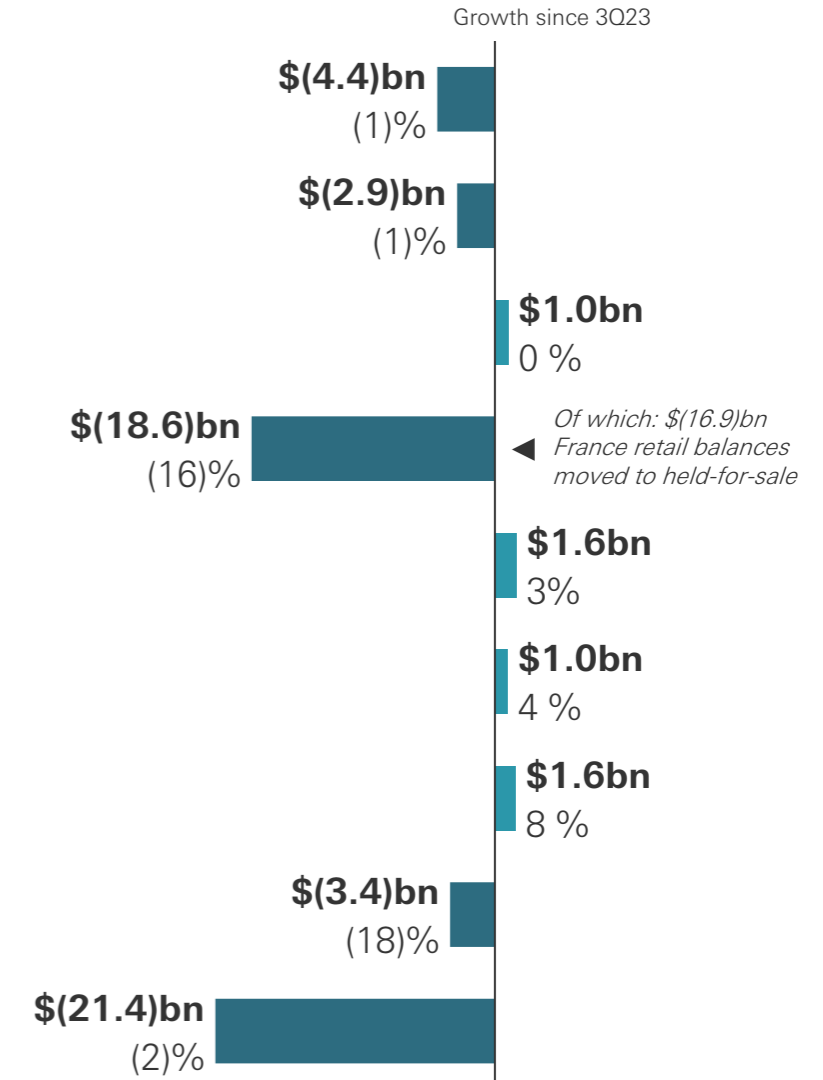
Balance sheet – customer lending

Balances by global business, \$bn



Balances by entity

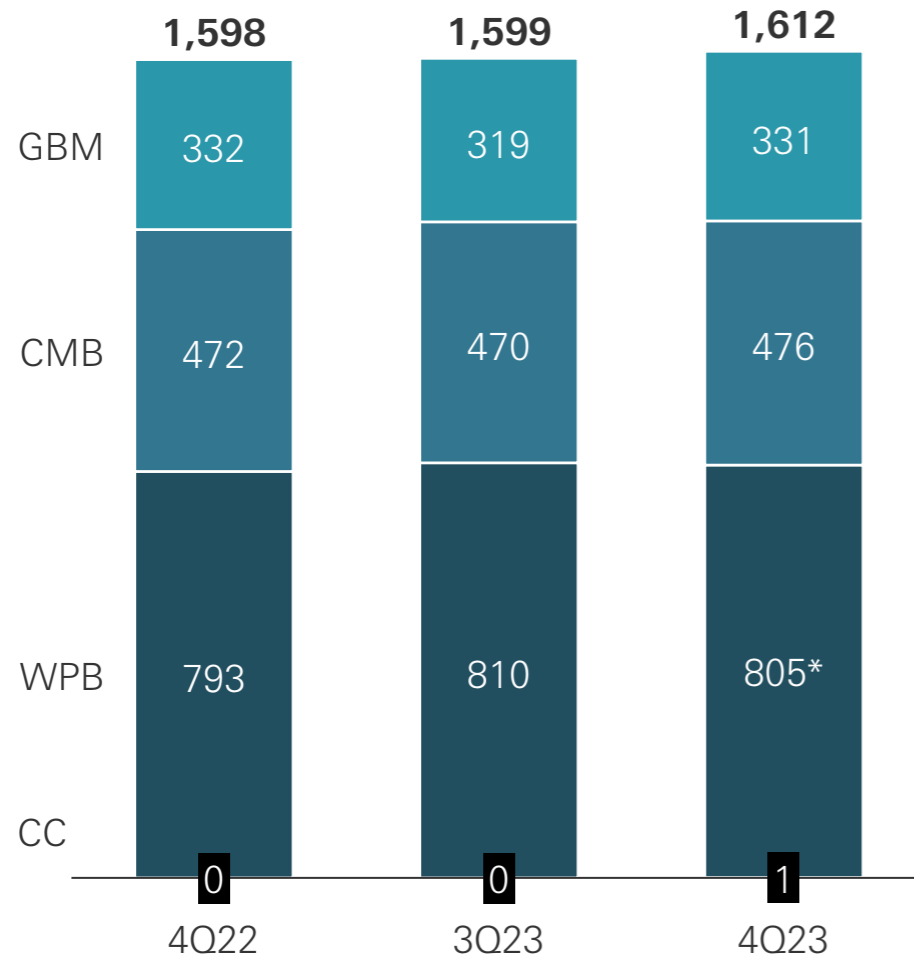
Asia (HBAP)	\$455bn
<i>o/w: Hong Kong</i>	\$280bn
UK RFB (HBUK)	\$270bn
HSBC Bank plc (HBEU)	\$96bn
USA (HNAH)	\$55bn
Mexico (HBMX)	\$26bn
HSBC Middle East (HBME)	\$20bn
Other	\$16bn
Total	\$939bn



* WPB movement of \$(14)bn vs. 3Q23 includes the transfer of \$(17)bn France retail balances to held-for-sale

Balance sheet – customer accounts

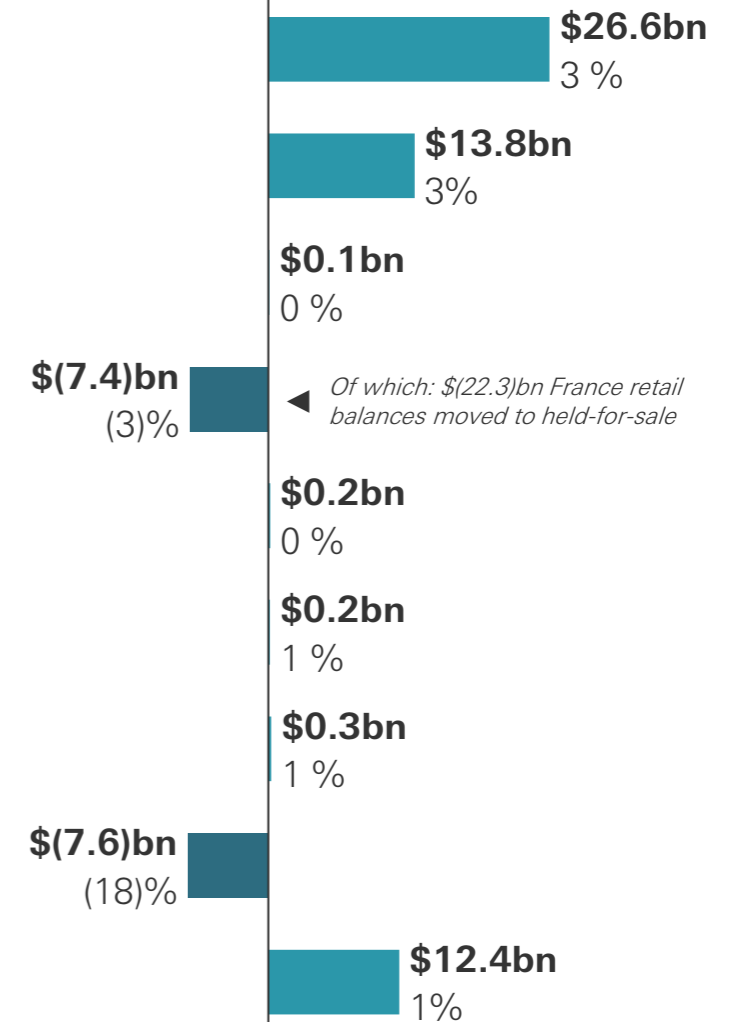
Balances by global business, \$bn



Balances by entity

Asia (HBAP)	\$801bn
<i>o/w: Hong Kong</i>	\$544bn
UK RFB (HBUK)	\$340bn
HSBC Bank plc (HBEU)	\$275bn
USA (HNAH)	\$100bn
Mexico (HBMX)	\$29bn
HSBC Middle East (HBME)	\$31bn
Other	\$35bn
Total	\$1,612bn

Growth since 3Q23



* WPB movement of \$(5)bn vs. 3Q23 includes the transfer of \$(22)bn France retail balances to held-for-sale

4Q23 vs. 3Q23 equity drivers

	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares, millions
At 30 September 2023	182.7	153.4	7.96	19,275
Profit attributable to:	(0.0)	0.3	0.01	—
<i>Ordinary shareholders¹</i>	(0.2)	0.3	0.01	—
<i>Other equity holders</i>	0.2	—	—	—
Dividends	(2.1)	(1.9)	(0.10)	—
<i>On ordinary shares</i>	(1.9)	(1.9)	(0.10)	—
<i>On other equity instruments</i>	(0.2)	—	—	—
FX ¹	2.9	2.7	0.14	—
Impacts of hyperinflation	0.6	0.6	0.03	—
Cancellation of shares/buybacks*	(3.0)	(3.0)	(0.03)	(303)
Actuarial gains/(losses) on defined benefit plans	0.0	0.0	—	—
Cash flow hedge reserves	2.9	2.9	0.15	—
Fair value movements through 'Other Comprehensive Income'	1.6	1.6	0.08	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	(0.6)	(0.6)	(0.03)	—
<i>Of which: Debt and Equity instruments at fair value through OCI</i>	2.1	2.1	0.11	—
Other ¹	(0.3)	(0.9)	(0.05)	34
At 31 December 2023	185.3	155.7	8.19	19,006

* Shareholders' equity, tangible equity and TNAV per share incorporate the full up to \$3bn buyback announced at 3Q23 results. The change in shares reflects the shares repurchased and cancelled during the quarter but does not include shares repurchased and cancelled after 31 December 2023. We also bought back a further 189 million shares between 1 January 2024 and 16 February 2024

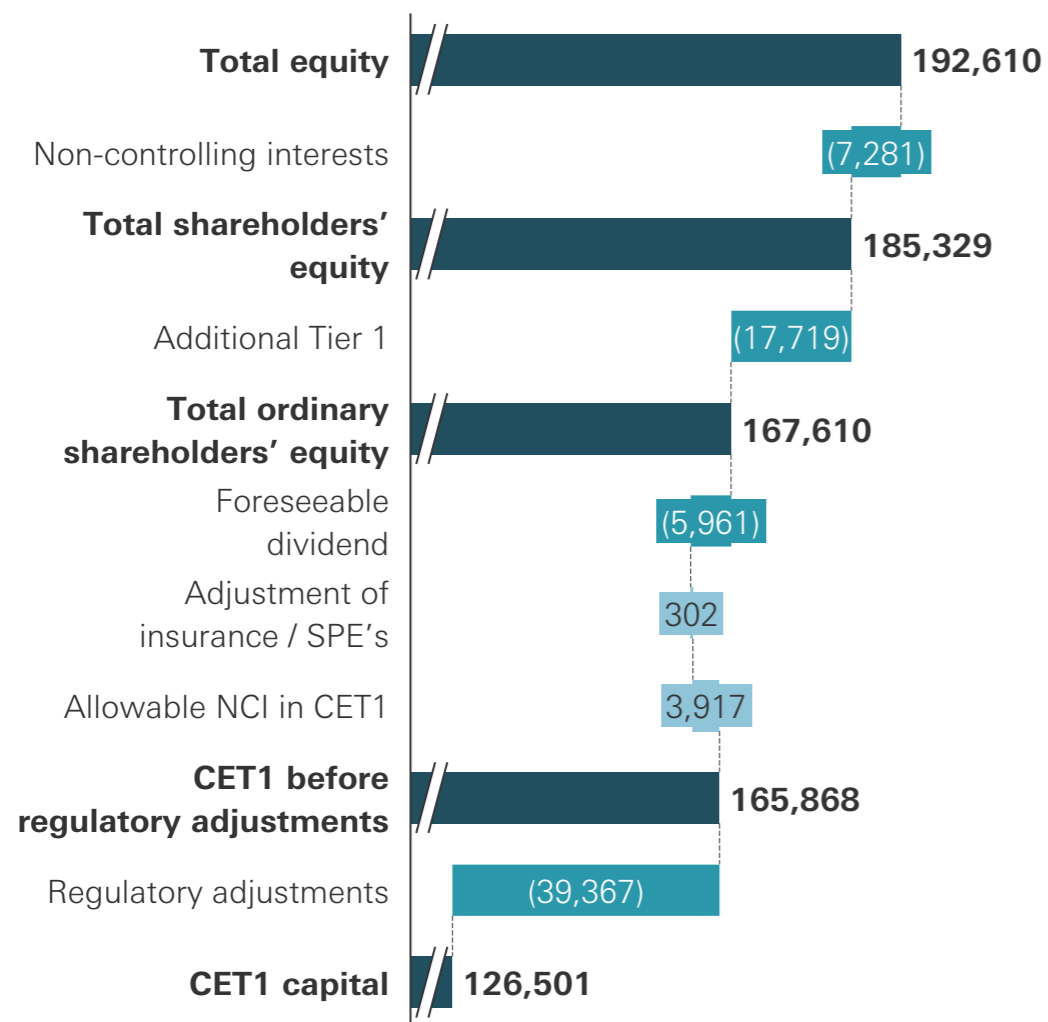
FY23 vs. FY22 equity drivers

	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares, millions
At 31 December 2022	177.8	146.9	7.44	19,739
Profit attributable to:	23.5	23.9	1.21	—
<i>Ordinary shareholders¹</i>	22.4	23.9	1.21	—
<i>Other equity holders</i>	1.1	—	—	—
Dividends	(11.6)	(10.5)	(0.53)	—
<i>On ordinary shares</i>	(10.5)	(10.5)	(0.53)	—
<i>On other equity instruments</i>	(1.1)	-	-	—
FX ¹	(0.2)	(0.3)	(0.01)	—
Effects of hyperinflation	1.6	1.6	0.08	—
Issuance/redemption of securities	(2.0)	—	—	—
Cancellation of shares/buybacks*	(7.0)	(7.0)	(0.09)	(716)
Actuarial gains/(losses) on defined benefit plans	(0.3)	(0.3)	(0.02)	—
Cash flow hedge reserves	2.9	2.9	0.15	—
Fair value movements through 'Other Comprehensive Income'	1.3	1.3	0.07	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	(1.2)	(1.2)	(0.06)	—
<i>Of which: Debt and Equity instruments at fair value through OCI</i>	2.5	2.5	0.13	—
Other ¹	(0.7)	(2.8)	(0.11)	(17)
At 31 December 2023	185.3	155.7	8.19	19,006

* Shareholders' equity, tangible equity and TNAV per share incorporate the full up to \$3bn buyback announced at 3Q23 results. The change in shares reflects the shares repurchased and cancelled during the quarter but does not include shares repurchased and cancelled after 31 December 2023. We also bought back a further 189 million shares between 1 January 2024 and 16 February 2024

Total shareholders' equity to CET1 capital

4Q23 total equity to CET1 capital, \$m



Total equity to CET1 capital walk¹, \$m

	2023	3Q23	4Q23
Total equity (per balance sheet)	191,651	189,840	192,610
Non-controlling interests	(7,481)	(7,120)	(7,281)
Total shareholders' equity	184,170	182,720	185,329
Additional Tier 1	(19,392)	(17,719)	(17,719)
Total ordinary shareholders' equity	164,778	165,001	167,610
Foreseeable dividend	(4,887)	(5,610)	(5,961)
Adjustment for insurance / SPE's	(3)	58	302
Allowable NCI in CET1	4,127	3,895	3,917
CET1 before regulatory adjustments	164,015	163,344	165,868
Prudential valuation adjustment	(1,076)	(1,108)	(1,238)
Intangible assets	(12,875)	(12,936)	(13,378)
Deferred tax asset deduction	(3,947)	(3,986)	(4,308)
Cash flow hedge adjustment	4,686	3,733	992
Excess of expected loss	(1,813)	(2,130)	(2,304)
Own credit spread and debt valuation adjustment	290	268	891
Defined benefit pension fund assets	(5,790)	(5,305)	(5,773)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital (incl. IFRS 9 transitional adjustments where relevant)	(724)	(818)	100
Threshold deductions	(16,308)	(16,194)	(14,309)
Regulatory adjustments	(37,597)	(38,516)	(39,367)
CET1 capital	126,418	124,828	126,501

Balance sheet by currency

\$m	USD	GBP	HKD	EUR	CNY	Other	Total
Loans and advances to customers	170,274	284,261	213,079	68,655	49,594	152,672	938,535
Customer accounts	441,967	423,725	305,520	128,444	63,535	248,456	1,611,647
RWAs	202,697	155,231	135,701	69,996	57,907	232,582	854,114

Wealth and Personal Banking

\$m	4Q22	3Q23	4Q23	vs. 4Q22	vs. 3Q23		
Wealth	1,797	1,877	1,709	(88)	(5)%	(168)	(9)%
Personal Banking	5,067	5,210	4,965	(102)	(2)%	(245)	(5)%
Other	28	(472)	(2,318)	(2,346)	>(100)%	(1,846)	>(100)%
<i>of which: notable items</i>	<i>(5)</i>	<i>(253)</i>	<i>(2,168)</i>	<i>(2,163)</i>	<i>>(100)%</i>	<i>(1,915)</i>	<i>>(100)%</i>
Revenue	6,892	6,615	4,356	(2,536)	(37)%	(2,259)	(34)%
ECL	(272)	(226)	(320)	(48)	(18)%	(94)	(42)%
Costs	(3,748)	(3,642)	(3,880)	(132)	(4)%	(238)	(7)%
PBT	2,880	2,758	175	(2,705)	(94)%	(2,583)	(94)%
Customer lending, \$bn	434.1	468.5	454.9	20.8	5%	(13.7)	(3)%
Customer accounts, \$bn	793.3	809.8	804.9	11.6	1%	(4.9)	(1)%
HFS customer lending, \$bn	54.0	28.2	44.5	(9.5)	(18)%	16.3	58%
HFS customer accounts, \$bn	58.4	32.9	57.6	(0.8)	(1)%	24.7	75%
Wealth balances ¹ , \$bn	1,518	1,649	1,727	208	14%	77	5%
				FY22	FY23	vs. FY22	
RoTE, %				13.8	28.5	+14.7ppts	

Revenue 4Q23 vs. 4Q22

- ◆ **Revenue** down \$(2.5)bn (37%) due to \$(2.2)bn notable items (France impairment and Treasury disposal losses) and \$(0.3)bn Argentina hyperinflation
- ◆ **Wealth** down \$(0.1)bn as a \$(0.2)bn loss from corrections to historical valuation estimates in our Insurance business was partly offset by growth in all other products
- ◆ **Personal Banking** down \$(0.1)bn due to margin compression despite strong balance sheet growth

Balances 4Q23 vs 4Q22

- ◆ **Customer lending** up 5%. Incl. HFS, lending up \$11bn (2%). Mortgages up \$10bn (2%) of which \$6bn HK (5%), \$5bn UK (3%) and \$1bn Mexico (15%) and unsecured up \$3bn (7%) (UK, Mexico and HK)
- ◆ **Customer accounts** up \$12bn with growth across most markets primarily \$10bn HK (3%), \$5bn Singapore (15%), \$3bn Australia (19%), \$3bn China (19%) and \$2bn Taiwan (34%), partly offset by outflows in the UK due to the rising cost of living and competition on savings products and the sale of Oman and Greece (\$2bn)
- ◆ **Wealth balances** up 14%: NNIA of \$84bn since 4Q22, wealth deposits up \$27bn and favourable market level and FX impacts of \$97bn

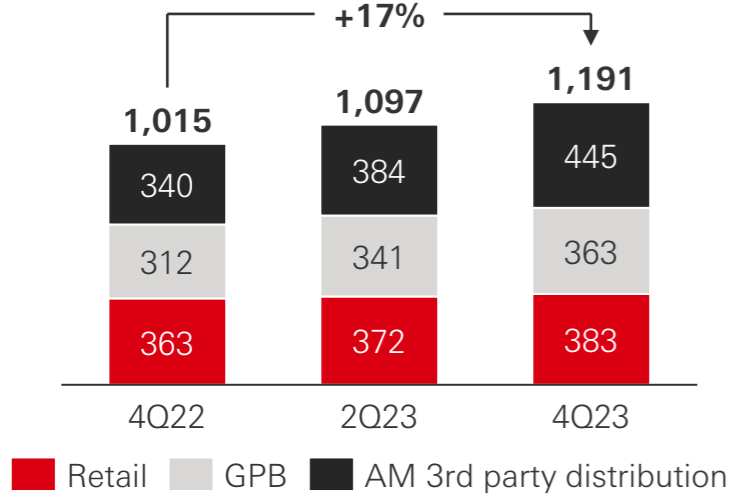
Balances 4Q23 vs 3Q23

- ◆ **Customer lending** down \$14bn. Incl. HFS, lending up \$3bn. Unsecured up \$2bn (4%) driven by HK and UK. Mortgages up \$1bn driven by UK (up \$2bn) offset by New Zealand sale
- ◆ **Customer accounts** down \$5bn. Incl. HFS, deposits up \$20bn (2%) across most markets primarily \$13bn HK (4%), \$1bn Singapore (4%), \$1bn China (7%) and \$1bn Mexico (8%)
- ◆ **Wealth balances** up 5% with NNIA of \$17bn, wealth deposits up \$17bn and favourable market level and FX impacts of \$44bn

Wealth and Personal Banking: Global invested assets

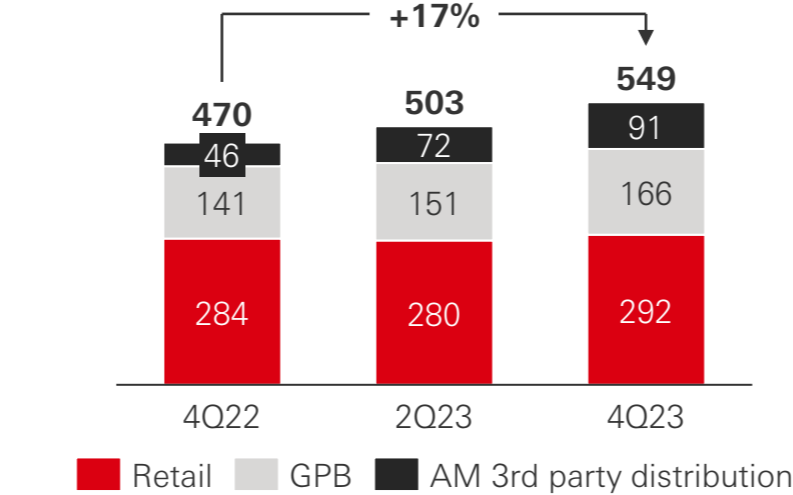
Global reported invested assets

\$bn



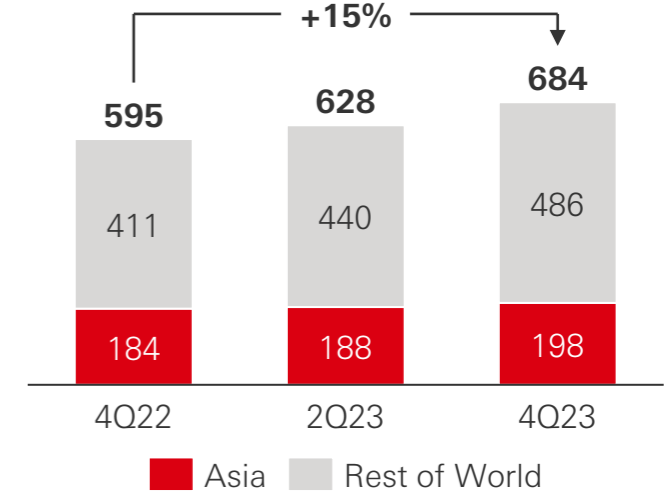
Asia reported invested assets

\$bn



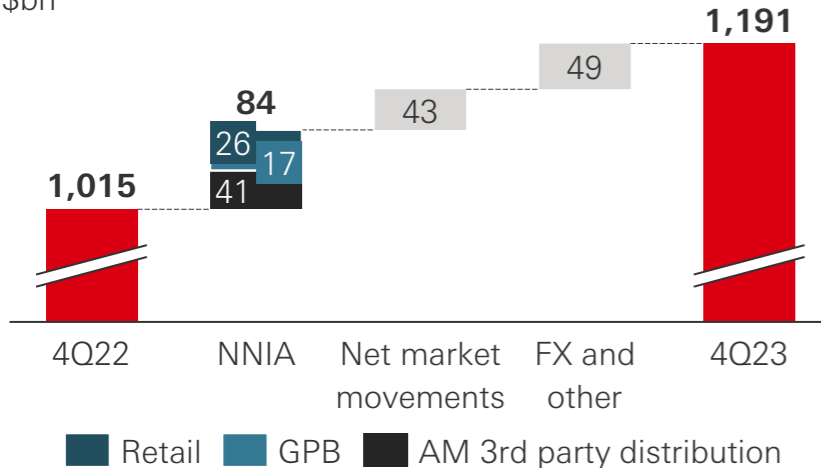
Reported invested assets managed by AM

\$bn



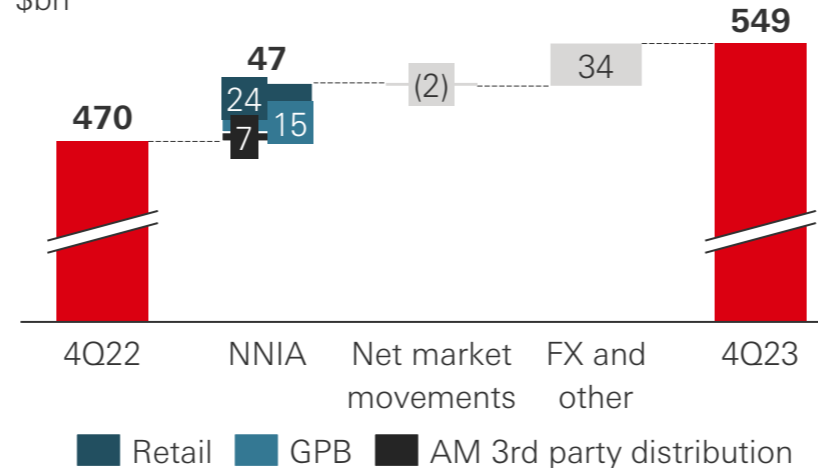
Global reported invested assets evolution

\$bn



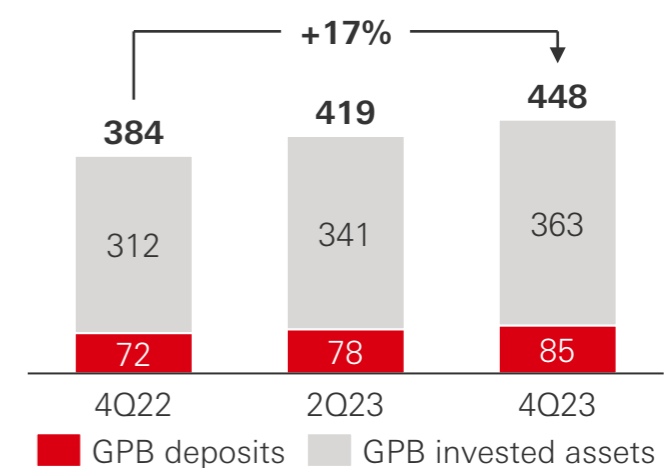
Asia reported invested assets evolution

\$bn



GPB reported client balances

\$bn



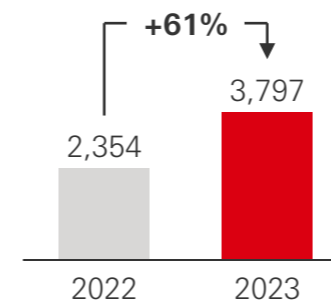
Insurance manufacturing

\$m	FY22	FY23	vs. FY22	
Revenue	1,201	1,287	86	7%
o/w NII	370	320	(50)	(14)%
o/w CSM unwind	902	1,094	192	21%
o/w Onerous contracts	(128)	(41)	87	68%
o/w Net investment returns	(187)	(125)	62	33%
Insurance manufacturing equity plus CSM liability net of tax	14,646	16,583	1,937	13%
Insurance net dividends ¹	375	813	438	>100%

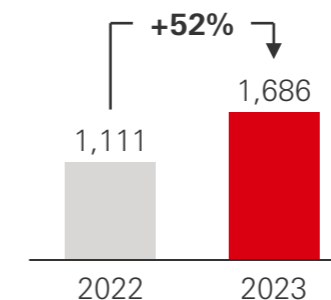
FY23 highlights

- ◆ Strong new business growth; FY23 ANP up 61%, NB CSM up 52%, and VNB up 34%, with strong sales supported by border re-opening in Hong Kong
- ◆ FY23 revenue of \$1.3bn, up 7% vs. FY22, primarily due to higher CSM unwind, lower onerous contract losses and improved net investment return, partly offset by corrections to historical valuation estimates
- ◆ CSM balance up 19% to \$10.8bn, mainly due to new business and favourable assumption updates. Insurance manufacturing equity and CSM (net of tax) was \$16.6bn at FY23
- ◆ FY23 insurance net dividend of \$0.8bn (comprising \$1.0bn dividends paid to immediate parent companies, net of \$0.2bn CET1 injections to fund business growth)
- ◆ Retained #1 market share in Hong Kong (22% ANP market share during 9M23²)

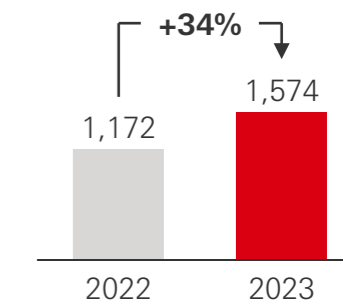
ANP, \$m



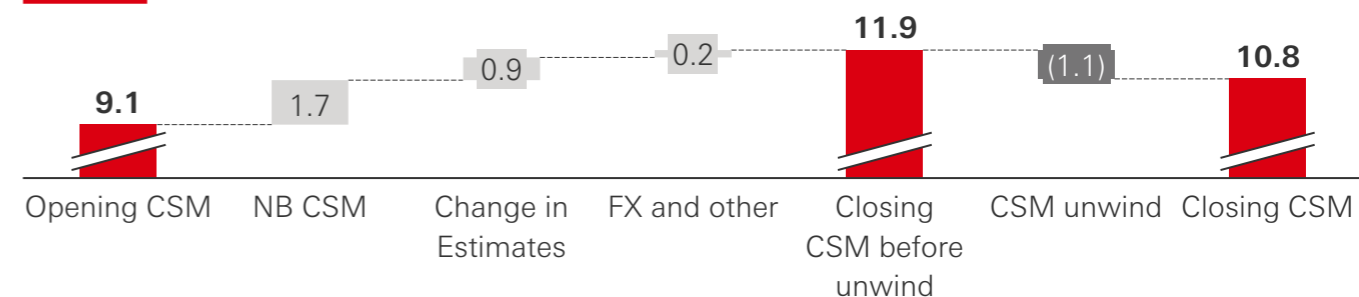
NB CSM, \$m



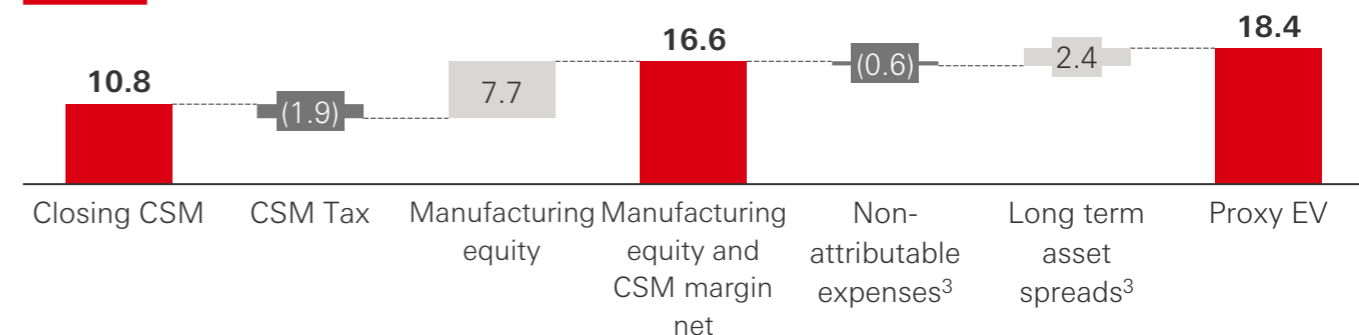
VNB, \$m



FY23 opening CSM to closing CSM walk, \$bn



FY23 closing CSM to Proxy EV walk, \$bn



Commercial Banking

\$m	4Q22	3Q23	4Q23	vs. 4Q22		vs. 3Q23	
Global Payments Solutions	2,646	3,140	3,215	569	22%	75	2%
Credit & Lending	1,381	1,310	1,254	(127)	(9)%	(56)	(4)%
Global Trade & Receivables Finance	496	511	479	(17)	(3)%	(32)	(6)%
Markets products, Insurance and Investments and Other	265	349	279	14	5%	(70)	(20)%
<i>of which: notable items¹</i>	<i>(13)</i>	<i>(105)</i>	<i>(128)</i>	<i>(115)</i>	<i>>(100)%</i>	<i>(23)</i>	<i>(22)%</i>
Revenue	4,788	5,310	5,227	439	9%	(83)	(2)%
ECL	(907)	(666)	(690)	217	24%	(24)	(4)%
Costs ²	(1,886)	(1,859)	(2,044)	(158)	(8)%	(185)	(10)%
PBT	1,995	2,785	2,493	498	25%	(292)	(10)%
Customer lending, \$bn	316.9	314.3	309.4	(7.4)	(2)%	(4.8)	(2)%
Customer accounts, \$bn	472.4	470.3	475.7	3.2	1%	5.4	1%
				FY22	FY23	vs. FY22	
RoTE, %				13.7	23.4	+9.7ppts	

Revenue 4Q23 vs. 4Q22

- ◆ **Revenue** up \$439m (9%), primarily due to growth in the UK and Asia
- ◆ **GPS** up \$569m (22%) due to higher interest rates and fee growth, supported by business growth initiatives and repricing actions
- ◆ **C&L** down \$(127)m (9%) reflecting impact of lower margins and reduced Commercial Real Estate exposures, notably in Mainland China and the USA
- ◆ **GTRF** down \$(17)m (3%) mainly due to lower balances reflecting the softer trade cycle, partly offset by higher fees
- ◆ **Other products** broadly stable and mainly include IVB revenues, growth in GBM collaboration (+14%), partly offset by Argentina currency devaluation

Balance sheet

- ◆ **Customer lending** down \$(7)bn (2%) vs 4Q22 and \$(5)bn (2%) vs 3Q23, primarily due to weaker market-wide loan demand in Hong Kong and reduced Commercial Real Estate exposures notably in mainland China and the USA. These were partly offset by Innovation Banking lending
- ◆ **Customer accounts** up \$3bn (1%) vs 4Q22 reflecting the impact of deposit campaigns and Innovation Banking deposits, partly offset by market wide reductions in the UK. Up \$5bn (1%) vs. 3Q23 due to deposit campaigns and seasonality, notably in Asia and the UK

Global Banking and Markets

\$m	4Q22	3Q23	4Q23	vs. 4Q22		vs. 3Q23	
Securities Services	566	607	576	10	2%	(31)	(5)%
Global Debt Markets	165	157	77	(88)	(53)%	(80)	(51)%
Global FX	940	916	980	40	4%	64	7%
Equities	136	165	149	13	10%	(16)	(10)%
Securities Financing	212	300	301	89	42%	1	0%
XVAs	(100)	(13)	4	104	>100%	17	>100%
Markets and Securities Services	1,919	2,132	2,087	168	9%	(45)	(2)%
GTRF	172	163	164	(8)	(5)%	1	1%
GPS	1,039	1,118	1,159	120	12%	41	4%
Credit & Lending	533	502	477	(56)	(11)%	(25)	(5)%
Capital Markets & Advisory	125	252	221	96	77%	(31)	(12)%
Other	53	109	88	35	66%	(21)	(19)%
Banking	1,922	2,144	2,109	187	10%	(35)	(2)%
GBM Other	(492)	(434)	(469)	23	5%	(35)	(8)%
Revenue	3,349	3,842	3,727	378	11%	(115)	(3)%
Customer lending, \$bn	190	177	174	(16)	(8)%	(3)	(2)%
Customer accounts, \$bn	332	319	331	(1)	(0)%	12	4%
Reported RWAs, \$bn	226	221	219	(7)	(3)%	(2)	(1)%
Assets under custody, \$tn	8.4	8.3	8.8	0.4	6%	0.5	7%
Gross Capital Markets & Advisory revenue, \$bn	0.2	0.4	0.3	0.1	40%	(0.1)	(19)%
				FY22	FY23	vs. FY22	
RoTE, %				9.8	11.4	+1.6ppts	

Commentary

Revenue of \$3.7bn, up \$0.4bn (11%) vs. 4Q22

- ◆ MSS revenue of \$2.1bn, up \$0.2bn (9%):
 - ◆ Global FX up 4% on a strong 4Q22 due to increased client activity as the rate outlook and economic performance changed over the quarter
 - ◆ The improvement in Securities Services was due to higher interest rates and growing AUC
 - ◆ Securities Financing benefited from new client onboarding resulting in increased flows, including in prime finance
 - ◆ Global Debt Markets declined due to reduced primary issuance
 - ◆ Increased volatility supported stronger equities performance
- ◆ Banking revenue of \$2.1bn, up \$0.2bn (10%):
 - ◆ GPS up from higher rates and continued repricing of services
 - ◆ Capital Markets and Advisory increased due to improved financing activity
 - ◆ Credit & Lending declined as client demand was weaker
- ◆ Other includes \$(0.1)bn of Treasury hedging disposal losses

Revenue down \$(0.1)bn (3%) vs. 3Q23

- ◆ MSS flat as seasonal reductions in Global Debt Markets largely offset strength in Global FX
- ◆ Banking revenue stable from GPS driven NII increases and lower Capital Markets and Advisory activity

Corporate Centre

\$m	4Q22	3Q23	4Q23	vs. 4Q22	vs. 3Q23
Central Treasury	(12)	17	1	13	(16)
Legacy Credit	(173)	7	7	180	0
Other	(195)	96	(297)	(102)	(393)
Revenue	(380)	120	(289)	91	(409)
ECL	(8)	-	3	11	3
Costs	(727)	54	(38)	689	(92)
BoCom	547	471	(2,537)	(3,084)	(3,008)
Saudi Awwal Bank	133	118	147	14	29
Other	(1)	(6)	3	4	9
Associates	679	583	(2,387)	(3,066)	(2,970)
PBT	(436)	757	(2,711)	(2,275)	(3,468)
<i>Memo: revenue notable items</i>	(183)	217	(301)	(118)	(518)
Reported RWAs, \$bn	88.5	92.3	88.2	(0.3)	(4.1)
Markets treasury revenue allocated to Global Businesses, \$bn	0.3	(0.5)	(0.1)	(0.4)	0.4
			FY22	FY23	vs. FY22
RoTE, %			2.8	(1.0)	(3.8)ppts

4Q23 vs 4Q22 commentary

- ◆ **Revenue** up \$91m, primarily reflected higher revenue from our legacy portfolios, primarily due to the non-recurrence of 4Q22 restructuring losses, FX revaluation gains and lower structural FX hedging costs
- ◆ These increases were partly offset by adverse fair value movements on FX hedges related to the planned sale of our banking business in Canada and charges related to the planned sale of our business in Russia
- ◆ **Associate income** down \$(3.1)bn due to an impairment charge of \$(3.0)bn which followed the reassessment of our accounting value-in-use of BoCom

Hong Kong

FY23 performance

\$bn	FY22	FY23	Δ
NII	8,005	9,960	▲ 24%
Non-NII	7,012	9,987	▲ 42%
Revenue	15,017	19,947	▲ 33%
ECL	(1,686)	(1,528)	▼ 9%
Costs	(7,388)	(7,775)	▲ (5)%
PBT	5,948	10,674	▲ 79%
Customer loans, \$bn	294.0	279.6	▼ (5)%
Customer deposits, \$bn	541.4	543.5	▲ 0%

WPB

- ◆ #1 NPS for the second consecutive year¹
- ◆ >150k new to bank non-resident Chinese customers, up c.3x vs. pre-Covid²

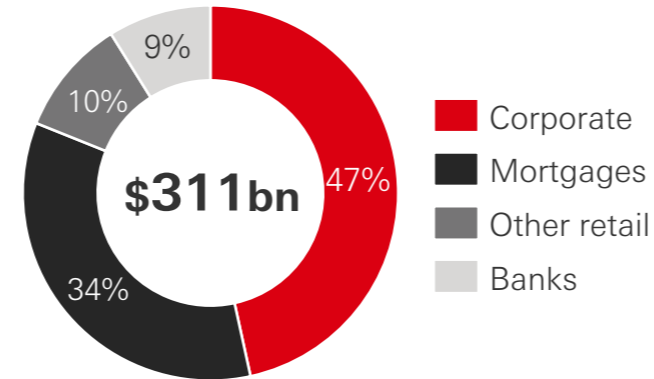
CMB

- ◆ Launched HSBC Innovation Banking
- ◆ c.19k net growth in Business Banking clients, up 5% vs. FY22³

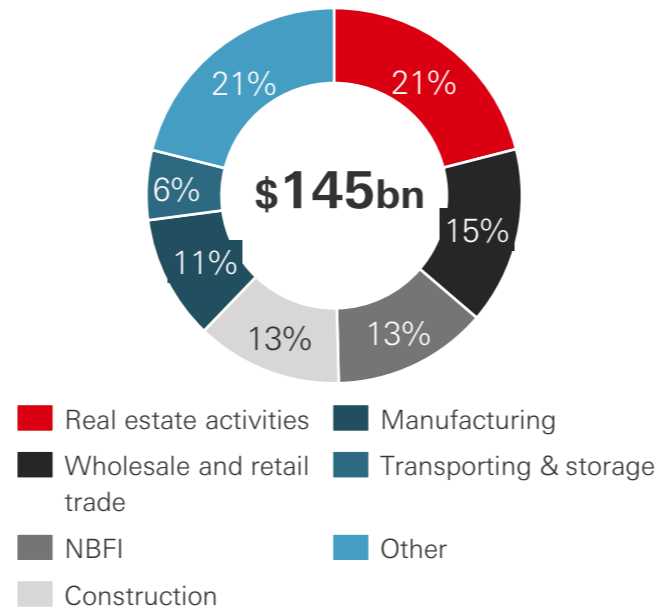
GBM

- ◆ Appointed as the ETF partner for Asia's first ETF tracking Saudi Arabian equities
- ◆ Enabled real time HK-Thai payment connectivity as the settlement bank from HK

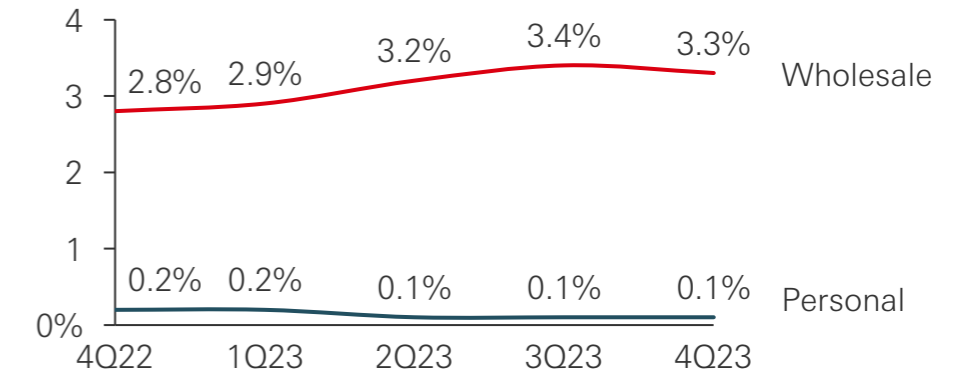
Hong Kong loans and advances to customers and banks



Corporate lending by sector, \$bn



Stage 3 loans as a % of total L&As to customers and banks



Hong Kong mortgage LTVs,

LTV ratio, %	FY20	FY21	FY22	FY23
<50%	61	63	44	40
51-70%	22	17	28	28
71-80%	5	8	4	5
81-90%	7	9	8	8
91-100%	5	3	10	11
Fully collateralised	100	100	94	92
>100%	0	—	6	8
Average portfolio LTV, %	45	47	57	60
Average new business LTV, %	61	62	59	64

UK ring-fenced bank

FY23 performance

£m	FY22	FY23	Δ
NII	6,203	7,787	▲ 26%
Non-NII ¹	1,749	3,020	▲ 73%
Revenue	7,952	10,807	▲ 36%
ECL	(482)	(421)	▼ (13)%
Costs	(3,832)	(3,707)	▼ (3)%
PBT	3,638	6,679	▲ 84%
Customer loans, £bn	204.1	211.9	▲ 4%
Customer deposits, £bn	281.1	268.3	▼ (5)%
RoTE, %	16.3	28.4	▲12.1ppts

WPB

- ◆ Acquired over **1 million** new current account customers
- ◆ Provided **£23bn** of gross mortgage lending
- ◆ Credit card market share of **9.3%**, up 0.8ppts vs. FY22²

CMB

- ◆ **#1 market penetration for Large Corporates³**
- ◆ **GTRF international** export receivables finance market share of **67.4%**, up **11.2ppts YoY⁴**
- ◆ Provided and facilitated **>£4.5bn of sustainable finance**, including green loans, sustainability-linked loans and sustainable bonds

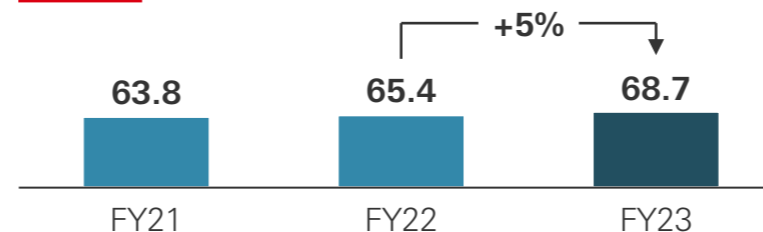
Sold our UK vehicle finance business in 2005

Personal gross lending balances

£bn	FY21	FY22	FY23
Mortgages	118.1	125.5	129.3
Credit cards	6.0	5.4	6.3
Other personal lending	7.2	7.7	7.8
Mortgages data:			
YTD gross lending	28	28	23
Stock market share ⁵ , %	7.5	7.7	8.0
Flow market share ⁵ , %	9.0	8.9	10.2

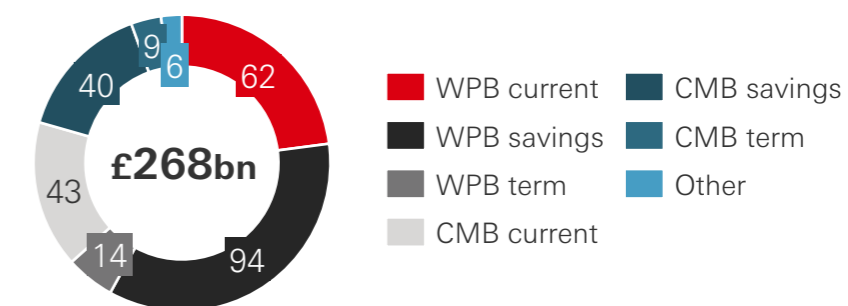
FY23 LTVs: portfolio avg. 53%; avg. new lending 65%

CMB lending, £bn



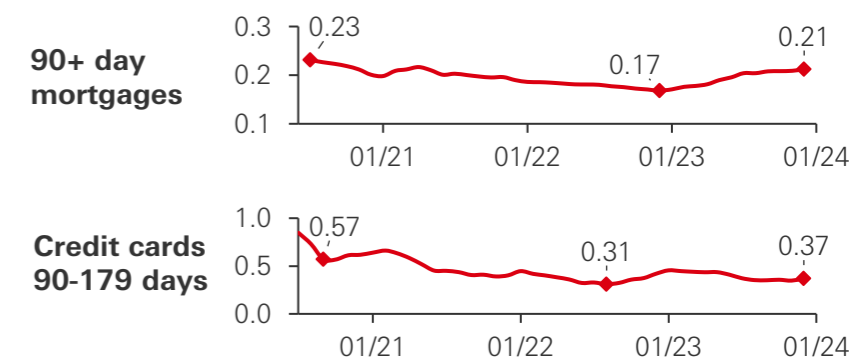
- ◆ **Lending up £3.2bn vs. FY22** as the addition of £6.2bn balances from HSBC Innovation Banking was partly offset by the continued repayment of government scheme lending and lower borrowing demand. Market share broadly stable⁶
- ◆ **Credit:** portfolio resilient despite ongoing cost of living and consumer spending pressures. Stable % of exposure CRR 6.1 or worse, albeit slightly above pre-Covid levels

Deposits by type, £bn



Down £(12.7)bn vs. FY22, driven by customer cost of living pressures, corporate deleveraging and the competitive environment

WPB credit: delinquency trends⁷, %

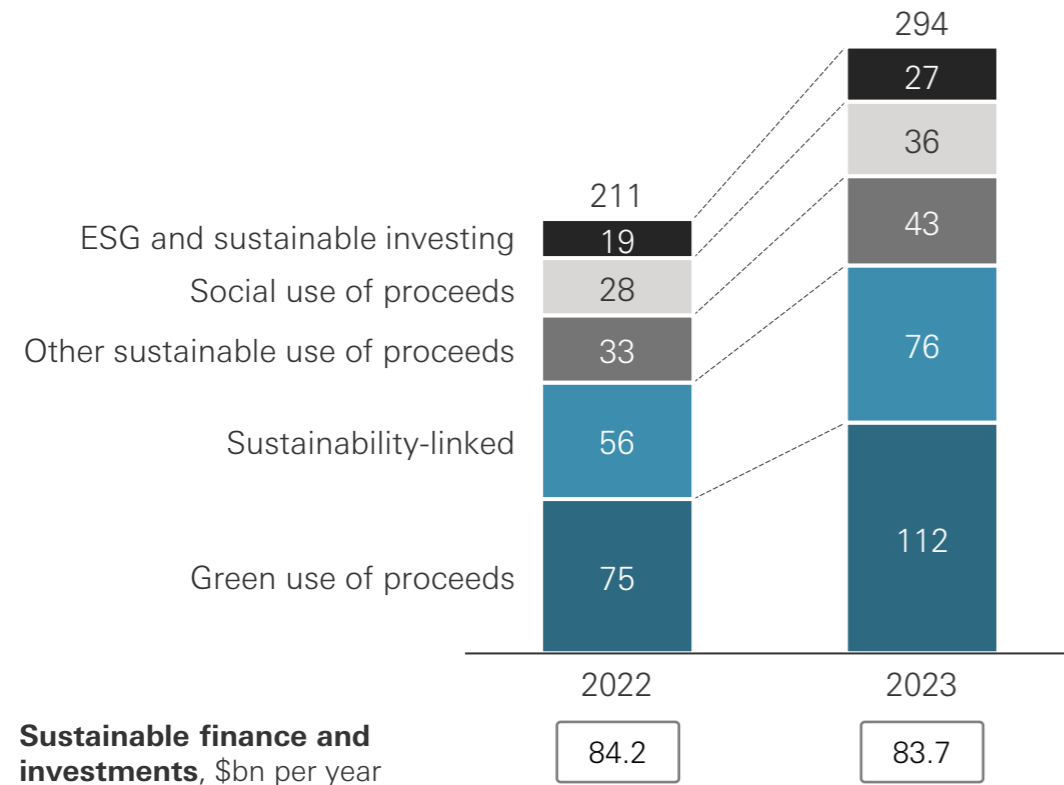


Delinquencies have continued to rise in line with expectations following the reversion to our pre-Covid credit policy but still remain below pre Covid levels

Transition

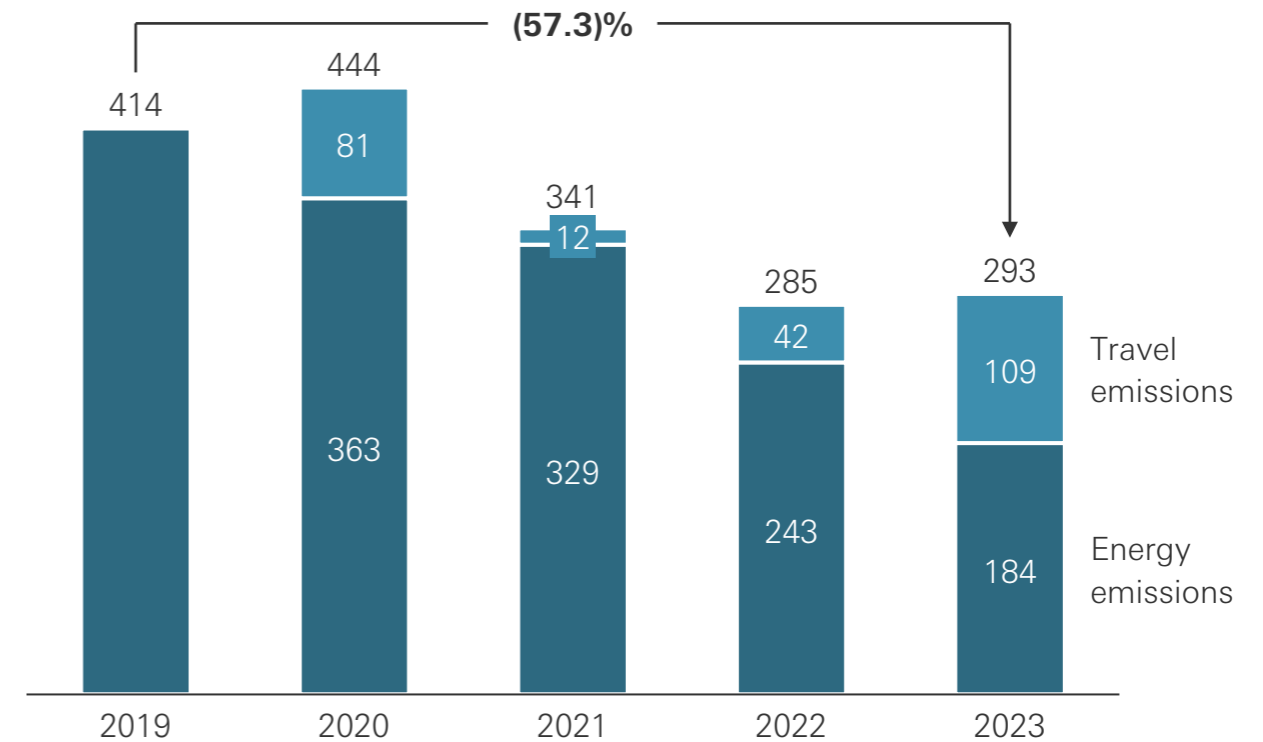
Supporting our customers in the transition to net zero

Ambition to provide and facilitate \$750bn to \$1tn of sustainable finance and investment by 2030, cumulative \$bn



Becoming a net zero bank

Ambition to be net zero in our operations and supply chain by 2030, Greenhouse gas emissions in our operations, '000 tonnes CO₂e



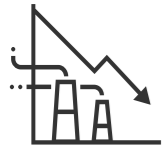
ESG supplementary detail



Environmental



Released our first **Net Zero Transition Plan** to provide further detail on our approach to net zero



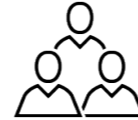
Published facilitated emissions for two sectors: oil & gas and power & utilities



Reduced absolute GHG emissions from our operations by **57.3%** vs. 2019 baseline



Committed **\$105m to our NGO partners** since 2020, as part of the Climate Solutions Partnership



Social



Our percentage of female leaders was **34.1%**, up 0.8ppts vs. FY22



3.0% senior leadership roles held by Black heritage colleagues in the UK and US, up 0.5ppts vs. FY22



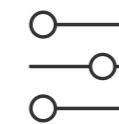
Employee engagement increased 3ppts vs. FY22 to **77%**



In 2023, our colleagues **volunteered** >181,800 hours to community activities, up 170% vs FY22



Governance



3/6 WPB markets and 5/6 CMB markets **sustained top 3** rank and/or **improved in customer satisfaction**¹



98% of employees completed **conduct training**



95% of our contracted suppliers who confirmed adherence to HSBC's code of conduct, up 2ppts vs. FY22²



8,176 employees have received training on human rights

Glossary

AIEA	Average interest earning assets
ANP	Annualised new business premiums
Banking NII	Banking net interest income is an alternative performance measure, and is defined as Group net interest income after deducting: (1) the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis', also referred to as 'trading and fair value income'. These funding costs reflect proxy overnight or term interest rates as applied by internal funds transfer pricing; (2) the funding cost of foreign exchange swaps in Markets Treasury, where an offsetting income or loss is recorded in trading and fair value income. These instruments are used to manage foreign currency deployment and funding in our entities; (3) third-party net interest income in our insurance business
BoCom	Bank of Communications Co. Limited, an associate of HSBC
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
CASA	Current accounts and savings accounts
Central costs of funding trading income	Associated with funding net income from financial instruments held for trading or managed on a fair value basis which results in an interest expense to Group NII which is fully offset by non-NII reported in Corporate Centre
CET1	Common Equity Tier 1
CMB	Commercial Banking, a global business
Corporate Centre (CC)	Corporate Centre comprises Central Treasury, our legacy businesses, interests in our associates and joint ventures and central stewardship costs
CRE	Commercial Real Estate
CSM	Contractual Service Margin, a component of the carrying amount of a group of insurance contract assets or liabilities which represents the unearned profit which the Group will recognise as it provides insurance contract services under the insurance contracts in the Group
DCM	Debt capital markets
DPS	Dividend per share
ECL	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
ECM	Equity capital markets
EPS	Earnings per share
ETF	Exchange-traded fund
EV	Embedded value
FDIC	Federal Deposit Insurance Corporation
FVOCI	Fair value through other comprehensive income
GBM	Global Banking and Markets, a global business

GFX	Global Foreign Exchange
GPB	Global Private Banking
GPS	Global Payments Solutions (formerly GLCM: Global Liquidity and Cash Management)
Group	HSBC Holdings plc and its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
HFS	Held-for-sale
IFRS	International Financial Reporting Standard
Innovation Banking	Includes HSBC Innovation Bank Limited and related international operations
International customer (WPB)	Customers who are either multi-country, non-resident or resident foreigners within our International markets in the UK, Hong Kong, Canada, the US, India, Singapore, Malaysia, UAE, Australia, mainland China and CIOM
L&A	Loans and advances
LTV	Loan to value
Markets Treasury	Execution arm of HSBC's Treasury function, responsible for cash and liquidity management, funding, and management of structural interest rate risk of the Group
MSS	Markets and Securities Services
Multi-jurisdictional client (wholesale)	We identify a client as multi-jurisdictional if they hold a relationship with us that generates revenue in any market outside of the location where the primary relationship is managed. A client is defined as a mastergroup which includes both the parent and, where relevant, any subsidiaries. These client mastergroups reflect HSBC's own client groupings
Multi-jurisdictional client revenue	Total income from clients with cross border income i.e. generate revenue outside of clients designated home location (managed location)
Multi-jurisdictional customer (WPB)	Customers who bank with HSBC in more than one market
NB CSM	New business contractual service margin
NCI	Non-controlling interests
NII	Net interest income
NIM	Net interest margin
NNIA	Net new invested assets
Non-resident foreigner (WPB international customer)	Customers whose address is different from the market to which HSBC bank them in
NPS	Net promoter score
NRI	Non-resident Indian

Glossary

NTB	New-to-bank
PAOS	Profit attributable to ordinary shareholders
PBT	Profit before tax
POCI	Purchased originated credit impaired
Ppt	Percentage points
PRP	Performance related pay
Resident foreigner (WPB international customer)	Customers whose nationality, or country of birth is different to the market we bank them in
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
SAB	Saudi Awwal Bank, an associate of HSBC
SVB UK	Silicon Valley Bank UK, now HSBC Innovation Bank Limited
TNAV	Tangible net asset value
UK RFB / RFB	HSBC UK, the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
VNB	Value of new business written
Wholesale client revenue	Derived by excluding from CMB and GBM reported revenue the revenue we generate from client facilitation in Fixed income and Equities, the 2023 provisional gain on the acquisition of SVB UK, as well as other non-client revenue including allocations of Market Treasury revenue, HSBC Holdings interest expense and hyperinflationary accounting adjustments, and interest earned on capital held in the global businesses
WPB	Wealth and Personal Banking, a global business
XVAs	Credit and Funding Valuation Adjustments

Footnotes

FY23 highlights

Slide 1: Key messages

1. Unless otherwise stated, regulatory capital ratios and requirements throughout the presentation are on a reported basis, and are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. Leverage metrics exclude central bank claims in accordance with the Prudential Regulation Authority's ('PRA') UK leverage framework. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law
2. Comprises \$0.61 per share of announced dividends in respect of FY23, the \$2bn buyback announced at 1Q23, the \$2bn buyback announced at 2Q23, and the \$3bn buyback announced at 3Q23
3. Excluding notable items
4. Explanation of target basis on slide 12

4Q23 results

Slide 3: Good underlying performance in 4Q23

1. Constant currency, excluding notable items and the impact of retranslating 2022 results in hyperinflationary economies at constant currency and costs relating to SVB UK and related international investments in HSBC Innovation Banking

Slide 5: Banking NII

1. Argentina NII was \$0.0bn in 4Q23 / \$1.0bn in FY23, including the impact of hyperinflation adjustments of \$(0.5)bn in 4Q23 / \$(0.5)bn in FY23

Slide 6: Banking NII outlook

1. To reflect Argentina average NII per quarter in FY23. Argentina NII was \$0.0bn in 4Q23 / \$1.0bn in FY23, including the impact of hyperinflation adjustments of \$(0.5)bn in 4Q23 / \$(0.5)bn in FY23
2. To reflect impacts relating to 9M23 of the \$(0.3)bn reclassification of cash flow hedge revenue (see slide 5)
3. A 3ppts shift from CASA to TMD results in an incremental annual interest expense of c.\$(0.5)bn. This is based on a 31 December 2023 HK deposit balance of \$544bn and the c.3.5ppts difference between the average rates paid on time deposits and CASA as at 31 December 2023. Actual NII impact of migration will depend on rates paid and market conditions
4. In the medium to long term. Medium term is defined as 3-4 years from 1 January 2024; long term is defined as 5-6 years from 1 January 2024
5. Based on our current forecasts, reflecting market-implied interest rates as of mid-February and our current modelling of a number of market dependent factors, including customer activity and behaviour levels

Slide 9: Credit performance

1. Including held-for-sale balances
2. Expect our ECL charges to normalise towards a range of 30bps to 40bps of average loans over the medium to long term. Medium term is defined as 3-4 years from 1 January 2024; long term is defined as 5-6 years from 1 January 2024

Slide 14: Capital and distributions

1. See footnote 1 relating to slide 1
2. Excludes the impact of material notable items during the quarter, related to impairment of BoCom (reported in 'Other') and the reinstatement of the impairment related to the sale of our retail banking operations in France (shown separately)
3. Includes AT1 coupon paid

Slide 16: Wholesale multi-jurisdictional revenue

1. Refers to clients whose Global Relationship Manager is based in the USA, Rest of Americas, UK RFB and UK NRFB and the Rest of Europe
2. Refers to clients whose Global Relationship Manager is based in Asia or MENAT
3. Multi-jurisdictional client revenue: HSBC's ambition is to be the preferred international partner for our clients, and international connectivity is core to our value proposition. Multi-jurisdictional client revenue is a financial metric we use to assess our ability to drive value from our international network. We identify a client as multi-jurisdictional if they hold a relationship with us that generates revenue in any market outside of the location where the primary relationship is managed. A client is defined as a mastergroup that includes both the parent and, where relevant, any subsidiaries. These client mastergroups reflect HSBC's own client groupings. Multi-jurisdictional client revenue is a component of wholesale client revenue and represents the total client revenue we generate from multi-jurisdictional clients. Wholesale client revenue is derived by excluding from CMB and GBM reported revenue the revenue we generate from client facilitation in fixed income and equities, the 2023 provisional gain on the acquisition of SVB UK, as well as other non-client revenue including allocations of Market Treasury revenue, HSBC Holdings interest expense and hyperinflationary accounting adjustments, and interest earned on capital held in the global businesses

Slide 17: WPB international revenue

1. Includes multi-jurisdictional, non-resident, and resident foreigner clients from top 11 markets (Hong Kong, UK RFB, Mexico, the US, India, Singapore, Malaysia, UAE, Australia, mainland China and CIOM)
2. UK RFB includes M&S and first direct which are 100% domestic brands

Footnotes

Strategy

Slide 20: Focus: Wholesale – Double down on leadership in international connectivity

1. Source: Coalition Greenwich Competitor Analytics – 3QYTD23. Based on HSBC's internal business structure and internal revenue numbers, and the following peer group: BofA, BARC, BNPP, CA-CIB, CITI, DBS, JPM, SCB. Analysis includes all Institutional Clients and Corporates with annual sales turnover of more than US\$5-10mm
2. Source: Coalition Greenwich Competitor Analytics – 1H23. Based on HSBC's internal business structure and internal revenue numbers, and the following peer group: BofA, BARC, BNPP, DB, CITI, DBS, JPM, SCB. Analysis includes all Institutional Clients and Corporates with annual sales turnover of more than US\$5-10mm
3. GFX in GBM management view of income and GFX in CMB from cross sale of FX to CMB clients includes within 'Markets products, Insurance and Investments and Other'. GFX includes our emerging markets business. Source: Coalition Greenwich Competitor Analytics – 3QYTD23. Based on HSBC's internal business structure and internal revenue numbers, and the following peer group: BofA, BARC, BNPP, CITI, DB, GS, JPM, MS, SG & UBS. Analysis includes all Institutional clients and Corporates with turnover of more than US\$1.5bn
4. Refer to footnote 3 relating to slide 16
5. Scope includes customers that generate more than \$1k p.a. Corporate clients only and excludes business banking

Slide 21: Focus: WPB – Build our international and wealth proposition

1. Includes multi-jurisdictional, non-resident, and resident foreigner clients from top 11 markets (Hong Kong, UK RFB, Mexico, the US, India, Singapore, Malaysia, UAE, Australia, mainland China and CIOM)
2. NTB customers includes both new to bank customers and those customers who have opened an account in a new market, including those who already bank with us in one or more other markets

Slide 22: Focus: Leadership in scale markets

1. Source: HKMA, September 2023
2. Source: HKMA, statistics of payment cards issued, September 2023
3. Source: Hong Kong Insurance Authority, September 2023
4. Source: Coalition Greenwich Voice of Client – 2023 Asian Large Corporate Cash Management Study. Market penetration is the proportion of companies interviewed that consider each bank an important provider of Corporate Cash Management. Based on 130 respondents for large Corporate Cash Management
5. Source: HKMA, December 2023
6. NTB customers includes both new to bank customers and those customers who have opened an account in a new market, including those who already bank with us in one or more other markets
7. HSBC was voted #1 in the United Kingdom for the market leader and best service categories in the Euromoney Trade Finance Survey 2023
8. Source: Coalition Greenwich Voice of Client – 2023 European Large Corporate Cash Management Study. Market penetration is the proportion of companies interviewed that consider each bank an important provider

- of Corporate Cash Management. Based on 137 respondents for large Corporate Cash Management
9. Internal analysis based on 9M23 results for peer banks and HSBC. Peers include Santander UK, Barclays UK, Lloyds, Natwest
10. Includes \$1.6bn provisional gain on acquisition of SVB UK
11. Global Financial Centre Index 2023 of UK economy
12. Source: Coalition Greenwich Voice of Client – 2023 European Large Corporate Banking Study. Market penetration is the proportion of companies interviewed that consider each bank an important provider of Corporate Banking. Based on 125 respondents for large Corporate Banking
13. Source: 2023 Euromoney Awards of Excellence 2023
14. Source: Bank of England, December 2023. HSBC UK mortgage stock grew 17% from FY20 to FY23 vs market which grew at 8%

Slide 23: Focus: Diversify our revenue – Be a leader within international and wealth in select markets

1. Reported foreign exchange rate and on a geographic basis. Country PBT includes service centres and other Group entities that reside in those countries
2. Source: FX Markets Asia Awards 2023
3. Excludes the impact of acquisition of Citi's retail wealth management portfolio in mainland China
4. HSBC was voted #1 in India for the market leader and best service categories in the Euromoney Cash Management Survey 2023
5. Computer Age Management Services Limited (Registrar and Transfer Agency to the Indian Mutual Fund industry), December 2023
6. Source: AsiaMoney 2023; considers all business lines
7. NTB customers includes both new to bank customers and those customers who have opened an account in a new market, including those who already bank with us in one or more other markets
8. Source: Dealogic, December 2023
9. HSBC was voted #1 in Mexico for the market leader and best service categories in the Euromoney Trade Finance Survey 2023
10. Through Employee Banking Solutions, primarily payroll lending proposition

Slide 24: Focus: Maintain cost discipline and reshape our portfolio

1. Divestment of our majority owned subsidiary, and establishment of a new wholesale banking branch in Oman

Slide 25: Digitise: Investing to improve customer experience, operational efficiency and drive business model innovation

1. % of WPB customers who have logged into a HSBC Mobile App at least once in the last 30 days
2. % of CMB customers who are active on Internet Banking Channels in the last 3 months as of November 2023

Footnotes

Slide 28: Summary

1. Comprises \$0.61 per share of announced dividends in respect of FY23, the \$2bn buyback announced at 1Q23, the \$2bn buyback announced at 2Q23, and the \$3bn buyback announced at 3Q23
2. Excluding notable items. Our guidance reflects our current outlook for the global macroeconomic environment, including customer and financial markets activity
3. Based on our current forecasts, reflecting market-implied interest rates as of mid-February and our current modelling of a number of market dependent factors, including customer activity and behaviour levels
4. Target basis methodology outlined on slide 12

Appendix

Slide 30: Financial performance summary

1. Declared in respect of period
2. See footnote 1 relating to slide 1

Slide 31: Guidance summary

1. Based on our current forecasts, reflecting market-implied interest rates as of mid-February and our current modelling of a number of market dependent factors, including customer activity and behaviour levels
2. Includes balances in held-for-sale
3. In the medium to long term: medium term is defined as 3-4 years from 1 January 2024; long term is defined as 5-6 years from 1 January 2024

Slide 32: Banking NII

1. Funding is for trading and fair value income, primarily relating to GBM

Slide 33: Net interest margin

1. Based on a 31 December 2023 HK deposit balance of \$544bn and the c.3.5ppts difference between the average rates paid on time deposits and CASA as at 31 December 2023. Actual NII impact of migration will depend on rates paid and market conditions
2. As reported in our Form 20-F. Does not include held-for-sale balances

Slide 35: Wholesale client revenue

1. Allocated revenue and other includes allocations of Market Treasury revenue, HSBC Holdings interest expense and hyperinflationary accounting adjustments, and interest earned on capital held in the global businesses
2. Revenue from portfolio management and XVAs across all Markets products and client revenue from Global Debt, Global Equities and Securities Financing

3. The break-up of multi-jurisdictional revenue of \$20.4bn is a managed view, i.e. a portion of this revenue is booked in the region shown and a portion is booked elsewhere

Slide 36: WPB international revenue

1. Includes allocation of market treasury revenue, Asset Management third party and other revenues not attributable to customers
2. Hong Kong, Singapore, Malaysia, mainland China, India, Australia
3. UK RFB includes M&S and first direct which are 100% domestic brands
4. Other international markets include Channel Islands and Isle of Man, UAE, US

Slide 39: Global CRE exposures

1. Reported FX basis. Based on the loan purpose for on balance sheet exposures only
2. Figures are based on the industry sector of the obligor / borrower including both on and off balance sheet exposures. Total for Hong Kong \$39.4bn, UK \$16.0bn

Slide 44: EPS excluding material notable items and related impacts

1. Represents the earnings recognised by the banking business in Canada, net of gains and losses on foreign exchange hedges held at Group level, that will reduce the gain on sale recognised by the Group on completion

Slide 48 and 49: 4Q23 vs. 3Q23 equity drivers, FY23 vs. FY22 equity drivers

1. Differences between shareholders' equity and tangible equity drivers primarily reflect goodwill and other intangible impairment and amortisation expense within 'Profit Attributable to Ordinary shareholders', FX on goodwill and intangibles within 'FX', and intangible additions and other movements within 'Other'

Slide 50: Total shareholders' equity to CET1 capital

1. Unless otherwise stated, regulatory capital ratios and requirements throughout the presentation are on a reported basis, and are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. Leverage metrics exclude central bank claims in accordance with the Prudential Regulation Authority's ('PRA') UK leverage framework. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law

Slide 52: Wealth and Personal Banking

1. Reported FX basis

Footnotes

Slide 54: Insurance manufacturing

1. 2022 Insurance net dividends excludes an additional investment made for the acquisition of AXA Singapore in 2022
2. Source: Hong Kong Insurance Authority 9M23. ANP is a measure of new business written in the period, comprising annualised new business regular premiums plus 10% of new business single premiums. Includes Hang Seng
3. Net of tax

Slide 55: Commercial Banking

1. 3Q23: Markets Treasury disposal losses on repositioning (\$0.2bn) partly offset by provisional incremental gain relating to SVB UK (\$0.1bn). 4Q23: Markets Treasury disposal losses on repositioning (\$0.1bn)
2. Costs up (8)% vs. 4Q22 mainly due to IVB costs and investment in technology

Slide 58: Hong Kong

1. For HSBC Hong Kong 2H23. Peers include Bank of East Asia, Bank of China (Hong Kong), China Construction Bank, Citibank, DBS and Standard Chartered
2. FY23 vs. FY19
3. Includes HSBC Hong Kong and Hang Seng. Data as at November 2023

Slide 59: UK ring-fenced bank

1. Non-NII included a £1.3bn provisional gain on acquisition of SVB UK
2. Source: UK Finance December 2023
3. Source: Coalition Greenwich Voice of Client – 2023 European Large Corporate Cash Management Study. Market penetration is the proportion of companies interviewed that consider each bank an important provider of Corporate Cash Management. Based on 137 respondents for large Corporate Cash Management
4. Source: UK Finance. Market share shown is 9M23 vs. 9M22
5. Source: Bank of England, December 2023
6. Source: Bank of England, December 2023. Excludes balances in HSBC Innovation Banking
7. Excludes Private Bank

Slide 61: ESG

1. The markets where we report rank positions for WPB and CMB – the UK, Hong Kong, mainland China, India, Mexico and Singapore – are in line with the annual executive scorecards. Our WPB NPS ranking in mainland China is based on 2022 results. Due to data integrity challenges, we are unable to produce a 2023 ranking
2. Contracted suppliers who had either confirmed adherence to the code of conduct or provided their own alternative that was accepted by our Global Procurement function

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Forward-looking statements

This Presentation may contain projections, estimates, forecasts, targets, commitments, ambitions, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, ESG related matters, 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”, “plan”, “estimate”, “seek”, “intend”, “target”, “believe”, “potential” and “reasonably possible” or the negatives thereof or other variations thereon or comparable terminology (together, “forward-looking statements”), including the strategic priorities and any financial, investment and capital targets and any ESG targets, commitments and ambitions described herein. 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 or economic conditions, regulatory changes, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war and the Israel-Hamas war and potential further escalations, specific economic developments, such as the uncertain performance of the commercial real estate sector in mainland China, or as a result of data limitations and changes in applicable methodologies in relation to ESG related matters). 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, commitments, ambitions, prospects or returns contained herein.

Additional detailed information concerning important factors, including but not limited to ESG related factors, that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2022 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 22 February 2023 (the “2022 Form 20-F”), our 1Q 2023 Earnings Release furnished with the SEC on Form 6-K on 2 May 2023 (the “1Q 2023 Earnings Release”), our Interim Financial Report for the six months ended 30 June 2023, furnished with the SEC on Form 6-K on 1 August 2023 (the “2023 Interim Report”), our 3Q 2023 Earnings Release, furnished with the SEC on Form 6-K on 30 October 2023 (the “3Q 2023 Earnings Release”) and our Annual Report and Accounts for the fiscal year ended 31 December 2023 available at www.hsbc.com and which we expect to file with the SEC on Form 20-F on or around 22 February 2024 (the “2023 Form 20-F”).

Alternative Performance Measures

This Presentation contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations (“Alternative Performance Measures”). The primary Alternative Performance Measures we use are presented on a “constant currency” basis which is computed by adjusting comparative period reported results for the effects of foreign currency translation differences, which distort period-on-period comparisons.

Reconciliations between Alternative Performance Measures and the most directly comparable measures under IFRS are provided in our 1Q 2023 Earnings Release, our 2023 Interim Report, our 3Q 2023 Earnings Release and our 2023 Form 20-F, when filed, each of which is available at www.hsbc.com

Information in this Presentation was prepared as at 21 February 2024

