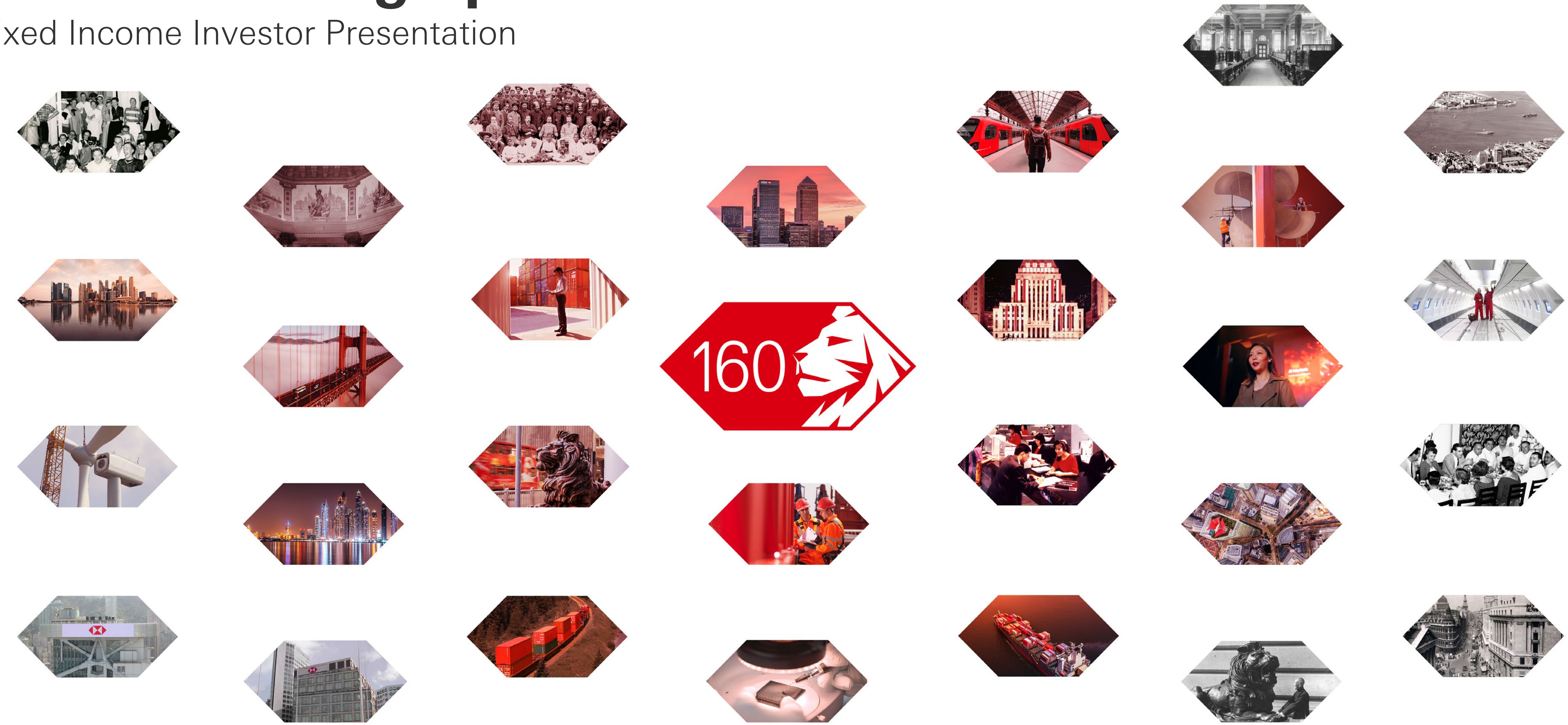
HSBC Holdings plc FY24 Results

Fixed Income Investor Presentation



Results & strategy

FY24 performance

$26.9bn of distributions to shareholders[1], on the back of our strong performance

Earnings

- **Record PBT**
  - $32.3bn, +6% YoY on a reported basis (o/w: WPB $12.2bn, CMB $11.9bn, GBM $7.1bn)
  - $34.1bn excluding notable items, +4% YoY on a constant currency basis
- **$1.25 EPS / $1.31 excl. material notable items** and related impacts (FY23: $1.15 / $1.22)

Return on tangible equity

- 14.6% (FY23: 14.6%)
- **16.0% excluding notable items** (FY23: 16.2%)

Distributions

- **$26.9bn in respect of 2024**[1] (FY23: $20.8bn)
  - $0.87 DPS — $0.66 ordinary dividend, $0.21 special dividend (FY23 DPS: $0.61)
  - $11bn share buybacks[2] (FY23: $9bn)

Unless otherwise stated, this presentation is presented on a constant currency basis. ▸ denotes a measure shown on a reported FX basis. In this presentation, % changes relating to ECL and costs in ( ) represent adverse movements. Figures throughout this presentation may be subject to rounding adjustments and may not sum precisely to totals given in charts, tables or commentary. The medium term refers to 3-5 years from 1 January 2025

Benefits from our organisational simplification

We are moving at pace to simplify the Group and unlock our growth potential

1

Simplified the Group

- Elevated and empowered our two home markets
- Combined our two wholesale businesses
- ~60% of revenue moved from matrix management to one single line of accountability[1]

2

Committed to deliver ~$1.5bn of savings from our re-organisation by YE26*

- Primarily de-duplication of roles from organisational simplification, **reduction in staff expenses of c.8%**; immaterial impact on revenue
- **To be taken to the bottom line**

3

Generate incremental investment capacity for our priority growth areas

- Over the medium term, we aim to re-allocate an additional ~$(1.5)bn of costs from non-strategic activities to areas where we have clear competitive advantages and generate accretive returns

2025 – 2027 returns

Mid-teens return on tangible equity each year

excluding notable items[2]

* Annualised. Severance and other up-front costs of c.$(1.8)bn will be treated as notable items — see slide 20

We've aligned our business structure to our strategic priorities (1)

Leading, scale businesses in our home markets

	Hong Kong business	UK business
Activities	◆ Retail Banking ◆ Wealth distribution ◆ Commercial Banking	◆ Retail Banking ◆ Wealth distribution ◆ Commercial Banking
Market position	◆ **Leading bank** ◆ **#1** by loans[1] ◆ **#1** by deposits[2]	◆ **#3 by UK profits**[3] ◆ **#4** by loans[4] ◆ **#4** by deposits[5]
FY24 re-presented[6]	◆ \$9.1bn PBT, 28% of Group ◆ ~38% RoTE	◆ \$6.6bn PBT, 20% of Group ◆ ~25% RoTE

Effective from 1 January 2025, the Group's reporting segments under IFRS 8 'Operating Segments' will comprise four new businesses – Hong Kong, UK, Corporate and Institutional Banking, and International Wealth and Premier Banking – along with Corporate Centre. These will replace our previously reported operating segments up to 31 December 2024. Further detail on our new businesses can be found on page 103 of our Annual Report and Accounts 2024

We've aligned our business structure to our strategic priorities (2)

Global scale in our international network businesses

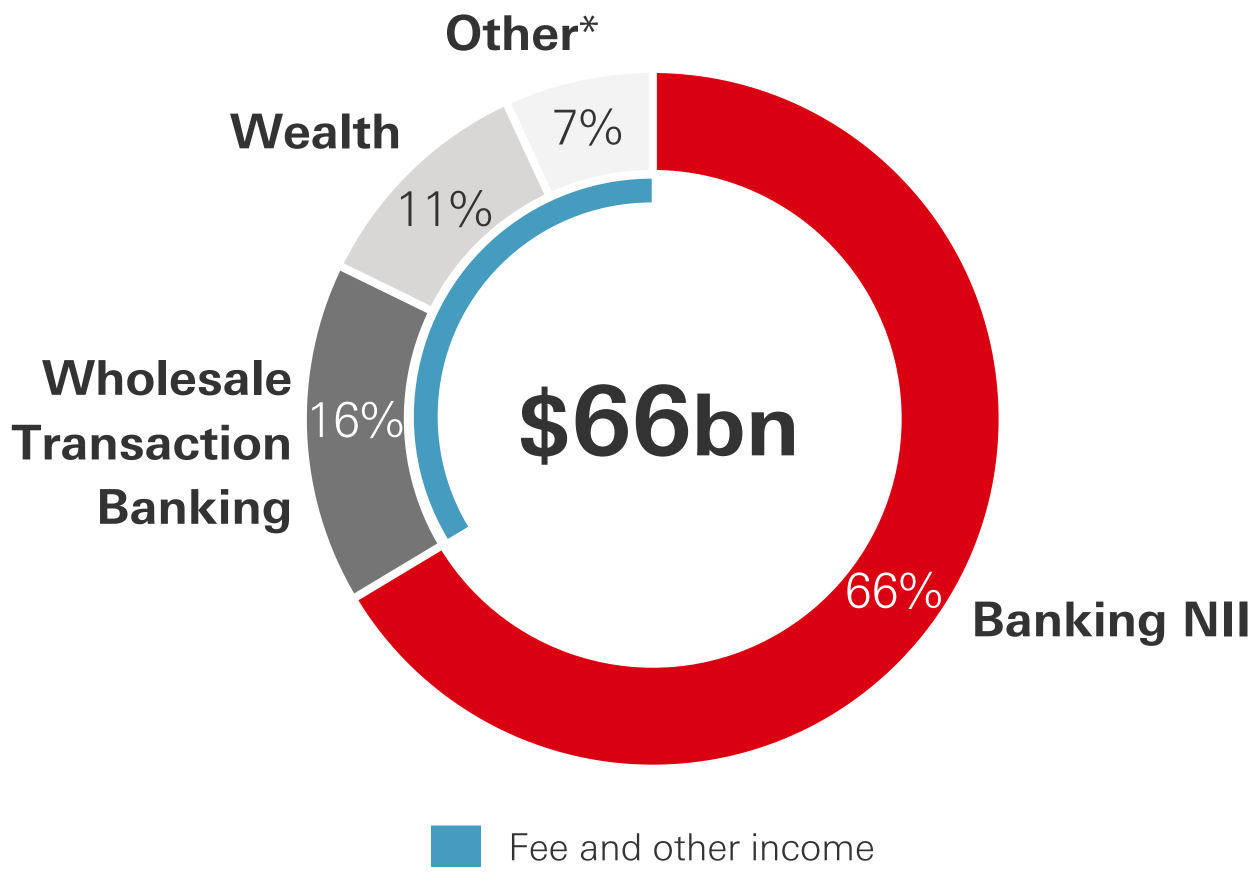
	Corporate and Institutional Banking (CIB)	International Wealth and Premier Banking (IWPB)
Activities	Serving clients across our network, focus on: ◆ Cross-border transaction banking ◆ Lending, capital markets financing ◆ Deposits	◆ Premier Banking in our priority international markets ◆ Asset Management ◆ Private Banking ◆ Insurance manufacturing
Market position	◆ **#1** in Trade[1] ◆ **#2** in Payments[2] ◆ **Joint #2** in FX[3] ◆ **#2** Securities Services in APAC[4]	◆ **#2** Asia Private Bank[5] ◆ A leading life insurer in Asia; **#1** in Hong Kong with 24% market share[6]
FY24 re-presented[7]	◆ $11.4bn PBT, 35% of Group ◆ ~14% RoTE	◆ $4.0bn PBT, 12% of Group ◆ ~16% RoTE

Market position for Trade, Payments, FX and Securities Services represents our rank based on internal business structure & revenue. See footnotes 1 to 4 for further detail

We generate recurring, predictable revenue streams

>90% of revenue is from Banking NII, Wholesale Transaction Banking and Wealth

FY24 revenue



Banking NII | Strong balance sheet positions in all our businesses

Wholesale Transaction Banking | Leading market position, powered by the strength of our global network

Wealth | Leading market position in Asia, supported by the strength of our franchise in Hong Kong

* Primarily: Investment Banking, Debt and Equity Markets; Retail Banking; Wholesale Credit and Lending

We have a strong deposit base

Our deposit strength drives Banking NII and gives us the funding capacity to support our customers

Strong deposit franchise in each of our businesses

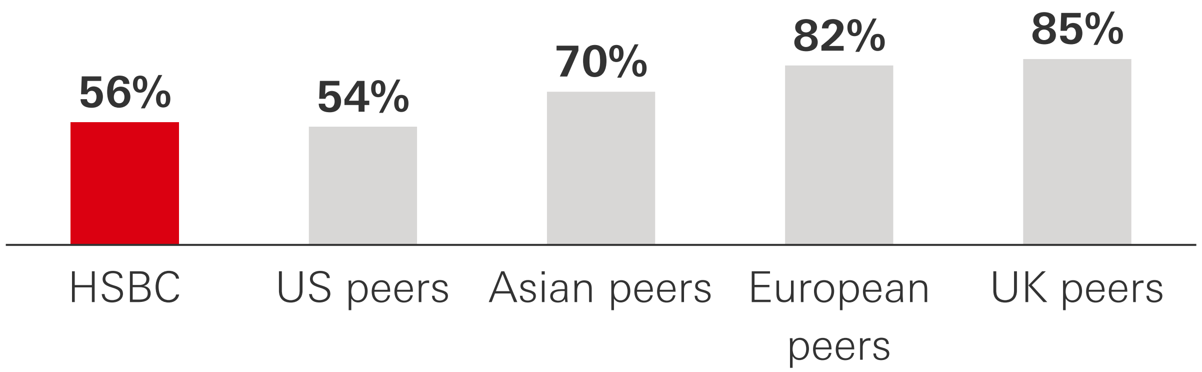
Group

$1.7tn | 56% loan to deposit ratio

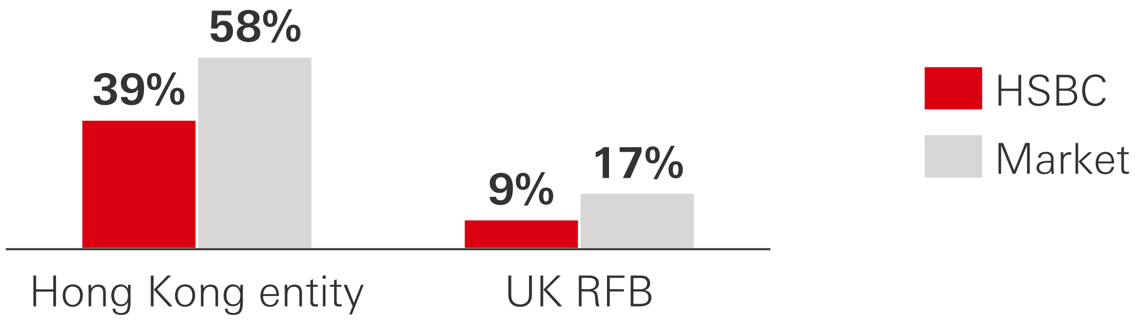
	HK	UK	CIB	IWPB
Deposits[1]	$507bn	$330bn	$558bn	$259bn
Loan to deposit ratio[1]	46%	81%	51%	53%

High quality deposit base

Loan to deposit ratio[2]

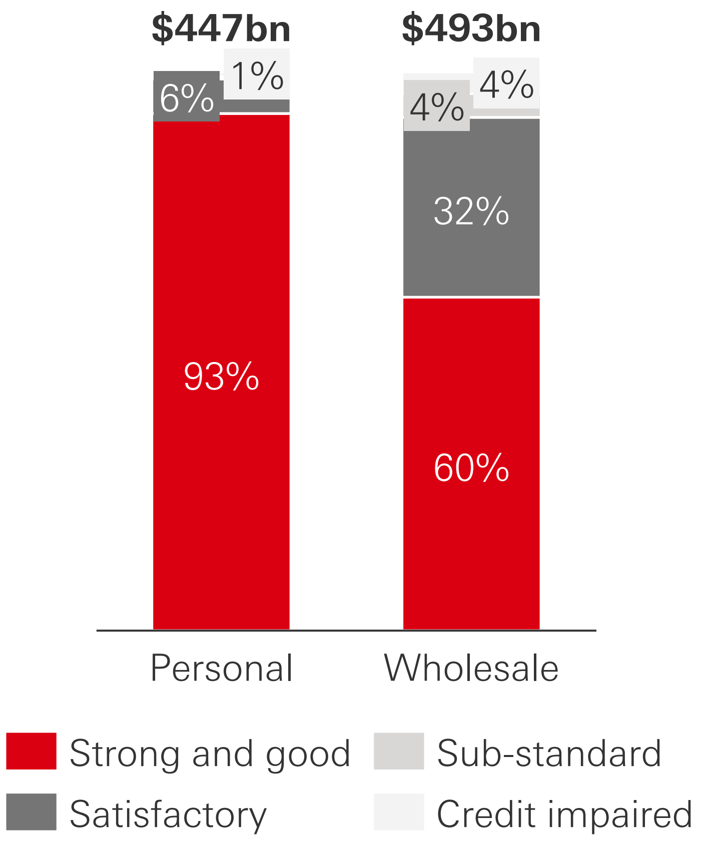


Time deposits as a % of customer accounts[3]



We maintain a high-quality loan portfolio

Gross loans by credit quality



89% of loans to personal customers are secured with good levels of collateral

60% of loans to wholesale customers have a rating equivalent to investment grade[1]

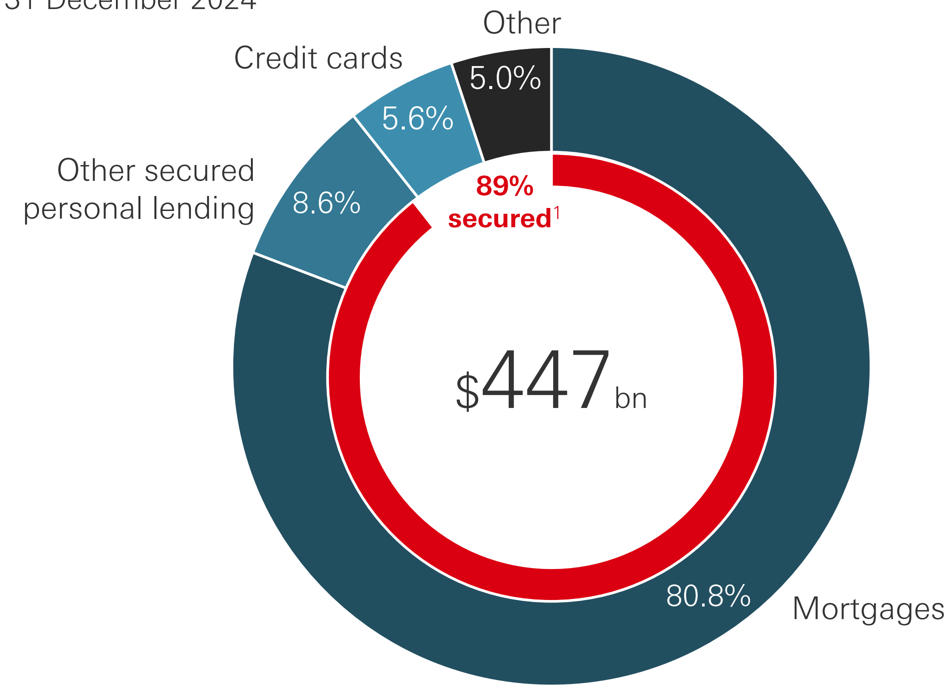
- Medium term ECL planning range of (30) to (40)bps*
- 2018 to 2024 average ECL charge (32)bps†

* As a percentage of average gross loans, including held-for-sale loan balances
† As reported in each respective year

Gross customer lending

Personal loan book, $bn

At 31 December 2024



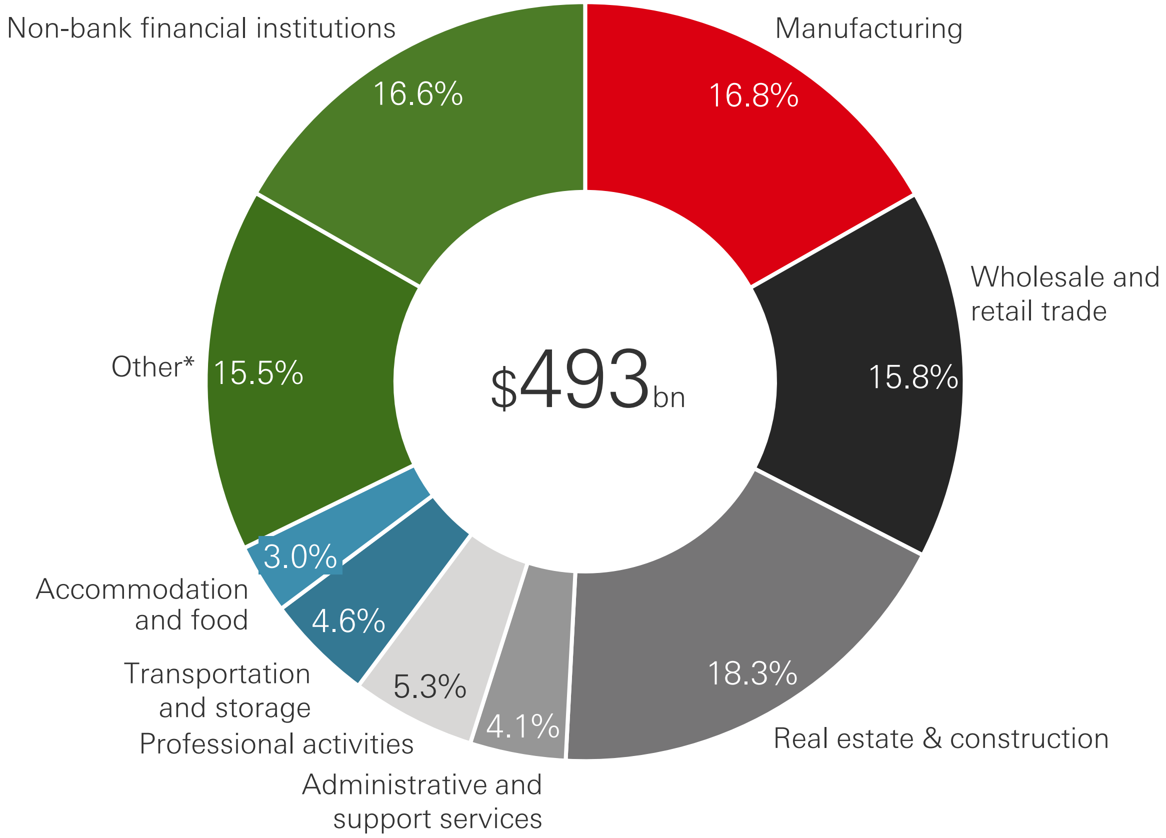
Retail mortgage average LTVs (portfolio, indexed)

UK: 53%
New lending: 69%

HK: 63%
New lending: 67%

Wholesale loan book, $bn

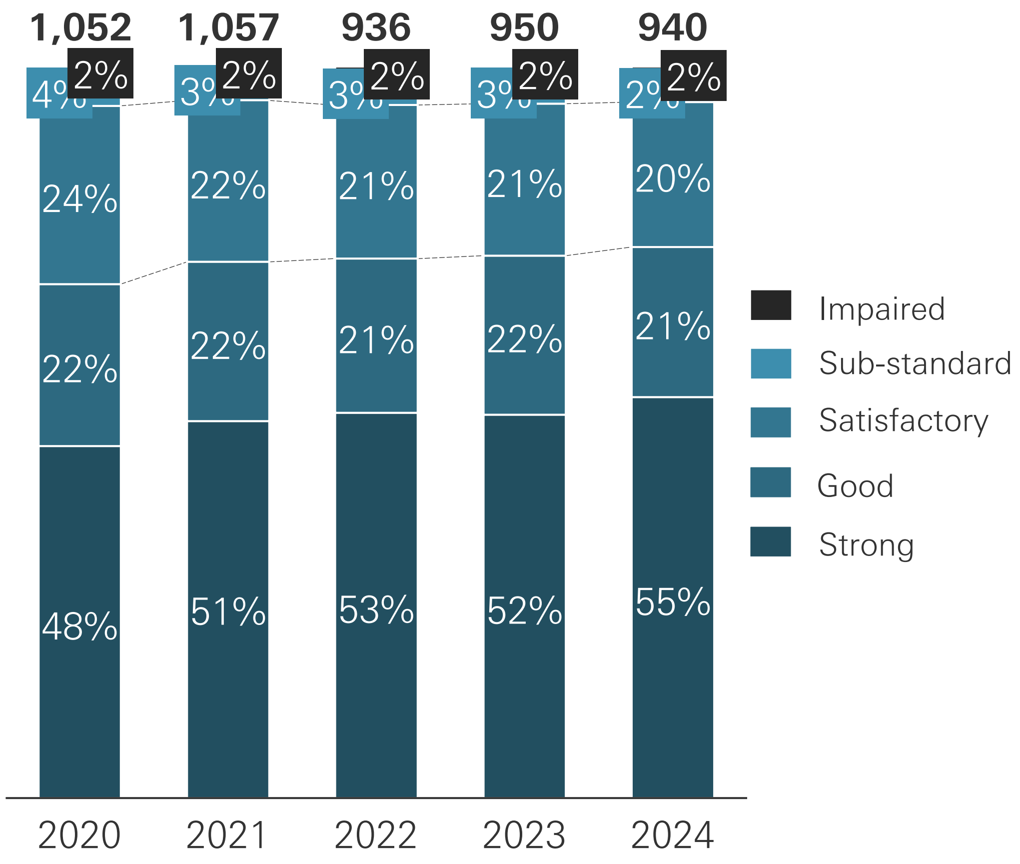
At 31 December 2024



* 'Other' comprises 14 individual sectors, none of which are greater than 3% of total wholesale loans and advances to customers

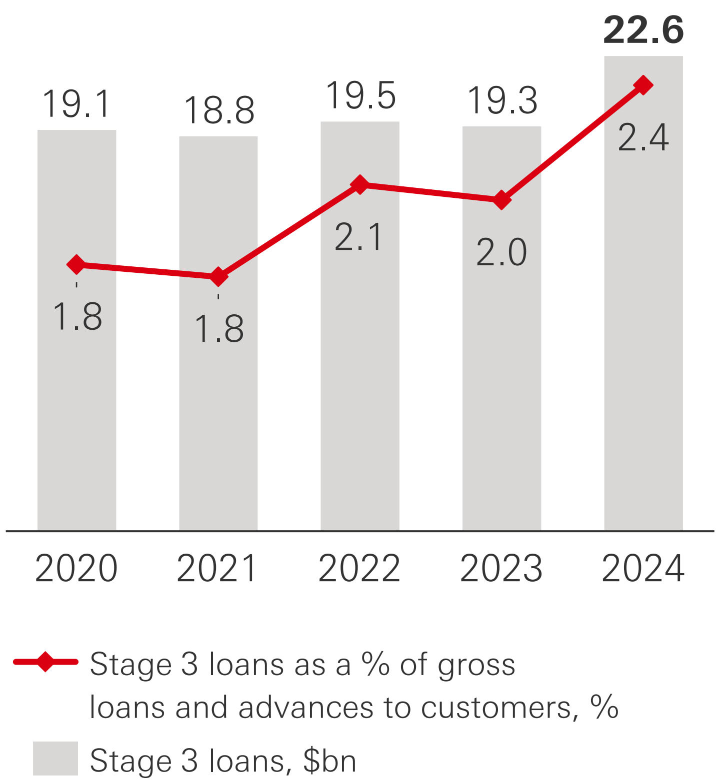
Asset quality

Gross loans to customers by credit quality classification trend, $bn



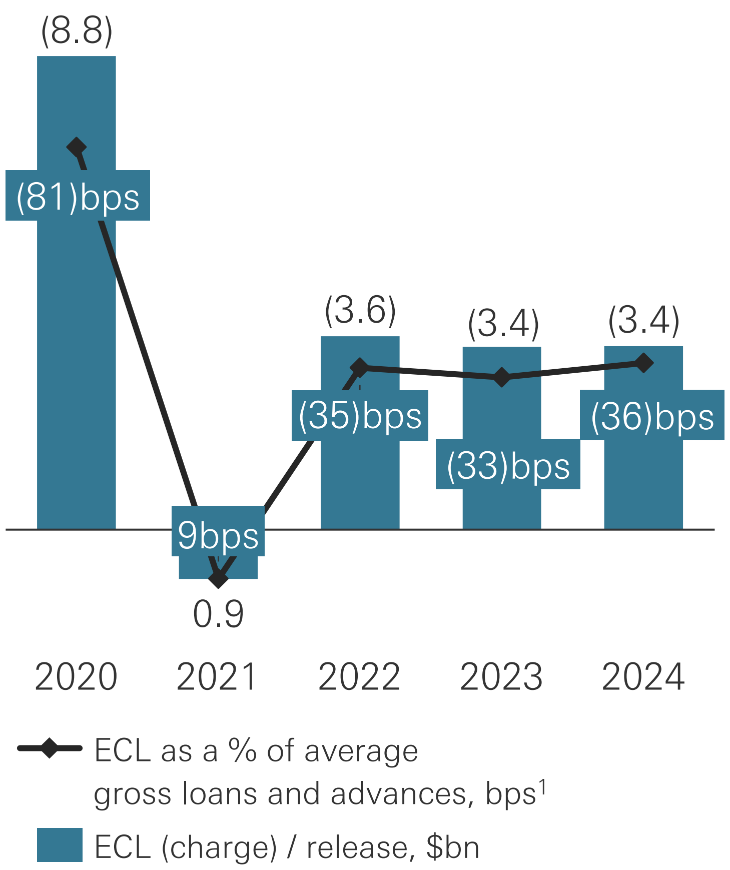
Wholesale loans classified as Strong or Good credit quality are equivalent to an investment grade rating from an external credit rating agency

Stage 3 loans to customers



FY24 increase in Stage 3 loans primarily driven by Hong Kong CRE, but limited impact on ECL charge due to high levels of collateralisation

Reported ECL (charge) / release



We aim to generate consistent mid-teens returns over the next three years

External environment

Benign rate outlook*, though policy uncertainty remains

Changing trade patterns provide us with opportunities to support our clients, but there are risks of potential disruption

Growing opportunity in Asia Wealth, though highly competitive

Actions

1. Drive operating leverage as an ongoing process
   - Cost efficiency and optimisation
   - Continuous improvements in productivity

2. Dynamic balance sheet management and capital allocation

3. **Invest for strategic, long-term growth**

2025 – 2027 returns

Mid-teens return on tangible equity each year

excluding notable items[1]

* As of 18 February, futures markets imply 2-3 further 25bps rate cuts in USD and GBP by the end of 2026, and 3-4 in EUR

FY24 results summary

Constant currency, $bn	FY23	FY24	Δ
NII	34.2	32.7	(4)%
Non-NII	30.8	33.1	8%
Revenue	**64.9**	**65.9**	**1%**
ECL	(3.3)	(3.4)	(5)%
Costs	(31.5)	(33.0)	(5)%
Associates	(0.3)	2.9	>100%
Constant currency PBT	**29.9**	**32.3**	**8%**
FX translation	0.4	—	n.m.
Reported PBT	**30.3**	**32.3**	**6%**
Memo: PBT notable items	(2.9)	(1.8)	36%
Tax	(5.8)	(7.3)	(26)%
Profit attributable to ordinary shareholders	**22.4**	**22.9**	**2%**
Earnings per share, $	1.15	1.25	$0.10
Dividend per share, $	0.61	0.87	$0.26
RoTE, %	14.6%	14.6%	—ppt

$bn	FY23	FY24	Δ
Customer loans	917	931	1%
Customer deposits	1,580	1,655	5%
Reported RWAs	854	838	(2)%
CET1 ratio[1], %	14.8%	14.9%	0.1ppt
TNAV per share, $	8.19	8.61	$0.42

- **Revenue of $65.9bn, stable** vs. FY23, including higher customer activity in Wealth, and in Equities and Securities Financing in GBM; partly offset by losses on certain strategic transactions[2] as well as a $(0.2)bn loss on the early redemption of legacy securities. FY23 included $(1)bn of losses from treasury repositioning activities
- ECL charge of **$(3.4)bn**, including stage 3 charges relating to the CRE sector in mainland China of $(0.4)bn; ECL were **(36)bps of average gross loans**[3]
- **Costs of $(33.0)bn, up (5)%** vs. FY23, mainly due to higher spend and investment in technology and the impacts of inflation
- **Associates up $3.2bn** due to the non-repeat of an impairment of our investment in Bank of Communications
- **Lending up 1%** vs. FY23, including mortgage growth in WPB and higher term lending balances in CMB
- **Deposits up $75bn (5%)** vs. FY23 mainly in Asia
- **CET1 ratio of 14.9%** was up 0.1ppts vs. FY23, mainly due to capital generation and a reduction in RWAs through strategic transactions, offset by dividends, buybacks and organic balance sheet growth

Revenue

+$1.2bn YoY excluding notable items, driven by Banking NII and Wealth

Constant currency, $bn	4Q23	4Q24	Δ
Banking NII	**10.0**	**11.0**	**0.9**
Fee and other income	**2.5**	**0.6**	**(1.9)**
— Wholesale Transaction Banking	2.5	2.5	0.0
— Wealth	1.3	1.6	0.4
— Other	(1.3)	(3.6)	(2.2)
— of which: notable items	*(2.7)*	*(5.0)*	*(2.3)*
Revenue	**12.5**	**11.6**	**(1.0)**
Memo: revenue excluding notable items	15.3	16.5	1.2

4Q24 principally Argentina disposal

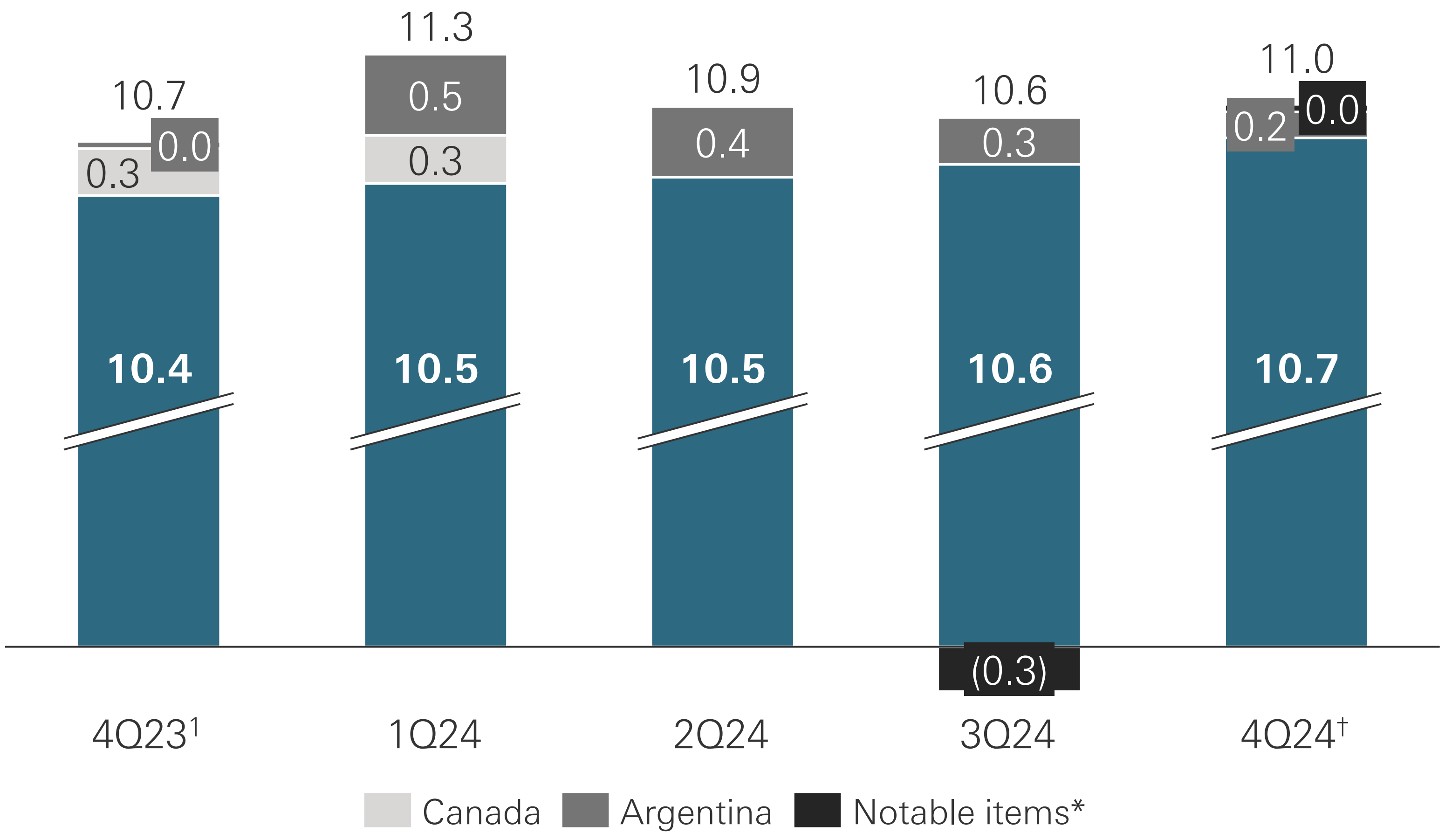
4Q23 principally France retail loss on sale

Table does not cast due to rounding. Banking NII / fee and other income split of notable items on slide 38

Banking NII (1)

Run-rate broadly stable QoQ

Reported FX, $bn



Run-rate broadly stable QoQ: Deposit growth and structural hedge unwind‡ partly offset by lower interest rates

Expect FY25 Banking NII of around $42bn, based on our modelling of several market dependent factors§

Banking NII in $m on slide 35

* 3Q24: $(283)m loss on early redemption of legacy securities. 4Q24: $46m adjustment to reflect redemption settlement and related hedge movements

† 4Q24 Banking NII: $10,950m, of which notable items $46m and Argentina $165m

‡ Reinvestment of maturing structural hedge assets at higher yields — see slide 36

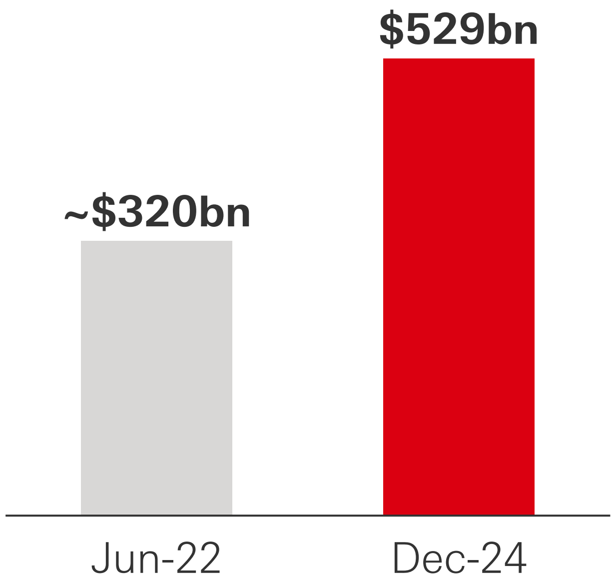
§ If changes in these factors impact the output of our modelling, we would update our expectation for 2025 Banking NII at future quarterly results announcements

Banking NII (2)

Investment in the structural hedge has reduced our interest rate sensitivity and will support Banking NII

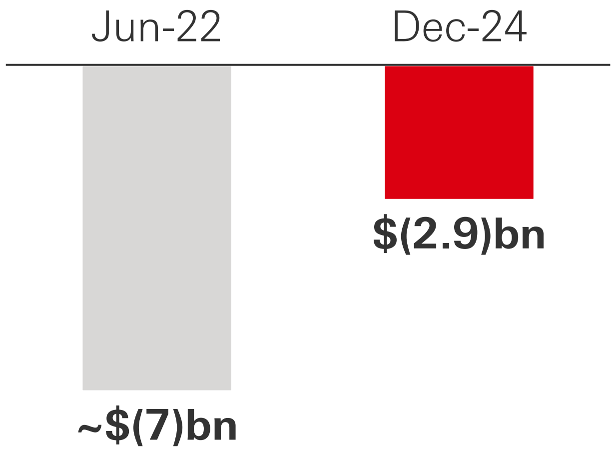
Investment in the structural hedge

Structural hedge notional balance



Reduction in rate sensitivity

Year 1 Banking NII sensitivity to a (100)bps down-shock*



We estimate that ~50% of the reduction in Banking NII sensitivity since Jun-22 was driven by increases in the notional and duration of the structural hedge

Support to Banking NII

Structural hedge re-investments by year

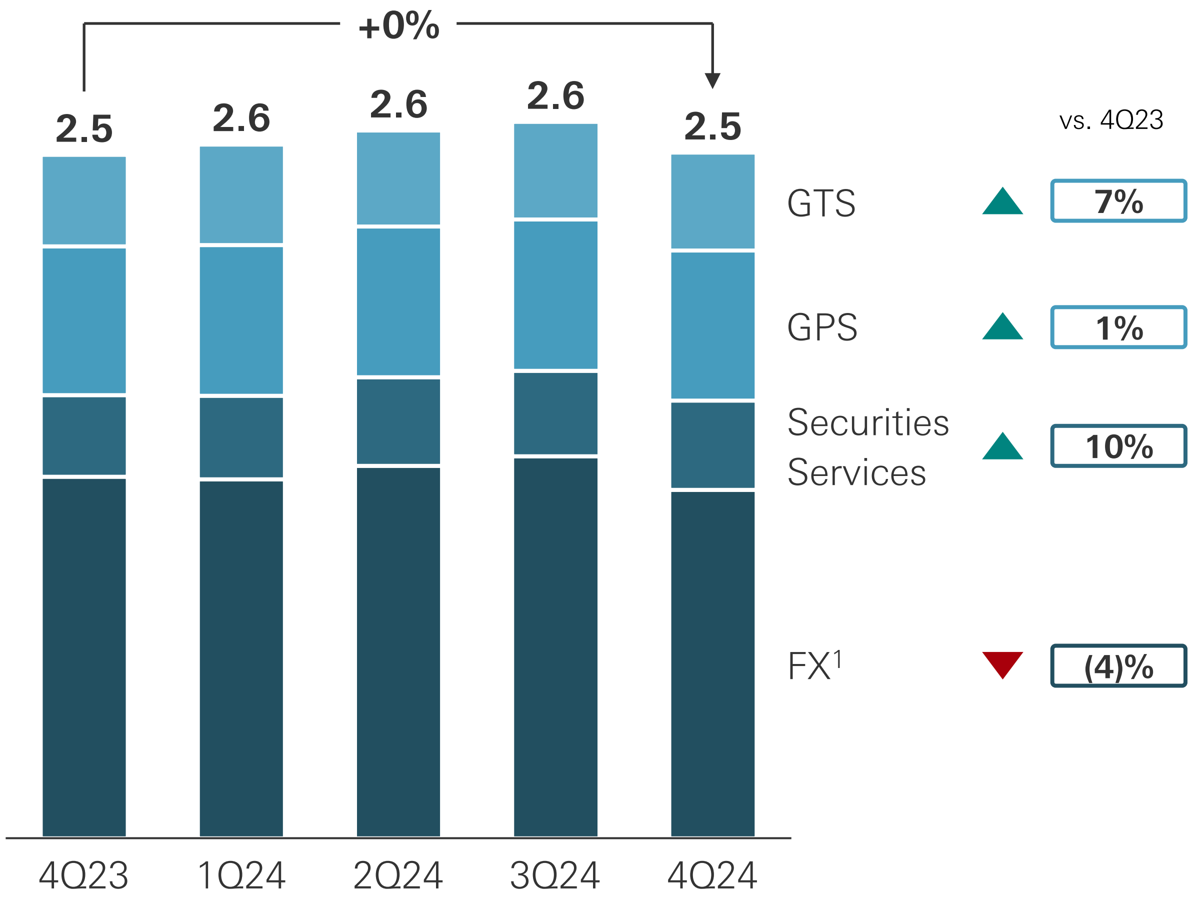
$bn	Balance	Average yield
Total	529	
— o/w: FY25	~95	~2.8%
— o/w: FY26	~95	~2.8%
— o/w: FY27	~90	~3.4%

* Assumptions include a static balance sheet, no management actions and a 50% pass-through – see page 212 of our Annual Report and Accounts 2024 for further detail

Fee and other income: Wholesale Transaction Banking

Stable YoY

Fee and other income, $bn



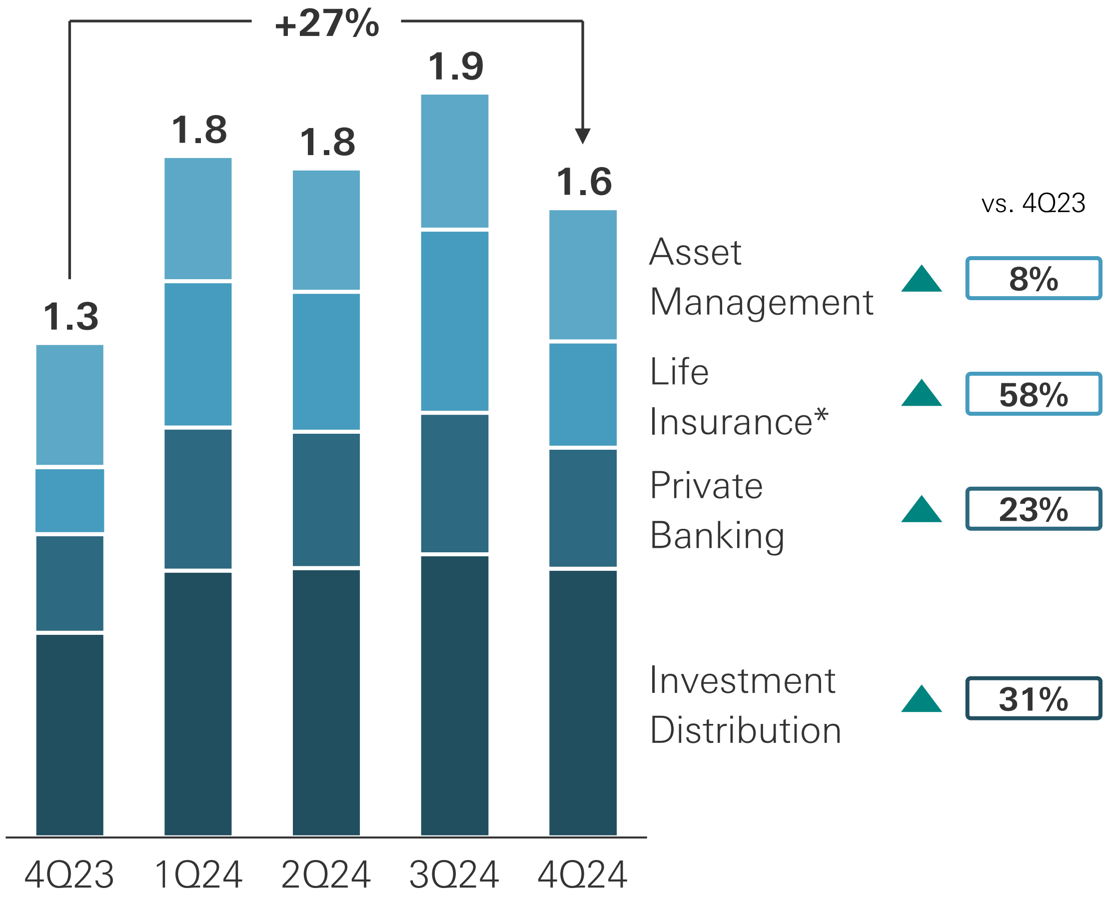
Stable fee and other income vs. 4Q23 (up 3% excluding the impact of strategic transactions, principally the sale of Canada)

- **Global Trade Solutions** — higher volumes, primarily in Asia, the Middle East and Europe
- **Global Payments Solutions** — +1%, or +5% excluding the impact of strategic transactions, driven by higher volumes and new client mandates
- **Securities Services** — primarily driven by a gain on sale within our fund administration business
- **FX** — down due to a strong comparative period

Fee and other income: Wealth

Fourth consecutive quarter of double-digit % YoY growth

Fee and other income, $bn



- Growth in all products vs. 4Q23
- Life insurance: good business performance in the quarter (new business CSM $0.4bn, +15% YoY)
- Net new invested assets of $5bn (seasonally lower in Q4 due to fluctuations between wealth products and deposits), bringing FY24 NNIA to $64bn

4Q24 metrics

234k
New-to-bank WPB customers in Hong Kong
(9M24: 565k)

$12.1bn
CSM balance†
(4Q23: $10.8bn)

$5bn
Net new invested assets
o/w Asia $(2)bn
(4Q23: $17bn / Asia $4bn)

$1.3tn
Invested assets
(4Q23: $1.2tn)

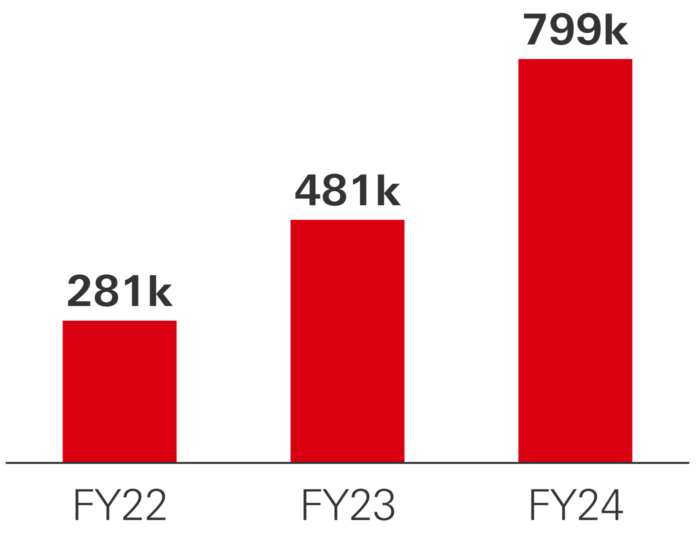
* 4Q23 included c.$(0.2)bn corrections to historical valuation estimates. 4Q24 impacted by $(0.1)bn mark-to-market losses from fluctuations in mainland China discount rates
† In 4Q24, $0.9bn moved to held-for-sale due to the planned sale of our French life insurance business

Wealth outlook

Expect to grow fee and other income at a double-digit % CAGR over the medium term

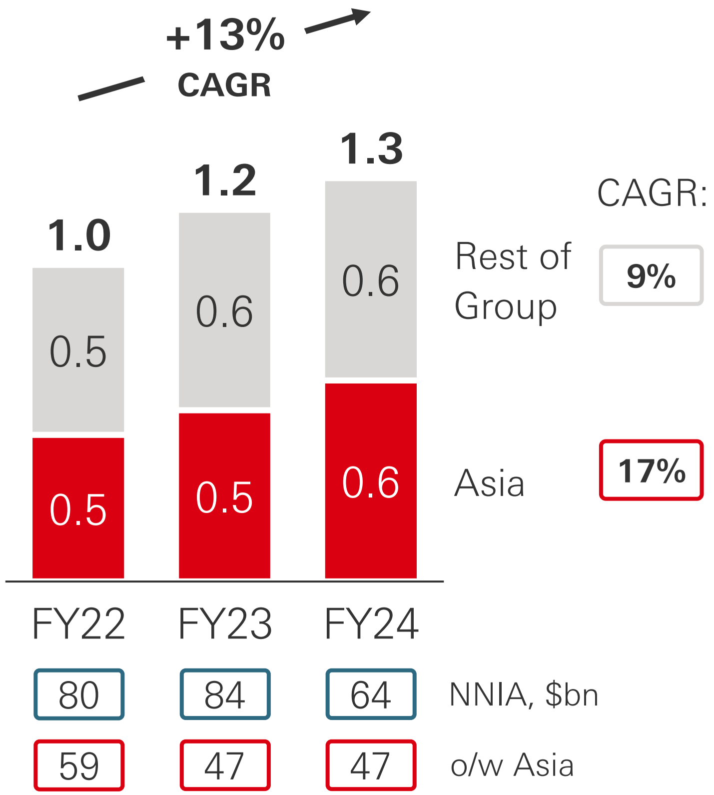
New-to-bank customers in Hong Kong

For new customers, total balances and wealth penetration tend to increase over time



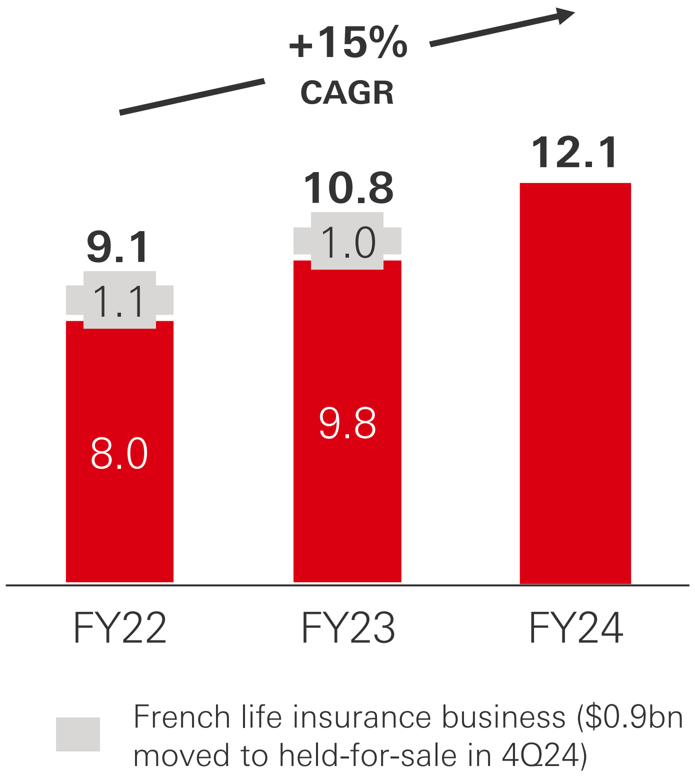
Invested assets, $tn

Double digit CAGR since 2022, strength in Asia



CSM balance, $bn

Store of future insurance earnings, amortised at 9-10% per year in FY23/FY24

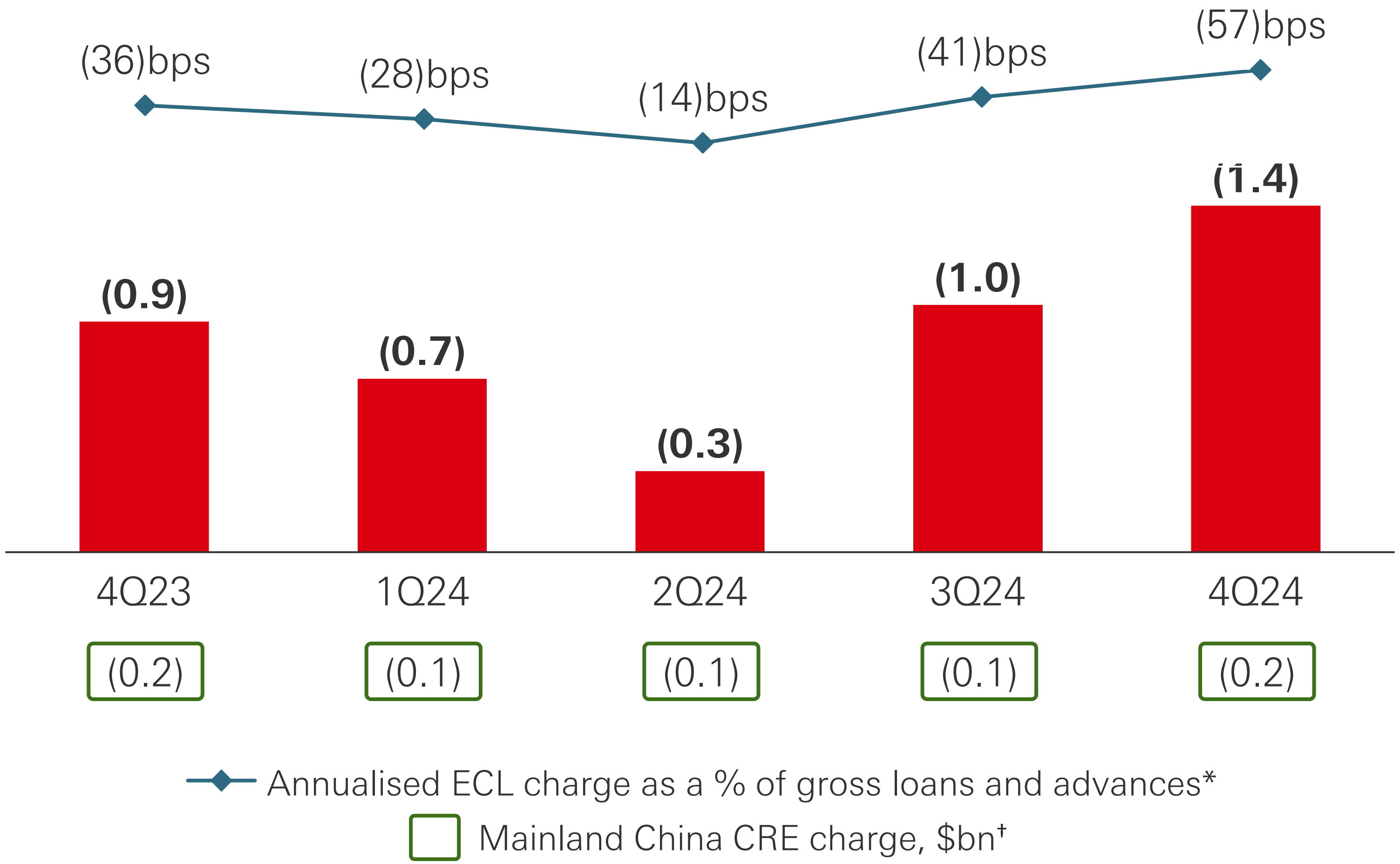


Invested assets and CSM balance are on a reported FX basis

Credit performance

(36)bps ECL charge in 2024*

ECL charge trend, $bn



- **$(1.4)bn** 4Q24 ECL charge, including:
  - **$(1.0)bn Wholesale**, including $(0.3)bn from two clients — one in the UK, one in the mainland China CRE sector
  - **$(0.4)bn Personal**
- $22.6bn stage 3 balances / 2.4% of gross customer loans, down (0.1)ppts QoQ (reported FX basis)
- **Expect FY25 ECL charge to be within our medium-term planning range** of (30) to (40)bps*

* As a percentage of average gross loans, including held-for-sale loan balances
† Mainland China 4Q24 ECL charge $(206)m

Costs: driving efficiencies and creating incremental investment capacity

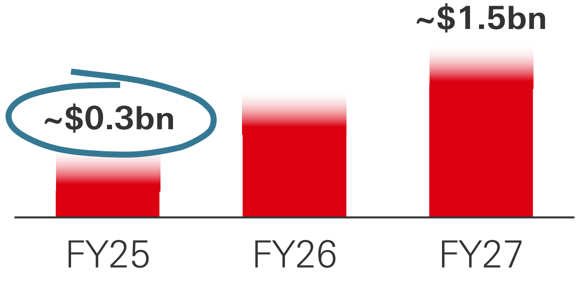
Committed to deliver ~$1.5bn of simplification savings from our re-organisation by YE26*

- **Immaterial impact on revenue** — primarily de-duplication of roles:
  - Reduction in management layers through consolidation of overlapping roles in CMB and GBM
  - Simplifying management across business / region matrix
- **~$(1.8)bn total severance and other up-front costs** by YE26 will be treated as notable items

Phasing

~$(1.8)bn severance and other up-front costs

P&L benefit in-year



Aiming to re-allocate an additional ~$(1.5)bn of costs from non-strategic activities to priority growth areas in the medium term

- Costs taken from non-strategic activities will be invested in priority growth areas, with no material net cost reduction
- **Progress underway**:
  - Announced that we will begin to wind down our M&A and ECM activities in the UK, Europe, and the US, subject to local legal requirements. These activities have costs of ~$(0.3)bn and are not materially profitable
  - German Private Banking
  - French life insurance

* Annualised

Cost guidance

2025 guidance: ~(3)% growth on a target basis*

FY25 costs

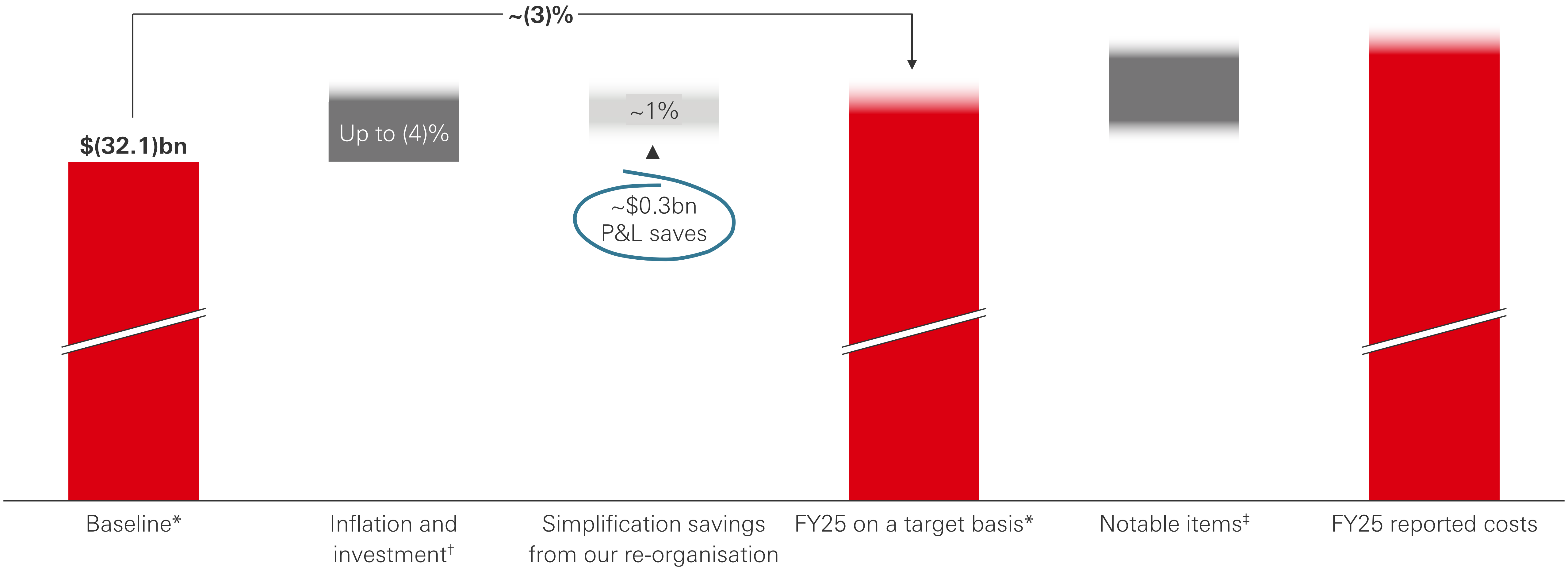


Chart not to scale

* Excludes notable items and the direct costs of Canada and Argentina from our FY24 costs – see reconciliation on slide 41

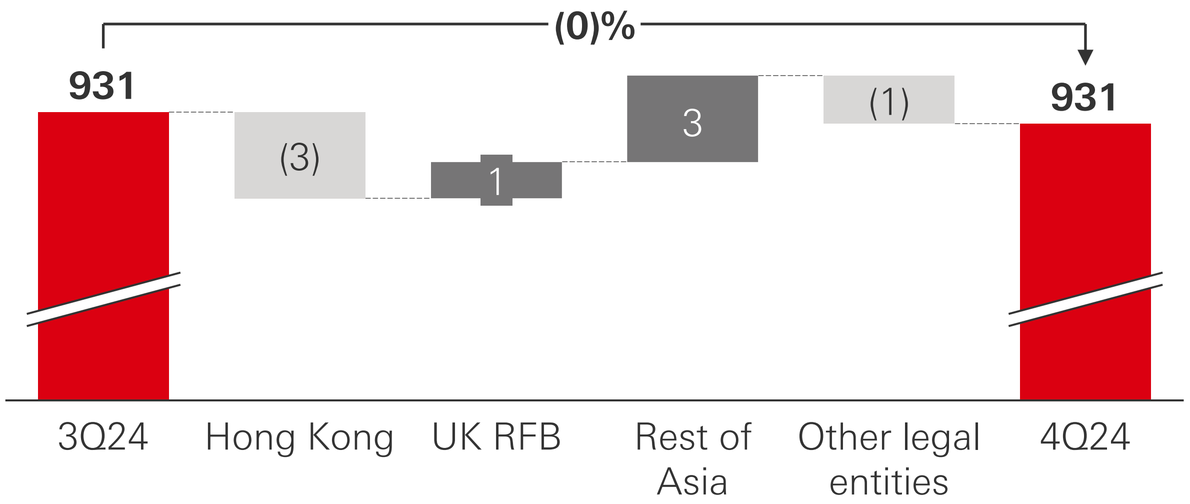
† Does not include incremental investment in our priority growth areas funded by costs re-allocated from non-strategic activities

‡ Will include severance and other up-front costs relating to: (1) simplification savings from our re-organisation, and (2) the re-allocation of costs from non-strategic to priority growth areas

Customer loans and deposits

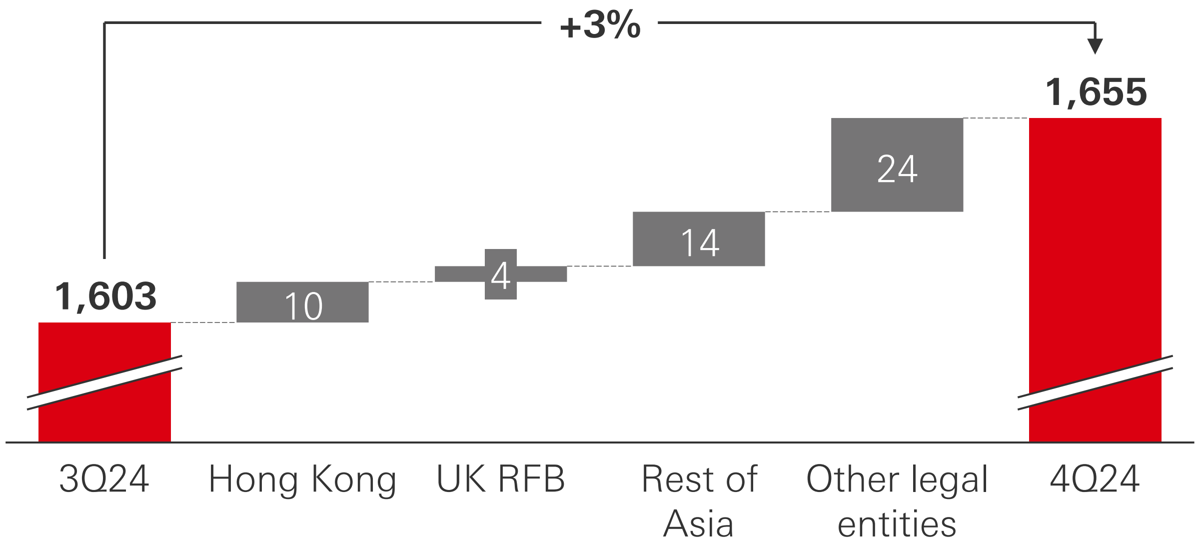
Lending stable, deposits +3% QoQ

Lending, $bn



- **$(3)bn HK** due to repayments and subdued credit demand in CMB and GBM
- **+$1bn UK RFB**, primarily mortgages
- **+$3bn Rest of Asia**, mainly large corporate clients in GBM

Deposits, $bn



- **+$10bn HK**, primarily WPB (fluctuations between wealth products and deposits; supported by customer growth)
- **+$4bn UK RFB**, primarily market-wide growth in retail deposits
- **+$14bn Rest of Asia**, primarily CMB and GBM, benefitting from seasonal inflows
- **+$24bn other legal entities**, mainly +$18bn HSBC Bank plc (GBM and CMB, benefitting from seasonal inflows)

Outlook

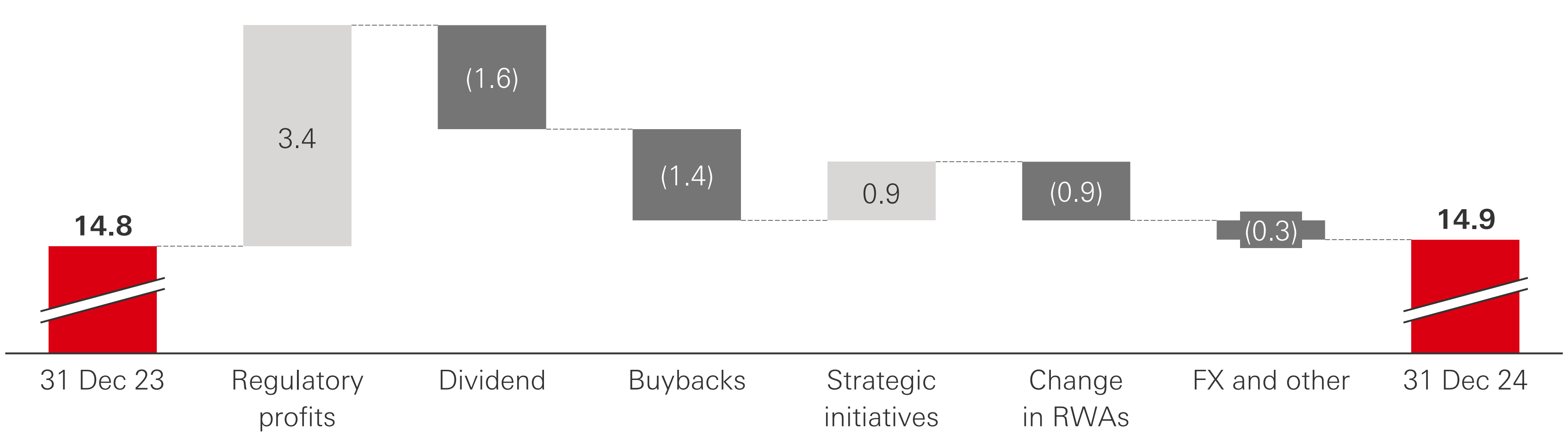
Target	**Mid-teens RoTE in each of 2025 to 2027**, excluding notable items	
FY25 guidance	**Banking NII**	Around $42bn (market-dependent)
	ECL charge	(30) to (40)bps[1]
	Costs	Growth of ~(3)%, on a target basis[2]
	Dividends	50% of PAOS excluding material notable items and related impacts
Medium term guidance	**Wealth**	Grow fee and other income at a double-digit % CAGR
	CET1 ratio	Manage in 14-14.5% target range
	Loan growth	Mid-single digit annual percentage growth over the medium to long term

Our targets and expectations reflect our current outlook for the global macroeconomic environment and market-dependent factors, such as market-implied interest rates (as of mid-January 2025) and rates of foreign exchange, as well as customer behaviour and activity levels. Our current expectation of 2025 Banking NII reflects modelling of a number of market-dependent factors. If changes in these factors impact the output of our modelling, we would update our expectation in future quarterly results announcements. The medium term is defined as 3-5 years from 1 January 2025

Balance sheet & issuance

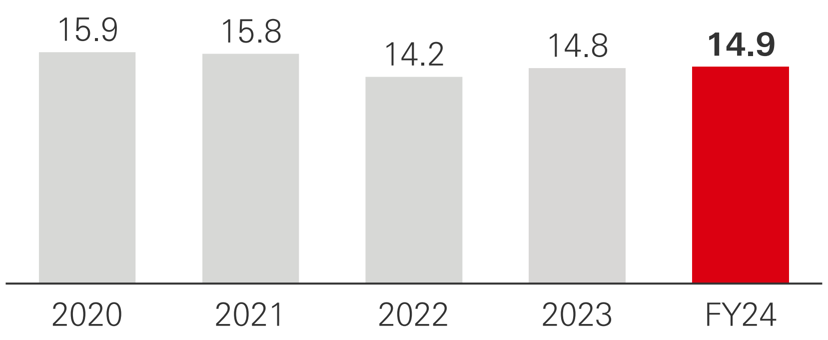
Capital position

CET1 ratio, %

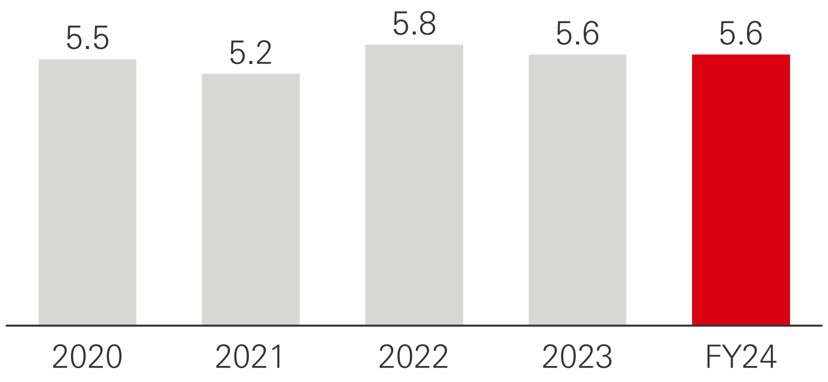


- FY24 CET1 ratio **does not include an anticipated c.(0.2)ppts impact** from the up to $2bn buyback announced with the 4Q24 results
- Expect **$(1)bn** CET1 impact from a reclassification of c.$7bn **French home loans in 1Q25**§

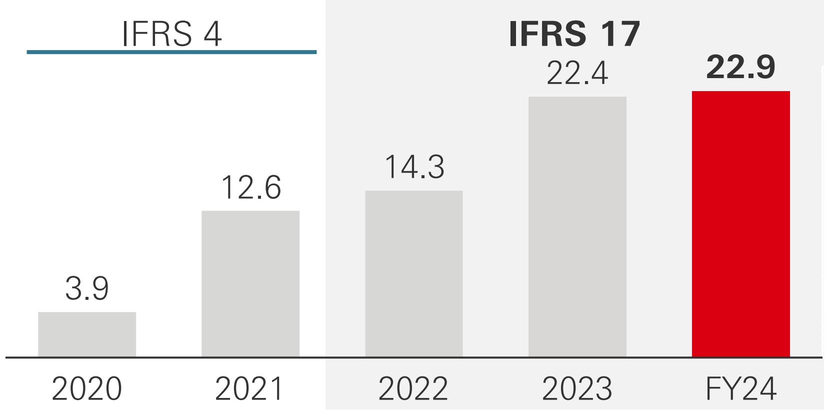
CET1 ratio, %



Leverage ratio[1], %



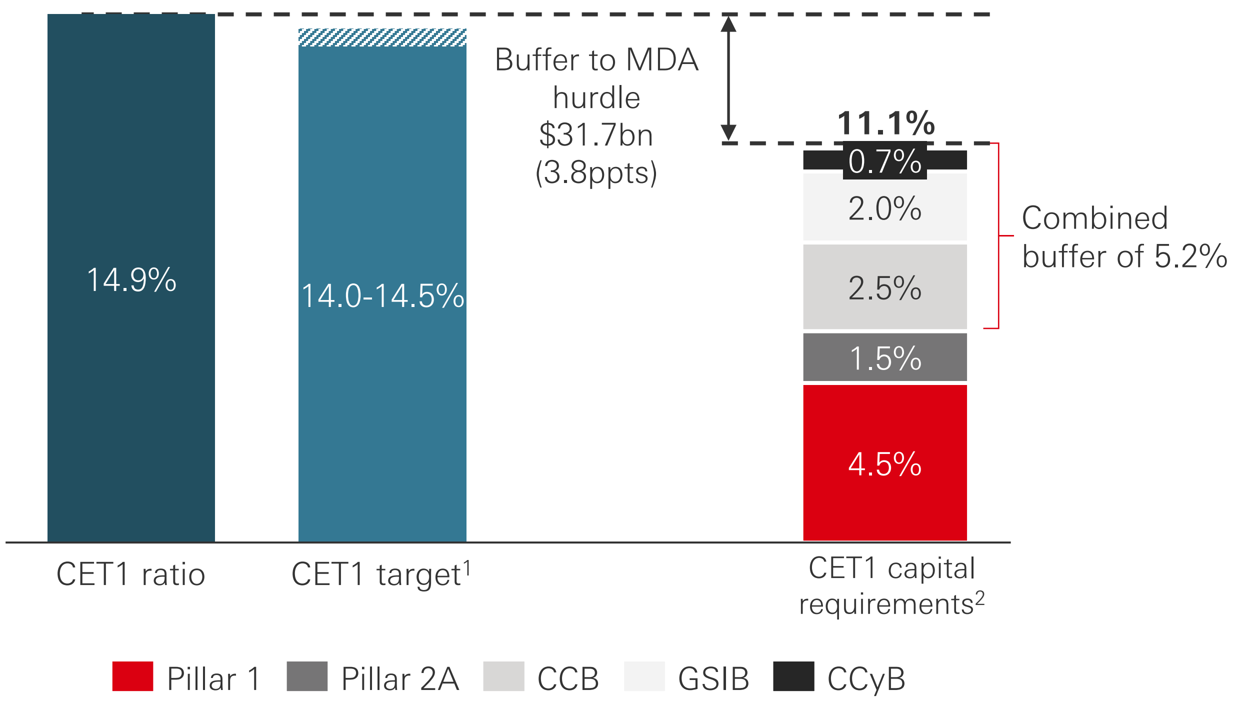
Profit attributable to ordinary shareholders, $bn



§ On active marketing for potential sale. Estimated $(1)bn loss will be recognised in FVOCI. In the event of a sale, the loss would reflect deal-specific factors and would recycle to the income statement at closing and be treated as a material notable item for the purposes of the dividend payout ratio

FY24 capital position versus requirements

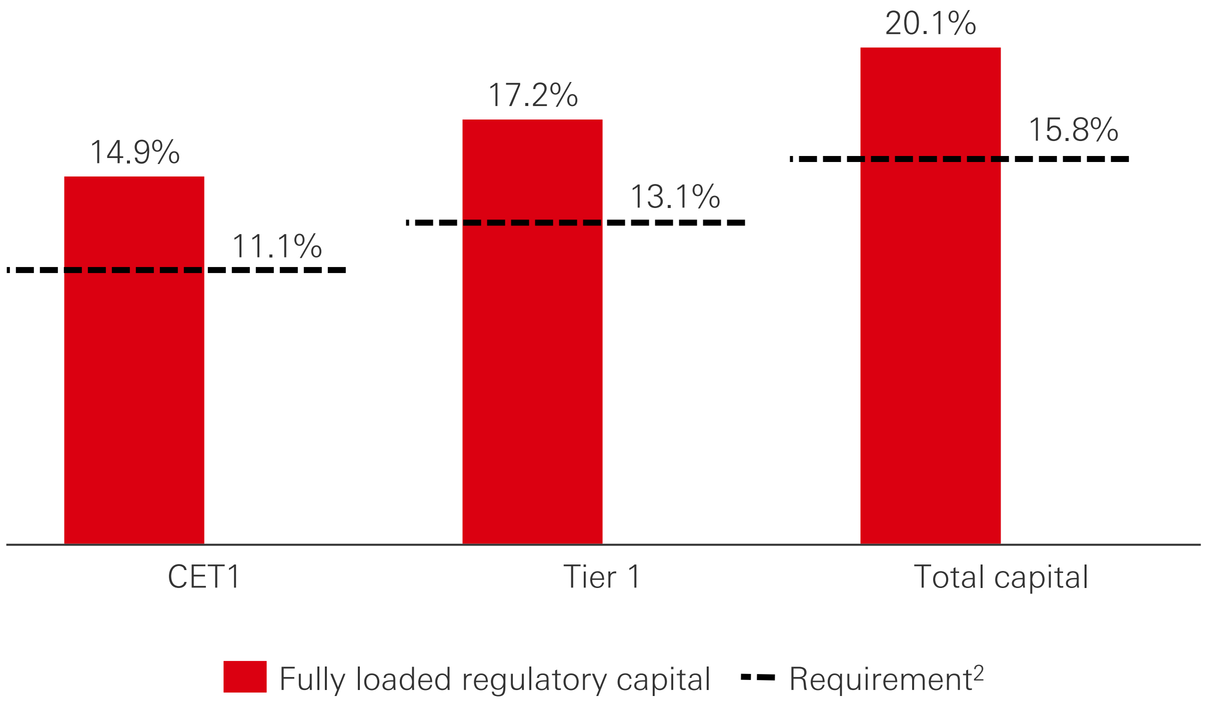
CET1 ratio as a % of RWAs, vs. target and MDA hurdle



- **Pillar 2A set at 2.6% of RWAs**, of which 1.5% of RWAs must be held in CET1

End-point regulatory capital vs. regulatory requirements

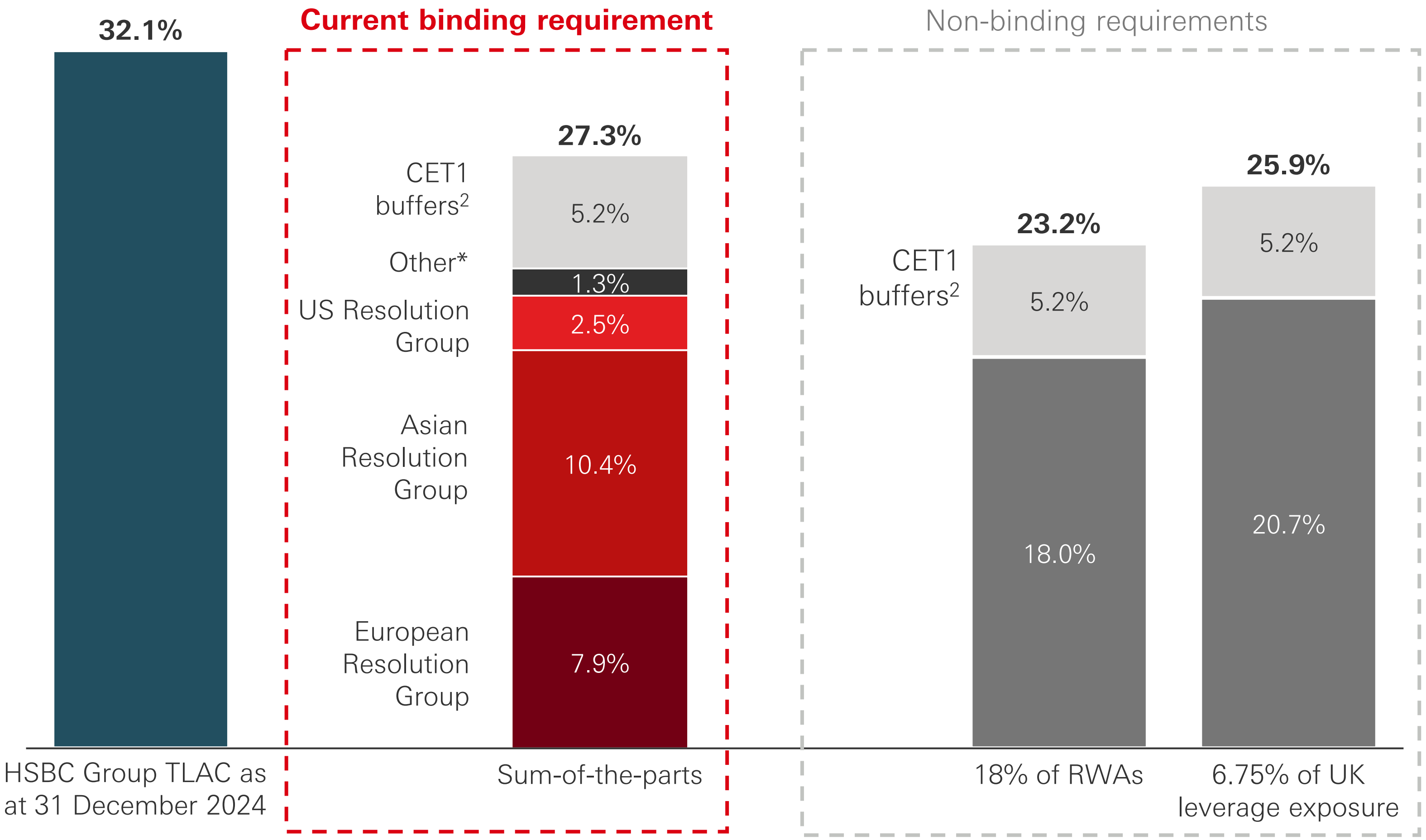
As a % of RWAs



- **End-point total capital ratio** up 0.5ppts vs. FY23, primarily reflecting a higher CET1 ratio, and AT1 issuance
- **Distributable reserves were $28.3bn**, a $2.6bn decrease since 2023, primarily driven by $27.4bn dividends on ordinary shares, AT1 coupon and share buyback payments offset by $24.8bn in profits and other reserves movements generated in 2024

MREL / TLAC position

MREL / TLAC position versus requirements[1] as a % of Group RWAs

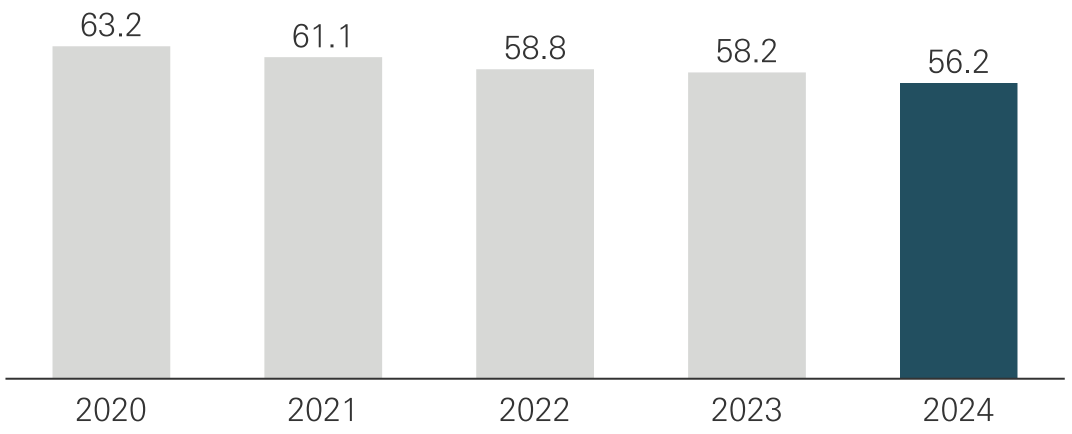


- **4.8ppts / $41bn buffer** to current requirement
- HSBC Group's MREL requirement is the greater of:
  - 18% of RWAs
  - 6.75% of UK leverage exposure
  - The sum of each resolution group's local regulatory requirements and other Group entities' capital requirements (the 'sum-of-the-parts')
- Of the three requirements, the sum-of-the-parts is the current binding constraint
- Expect to maintain a **prudent management buffer** above MREL requirement

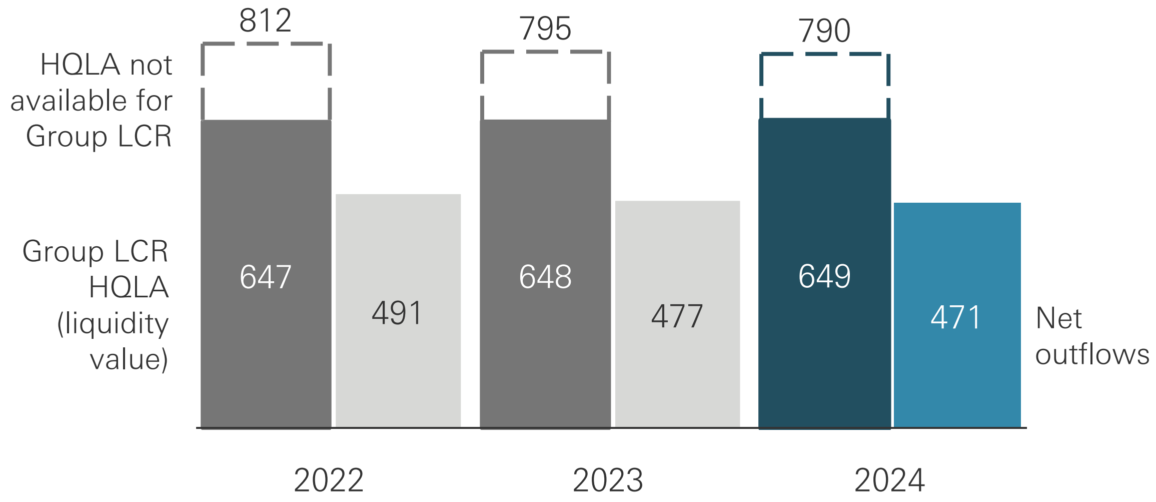
* Capital or TLAC requirements relating to other Group entities

Funding and liquidity

Reported loans to deposits ratio, %



High-quality liquid assets[1], $bn



Principal operating entities	Average LCR[1]	
%	FY23	FY24
HSBC UK Bank plc (RFB)	201	190
HSBC Bank plc (NRFB)	148	148
The Hongkong and Shanghai Banking Corporation – Hong Kong branch	192	191
HSBC Singapore[2]	292	287
Hang Seng Bank	254	299
HSBC Bank China	170	191
HSBC Bank USA	172	167
HSBC Continental Europe	158	149
HSBC Bank Middle East Ltd – UAE branch	281	251
HSBC Mexico	149	164
Group consolidated	**136**	**138**

- HSBC primarily manages liquidity at an operating entity level, rather than as a consolidated group. The Group consolidation methodology includes a deduction to reflect the impacts of limitations in the transferability of entity liquidity around the Group
- At FY24 this resulted in an adjustment of $(141)bn to average LCR HQLA and $(6)bn to LCR inflows
- We enhanced our liquidity consolidation process during 2024. As Group LCR is reported as a 12-month average, the benefits of these changes have incrementally increased our LCR by c.3% during the year

Balance sheet

Customer lending

By business, $bn	4Q23	3Q24	4Q24	Δ 3Q24	
WPB	445	445	447	2	1%
CMB	301	309	307	(3)	(1)%
GBM	171	170	170	(0)	(0)%
Corporate Centre	0	7	7	(0)	(0)%
Group	**917**	**931**	**931**	**(1)**	**(0)%**

By legal entity, $bn	4Q23	3Q24	4Q24	Δ 3Q24	
Asia	449	450	450	(0)	(0)%
o/w: Hong Kong	*281*	*276*	*272*	*(3)*	*(1)%*
UK RFB	266	272	273	1	1%
HSBC Bank plc	92	105	103	(2)	(1)%
US	55	56	56	(0)	(1)%
Mexico	22	23	23	0	1%
HSBC Middle East	20	21	20	(1)	(1)%
Other	14	5	5	(0)	(3)%

Customer deposits

By business, $bn	4Q23	3Q24	4Q24	Δ 3Q24	
WPB	793	806	823	17	2%
CMB	465	470	490	21	4%
GBM	321	327	341	14	4%
Corporate Centre	1	0	0	(0)	(0)%
Group	**1,580**	**1,603**	**1,655**	**52**	**3%**

By legal entity, $bn	4Q23	3Q24	4Q24	Δ 3Q24	
Asia	794	821	845	24	3%
o/w: Hong Kong	*547*	*565*	*575*	*10*	*2%*
UK RFB	334	336	340	4	1%
HSBC Bank plc	265	280	298	18	6%
US	100	98	99	1	1%
Mexico	24	25	28	3	9%
HSBC Middle East	31	34	35	1	4%
Other	31	9	10	1	8%

Some tables do not cast due to rounding

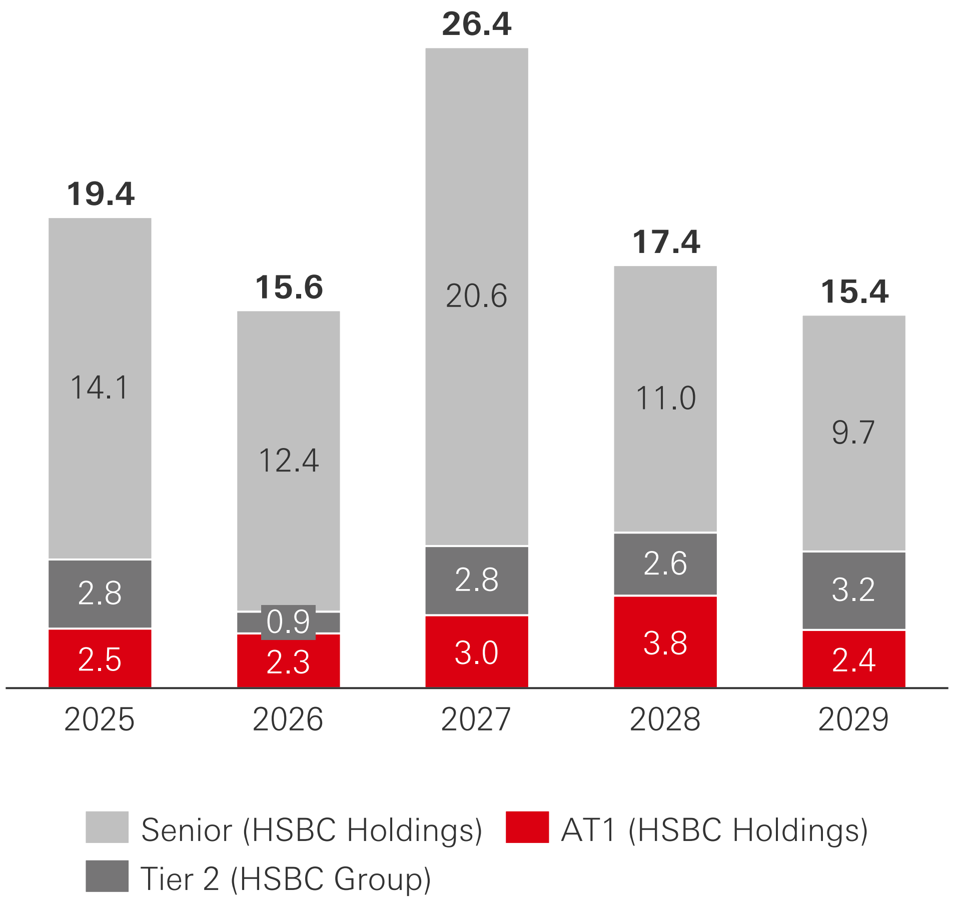
2025 issuance plan

	Planned 2025 gross issuance	2025 calls and maturities	2024 gross issuance
HoldCo senior	**$16-18bn**	**$14.1bn**	**$16.1bn** *$6bn of tenders conducted*
Tier 2	**$2-3bn**	**$2.8bn**	**$4.3bn** *$1bn of tenders conducted*
AT1	**$3-4bn**	**$2.5bn** *(call announced Feb 2025)*	**$3.6bn** *Legacy Tier 1 redemption (redemption amount: $1.2bn)*
Opco	Expect certain subsidiaries to issue modest senior / secured debt in local markets		**Highlights:** ▪ HSBC USA: $1.5bn ▪ HBAP: JPY60bn, CNY4.5bn, HKD1bn (digital) ▪ Lion RMBS: AUD1.5bn

Portfolio instruments

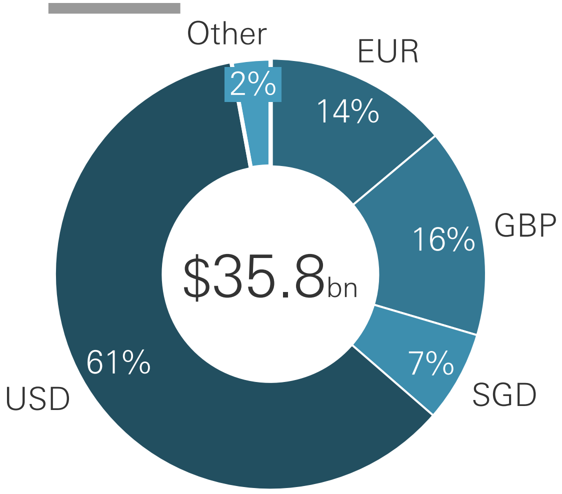
Maturity profile at FY24[1]

$bn-equivalent

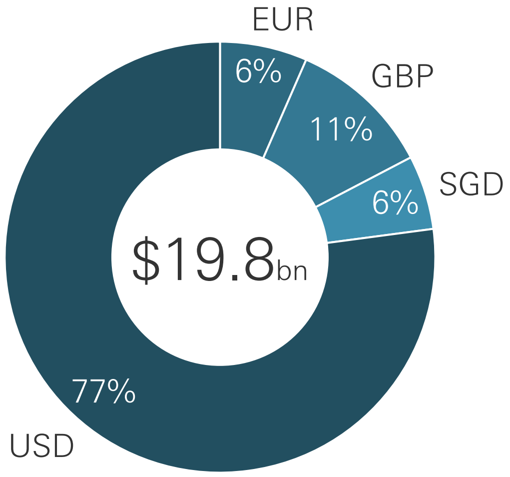


Outstanding instruments by currency (notional) at FY24

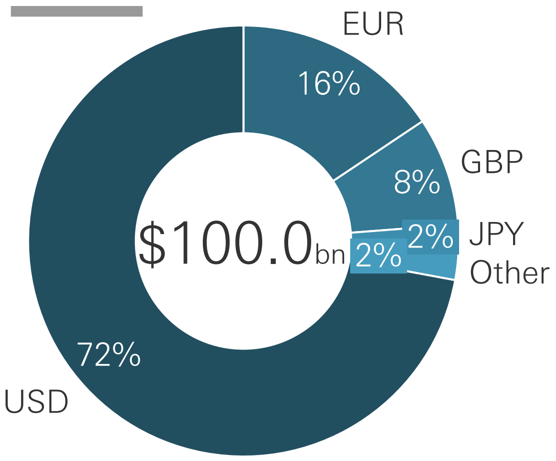
Tier 2



Additional Tier 1



HoldCo senior



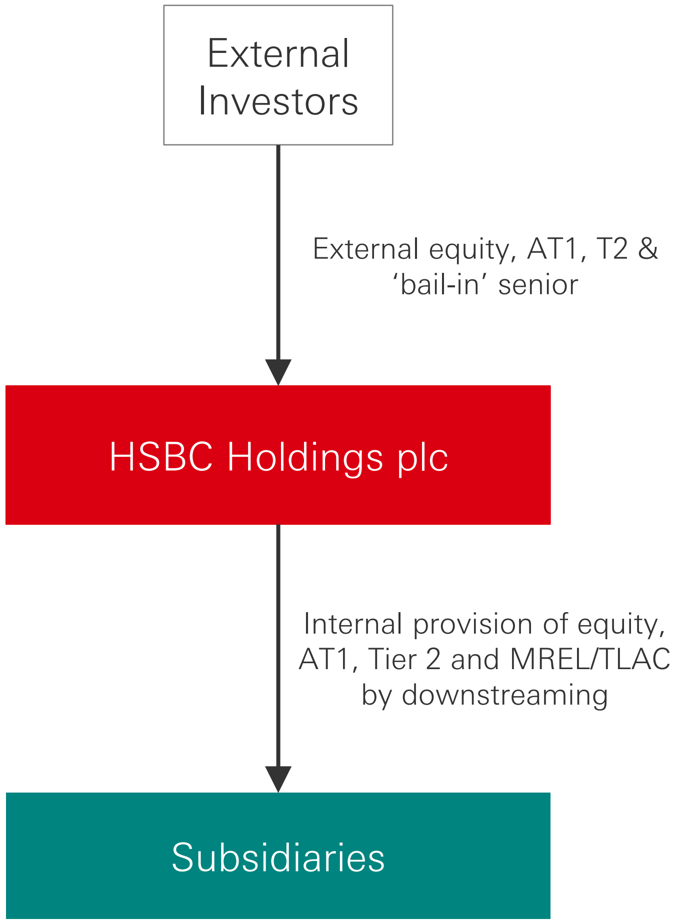
Appendix

MREL / TLAC position

	HSBC Group	US resolution group	Europe resolution group (Including HSBC Holdings)[1]	Asian resolution group
MREL / TLAC position at FY24	**Total MREL / TLAC: $269.4bn** Of which: non-regulatory capital: $96.5bn	**Total TLAC: $23.8bn** Of which: non-regulatory capital (long-term debt): $9.3bn	**Total MREL / TLAC: $107.1bn** Of which: non-regulatory capital: $58.8bn	**Total TLAC: $111.3bn** Of which: non-regulatory capital: $28.4bn
Balance sheet at FY24	RWAs: $838.3bn Leverage exposure: $2,571.1bn	RWAs: $106.4bn Average assets: $233.4bn	RWAs: $290.9bn Leverage exposure: $966.8bn	RWAs: $407.8bn Leverage exposure: $1,292.1bn
Requirement	The greater of: ▪ 18% of RWAs ▪ 6.75% of UK leverage exposure ▪ Sum-of-the-parts*	TLAC[2]: the greater of: ▪ 18% of RWAs ▪ 9% of average assets Long-Term Debt: the greater of: ▪ 6% of RWAs ▪ 3.5% of average assets	The greater of: ▪ 18% of RWAs ▪ 6.75% of UK leverage exposure ▪ 2 x (P1 + P2A)	Firm specific requirement, subject to TLAC floor of the greater of: ▪ 18% of RWAs ▪ 6.75% of leverage exposure

* Note: the sum-of-the-parts calculation also includes capital requirements or TLAC requirements relating to other Group entities

Approach to issuance



HSBC Holdings plc

- Since 2015, HSBC Holdings has been the Group's issuing entity for external AT1, Tier 2 and MREL / TLAC-eligible senior
- Issuance executed with consideration to our maturity profile

Internal capital and MREL/TLAC

- Proceeds of external debt issued by HSBC Holdings is predominantly used to acquire internal capital and MREL/TLAC instruments issued by its subsidiaries
- HSBC Holdings does not generally provide funding to subsidiaries for day-to-day liquidity needs
- HSBC Holdings retains proceeds for its own liquidity and capital management (**>$20bn** at FY24)

External debt issued by subsidiaries

- HSBC will continue to issue senior and secured debt from certain subsidiaries to meet local funding and liquidity requirements. This debt is not intended to constitute MREL/TLAC
- External legacy capital instruments issued by subsidiaries are not eligible as MREL/TLAC

Banking NII

Reported FX, $m	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 3Q24	FY23	FY24
Banking NII	**10,717**[1]	**11,266**	**10,938**	**10,584**	**10,950**	**366**	**44,095**	**43,738**
Of which: Asia	*5,566*	*5,435*	*5,317*	*5,475*	*5,464*	*(11)*	*22,024*	*21,691*
Of which: UK RFB	*2,455*	*2,531*	*2,532*	*2,643*	*2,663*	*20*	*9,684*	*10,368*
Of which: HSBC Bank plc	*1,205*	*1,109*	*1,187*	*1,152*	*1,182*	*30*	*4,596*	*4,630*
Memo: notable items	—	—	—	(283)	46	329	—	(237)
Average interest earning assets, $bn	2,164	2,140	2,055	2,088	2,113	25		
NIM, bps	152	163	162	146	154	8bps		
Centrally-funded net trading assets, $bn*	164	187	207	210	200	(10)		

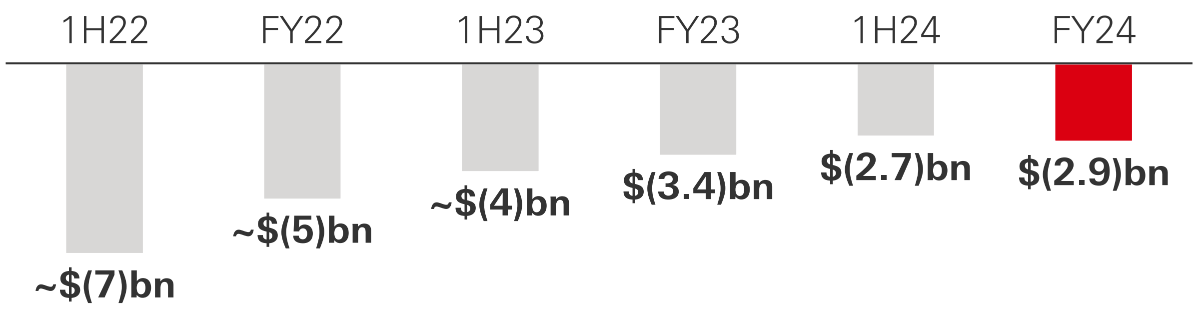
Constant currency, $m	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 3Q24	FY23	FY24
Banking NII	**10,040**	**11,042**	**10,856**	**10,461**	**10,950**	**490**	**42,387**	**43,738**

Refer to page 91 of our 2024 Annual Report and Accounts for a reconciliation from reported NII to Banking NII

* Period end balance

Banking NII sensitivity and structural hedge

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



Banking NII – year 1 sensitivity to a (100)bps down-shock

$m

USD	(862)
HKD	(403)
GBP	(353)
EUR	(314)
Other	(954)
Total	**(2,886)**

- Banking NII sensitivity to a (100)bps downshock **$(2.9)bn**, a reduction of ~$(4)bn since June 2022. We estimate that ~50% of the reduction is due to an increase in the notional and duration of the structural hedge
- Structural hedge notional **$529bn**, with a weighted average life of **3.1 years**, up from 2.8 years at 1H24
- We expect **~$95bn of positions to be reinvested** at prevailing rates during 2025; we have also stabilised 2025 Banking NII by locking in rates in advance on certain additional balances
- Subject to market conditions, we expect to increase the notional of the structural hedge in FY25

Structural hedge, $bn	Balance	Average yield
Total	529	
— o/w: FY25 reinvestment	~95	~2.8%
— o/w: FY26 reinvestment	~95	~2.8%
— o/w: FY27 reinvestment	~90	~3.4%

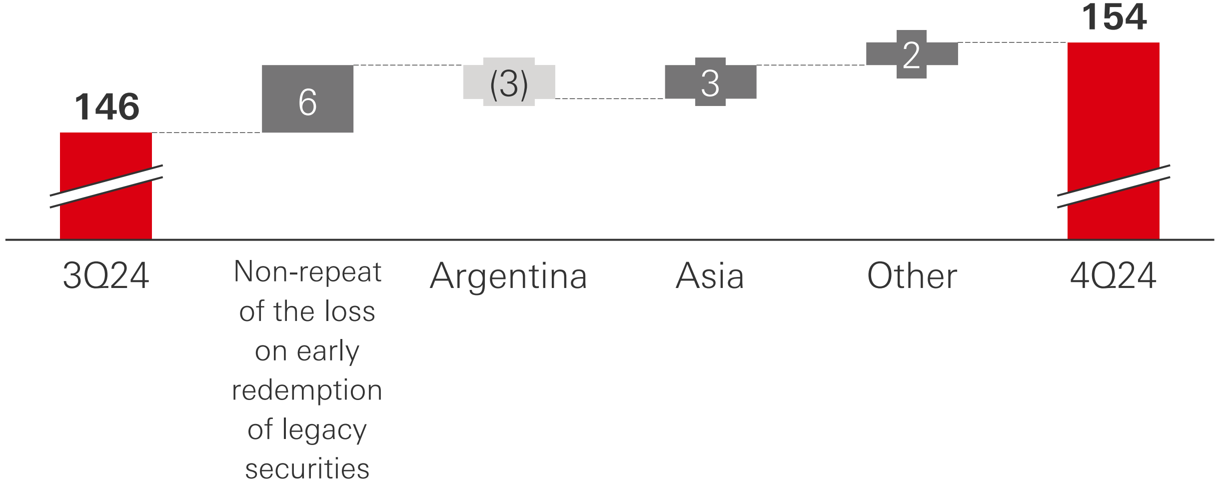
* Assumptions include a static balance sheet, no management actions and a 50% pass-through – see page 212 of our 2024 Annual Report and Accounts for further detail

Reported net interest margin

Quarterly NIM by key legal entity (reported FX)

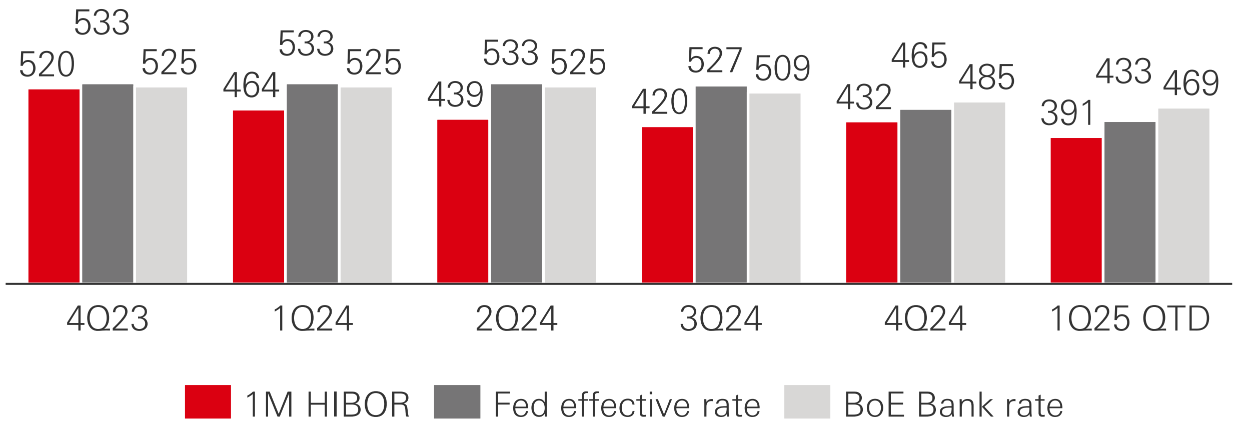
	4Q23	1Q24	2Q24	3Q24	4Q24	% 4Q24 NII	% 4Q24 AIEA
Asia	1.73%	1.66%	1.63%	1.58%	**1.63%**	48%	45%
HSBC Bank plc	0.50%	0.35%	0.35%	0.19%	**0.17%**	2%	23%
UK RFB	2.50%	2.56%	2.57%	2.57%	**2.53%**	32%	20%
US	0.90%	0.83%	0.76%	0.87%	**0.96%**	6%	9%
Group	1.52%	1.63%	1.62%	1.46%	**1.54%**	n.m	n.m

Group NIM, bps (reported FX)

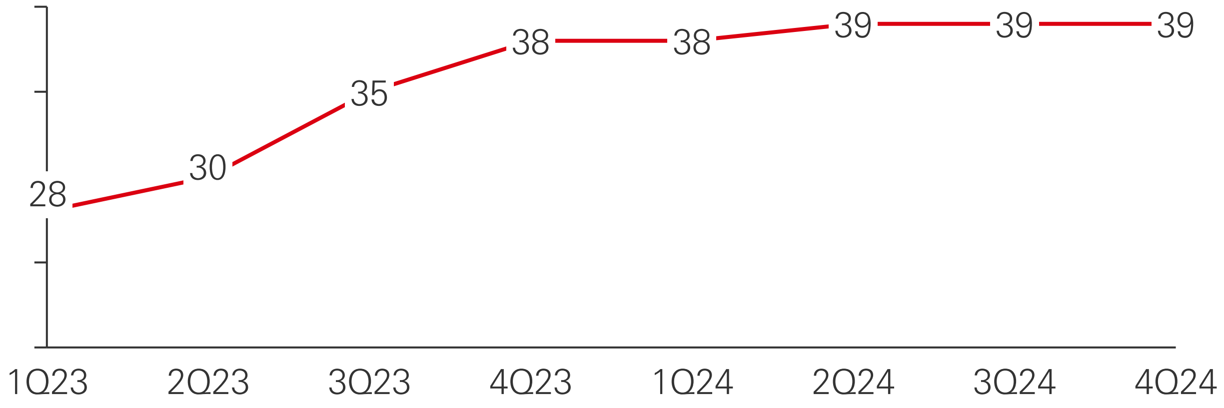


Key rates (quarter averages), bps

Source: Bloomberg
At 17 February 2025



Time deposits as a % of Hong Kong customer deposits



A 3ppt shift from CASA to time deposits would result in an incremental annual interest expense of around $(0.6)bn[1]

Notable items

Reported FX, $m	4Q23	1Q24	2Q24	3Q24	4Q24
Revenue	(2,733)	3,732	(161)	(211)	(4,940)
— *o/w: Banking NII*	*—*	*—*	*—*	*(283)*	*46*
— *o/w: Fee and other income*	*(2,733)*	*3,732*	*(161)*	*72*	*(4,986)*
Costs	(65)	(50)	(32)	(45)	(106)
Associates	(3,000)	—	—	—	—
Total	**(5,798)**	**3,682**	**(193)**	**(256)**	**(5,046)**
Memo: Total notable items on a constant currency basis	(5,820)	3,683	(194)	(254)	(5,046)

Global CRE exposure

Commercial real estate gross loans and advances, $m[1]

Reported FX	4Q23	2Q24	4Q24	Δ 2Q24	Stage 3 %
Asia (HBAP)	58,121	55,123	49,909	(9)%	13%
o/w: Hong Kong	*42,462*	*40,130*	*36,247*	*(10)%*	*16%*
o/w: HK, excl. exposure to mainland China borrowers	*36,817*	*35,609*	*33,201*	*(7)%*	*14%*
UK RFB (HBUK)	14,010	13,759	13,938	1%	4%
HSBC Bank plc (HBEU)	4,834	4,821	3,854	(20)%	6%
US (HNAH)	3,925	3,182	2,844	(11)%	8%
Mexico (HBMX)	780	574	469	(18)%	5%
HSBC Bank Middle East (HBME)	1,460	1,289	1,253	(3)%	9%
Other	459	42	66	57%	35%
Total	**83,589**	**78,790**	**72,333**	**(8)%**	10%
*o/w: UK**	14,586	14,221	14,405	*1%*	3%

Hong Kong, excluding exposure to mainland China borrowers

Exposure of **$33.2bn**, down $(2.4)bn vs. 1H24 on a reported FX basis

- Secured exposures account for 54% of the total portfolio (31 December 2023: 54%)
- As at 31 December 2024, the weighted average LTV of:
  - Exposures rated 'sub-standard' 46% (31 December 2023: 54%)
  - 'Credit impaired' exposures 58% (31 December 2023: 71%). The reduction in LTV reflects the significantly smaller 'credit impaired' portfolio at 31 December 2023
- The unsecured portfolio remained stable in size and quality, with limited levels of default and close to 90% rated Strong or Good. Unsecured exposures are typically granted to strong, listed Hong Kong CRE developers, which commonly are members of conglomerate groups with diverse cashflows

* Includes lending outside the UK RFB

Mainland China commercial real estate

Mainland China CRE exposures by booking location and credit quality

At 31 December 2024

Reported FX, $bn	*Memo: Hong Kong at 2Q24*	Hong Kong	Mainland China	Rest of Group	Total
Total	*4.8*	**3.2**	**3.7**	**0.3**	**7.3**
Strong	*0.3*	0.1	1.8	0.1	2.0
Good	*0.4*	0.6	0.6	0.0	1.2
Satisfactory	*0.3*	0.2	0.9	0.0	1.1
Sub-standard	*1.1*	0.8	0.1	0.1	1.1
Credit impaired	*2.6*	1.6	0.3	—	1.8
Allowance for ECL	*(1.8)*	**(1.0)**	**(0.1)**	**(0.0)**	**(1.2)**

Hong Kong booked sub-standard and credit impaired exposures

$bn	Total exposure	Of which not secured‡	ECL allowance◆
Sub-standard	0.8	0.6	(0.2)
Credit impaired	1.6	1.0	(0.6)
Total	**2.3**	**1.7**	**(0.9)**

c.60% coverage ratio against not secured, credit impaired exposures

Total exposure of $7.3bn, down $(2.1)bn vs. 2Q24

ECL charge of $(206)m in 4Q24 / $(433)m in FY24

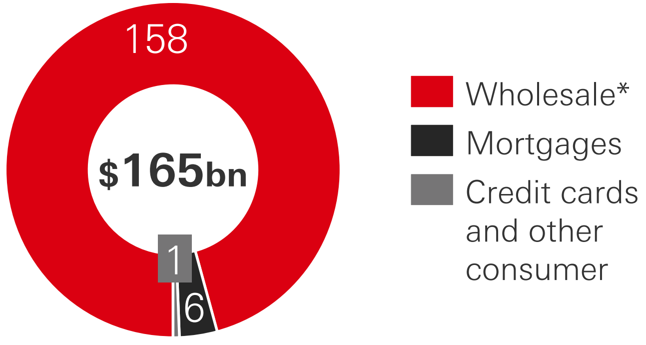
Hong Kong booked exposure of $3.2bn, down $(1.5)bn* vs. 2Q24

- The majority of the $0.9bn classified as strong, good or satisfactory is to state-owned enterprises and privately-owned enterprises that are not typically engaged in residential property development

* Of which $(1.1)bn write-offs and $(0.4)bn net repayments
‡ Does not cast due to rounding
◆ ECL allowance shown only on exposures that are not secured

Mainland China exposure

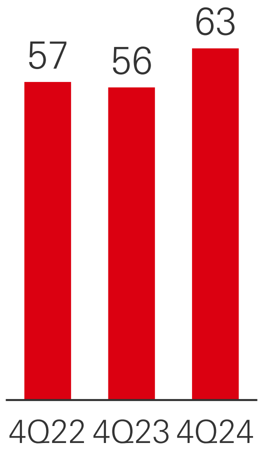
Mainland China risk exposure, $bn



Balances booked in mainland China

Gross customer loans, $bn

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

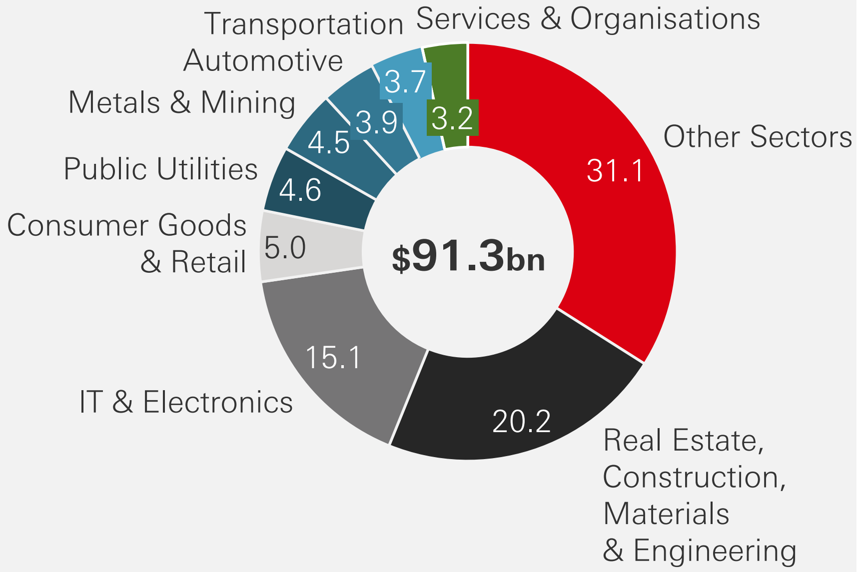
Wholesale lending analysis, $bn

	4Q23	2Q24	4Q24
NBFI	1.2	1.0	0.9
Banks	31.0	29.8	30.7
Sovereign & public sector	37.1	33.3	34.8
Corporates	91.7	94.3	91.3
Total	**161.0**	**158.4**	**157.7**

Wholesale lending by counterparty type and credit quality, $bn

	NBFI	Banks	Sovereign & public sector	Corporates	Total
Strong	0.2	29.2	34.8	36.9	**101.1**
Good	0.6	1.3	—	27.0	**28.9**
Satisfactory	0.1	0.2	—	23.2	**23.5**
Sub-standard	—	—	—	1.6	**1.6**
Credit impaired	—	—	—	2.6	**2.6**
Total	**0.9**	**30.7**	**34.8**	**91.3**	**157.7**

Corporate lending by sector, $bn



- **c.13%** of lending is to foreign-owned enterprises
- **c.44%** of lending is to state-owned enterprises
- **c.43%** of lending is to private sector owned enterprises

* Wholesale drawn risk exposure of $158bn includes on balance sheet lending as well as issued off balance sheet exposures, excludes unutilised commitments and MSS financing. 60% is booked onshore

Cost target basis reconciliations

2024 target basis

$m	FY23	FY24	1Q24	2Q24	3Q24	4Q24
Costs*	**(31,493)**	**(33,043)**	**(8,151)**	**(8,145)**	**(8,143)**	**(8,604)**
Less: Notable items	185	233	50	32	45	106
Add: Impact of retranslating prior period results in hyperinflationary economies at constant currency	(742)	—	—	—	—	—
Less: Canada direct costs	693	162	162	—	—	—
Less: France retail direct costs	283	—	—	—	—	—
Target basis	**(31,074)**	**(32,648)**	**(7,939)**	**(8,113)**	**(8,098)**	**(8,498)**

2025 target basis

$m	FY24
FY24 reported costs	**(33,043)**
Less: Notable items	233
Less: Canada direct costs	162
Less: Argentina direct costs	509
Baseline	**(32,139)**

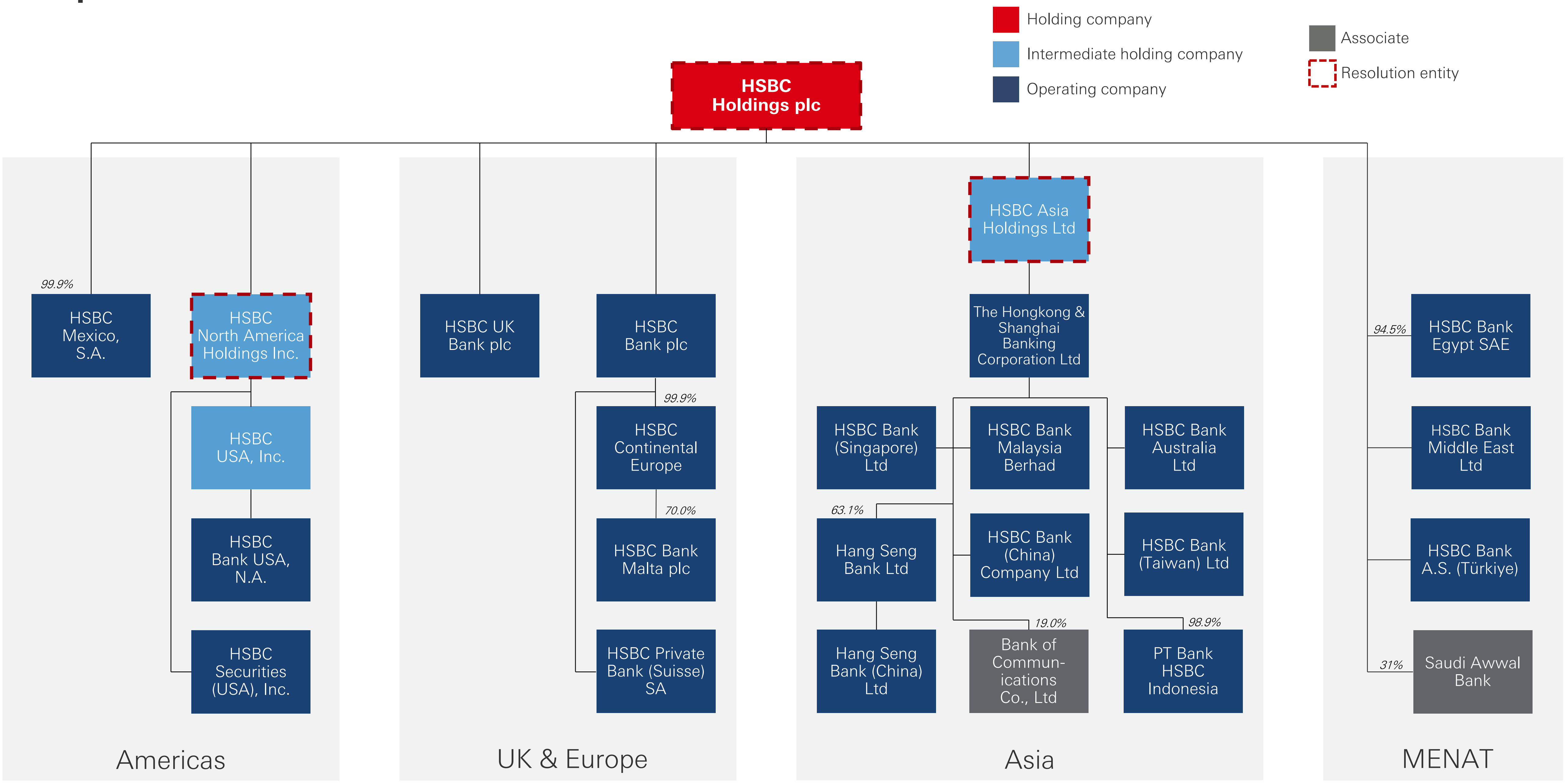
- We are targeting growth in target basis costs of approximately (3)% in 2025, on a constant currency basis, compared with 2024
- Our target cost baseline excludes the direct cost impact of the business disposals in Canada and Argentina, notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency

* FY23 is on a constant currency basis; all 2024 periods are on a reported FX basis

Credit ratings for main issuing entities

Long term senior ratings as at 18 February 2025	S&P		Moody's		Fitch	
	Rating	**Outlook**	**Rating**	**Outlook**	**Rating**	**Outlook**
HSBC Holdings plc	A-	STABLE	A3	STABLE	A+	STABLE
The Hongkong and Shanghai Banking Corporation Ltd	AA-	STABLE	Aa3	NEG	AA-	STABLE
HSBC Bank plc	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC UK Bank plc	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC Continental Europe (formerly HSBC France)	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC Bank USA NA	A+	STABLE	Aa3	STABLE	AA-	STABLE

Simplified structure chart



Glossary

AIEA	Average interest earning assets
APAC	Asia Pacific
AT1	Additional Tier 1
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
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
CASA	Current accounts and savings accounts
CET1	Common Equity Tier 1
CIB	Corporate and Institutional Banking
CMB	Commercial Banking, one of our global business which operated until 31 December 2024
CCB	Capital Conservation Buffer
CCyB	Countercyclical Capital Buffer
Corporate Centre	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
CSM release	The systematic recognition of the unearned profit of insurance contracts in revenue over the period that services are provided
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
GBM	Global Banking and Markets, one of our global business which operated until 31 December 2024
GFX	Global Foreign Exchange
GPS	Global Payments Solutions
Group	HSBC Holdings plc and its subsidiary undertakings
GSIB	Global Systemically Important Bank

GTS	Global Trade Solutions
HBAP	The Hongkong and Shanghai Banking Corporation Limited, our principal operating entity in Asia
HIBOR	Hong Kong Interbank Offered Rate
HoldCo	Holding Company
HQLA	High-quality liquid assets
HSBC Group	HSBC Holdings plc and its subsidiary undertakings
IFRS	International Financial Reporting Standard
LCR	Liquidity coverage ratio
LTV	Loan to value ratio
MENAT	Middle East and North Africa, including Türkiye
MREL	Minimum requirement for own funds and eligible liabilities
MSS	Markets and Securities Services
M&A	Mergers and acquisitions
NBFI	Non-bank financial institution
NII	Net interest income
NIM	Net interest margin
n.m.	Not meaningful
NNIA	Net new invested assets
NRFB	Non ring-fenced bank in Europe and the UK
OCI	Other Comprehensive Income
OpCo	Operating Company
P1	Pillar 1
P2A	Pillar 2A
PAOS	Profit attributable to ordinary shareholders of the parent company
PBT	Profit before tax
Ppt	Percentage points
TLAC	Total Loss Absorbing Capacity
UK RFB	HSBC UK Bank plc (HSBC UK), the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
TNAV	Tangible net asset value
TMD	Time deposits
WPB	Wealth and Personal Banking, one of our global business which operated until 31 December 2024

Footnotes

Slide 2: FY24 performance

1. $26.9bn includes: $11.9bn ordinary dividends, including an estimated amount for the fourth interim dividend in respect of 2024, payable on 25APR25; $3.9bn special dividend; $11bn share buybacks, comprising the buybacks announced at 1Q24 / 2Q24 / 3Q24 results which have been completed, and the up to $2bn buyback announced at 4Q24 results
2. Up to $11bn -- includes the buybacks announced at 1Q24 / 2Q24 / 3Q24 results which have been completed, and the up to $2bn buyback announced at 4Q24 results

Slide 3: Benefits from our organisational simplification

1. Revenue for which a single member of the Group OpCo is accountable
2. Excluding the impact of notable items. Our targets and expectations reflect our current outlook for the global macroeconomic environment and market-dependent factors, such as market-implied interest rates (as of mid-January 2025) and rates of foreign exchange, as well as customer behaviour and activity levels

Slide 4: We've aligned our business structure to our strategic priorities (1)

1. HSBC internal analysis based on loans and advances to customers in our Hong Kong legal entity as of 30 June 2024, and the financial data presented in the Q2 2024 results announcements of 13 selected peer banks, including Bank of China Hong Kong, Standard Chartered, Bank of East Asia and ICBC
2. HSBC internal analysis based on customer accounts in our Hong Kong legal entity as of 30 June 2024, and the financial data presented in the Q2 2024 results announcements of the same 13 selected peer banks
3. HSBC internal analysis based on the 9M24 PBT of HSBC UK and the financial data presented in the Q3 2024 results announcements of Barclays (Barclays UK and UK Corporate Bank divisions), Lloyds Banking Group, Natwest Group and Santander UK
4. HSBC internal analysis based on loans and advances to customers in HSBC UK as at 30 September 2024, and financial data presented in the Q3 2024 results announcements of the same four selected peer banks
5. HSBC internal analysis based on third party customer deposits in HSBC UK as at 30 September 2024, and financial data presented in the Q3 results announcements of the same four selected peer banks
6. Corporate Centre under the re-presented operating segments had a RoTE of ~1% in 2024. Selected 2024 financial information re-presented, for illustrative purposes only, to align with the Group's operating segments effective from 1 January 2025. No additional adjustments have been made to this information other than to reflect the presentation of the Group's new operating segments, and there are no changes to the Group's total figures as disclosed in the Annual Report and Accounts 2024. Data presented is unaudited. Further detail on our operating segments can be found on page 103 of our 2024 Annual Report and Accounts

Slide 5: We've aligned our business structure to our strategic priorities (2)

1. Source: Coalition Greenwich Competitor Analytics – 3Q24YTD. 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$5-10mn
2. Source: Coalition Greenwich Competitor Analytics – 3Q24YTD. Based on HSBC's internal business structure and internal revenue numbers, and the following peer group: BofA, BARC, BNPP, CITI, DBS, DB, JPM, SCB. Analysis includes all Institutional Clients and Corporates with annual sales turnover of more than US$5-10mn.
3. Source: Coalition Greenwich Competitor Analytics – 3Q24YTD. 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. Equal ranking represents within 5% revenue margin.
4. Source: Coalition Greenwich Competitor Analytics – 3Q24YTD. Based on HSBC's internal business structure and internal revenue numbers, and the following peer group: BofA, BNPP, BNY, CITI, DB, JPM, NT, SG & STT
5. Source: Asian Private Banker 2023
6. Source: Hong Kong Insurance Authority June 2024. 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
7. Corporate Centre under the re-presented operating segments had a RoTE of ~1% in 2024. Selected 2024 financial information re-presented, for illustrative purposes only, to align with the Group's operating segments effective from 1 January 2025. No additional adjustments have been made to this information other than to reflect the presentation of the Group's new operating segments, and there are no changes to the Group's total figures as disclosed in the Annual Report and Accounts 2024. Data presented is unaudited. Further detail on our operating segments can be found on page 103 of our 2024 Annual Report and Accounts

Slide 7: We have a strong deposit base

1. Selected 2024 financial information re-presented, for illustrative purposes only, to align with the Group's operating segments effective from 1 January 2025. No additional adjustments have been made to this information other than to reflect the presentation of the Group's new operating segments, and there are no changes to the Group's total figures as disclosed in the Annual Report and Accounts 2024. Data presented is unaudited. Further detail on our operating segments can be found on page 103 of our 2024 Annual Report and Accounts
2. Based on the Group's loan to deposit ratio, compared with 14 peer banks used for the remuneration of the Group's Executive Directors as part of their long-term incentive plan. These include Bank of China Hong Kong (Asia), Barclays (UK), BNP Paribas (Europe), China Merchants Bank (Asia), Citigroup (US), DBS Group Holdings (Asia), J.P. Morgan Chase & Co. (US), Lloyds Banking Group (UK), OCBC Bank (Asia), Standard Chartered (Asia) and UBS Group (Europe). Uses the latest available financial reports from peers as of 10 February 2025
3. Market data sourced from the HKMA and Bank of England as at December 2024. Time deposits for our Hong Kong entity and HSBC UK are based on internal definitions

Slide 8: We maintain a high-quality loan portfolio

1. Wholesale loans classified as Strong or Good credit quality are equivalent to an investment grade rating from an external credit rating agency

Slide 9: Gross customer lending

1. Secured lending comprises 'first lien residential mortgages' and 'other personal lending which is secured'

Slide 10: Asset quality

1. Including held-for-sale balances

Footnotes

Slide 11: We aim to generate consistent mid-teens returns over the next three years
1. Excluding the impact of notable items. Our targets and expectations reflect our current outlook for the global macroeconomic environment and market-dependent factors, such as market-implied interest rates (as of mid-January 2025) and rates of foreign exchange, as well as customer behaviour and activity levels

Slide 12: FY24 results summary
1. Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments'. The leverage ratio is calculated using the end point definition of capital and the IFRS 9 regulatory transitional arrangements, in line with the UK leverage rules that were implemented on 1 January 2022, and excludes central bank claims. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and subsequently amended under UK law
2. The impacts of disposal of our business in Argentina and the disposal of our banking business in Canada
3. Including held-for-sale balances

Slide 14: Banking NII (1)
1. 4Q23 included impacts of $(0.5)bn from Argentina hyperinflation accounting and $(0.3)bn from the reclassification of cash flow hedge revenue between NII and non-NII

Slide 16: Fee and other income: Wholesale Transaction Banking
1. Includes (i) GFX in GBM management view of income; (ii) GFX from cross sale of FX products to CMB clients, included within 'CMB Markets products, Insurance and Investments and Other'

Slide 23: Outlook
1. In line with our medium-term planning range. Calculated as a percentage of average gross loans, including held-for-sale loan balances
2. See slide 41 for a reconciliation of our 2025 target basis

Slide 25: Capital position
1. See footnote 1 on slide 12

Slide 26: FY24 capital position versus requirements
1. We intend to continue to manage the CET1 capital ratio within our medium-term target range of 14% to 14.5%
2. Excludes Pillar 2B requirements

Slide 27: MREL / TLAC position
1. Excludes Pillar 2B requirements
2. Group CET1 buffers are shown in addition to the MREL requirements. The buffers shown in addition to the RWA, leverage and SoTP TLAC/MREL requirement are calculated in accordance with the PRA Supervisory statement 16/16 updated in December 2020

Slide 28: Funding and liquidity
1. LCR is based on average values. The LCR is the average of the preceding 12 months. The liquidity value of the assets for each entity's LCR calculation is shown in the table, along with the individual LCR ratio on a local regulatory requirements basis wherever applicable. Where local regulatory requirements are not applicable, the PRA LCR is shown. The local basis may differ from PRA measures due to differences in the way regulators have implemented the Basel III standards
2. HSBC Singapore includes HSBC Bank Singapore Limited and The Hongkong and Shanghai Banking Corporation – Singapore branch. Liquidity and funding risk is monitored and controlled at country level in line with the local regulator's approval.

Slide 31: Portfolio instruments
1. To next call date if callable; otherwise to maturity

Slide 33: MREL / TLAC position
1. From 30 September 2024, the investments in eligible liabilities issued by the Asian and US resolution groups are deducted on a corresponding basis, previously they were against own funds
2. The TLAC requirements for our US business are calculated based on the greater of 1) a specified minimum percentage of risk weighted assets, including a buffer of 2.5% of risk weighted assets, and 2) a specified minimum percentage of average total consolidated assets (based on the U.S. tier 1 leverage ratio)

Slide 35: Banking NII
1. 4Q23 included: (i) $(0.5)bn of Argentina hyperinflation accounting; (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. (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 37: Reported net interest margin
1. Based on HK deposit balance of c.$575bn and the c.3.4ppts difference between the average rates paid on time deposits and CASA as at 31 December 2024. Actual NII impact of migration will depend on rates paid and market conditions

Slide 39: Global CRE exposures
1. Commercial real estate lending includes the financing of corporate, institutional and high net worth customers who are investing primarily in income producing real estate assets and to a lesser extent their construction and development

Disclaimer

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The information, statements and opinions set out in this presentation and accompanying discussion (this “Presentation”) are for informational and reference purposes only and do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

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Forward-looking statements

This Presentation may contain projections, estimates, forecasts, ambitions, targets, commitments, 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 ambitions, targets and commitments 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 and government policy changes, including in relation to trade and tariff policies, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war and the conflict in the Middle East and potential resurgence, continuation or escalation thereof, 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, ambitions, targets, commitments, 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 2024, which we expect to file with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 20 February 2025 (the “2024 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 2024 Form 20-F, when filed with the SEC, which is available at www.hsbc.com.

Information in this Presentation was prepared as at 19 February 2025.