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## **HSBC Holdings plc**

### **Overseas Regulatory Announcement**

The attached announcement has been released to the other stock exchanges on which HSBC Holdings plc is listed.

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Sir Mark Edward Tucker\*, Georges Bahjat Elhedery, Geraldine Joyce Buckingham†, Rachel Duan†, Dame Carolyn Julie Fairbairn†, James Anthony Forese†, Ann Frances Godbehere†, Steven Craig Guggenheimer†, Manveen (Pam) Kaur, Dr José Antonio Meade Kuribreña†, Kalpana Jaisingh Morparia†, Eileen K Murray†, Brendan Robert Nelson† and Swee Lian Teo†.

\* Non-executive Group Chairman

† Independent non-executive Director

Hong Kong Stock Code: 5

#### **HSBC Holdings plc**

*Registered Office and Group Head Office:*

8 Canada Square, London E14 5HQ, United Kingdom

Web: [www.hsbc.com](http://www.hsbc.com)

*Incorporated in England and Wales with limited liability. Registration number 617987*



19 February 2025

**HSBC HOLDINGS PLC  
ANNUAL RESULTS 2024  
ZOOM MEETING**

HSBC will be holding a Zoom meeting today for investors and analysts. The speakers will be Georges Elhedery (Group Chief Executive) and Pam Kaur (Group Chief Financial Officer).

A copy of the presentation to investors and analysts is attached and is also available to view and download at <https://www.hsbc.com/investors/results-and-announcements/all-reporting/group>.

Full details of how to access the Zoom meeting appear below and can also be found at [www.hsbc.com/investors/results-and-announcements](http://www.hsbc.com/investors/results-and-announcements).

**Time:** 7.45am (London); 3.45pm (Hong Kong); and 2.45am (New York).

**Webcast:** [https://hsbc.zoom.us/webinar/register/WN\\_jmtoU0QKRs-AwmnrkkWKAw](https://hsbc.zoom.us/webinar/register/WN_jmtoU0QKRs-AwmnrkkWKAw)

Replay access details from 19 February 2025 11.00am GMT – 20 March 2025 11.00am GMT:

Please find replay details here: <https://www.hsbc.com/investors/results-and-announcements>

**Note to editors:**

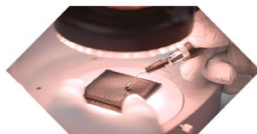
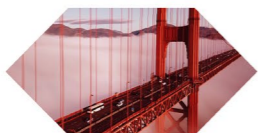
**HSBC Holdings plc**

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 58 countries and territories. With assets of US\$3,017bn at 31 December 2024, HSBC is one of the world's largest banking and financial services organisations.

*ends/all*

# HSBC Holdings plc 4Q24 Results

Presentation to Investors and Analysts



# Business update

**Georges Elhedery**  
Group CEO



# Our FY24 performance

# FY24 performance

\$26.9bn of distributions to shareholders<sup>1</sup>, 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<sup>1</sup>** (FY23: \$20.8bn)
  - \$0.87 DPS — \$0.66 ordinary dividend, \$0.21 special dividend (FY23 DPS: \$0.61)
  - \$11bn share buybacks<sup>2</sup> (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

# 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<sup>1</sup>
- 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<sup>2</sup>

\* Annualised. Severance and other up-front costs of c.\$(1.8)bn will be treated as notable items — see slide 29



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

Leading, scale businesses in our home markets

	Hong Kong business	UK business
Activities	<ul style="list-style-type: none"> <li>◆ Retail Banking</li> <li>◆ Wealth distribution</li> <li>◆ Commercial Banking</li> </ul>	<ul style="list-style-type: none"> <li>◆ Retail Banking</li> <li>◆ Wealth distribution</li> <li>◆ Commercial Banking</li> </ul>
Market position	<ul style="list-style-type: none"> <li>◆ <b>Leading bank</b></li> <li>◆ <b>#1</b> by loans<sup>1</sup></li> <li>◆ <b>#1</b> by deposits<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>#3 by UK profits</b><sup>3</sup></li> <li>◆ <b>#4</b> by loans<sup>4</sup></li> <li>◆ <b>#4</b> by deposits<sup>5</sup></li> </ul>
FY24 re-presented <sup>6</sup>	<ul style="list-style-type: none"> <li>◆ \$9.1bn PBT, 28% of Group</li> <li>◆ ~38% RoTE</li> </ul>	<ul style="list-style-type: none"> <li>◆ \$6.6bn PBT, 20% of Group</li> <li>◆ ~25% RoTE</li> </ul>

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<sup>1</sup>
- ◆ **#2** in Payments<sup>2</sup>
- ◆ **Joint #2** in FX<sup>3</sup>
- ◆ **#2** Securities Services in APAC<sup>4</sup>

- ◆ **#2** Asia Private Bank<sup>5</sup>
- ◆ A leading life insurer in Asia; **#1** in Hong Kong with 24% market share<sup>6</sup>

FY24 re-presented<sup>7</sup>

- ◆ \$11.4bn PBT, 35% of Group
- ◆ ~14% RoTE

- ◆ \$4.0bn PBT, 12% of Group
- ◆ ~16% RoTE

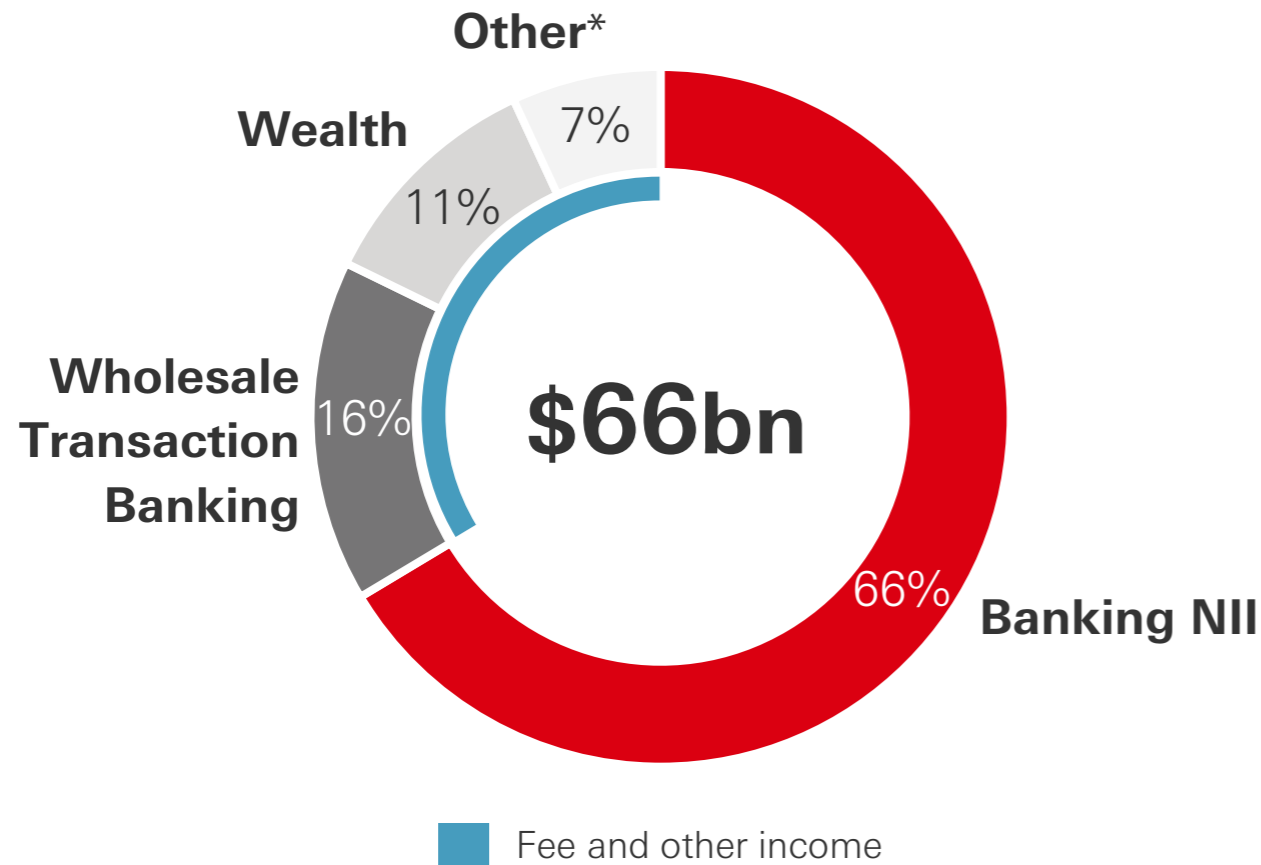
Building on our  
strengths



# 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

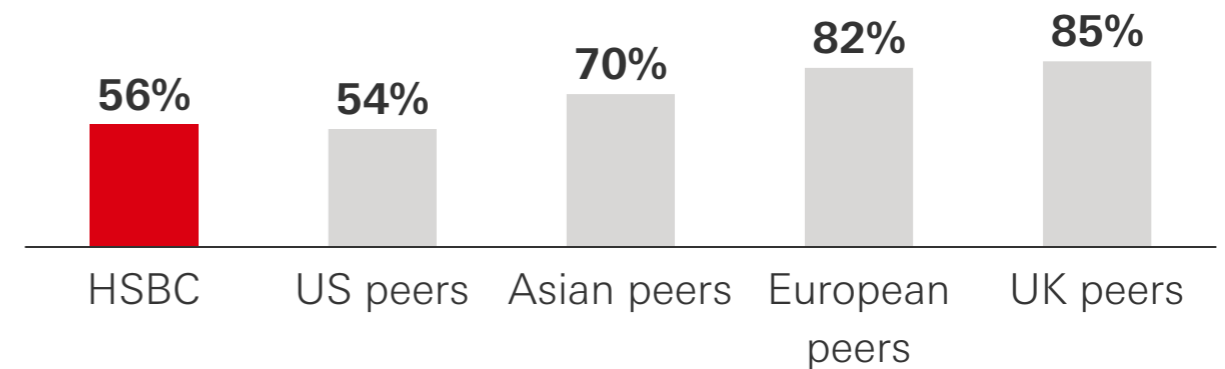
## Strong deposit franchise in each of our businesses

**Group**  
**\$1.7tn | 56% loan to deposit ratio**

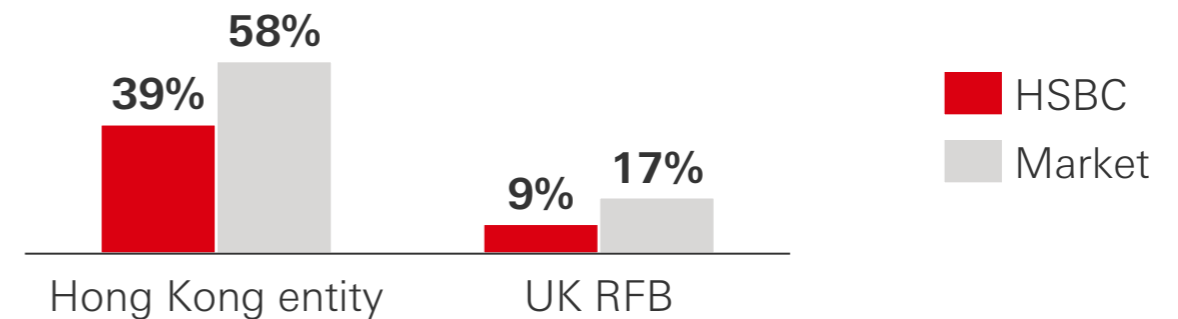
	HK	UK	CIB	IWPB
Deposits <sup>1</sup>	\$507bn	\$330bn	\$558bn	\$259bn
Loan to deposit ratio <sup>1</sup>	46%	81%	51%	53%

## High quality deposit base

### Loan to deposit ratio<sup>2</sup>

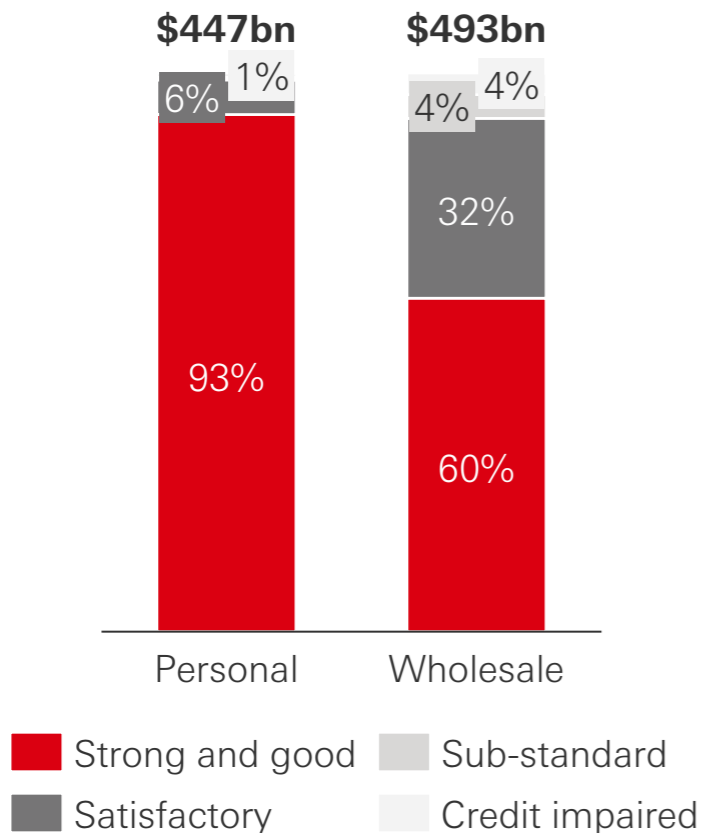


### Time deposits as a % of customer accounts<sup>3</sup>



# 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<sup>1</sup>

- ◆ Medium term ECL planning range of (30) to (40)bps\*
- ◆ 2018 to 2024 average ECL charge (32)bps<sup>†</sup>

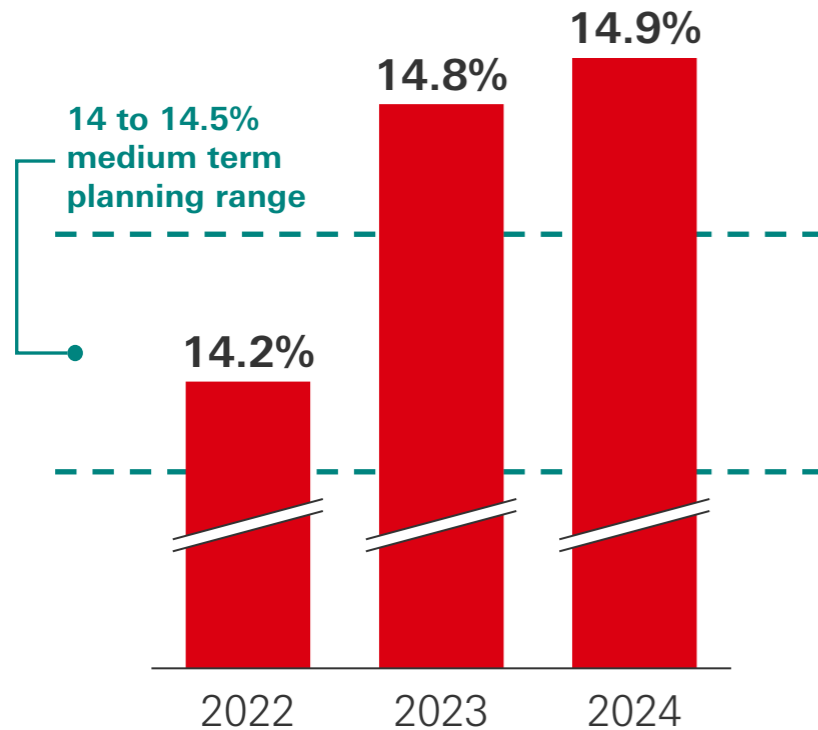
\* As a percentage of average gross loans, including held-for-sale loan balances

† As reported in each respective year

# We manage our capital with discipline

\$47.7bn of distributions to shareholders in respect of 2023 and 2024

## CET1 ratio



## \$47.7bn of distributions to shareholders 2023-2024

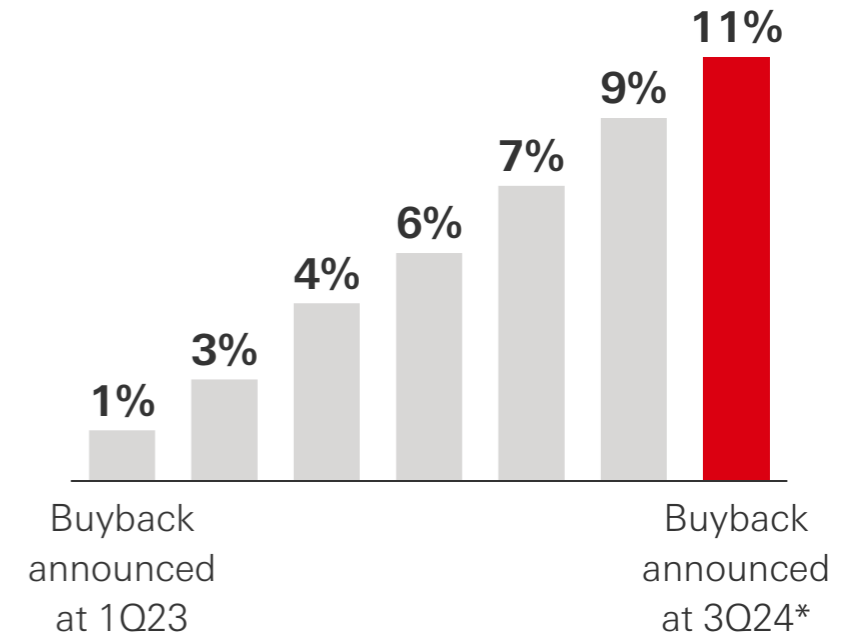
Comprising:

**\$27.7bn**  
dividends

**\$20bn**  
buybacks

## Repurchased 11% of the YE22 issued share count<sup>1</sup>

Cumulative shares repurchased as a % of YE22 issued share count<sup>1</sup>



Distribution amounts shown are in respect of FY23 and FY24, including: (1) \$23.7bn ordinary dividends, using an approximate distribution amount for the fourth interim dividend in respect of 2024, payable on 25 April 2025; (2) \$3.9bn relating to the \$0.21 special dividend paid in 2024; (3) \$20bn share buybacks, including the up to \$2bn buyback announced at 4Q24 results

\* Buyback was completed on 11 February 2025. Includes shares repurchased after 31 December 2024

# Investing for growth



# 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<sup>1</sup>

\* 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

# We will focus our investment for long term strategic growth (1)

Key areas of growth and prioritised investments

## Growth opportunities

## Investment priorities

### Home markets (HK and UK)

- ◆ Grow customer base in HK through acquisition of **new-to-bank international customers** and drive **wealth sales and digital** penetration
- ◆ Grow our market share in the **SME segment** in the UK

- ◆ Invest in **wealth centres, increase number of RMs** and enhance **digital capabilities** to improve customer experience and operating capacity
- ◆ Enhance SME **coverage** and improve our **product proposition** and **customer service** capabilities

### Corporate and Institutional Banking (CIB)

- ◆ Leverage our **network** and **wholesale transaction banking** capabilities to capture opportunities arising from changing trade and capital flows
- ◆ Drive returns through a **distribution-led financing model** leveraging our strong underwriting capabilities

- ◆ Further enhance our **wholesale transaction banking capabilities** to drive growth
- ◆ Enhance our **risk distribution** capabilities

# We will focus our investment for long term strategic growth (2)

Key areas of growth and prioritised investments

## Growth opportunities

## Investment priorities

### International Wealth and Premier Banking (IWPB)

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>◆ Drive <b>customer acquisition</b> in Singapore and other growth markets, leveraging our strong deposit gathering capabilities and internal referrals</li> </ul> | <ul style="list-style-type: none"> <li>◆ Hire additional <b>Relationship Managers</b> and develop new acquisition partnership channels</li> </ul> |
| <ul style="list-style-type: none"> <li>◆ Deepen <b>wealth penetration</b> and grow invested assets</li> </ul>  | <ul style="list-style-type: none"> <li>◆ Establish <b>new wealth centres</b> and invest in <b>digital end to end journeys</b></li> </ul>          |
| <ul style="list-style-type: none"> <li>◆ Grow our <b>share of mandates</b> within our invested assets</li> </ul>   | <ul style="list-style-type: none"> <li>◆ Expand <b>wealth product offering</b></li> </ul>   |
| <ul style="list-style-type: none"> <li>◆ Capture greater share of <b>corridor flows</b></li> </ul>   | <ul style="list-style-type: none"> <li>◆ Enhance <b>cross-border referral</b> mechanisms between markets</li> </ul>                               |

### AI / Gen AI

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>◆ Improve <b>customer service</b> through AI-supported mobile apps and strengthened contact centre capabilities</li> </ul> | <ul style="list-style-type: none"> <li>◆ Improve <b>process efficiency</b> in onboarding, KYC and credit applications</li> </ul> |
| <ul style="list-style-type: none"> <li>◆ Improve <b>technology productivity</b> with coding assistants</li> </ul>   | <ul style="list-style-type: none"> <li>◆ <b>Help protect our customers</b> better against fraud and cyber crime</li> </ul>       |

# A mid-teens RoTE provides us with a range of options for capital deployment

## Capital deployment – priorities

- 1 Dividend
- 2 Balance sheet growth
- 3 Buybacks / acquisitions

## Criteria for acquisitions

- ◆ Fully aligned to strategy
- ◆ Add scale to our franchise or capabilities
- ◆ Confident that integration will not create a distraction from driving organic growth
- ◆ More value-generative than a share buyback

## Returns drive EPS growth over time

A mid-teens RoTE creates the capacity to grow the balance sheet, reduce the share count or both, while maintaining a 50% payout ratio<sup>1</sup>



## 6% boost to FY24 DPS from share count reduction

Profit attributable to ordinary shareholders	+2%
Average share count <sup>†</sup>	(6)%
Earnings per share	+9%
Ordinary dividend per share	+8%

\* 50% of profit attributable to ordinary shareholders excluding material notable items and related impacts

† After deducting own shares held

# Your HSBC

- 1 Simplified the Group, creating a simple, more agile HSBC fit for future opportunities and challenges
  - ◆ Committed to deliver ~\$1.5bn of simplification savings from our re-organisation by YE26\*, to be taken to the bottom line
  
- 2 Focused on growth opportunities where we have a clear competitive advantage and accretive returns
  - ◆ Aiming to re-allocate an additional ~\$(1.5)bn of costs from non-strategic activities to priority growth areas in the medium term
  
- 3 **Targeting a mid-teens RoTE excluding notable items each year from 2025 to 2027<sup>1</sup>**

\* Annualised. Severance and other up-front costs of c.\$(1.8)bn will be treated as notable items — see slide 29

# 4Q24 results

**Pam Kaur**  
Group CFO



# 4Q24 summary

## Income statement

- ◆ **\$2.3bn PBT** included \$(5.0)bn notable items, principally \$(5.2)bn on Argentina disposal\*
- ◆ **\$7.3bn PBT ex. notable items** / +10% YoY, primarily higher revenue
- ◆ FY24 costs (5)% YoY on a target basis, in line with guidance

## Balance sheet

- ◆ \$1.7tn deposits, +3% QoQ
- ◆ \$931bn loans, stable QoQ

## Capital & distributions

- ◆ **14.9% CET1 ratio**
- ◆ Completed \$3bn share buyback announced at 3Q24
- ◆ **\$8.4bn further distributions announced<sup>1</sup>**
  - \$0.36 DPS
  - Up to \$2bn share buyback, which we intend to complete before our 1Q25 results in April

\* \$(5.2)bn relates to the recycling of foreign currency translation reserve losses and other reserves – no incremental impact on CET1 or the dividend, see slide 52

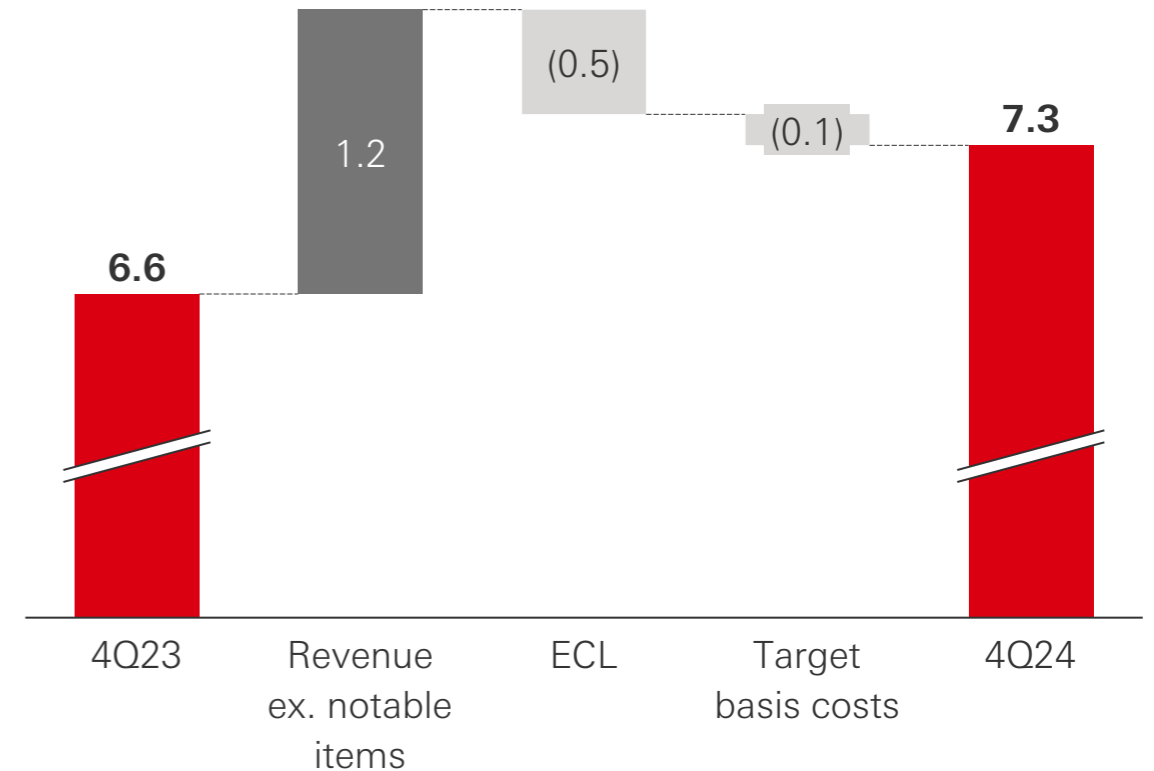
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# Financial performance

Income statement, \$bn	4Q23	4Q24	Δ, \$	Δ, %
<b>Revenue</b>	<b>12.5</b>	<b>11.6</b>	<b>(1.0)</b>	<b>(8)%</b>
ECL	(0.9)	(1.4)	(0.5)	(50)%
Costs	(8.4)	(8.6)	(0.2)	(2)%
Associates	(2.4)	0.7	3.1	>100%
<b>PBT</b>	<b>0.8</b>	<b>2.3</b>	<b>1.5</b>	<b>&gt;100%</b>
Reported PBT ▶	1.0	2.3	1.3	>100%
Tax ▶	(0.8)	(1.7)	(0.9)	>(100)%
<b>PAOS ▶</b>	<b>(0.2)</b>	<b>0.2</b>	<b>0.4</b>	<b>&gt;100%</b>
<b>Revenue ex. notable items</b>	<b>15.3</b>	<b>16.5</b>	<b>1.2</b>	<b>8%</b>
Target basis costs	(8.4)	(8.5)	(0.1)	(2)%
<b>PBT ex. notable items</b>	<b>6.6</b>	<b>7.3</b>	<b>0.7</b>	<b>10%</b>
<b>Key financial metrics</b>	<b>4Q23</b>	<b>4Q24</b>	<b>Δ</b>	
EPS, \$ ▶	(0.01)	0.01	\$0.02	
EPS excl. material notable items <sup>†</sup> , \$ ▶	0.25	0.29	\$0.04	
DPS, \$ ▶	0.31	0.36	\$0.05	
TNAV per share, \$ ▶	\$8.19	\$8.61	\$0.42	
RoTE excl. notable items (YTD), % ▶	16.2	16.0	(0.2)ppts	
<b>Balance sheet, \$bn</b>	<b>3Q24</b>	<b>4Q24</b>	<b>Δ, \$</b>	<b>Δ, %</b>
Customer loans	931	931	(1)	(0)%
Customer deposits	1,603	1,655	52	3%
CET1 ratio, % ▶	15.2	14.9	(0.3)ppts	

**\$2.3bn PBT** included \$(5.0)bn notable items, principally \$(5.2)bn on Argentina disposal\*

## PBT excluding notable items, \$bn



\* \$(5.2)bn relates to the recycling of foreign currency translation reserve losses and other reserves – no incremental impact on CET1 or the dividend, see slide 52

† Excluding material notable items and related impacts



# Revenue

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

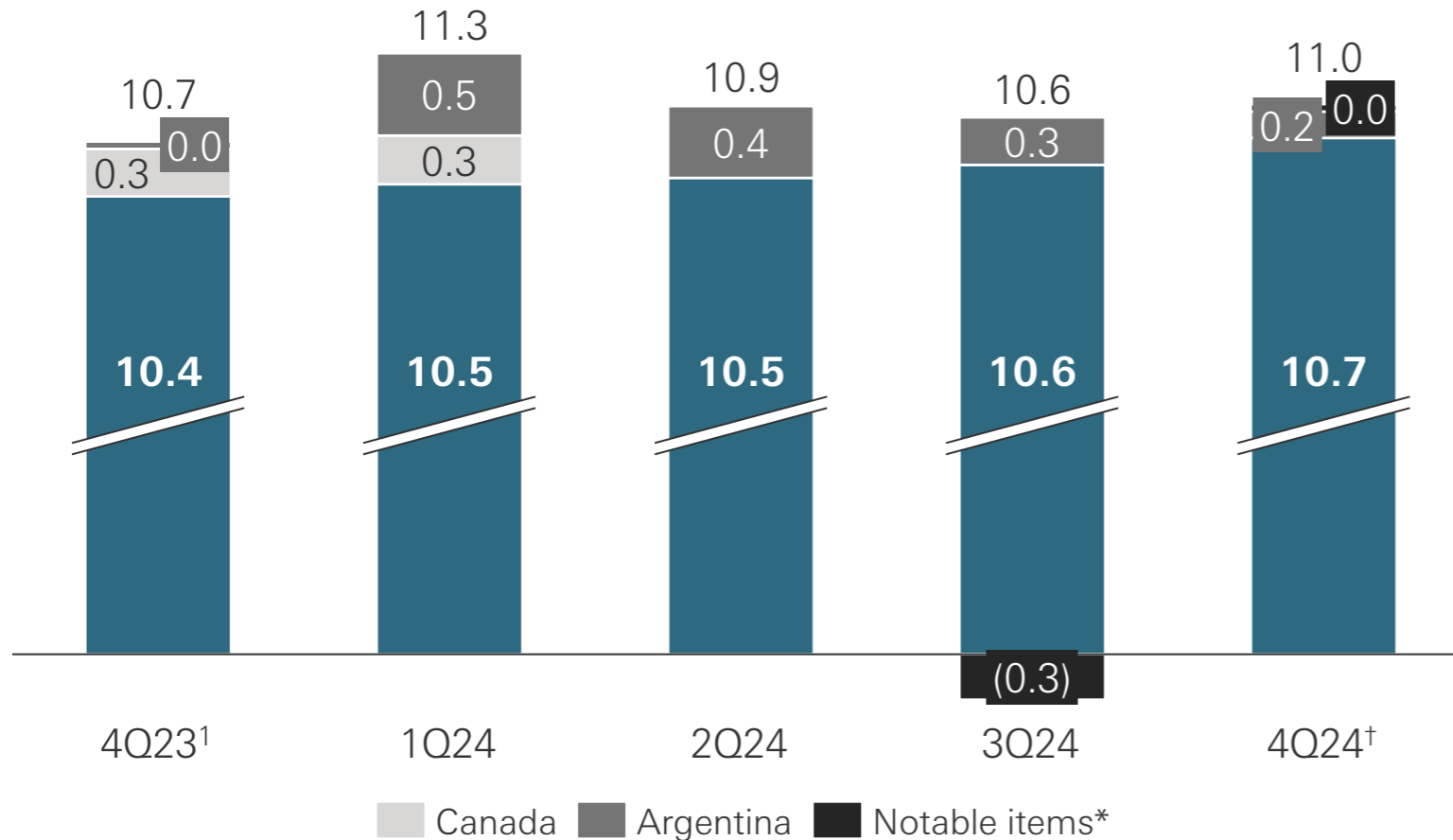
Constant currency, \$bn	4Q23	4Q24	Δ
<b>Banking NII</b>	<b>10.0</b>	<b>11.0</b>	<b>0.9</b>
<b>Fee and other income</b>	<b>2.5</b>	<b>0.6</b>	<b>(1.9)</b>
– Wholesale Transaction Banking	2.5	2.5	0.0
– Wealth	1.3	1.6	0.4
– Other	(1.3)	(3.6)	(2.2)
– <i>of which: notable items</i>	<i>(2.7)</i>	<i>(5.0)</i>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

4Q24 principally Argentina disposal  
4Q23 principally France retail loss on sale

# Banking NII (1)

Run-rate broadly stable QoQ

## Reported FX, \$bn



### Run-rate broadly stable QoQ:

Deposit growth and structural hedge unwind<sup>‡</sup> partly offset by lower interest rates

**Expect FY25 Banking NII of around \$42bn**, based on our modelling of several market dependent factors<sup>§</sup>

Banking NII in \$m on slide 39

\* 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 40

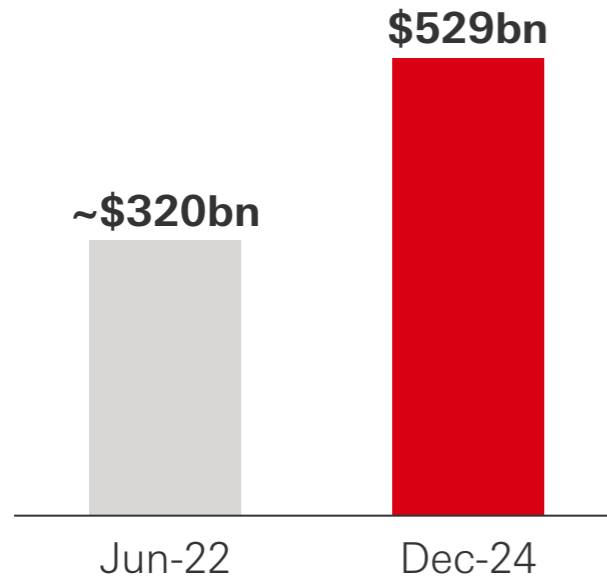
§ If changes in these factors impact the output of our modelling, we would update our expectation for 2025 Banking NII at future quarterly results announcements

## Banking NII (2)

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

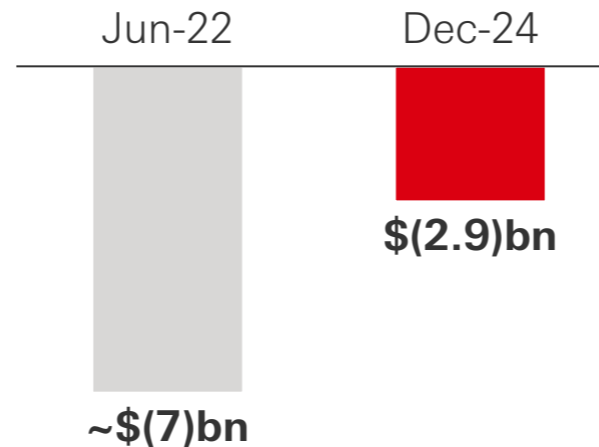
### Investment in the structural hedge

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

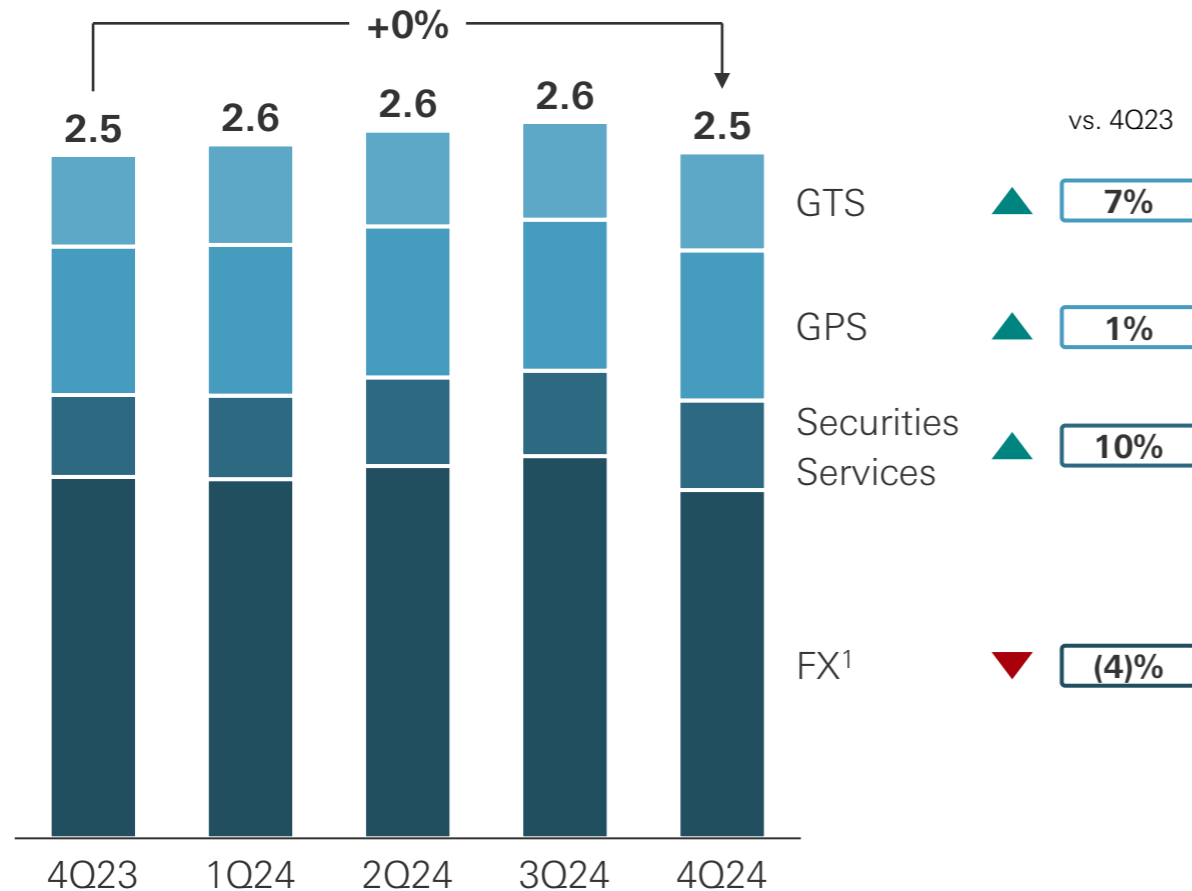
Structural hedge re-investments by year

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

# Fee and other income: Wholesale Transaction Banking

Stable YoY

## Fee and other income, \$bn



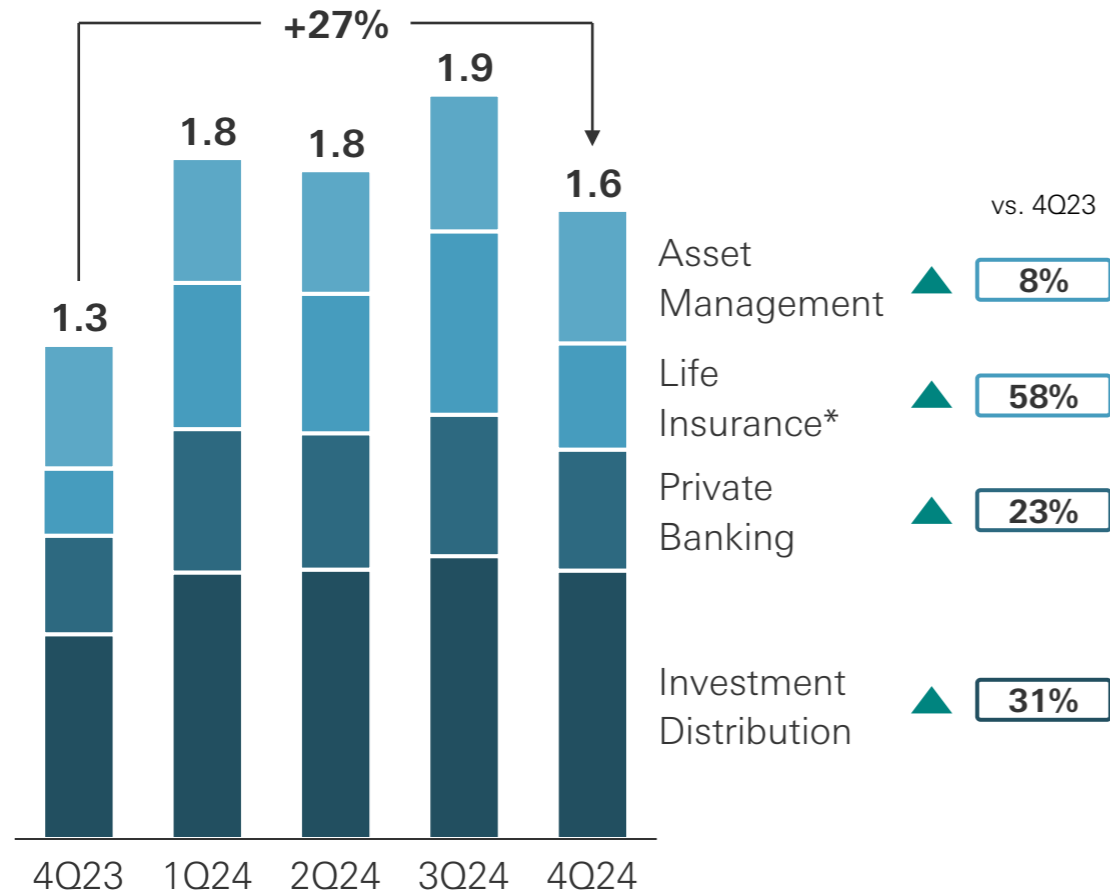
Stable fee and other income vs. 4Q23 (up 3% excluding the impact of strategic transactions, principally the sale of Canada)

- ◆ **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<sup>†</sup>**  
(4Q23: \$10.8bn)

**\$5bn**

**Net new invested assets**  
o/w Asia \$(2)bn

(4Q23: \$17bn / Asia \$4bn)

**\$1.3tn**

**Invested assets**  
(4Q23: \$1.2tn)

See slide 42 for further detail

\* 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

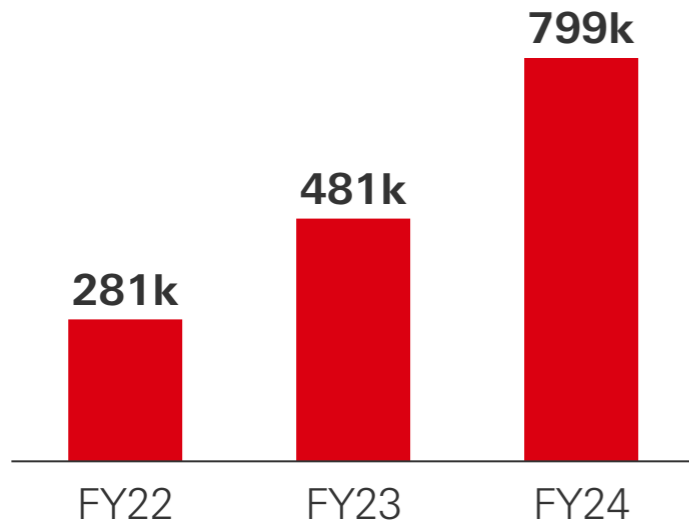
† In 4Q24, \$0.9bn moved to held-for-sale due to the planned sale of our French life insurance business

# Wealth outlook

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

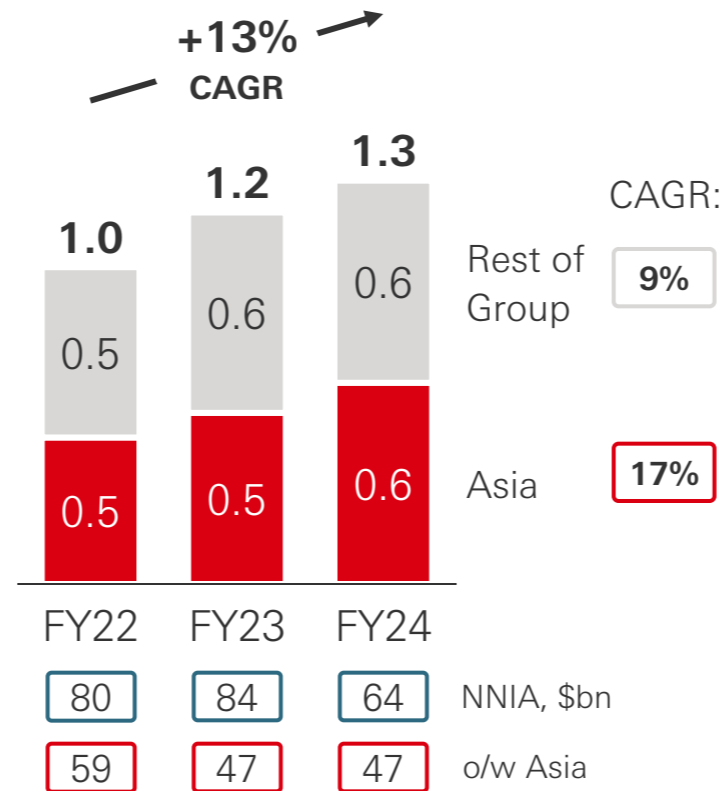
## New-to-bank customers in Hong Kong

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



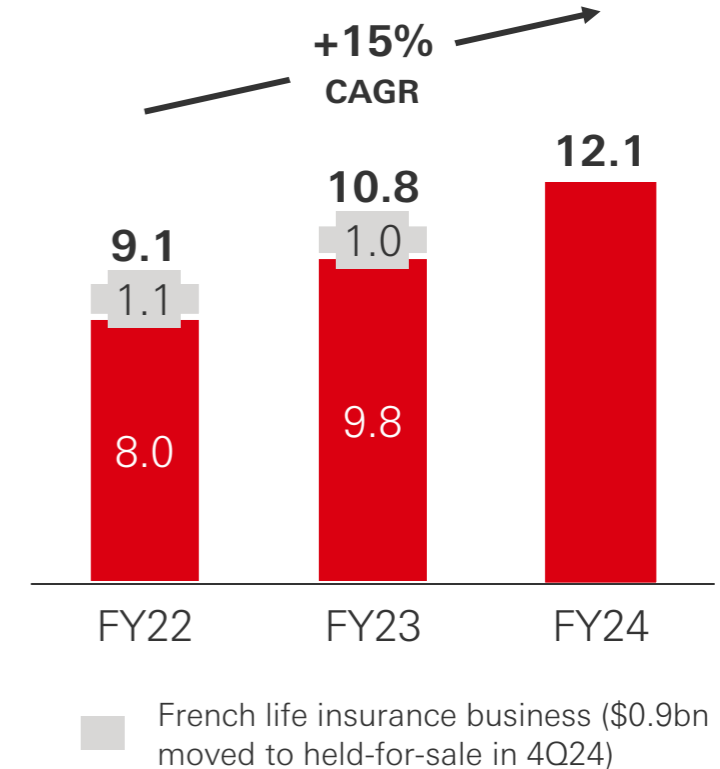
## Invested assets, \$tn

Double digit CAGR since 2022, strength in Asia



## CSM balance, \$bn

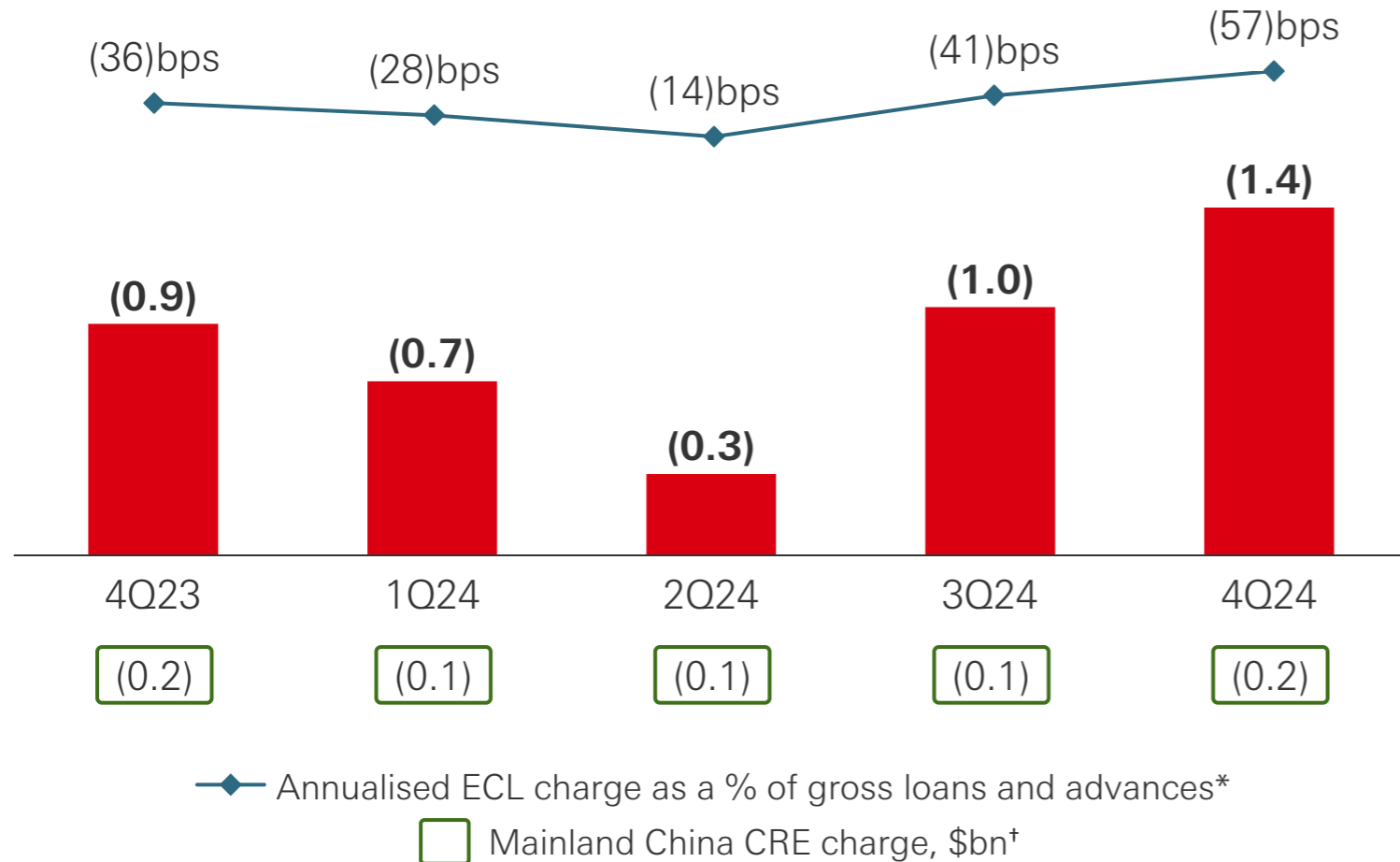
Store of future insurance earnings, amortised at 9-10% per year in FY23/FY24



# 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

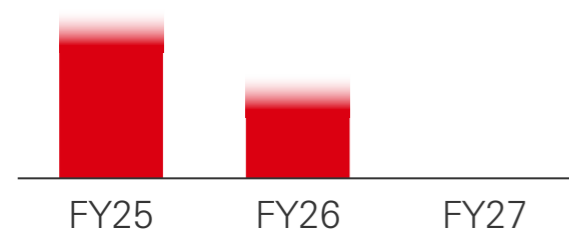
# Costs: driving efficiencies and creating incremental investment capacity

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

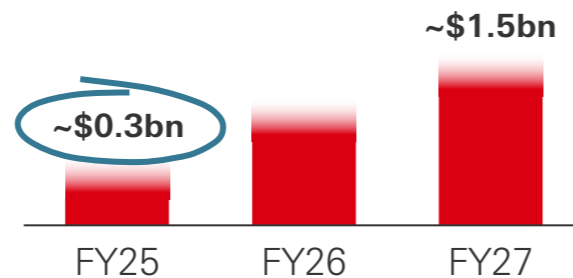
- ◆ **Immaterial impact on revenue** — primarily de-duplication of roles:
  - Reduction in management layers through consolidation of overlapping roles in CMB and GBM
  - Simplifying management across business / region matrix
- ◆ **~\$(1.8)bn total severance and other up-front costs by YE26** — will 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 annual costs of ~\$(0.3)bn and are not materially profitable
  - German Private Banking
  - French life insurance



# Cost guidance

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

## FY25 costs

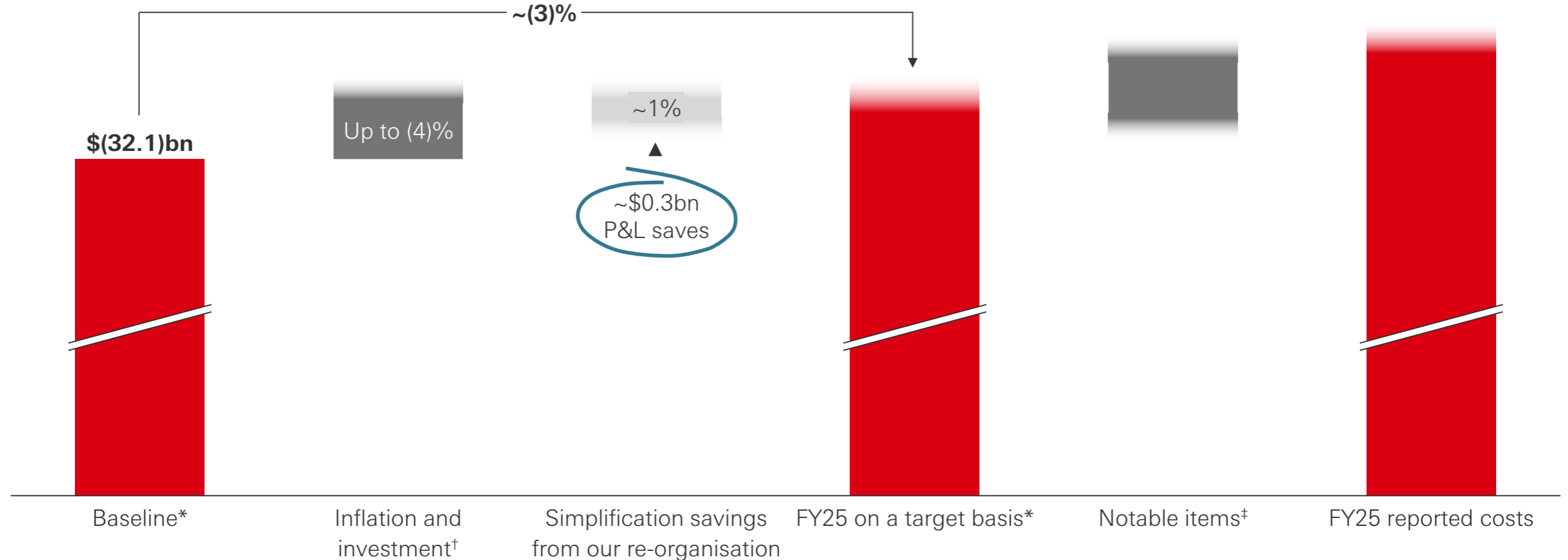


Chart not to scale

\* Excludes notable items and the direct costs of Canada and Argentina from our FY24 costs – see reconciliation on slide 49

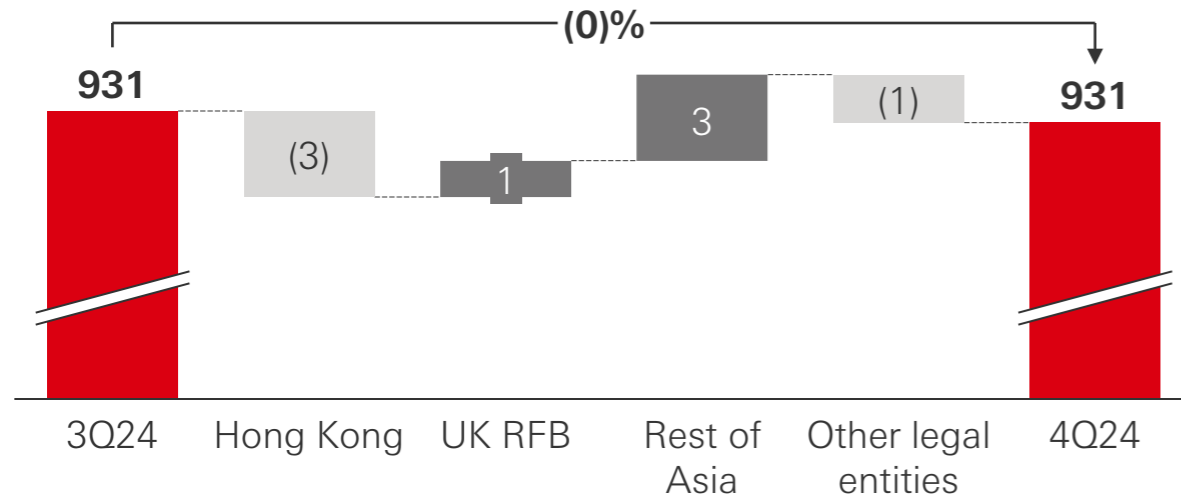
† Does not include incremental investment in our priority growth areas funded by costs re-allocated from non-strategic activities

‡ 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

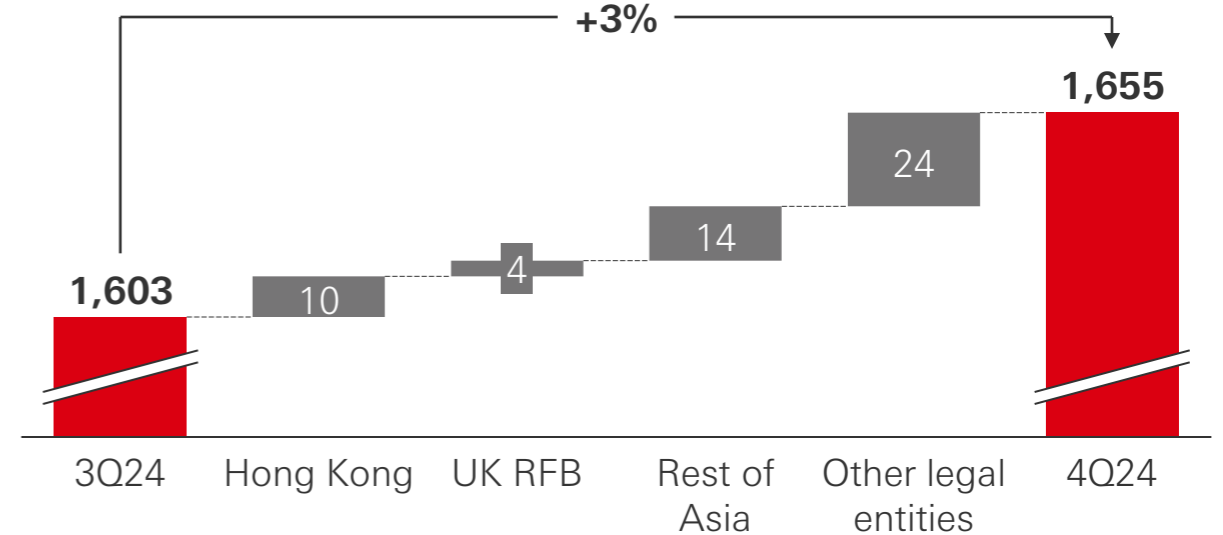
Lending stable, deposits +3% QoQ

## 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

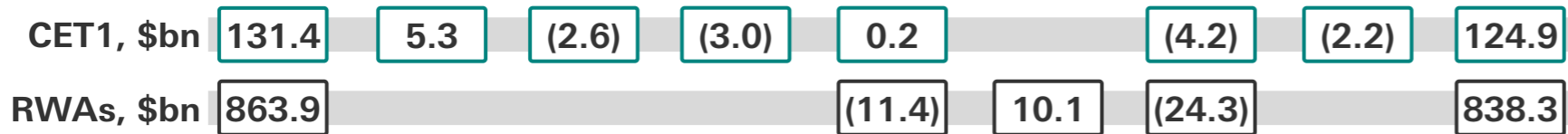
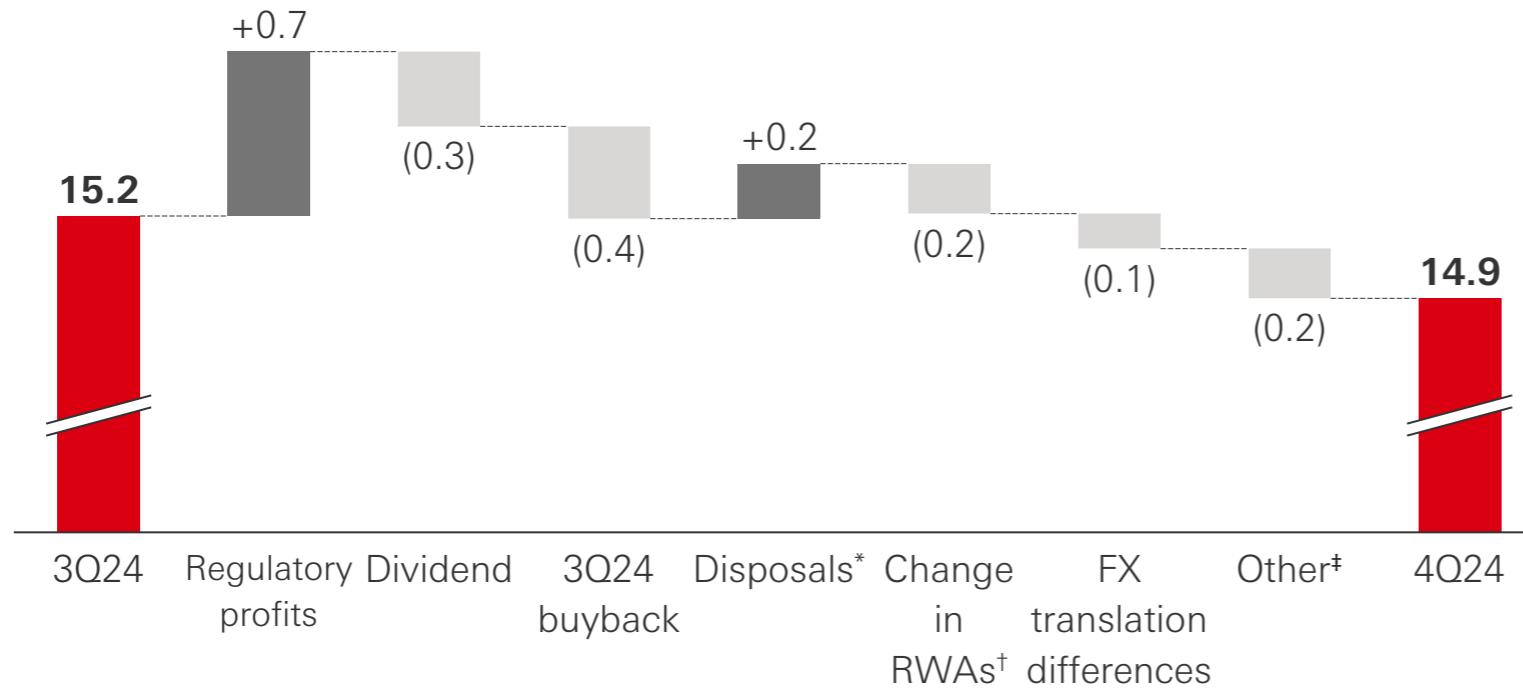


- ◆ **+\$10bn HK**, primarily WPB (fluctuations between wealth products and deposits; supported by customer growth)
- ◆ **+\$4bn UK RFB**, primarily market-wide growth in retail deposits
- ◆ **+\$14bn Rest of Asia**, primarily CMB and GBM, benefitting from seasonal inflows
- ◆ **+\$24bn other legal entities**,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

# Capital

Strong capital base

## CET1 ratio, %<sup>1</sup>



## Upcoming impacts

### 1Q25

- ◆ **Up to \$2bn share buyback** — around (0.2)ppts impact on the CET1 ratio
- ◆ \$(1)bn CET1 impact from a reclassification of c.\$7bn **French home loans**<sup>§</sup>

\* Primarily \$(8)bn RWA reduction from the sale of Argentina

† Largely operational risk RWAs, driven by an increase in trailing 3-year average revenues

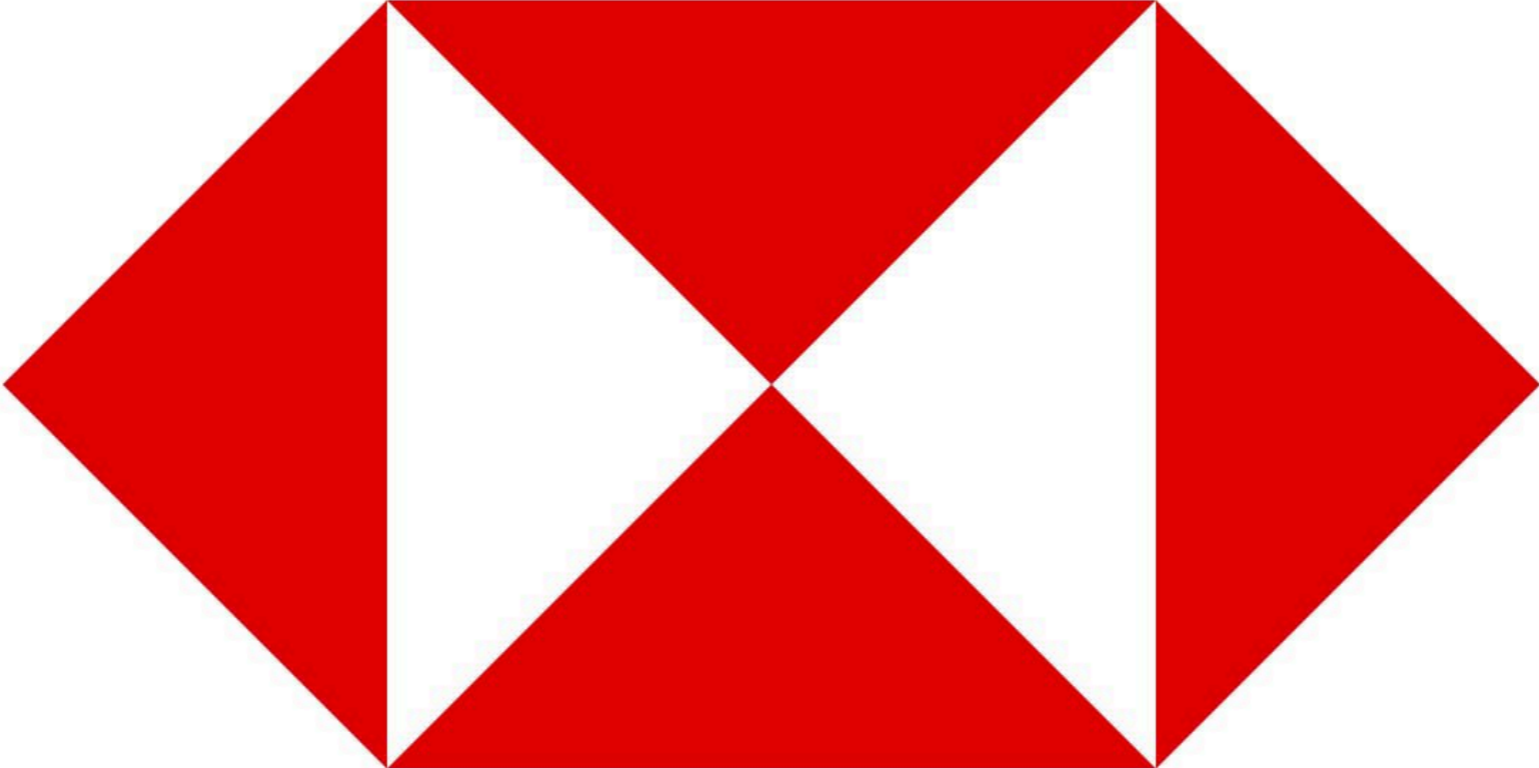
‡ Primarily movements in FVOCI reserves

§ 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

# Outlook

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



# Appendix

## Re-presented 2024 financials by business

\$m	Hong Kong	UK	Corporate and Institutional Banking	International Wealth and Premier Banking	Corporate Centre	Group
<b>Revenue</b>	<b>15,034</b>	<b>11,954</b>	<b>26,819</b>	<b>13,976</b>	<b>(1,929)</b>	<b>65,854</b>
ECL	(1,076)	(402)	(869)	(1,038)	(29)	(3,414)
Costs	(4,837)	(4,947)	(14,544)	(9,013)	298	(33,043)
Associates	—	—	1	47	2,864	2,912
<b>PBT</b>	<b>9,121</b>	<b>6,605</b>	<b>11,407</b>	<b>3,972</b>	<b>1,204</b>	<b>32,309</b>
Loans, \$bn	235	267	285	136	7	931
Deposits, \$bn	507	330	558	259	0	1,655
RWAs, \$bn	144	133	388	86	87	838
RoTE, %	~38%	~25%	~14%	~16%	~1%	14.6%

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. Selected 2024 financial information has been re-presented in the table above, for illustrative purposes only, to align with the Group's operating segments effective from 1 January 2025. This data is presented unaudited. Further detail on our new operating segments can be found on page 103 of our Annual Report and Accounts 2024

# Quarterly financial performance summary

\$m	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 4Q23
Banking NII	10,040	11,042	10,856	10,461	10,950	910
Fee and other income	2,483	9,516	5,627	6,357	614	(1,869)
<b>Revenue</b>	<b>12,523</b>	<b>20,558</b>	<b>16,483</b>	<b>16,818</b>	<b>11,564</b>	<b>(959)</b>
ECL	(906)	(682)	(318)	(972)	(1,362)	(456)
Costs	(8,426)	(8,050)	(8,119)	(8,044)	(8,604)	(178)
Associates	(2,383)	769	861	605	679	3,062
<b>Constant currency PBT</b>	<b>808</b>	<b>12,595</b>	<b>8,907</b>	<b>8,407</b>	<b>2,277</b>	<b>1,469</b>
<i>Memo: notable items</i>	<i>(5,820)</i>	<i>3,683</i>	<i>(194)</i>	<i>(254)</i>	<i>(5,046)</i>	<i>774</i>
FX translation	169	55	(1)	69	—	n.m
<b>Reported PBT ▶</b>	<b>977</b>	<b>12,650</b>	<b>8,906</b>	<b>8,476</b>	<b>2,277</b>	<b>1,300</b>
Tax ▶	(755)	(1,813)	(2,078)	(1,727)	(1,692)	(937)
<b>PAOS ▶</b>	<b>(153)</b>	<b>10,183</b>	<b>6,403</b>	<b>6,134</b>	<b>197</b>	<b>350</b>
EPS, \$ ▶	(0.01)	0.54	0.35	0.34	0.01	\$0.02
EPS excluding material notable items, \$ ▶	0.25	0.34	0.35	0.35	0.29	\$0.04
Dividend per share, \$ ▶	0.31	0.31*	0.10	0.10	0.36	\$0.05
RoTE (annualised), % ▶	(0.4)	26.1	16.3	15.5	0.5	0.9ppts
\$bn	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 3Q24
Customer loans	917	921	929	931	931	(1)
Customer deposits	1,580	1,556	1,583	1,603	1,655	52
Reported RWAs ▶	854	833	835	864	838	(26)
CET1 ratio, % ▶	14.8	15.2	15.0	15.2	14.9	(0.3)ppts
TNAV per share, \$ ▶	\$8.19	\$8.67	\$8.35	\$9.00	\$8.61	\$(0.39)

▶ denotes a measure shown on a reported FX basis

\* Includes \$0.21 special dividend



# Annual financial performance summary

<b>Income statement, \$bn (constant currency)</b>	<b>FY23</b>	<b>FY24</b>	<b>Δ, \$</b>	<b>Δ, %</b>
Banking NII	42.4	43.7	1.4	3%
Fee and other income	22.5	22.1	(0.4)	(2)%
– o/w: Wholesale Transaction Banking	10.5	10.4	(0.1)	(1)%
– o/w: Wealth	5.9	7.2	1.3	21%
<b>Revenue</b>	<b>64.9</b>	<b>65.9</b>	<b>0.9</b>	<b>1%</b>
ECL	(3.3)	(3.4)	(0.2)	(5)%
Costs	(31.5)	(33.0)	(1.5)	(5)%
Associates	(0.3)	2.9	3.2	>100%
<b>Profit before tax</b>	<b>29.9</b>	<b>32.3</b>	<b>2.4</b>	<b>8%</b>
Currency translation	0.4	—	n.m	n.m
Reported PBT ▶	30.3	32.3	2.0	6%
Tax ▶	(5.8)	(7.3)	(1.5)	(26)%
Profit after tax ▶	24.6	25.0	0.4	2%
– NCI ▶	1.0	1.0	(0.0)	(1)%
– Other equity holders ▶	1.1	1.1	(0.0)	(4)%
<b>– PAOS ▶</b>	<b>22.4</b>	<b>22.9</b>	<b>0.5</b>	<b>2%</b>
<b>Revenue excl. notable items</b>	<b>64.5</b>	<b>67.4</b>	<b>2.9</b>	<b>5%</b>
<b>PBT excl. notable items</b>	<b>32.7</b>	<b>34.1</b>	<b>1.4</b>	<b>4%</b>
<b>Key financial metrics (reported FX)</b>	<b>FY23</b>	<b>FY24</b>	<b>Δ</b>	
EPS, \$	1.15	1.25	\$0.10	
EPS excl. material notable items*, \$	1.22	1.31	\$0.09	
DPS, \$	0.61	0.87 <sup>†</sup>	\$0.26	
RoTE, %	14.6	14.6	—	
RoTE excl. notable items, %	16.2	16.0	(0.2)ppts	

\* Excluding material notable items and related impacts

† Includes \$0.21 special dividend

# Banking NII

Reported FX, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 3Q24	FY23	FY24
<b>Banking NII</b>	<b>10,717<sup>1</sup></b>	<b>11,266</b>	<b>10,938</b>	<b>10,584</b>	<b>10,950</b>	<b>366</b>	<b>44,095</b>	<b>43,738</b>
<i>Of which: Asia</i>	<i>5,566</i>	<i>5,435</i>	<i>5,317</i>	<i>5,475</i>	<i>5,464</i>	<i>(11)</i>	<i>22,024</i>	<i>21,691</i>
<i>Of which: UK RFB</i>	<i>2,455</i>	<i>2,531</i>	<i>2,532</i>	<i>2,643</i>	<i>2,663</i>	<i>20</i>	<i>9,684</i>	<i>10,368</i>
<i>Of which: HSBC Bank plc</i>	<i>1,205</i>	<i>1,109</i>	<i>1,187</i>	<i>1,152</i>	<i>1,182</i>	<i>30</i>	<i>4,596</i>	<i>4,630</i>
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)		

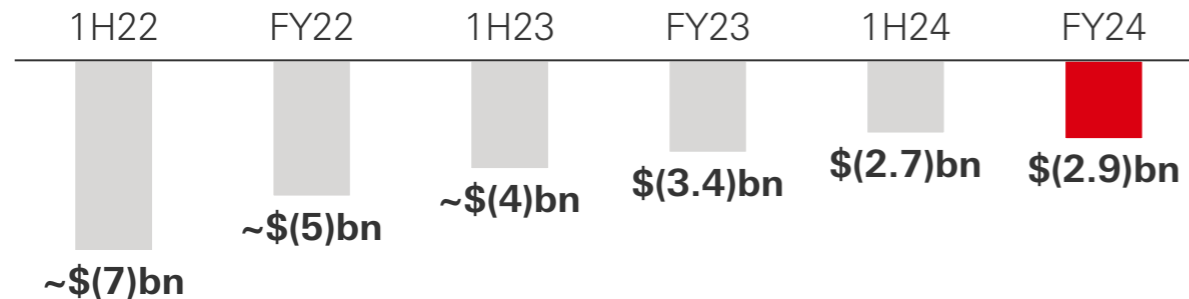
Constant currency, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	Δ 3Q24	FY23	FY24
<b>Banking NII</b>	<b>10,040</b>	<b>11,042</b>	<b>10,856</b>	<b>10,461</b>	<b>10,950</b>	<b>490</b>	<b>42,387</b>	<b>43,738</b>

Refer to page 91 of our Annual Report and Accounts 2024 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)
<b>Total</b>	<b>(2,886)</b>

- ◆ 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 Annual Report and Accounts 2024 for further detail

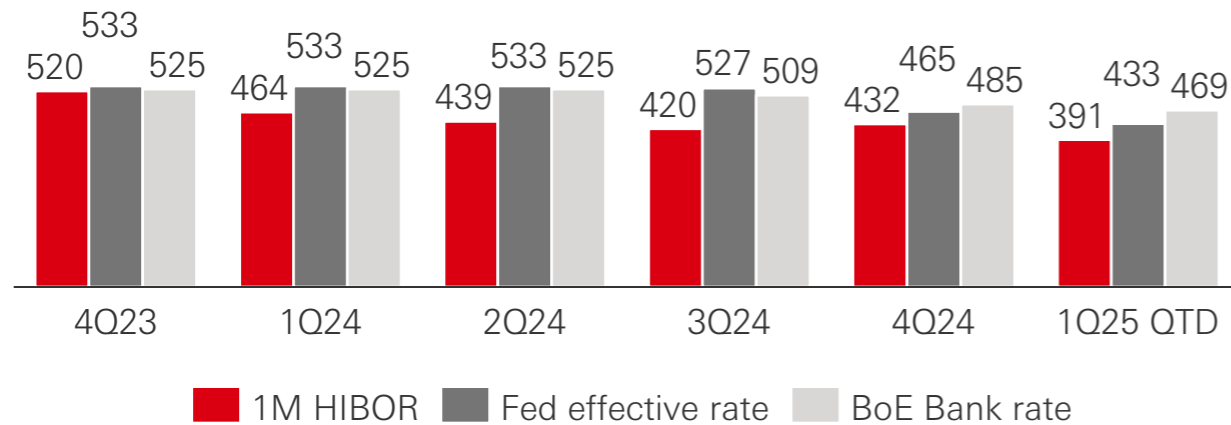
# Reported net interest margin

## Quarterly NIM by key legal entity (reported FX)

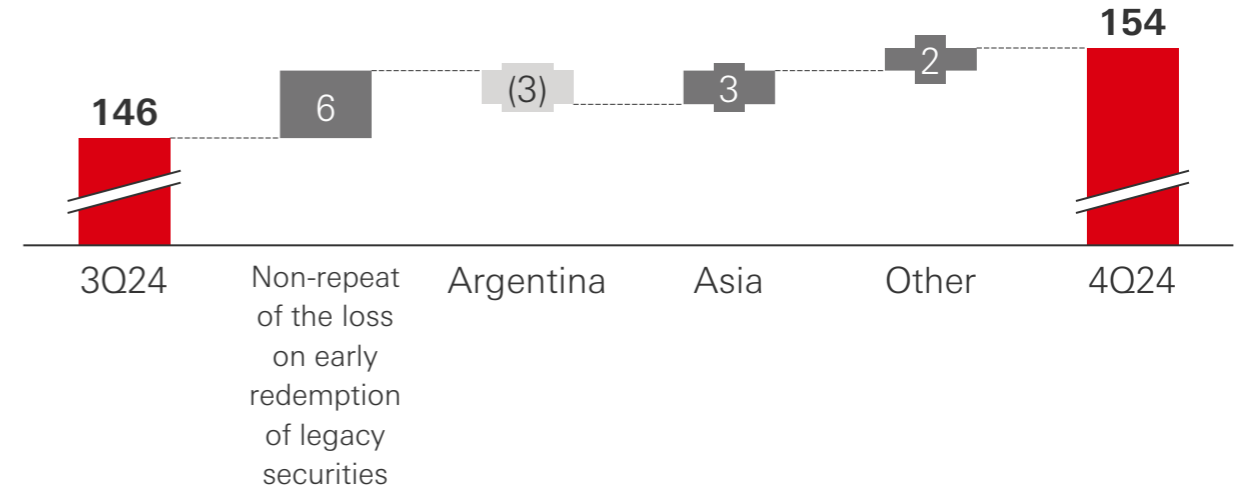
	4Q23	1Q24	2Q24	3Q24	4Q24	% 4Q24 NII	% 4Q24 AIEA
Asia	1.73%	1.66%	1.63%	1.58%	<b>1.63%</b>	48%	45%
HSBC Bank plc	0.50%	0.35%	0.35%	0.19%	<b>0.17%</b>	2%	23%
UK RFB	2.50%	2.56%	2.57%	2.57%	<b>2.53%</b>	32%	20%
US	0.90%	0.83%	0.76%	0.87%	<b>0.96%</b>	6%	9%
<b>Group</b>	1.52%	1.63%	1.62%	1.46%	<b>1.54%</b>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

## Key rates (quarter averages), bps

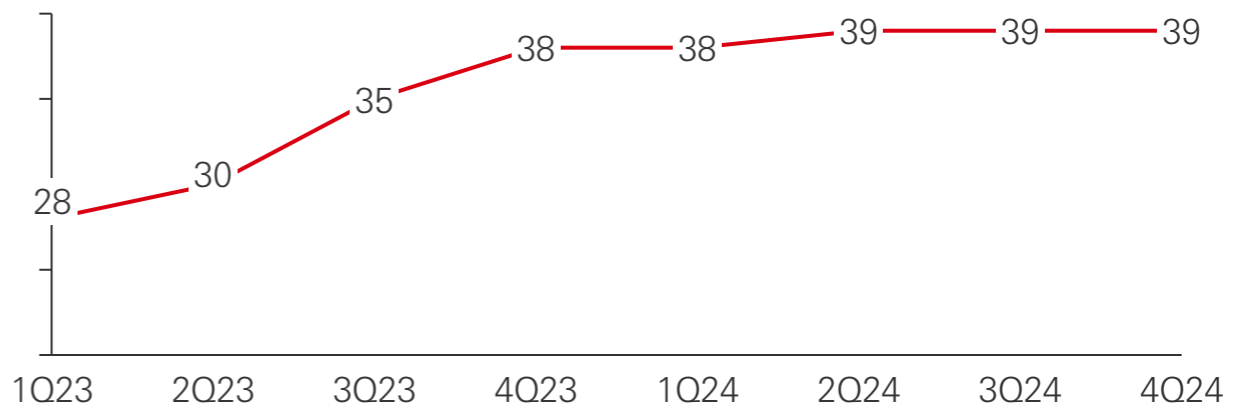
Source: Bloomberg  
At 17 February 2025



## Group NIM, bps (reported FX)



## 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<sup>1</sup>

# Wholesale Transaction Banking and Wealth – additional information

Constant currency, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	vs. 4Q23	
<b>Wholesale Transaction Banking revenue</b>	<b>6,664</b>	<b>6,590</b>	<b>6,472</b>	<b>6,568</b>	<b>6,515</b>	<b>(149)</b>	<b>(2)%</b>
<b>Of which: Fee and other income</b>	<b>2,527</b>	<b>2,566</b>	<b>2,617</b>	<b>2,649</b>	<b>2,536</b>	<b>9</b>	<b>0%</b>
– Foreign Exchange <sup>1</sup>	1,337	1,328	1,377	1,413	1,288	(49)	(4)%
– Securities Services	302	309	328	316	331	29	10%
– Global Payments Solutions	550	557	558	559	555	5	1%
– Global Trade Solutions	338	372	354	361	362	24	7%
<b>Wealth revenue</b>	<b>1,674</b>	<b>2,181</b>	<b>2,147</b>	<b>2,346</b>	<b>2,062</b>	<b>388</b>	<b>23%</b>
<b>Of which: Fee and other income</b>	<b>1,294</b>	<b>1,783</b>	<b>1,751</b>	<b>1,949</b>	<b>1,647</b>	<b>353</b>	<b>27%</b>
– Investment Distribution	536	698	705	741	703	167	31%
– Private Banking	258	375	357	370	317	59	23%
– Life Insurance	176	383	366	480	278	102	58%
– Asset Management	324	327	323	358	349	25	8%
<b>Wholesale Transaction Banking metrics</b>							
GTS loans <sup>2</sup> , \$bn	82	81	86	86	90	8	10%
o/w Asia	57	57	59	60	63	6	10%
Assets under custody, \$tn <sup>3</sup> ▶	9.7	9.9	10.1	11.0	10.6	0.9	9%
<b>Wealth metrics ▶</b>							
Invested assets, \$bn	1,191	1,242	1,271	1,348	1,293	102	9%
o/w: Asia	549	570	606	662	645	96	18%
Net new invested assets, \$bn	17	27	6	26	5	(12)	(71)%
o/w: Asia	4	19	19	11	(2)	(6)	>(100)%
New Business CSM, \$bn	0.4	0.8	0.6	0.8	0.4	0.1	15%
CSM release, \$bn	0.3	0.3	0.3	0.4	0.3	0.0	7%
CSM balance, \$bn	10.8	11.9	12.2	13.2	12.1*	1.3	12%

CSM metrics relate to insurance manufacturing

\* \$0.9bn moved to held-for-sale in 4Q24 which relates to the planned sale of our French insurance business

# Wholesale multi-jurisdictional revenue

**62% of wholesale client revenue is from clients we bank in multiple jurisdictions...**

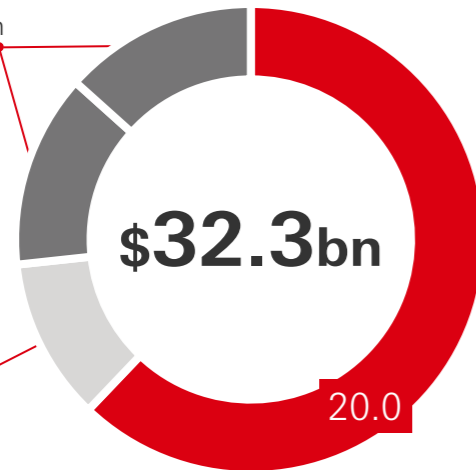
FY24 Wholesale client revenue<sup>1</sup>, \$bn

Domestic-only clients in HSBC's home markets

Hong Kong - \$4.3bn  
UK RFB - \$4.3bn

Other domestic only clients

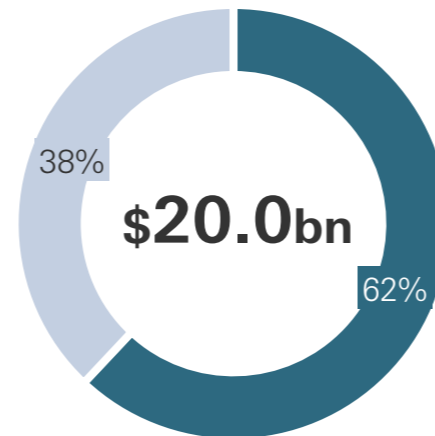
CMB - \$2.9bn  
GBM - \$0.7bn



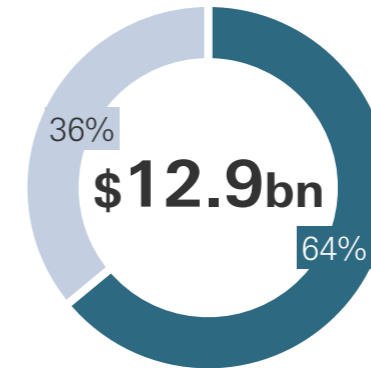
Multi-jurisdictional clients

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

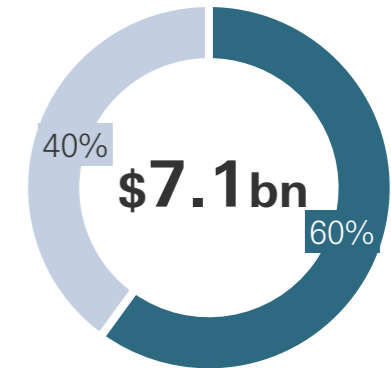
**All multi-jurisdictional clients**



**Clients whose home market is in the West<sup>2</sup>**



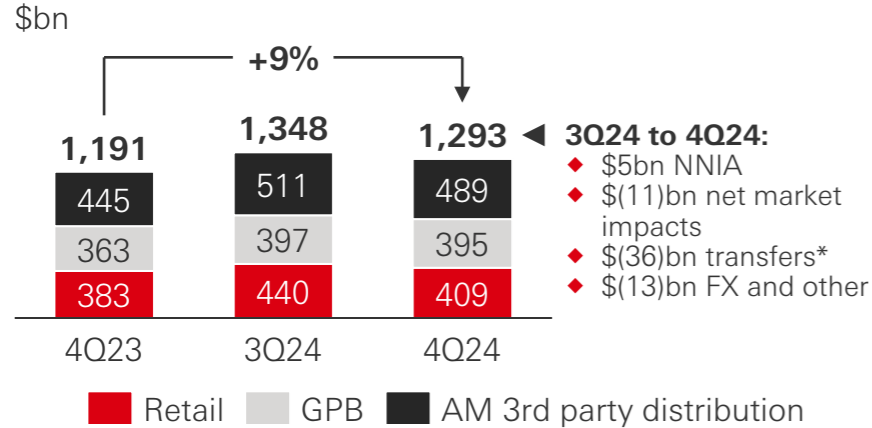
**Clients whose home market is in the East<sup>3</sup>**



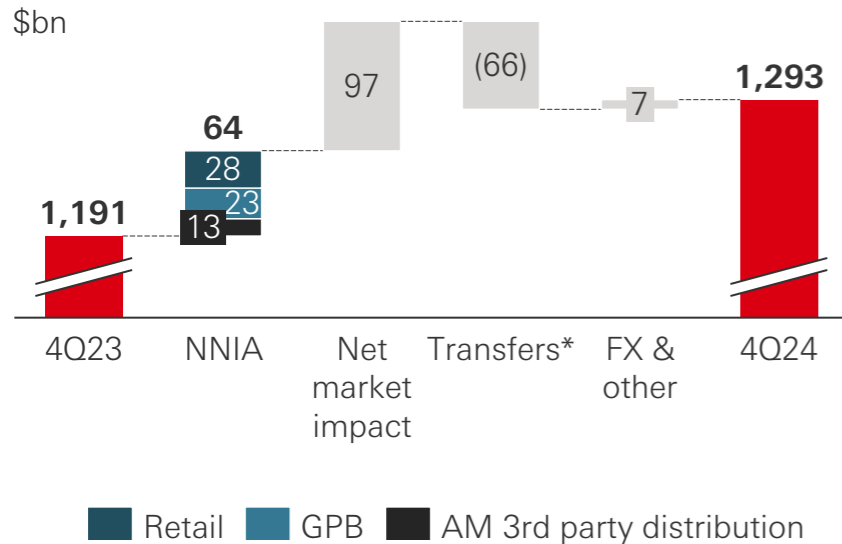
■ Earned outside clients' home market (cross border revenue)  
■ Earned in clients' home market

# Wealth – Global invested assets

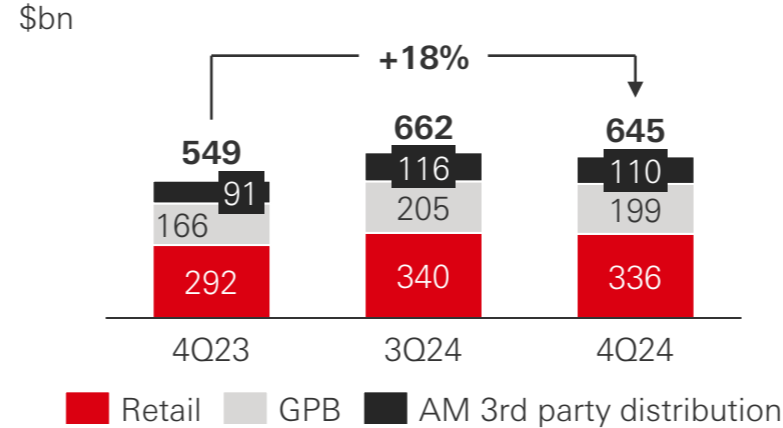
## Global reported invested assets



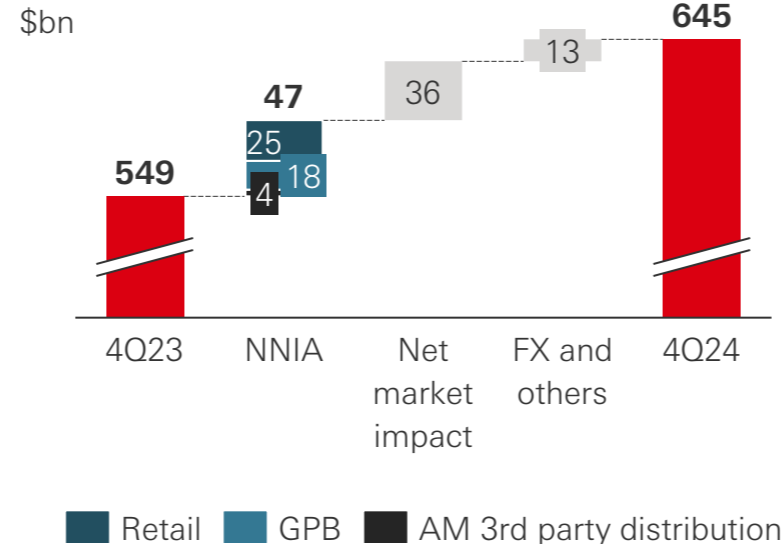
## Global reported invested assets evolution



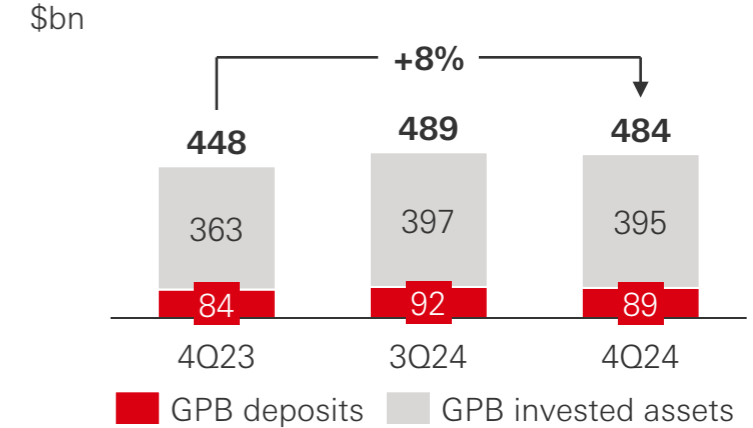
## Asia reported invested assets



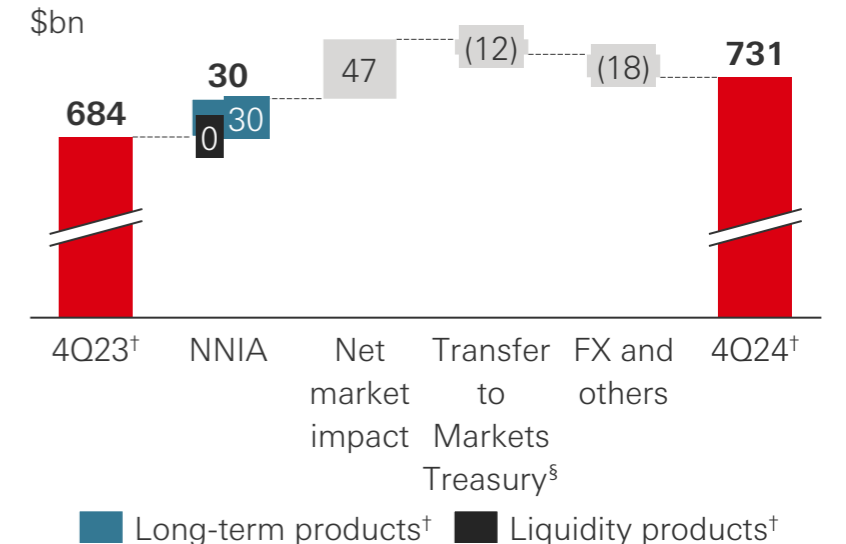
## Asia reported invested assets evolution



## GPB reported client assets



## Reported invested assets managed by AM



\* Transfers reflect: (i) the movement of certain balances to held-for-sale (Argentina, French life insurance and German Private Banking); (ii) the internal transfer of a portfolio associated with the Group's Holdings Capital Buffer from Asset Management to our Markets Treasury function  
 † 4Q23 includes \$513bn long-term products / \$170bn liquidity products. 4Q24 includes \$572bn long-term products /

\$159bn liquidity products. Liquidity products are designed to provide clients with an alternative to bank deposits and are largely short term in nature, e.g. Money Market funds  
 § Reflects the internal transfer of a portfolio associated with the Group's Holdings Capital Buffer from Asset Management to our Markets Treasury function

# 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)	—	—	—	—
<b>Total</b>	<b>(5,798)</b>	<b>3,682</b>	<b>(193)</b>	<b>(256)</b>	<b>(5,046)</b>
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<sup>1</sup>

Reported FX	4Q23	2Q24	4Q24	Δ 2024	Stage 3 %
Asia (HBAP)	58,121	55,123	49,909	(9)%	13%
<i>o/w: Hong Kong</i>	<i>42,462</i>	<i>40,130</i>	<i>36,247</i>	<i>(10)%</i>	<i>16%</i>
<i>o/w: HK, excl. exposure to mainland China borrowers</i>	<i>36,817</i>	<i>35,609</i>	<i>33,201</i>	<i>(7)%</i>	<i>14%</i>
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%
<b>Total</b>	<b>83,589</b>	<b>78,790</b>	<b>72,333</b>	<b>(8)%</b>	<b>10%</b>
<i>o/w: UK*</i>	<i>14,586</i>	<i>14,221</i>	<i>14,405</i>	<i>1%</i>	<i>3%</i>

\* Includes lending outside the UK RFB

## 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

# 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 2024	Hong Kong	Mainland China	Rest of Group	Total
<b>Total</b>	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
<b>Allowance for ECL</b>	(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 <sup>‡</sup>	ECL allowance <sup>◆</sup>
Sub-standard	0.8	0.6	(0.2)
Credit impaired	1.6	1.0	(0.6)
<b>Total</b>	<b>2.3</b>	<b>1.7</b>	<b>(0.9)</b>

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

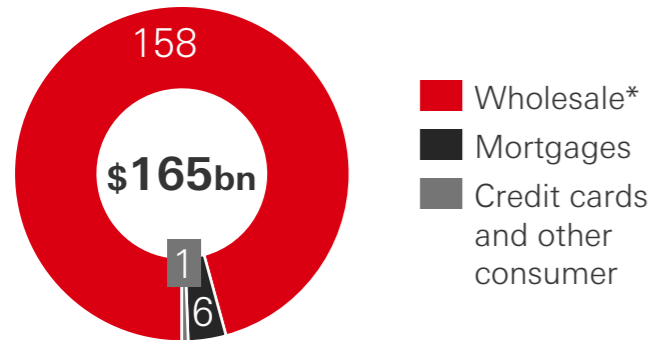
\* Of which \$(1.1)bn write-offs and \$(0.4)bn net repayments

‡ Does not cast due to rounding

◆ ECL allowance shown only 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

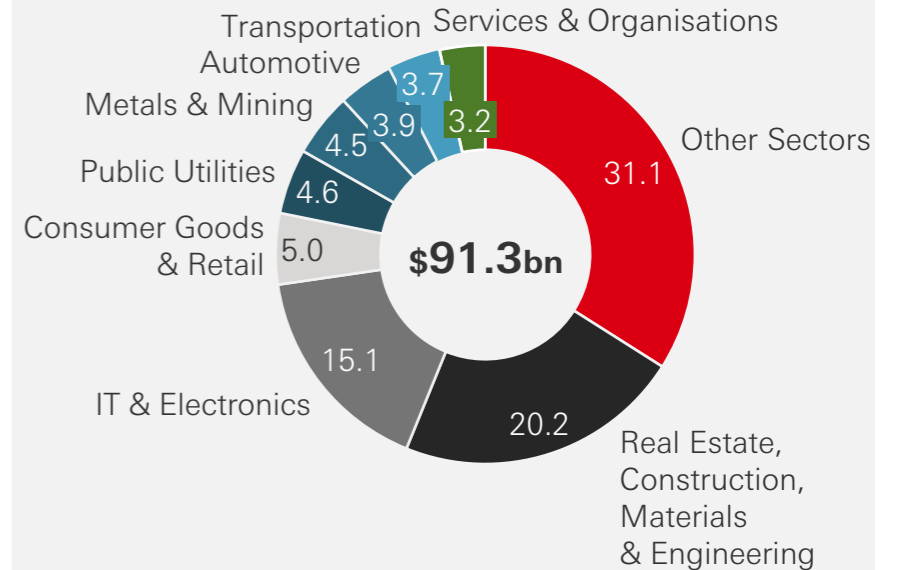
## Wholesale lending analysis, \$bn ▶

	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
<b>Total</b>	<b>161.0</b>	<b>158.4</b>	<b>157.7</b>

## 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	<b>101.1</b>
Good	0.6	1.3	—	27.0	<b>28.9</b>
Satisfactory	0.1	0.2	—	23.2	<b>23.5</b>
Sub-standard	—	—	—	1.6	<b>1.6</b>
Credit impaired	—	—	—	2.6	<b>2.6</b>
<b>Total</b>	<b>0.9</b>	<b>30.7</b>	<b>34.8</b>	<b>91.3</b>	<b>157.7</b>

## 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

# Cost target basis reconciliations

## 2024 target basis

\$m	FY23	FY24	1Q24	2Q24	3Q24	4Q24
<b>Costs*</b>	<b>(31,493)</b>	<b>(33,043)</b>	<b>(8,151)</b>	<b>(8,145)</b>	<b>(8,143)</b>	<b>(8,604)</b>
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	—	—	—	—	—
<b>Target basis</b>	<b>(31,074)</b>	<b>(32,648)</b>	<b>(7,939)</b>	<b>(8,113)</b>	<b>(8,098)</b>	<b>(8,498)</b>

## 2025 target basis

\$m	FY24
<b>FY24 reported costs</b>	<b>(33,043)</b>
Less: Notable items	233
Less: Canada direct costs	162
Less: Argentina direct costs	509
<b>Baseline</b>	<b>(32,139)</b>

- ◆ 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

# EPS excluding material notable items and related impacts

Reported FX, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
<b>PAOS</b>	<b>(153)</b>	<b>10,183</b>	<b>6,403</b>	<b>6,134</b>	<b>197</b>	<b>22,432</b>	<b>22,917</b>
Impact of acquisition of SVB UK	44	—	(2)	—	(3)	(1,549)	(5)
Impact of the sale of our retail banking operations in France (net of tax)	1,737	(52)	(1)	(2)	(1)	108	(56)
Impact of the sale of our banking business in Canada*	119	(4,942)*	(7)	(4)	(10)	(311)	(4,963)
Impairment of interest in associate (BoCom)	3,000	—	—	—	—	3,000	—
Impact of the sale of our business in Argentina	—	1,137	55	(30)	4,999	—	6,161
<b>PAOS excluding material notable items and related impacts</b>	<b>4,747</b>	<b>6,326</b>	<b>6,448</b>	<b>6,098</b>	<b>5,182</b>	<b>23,680</b>	<b>24,054</b>
Average basic number of ordinary shares after deducting own shares held (m)	19,130	18,823	18,509	18,151	18,042	19,478	18,357
Basic EPS, \$	(0.01)	0.54	0.35	0.34	0.01	1.15	1.25
<b>Basic EPS excluding material notable items and related impacts, \$</b>	<b>0.25</b>	<b>0.34</b>	<b>0.35</b>	<b>0.34</b>	<b>0.29</b>	<b>1.22</b>	<b>1.31</b>

\* Represents gain on sale of business in Canada recognised on completion, inclusive of the recycling of losses in foreign currency translation reserves and other reserves, and gain on the foreign exchange hedging of the sale proceeds. It also includes the disposal costs and the related impacts of the disposal (including 1Q24 profits of HSBC Canada)

# Reconciliations — revenue and PBT

<b>\$m</b>	<b>4Q23</b>	<b>4Q24</b>
<b>Constant currency revenue</b>	<b>12,523</b>	<b>11,564</b>
Less: notable items	2,742	4,940
<b>Constant currency revenue, ex. notable items</b>	<b>15,265</b>	<b>16,504</b>

<b>\$m</b>	<b>4Q23</b>	<b>4Q24</b>
<b>Constant currency PBT</b>	<b>808</b>	<b>2,277</b>
Less: notable items	5,820	5,046
<b>Constant currency PBT, ex. notable items</b>	<b>6,628</b>	<b>7,323</b>

# Argentina

Reported FX, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
NII	13	488	434	264	142	994	1,328
Non-NII	(42)	(290)	(125)	(52)	(18)	(220)	(486)
<b>Revenue</b>	<b>(29)</b>	<b>197</b>	<b>309</b>	<b>211</b>	<b>125</b>	<b>774</b>	<b>842</b>
ECL	(37)	(61)	26	(5)	(9)	(107)	(48)
Costs	31	(160)	(163)	(169)	(112)	(428)	(604)
<b>PBT</b>	<b>(35)</b>	<b>(23)</b>	<b>173</b>	<b>37</b>	<b>4</b>	<b>239</b>	<b>190</b>

Constant currency, \$m	4Q23	1Q24	2Q24	3Q24	4Q24	FY23	FY24
NII	(591)	405	380	244	142	(549)	1,328
Non-NII	110	(241)	(109)	(48)	(18)	83	(486)
<b>Revenue</b>	<b>(481)</b>	<b>164</b>	<b>272</b>	<b>197</b>	<b>125</b>	<b>(466)</b>	<b>842</b>
ECL	44	(50)	24	(5)	(9)	47	(48)
Costs	274	(133)	(143)	(186)	(112)	263	(604)
<b>PBT</b>	<b>(163)</b>	<b>(19)</b>	<b>153</b>	<b>20</b>	<b>4</b>	<b>(157)</b>	<b>190</b>

The impairment loss on classification of the business to held-for-sale is booked at a Group level, and impacts related to this are not reflected in these numbers (see slide 50)

- ◆ Sale of the business completed on 6 December 2024
- ◆ Received \$1.1bn in consideration at closing, including \$0.7bn in ADRs of the buyer
- ◆ Recognised a \$(1.0)bn loss on disposal in FY24
- ◆ On completion, cumulative historical FX and other reserve losses recycled to the income statement of \$(5.2)bn. These had already been recognised in capital – no incremental impact on CET1 or TNAV
- ◆ Sale had an insignificant impact on Group CET1 ratio
- ◆ The transaction has been treated as a material notable item and excluded from the dividend payout calculation

# 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)%
<b>Group</b>	<b>917</b>	<b>931</b>	<b>931</b>	<b>(1)</b>	<b>(0)%</b>

By legal entity, \$bn	4Q23	3Q24	4Q24	Δ 3Q24	
Asia	449	450	450	(0)	(0)%
<i>o/w: Hong Kong</i>	<i>281</i>	<i>276</i>	<i>272</i>	<i>(3)</i>	<i>(1)%</i>
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)%
<b>Group</b>	<b>1,580</b>	<b>1,603</b>	<b>1,655</b>	<b>52</b>	<b>3%</b>

By legal entity, \$bn	4Q23	3Q24	4Q24	Δ 3Q24	
Asia	794	821	845	24	3%
<i>o/w: Hong Kong</i>	<i>547</i>	<i>565</i>	<i>575</i>	<i>10</i>	<i>2%</i>
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%



# 4Q24 vs. 3Q24 equity drivers

Reported FX	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares outstanding after deducting own shares held, millions
<b>At 30 September 2024</b>	<b>192.8</b>	<b>161.9</b>	<b>9.00</b>	<b>17,982</b>
<b>Profit attributable to:</b>	0.4	0.7	0.04	—
<i>Ordinary shareholders<sup>1</sup></i>	0.2	0.7	0.04	—
<i>Other equity holders</i>	0.2	—	—	—
Dividends	(2.0)	(1.8)	(0.10)	—
<i>On ordinary shares</i>	(1.8)	(1.8)	(0.10)	—
<i>On other equity instruments</i>	(0.2)	—	—	—
FX <sup>1</sup>	(6.0)	(5.6)	(0.31)	—
Impacts of hyperinflation	0.1	0.1	0.01	—
Issuance/Redemption of securities	—	—	—	—
Cancellation of shares/buybacks	(3.0)	(3.0)	—	(332)
Actuarial gains/(losses) on defined benefit plans	(0.4)	(0.4)	(0.02)	—
Cash flow hedge reserves	(0.9)	(0.9)	(0.05)	—
Fair value movements through 'Other Comprehensive Income'	(1.4)	(1.4)	(0.07)	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	(0.1)	(0.1)	—	—
<i>Of which: debt and equity instruments at fair value through OCI</i>	(1.3)	(1.3)	(0.07)	—
Other <sup>1, 2</sup>	5.4	4.7	0.11	268*
<b>At 31 December 2024</b>	<b>185.0</b>	<b>154.3</b>	<b>8.61</b>	<b>17,918</b>

◆ Average basic number of shares outstanding during 4Q24: 18,042m

◆ Cancellation of shares/buybacks: the movement in tangible equity reflects the \$3bn buyback announced at 3Q24 results. (332)m shares reflects shares **cancelled** during 4Q24 — (137)m / (194)m from the \$3bn buybacks announced at 2Q24 / 3Q24 respectively. The reduction in shares does not include 122m shares repurchased in connection with the 3Q24 buyback which were not cancelled by 31 December 2024. These will be reflected in 1Q25

\* Other includes an increase of 264m to reflect a correction made in 4Q24 in respect of own shares held by the company. Own shares held are deducted from the issued share count for the purposes of calculating EPS, DPS and TNAV per share. The issued share count was unaffected and stood at 18,279m on 30 September 2024 and 17,947m at 31 December 2024

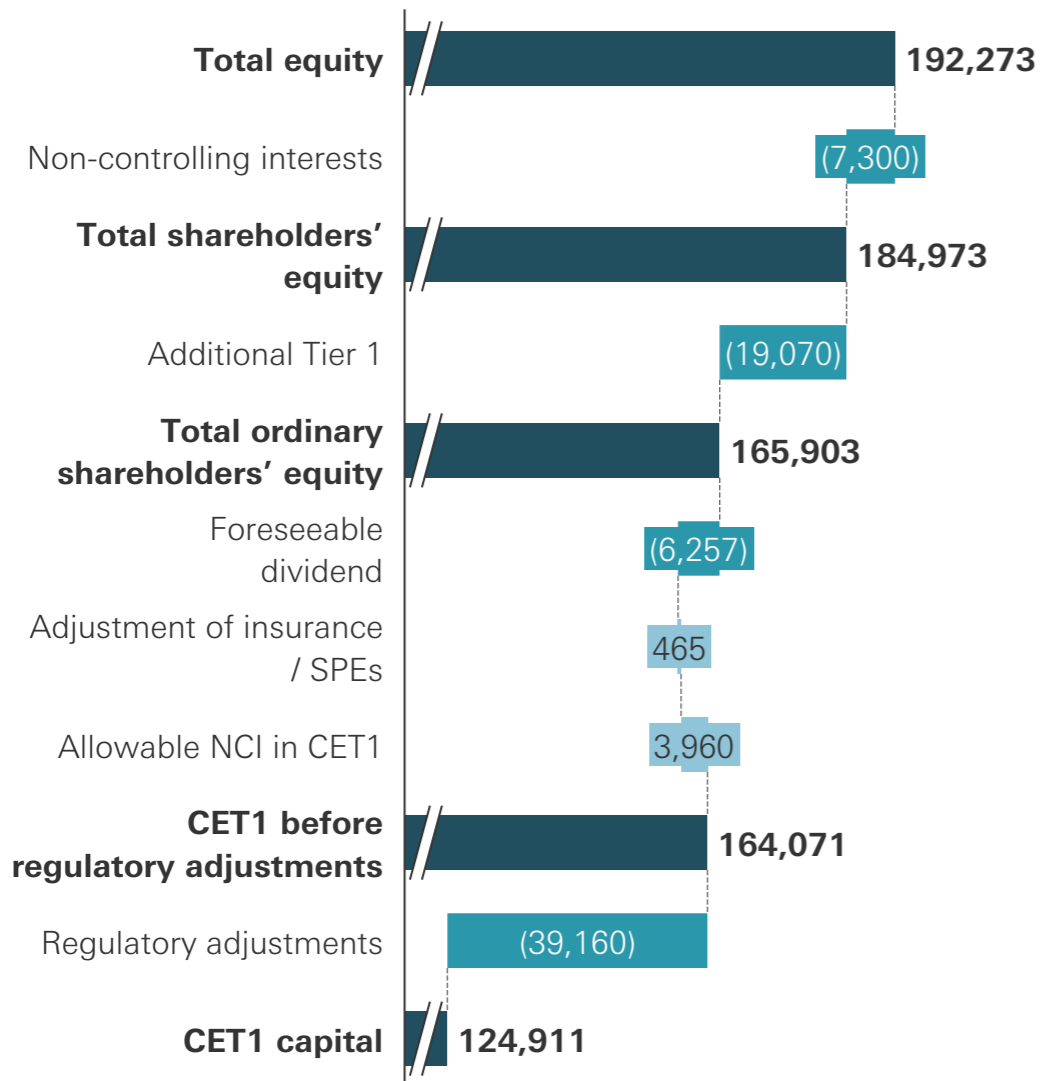
# FY24 vs. FY23 equity drivers

Reported FX	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares outstanding after deducting own shares held, millions
<b>At 31 December 2023</b>	<b>185.3</b>	<b>155.7</b>	<b>8.19</b>	<b>19,006</b>
<b>Profit attributable to:</b>	24.0	24.8	1.30	—
<i>Ordinary shareholders<sup>1</sup></i>	22.9	24.8	1.30	—
<i>Other equity holders</i>	1.1	—	—	—
Dividends	(16.4)	(15.3)	(0.81)	—
<i>On ordinary shares</i>	(15.3)	(15.3)	(0.81)	—
<i>On other equity instruments</i>	(1.1)	—	—	—
FX <sup>1</sup>	(5.0)	(4.5)	(0.24)	—
Impacts of hyperinflation	1.2	1.2	0.07	—
Issuance/Redemption of securities	1.4	—	—	—
Cancellation of shares/buybacks	(11.0)	(11.0)	(0.01)	(1,326)
Actuarial gains/(losses) on defined benefit plans	(0.2)	(0.2)	(0.01)	—
Cash flow hedge reserves	(0.3)	(0.3)	(0.02)	—
Fair value movements through 'Other Comprehensive Income'	(0.3)	(0.3)	(0.01)	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	(0.4)	(0.4)	(0.02)	—
<i>Of which: debt and equity instruments at fair value through OCI</i>	0.1	0.1	0.01	—
Other <sup>1, 2</sup>	6.3	4.2	0.15	238*
<b>At 31 December 2024</b>	<b>185.0</b>	<b>154.3</b>	<b>8.61</b>	<b>17,918</b>

\* Other includes an increase of 264m to reflect a correction made in 4Q24 in respect of own shares held by the company. Own shares held are deducted from the issued share count for the purposes of calculating EPS, DPS and TNAV per share. The issued share count was unaffected and stood at 19,263m on 31 December 2023 and 17,947m on 31 December 2024

# Total shareholders' equity to CET1 capital

## 4Q24 total equity to CET1 capital (reported FX), \$m



## Total equity to CET1 capital walk (reported FX), \$m

	2Q24	3Q24	4Q24
<b>Total equity (per balance sheet)</b>	<b>190,414</b>	<b>200,025</b>	<b>192,273</b>
Non-controlling interests	(7,121)	(7,271)	(7,300)
<b>Total shareholders' equity</b>	<b>183,293</b>	<b>192,754</b>	<b>184,973</b>
Additional Tier 1	(18,825)	(19,070)	(19,070)
<b>Total ordinary shareholders' equity ('NAV')</b>	<b>164,468</b>	<b>173,684</b>	<b>165,903</b>
Foreseeable dividend	(4,495)	(5,587)	(6,257)
Adjustment for insurance / SPEs	424	423	465
Allowable NCI in CET1	4,148	4,210	3,960
<b>CET1 before regulatory adjustments</b>	<b>164,545</b>	<b>172,730</b>	<b>164,071</b>
Prudential valuation adjustment	(1,147)	(1,196)	(1,141)
Intangible assets	(12,748)	(13,160)	(12,890)
Deferred tax asset deduction	(3,902)	(3,638)	(3,513)
Cash flow hedge adjustment	1,659	204	1,057
Excess of expected loss	(3,050)	(3,029)	(3,125)
Own credit spread	1,130	1,177	1,243
Defined benefit pension fund assets	(5,905)	(6,366)	(5,651)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital	(14)	(13)	(24)
Threshold deductions	(15,235)	(15,241)	(15,076)
<b>Regulatory adjustments</b>	<b>(39,252)</b>	<b>(41,302)</b>	<b>(39,160)</b>
<b>CET1 capital</b>	<b>125,293</b>	<b>131,428</b>	<b>124,911</b>

# Wealth and Personal Banking

\$m	4Q23	3Q24	4Q24	vs. 4Q23	
				\$	%
Wealth	1,674	2,346	2,062	388	23%
Personal Banking	4,878	4,816	4,793	(85)	(2)%
Other	(2,382)	175	96	2,478	>100%
<i>of which: notable items</i>	<i>(2,153)</i>	—	<i>(27)</i>	<i>2,126</i>	<i>99%</i>
<b>Revenue</b>	<b>4,170</b>	<b>7,337</b>	<b>6,951</b>	<b>2,781</b>	<b>67%</b>
ECL	(245)	(436)	(409)	(164)	(67)%
Costs	(3,722)	(3,706)	(4,048)	(326)	(9)%
<b>PBT</b>	<b>221</b>	<b>3,209</b>	<b>2,498</b>	<b>2,277</b>	<b>&gt;100%</b>

				vs. 3Q24	
Customer lending, \$bn	445	445	447	2	1%
Customer accounts, \$bn	793	806	823	17	2%
RWAs, \$bn ▶	193	192	181	(11)	(6)%
Wealth balances, \$bn <sup>‡</sup> ▶	1,727	1,902	1,848	(54)	(3)%
— o/w: Invested assets, \$bn <sup>‡</sup> ▶	1,191	1,348	1,293	(55)	(4)%

	FY23	FY24	vs. FY23
RoTE, % ▶	28.5%	29.0%	0.5ppts

## Revenue 4Q24 vs 4Q23

**Revenue** +\$2.8bn / 67%, including +\$2bn impacts from strategic transactions\*. Excluding these, revenue up \$0.8bn / 12%

**Wealth** +\$0.4bn / 23% with strong growth across all products

**Personal Banking** \$(0.1)bn / (2)%, including a \$(0.2)bn impact from strategic transactions. Excluding this, up \$0.1bn / 2% due to balance sheet growth and growth in fee and other income

**Other** +\$2.5bn / >100%, primarily due to the non-recurrence of a \$2bn impairment relating to the sale of our retail banking operations in France from 4Q23 and +\$0.2bn higher Markets Treasury allocations

## Balances 4Q24 vs. 3Q24

**Loans** +\$2bn / 1%, including +\$1bn unsecured (Hong Kong +\$1bn mainly cards), +\$1bn Private Banking, notably in CIOM

**Deposits** +\$17bn / 2%, including +\$8bn Hong Kong, +\$4bn UK, +\$2bn CIOM, +\$2bn Singapore, +\$1bn mainland China

**Invested assets** \$(55)bn / (4)%, including \$(24)bn from moving our French life insurance business to held-for-sale and \$(12)bn from an internal transfer to Markets Treasury. The remaining reduction was driven by \$(11)bn market and \$(13)bn FX and other impacts, partly offset by \$5bn NNIA

\* Related to the sale of Canada, Argentina and our retail banking operations in France

‡ Compared with 4Q23, Wealth balances down \$(57)bn / Invested assets \$(54)bn due to the held-for-sale classification of: (i) Argentina; (ii) our Private Bank in Germany; (iii) our life insurance business in France. Additionally, during 4Q24 we transferred a \$12bn portfolio associated with the Group's Holdings Capital Buffer from Asset Management to our Markets Treasury function



# Global Banking and Markets

\$m	4Q23	3Q24	4Q24	vs. 4Q23	
				\$	%
Securities Services	557	559	580	23	4%
Global Debt Markets	76	257	155	79	>100%
Global FX	953	1,051	944	(9)	(1)%
Equities	149	270	173	24	16%
Securities Financing	305	313	476	171	56%
XVAs	4	(23)	52	48	>100%
<b>Markets and Securities Services</b>	<b>2,044</b>	<b>2,427</b>	<b>2,380</b>	<b>336</b>	<b>16%</b>
Global Trade Solutions	161	174	168	7	4%
Global Payments Solutions	1,140	1,110	1,133	(7)	(1)%
Credit & Lending	478	464	466	(12)	(3)%
Investment Banking	223	273	265	42	19%
Other	84	134	153	69	82%
<b>Banking</b>	<b>2,086</b>	<b>2,155</b>	<b>2,185</b>	<b>99</b>	<b>5%</b>
GBM Other	(512)	(208)	(190)	322	63%
<b>Revenue</b>	<b>3,618</b>	<b>4,374</b>	<b>4,375</b>	<b>757</b>	<b>21%</b>
<i>of which: notable items</i>	(135)	—	—	135	100%
ECL	(14)	(48)	(177)	(163)	>100%
Costs	(2,692)	(2,493)	(2,797)	(105)	(4)%
<b>PBT</b>	<b>912</b>	<b>1,833</b>	<b>1,401</b>	<b>489</b>	<b>54%</b>
				<b>vs. 3Q24</b>	
Customer lending, \$bn	171	170	170	(0)	(0)%
Customer accounts, \$bn	321	327	341	14	4%
RWAs, \$bn ▶	218	232	232	(0)	(0)%
Assets under custody, \$tn <sup>1</sup> ▶	9.7	11.0	10.6	(0)	(4)%
Gross Investment Banking revenue, \$m	307	425	424	(1)	(0)%
				<b>vs. FY23</b>	
RoTE, % ▶			11.4	13.0	1.6ppts

## Revenue 4Q24 vs. 4Q23

**Revenue \$4.4bn**, +\$0.8bn / 21%

**Securities Financing** +\$0.2bn / 56%, due to ongoing investment in Prime Finance and wider spreads across asset classes

**Global Debt Markets** +\$0.1bn / >100%, driven by a strong demand in financing products vs. 4Q23 when client activity was lower due to economic conditions

**Equities** +16%, primarily due to better results in equities derivatives and equity capital markets

**Securities Services** +4% due to fee growth in MENA and Asia markets as well as rates environment, partially offset by divestments within our fund administration business

**Investment Banking** +19%, due to increased client financing activity, reflected primarily in leveraged finance and equity capital markets

**GBM Other** +\$0.3bn / 63% due to higher allocations of Markets Treasury revenue, and lower HSBC Holdings interest expense

## Balances 4Q24 vs. 3Q24

**Deposits** +\$14bn / 4% due to business growth in the UK (HSBC Bank plc), Singapore and Australia, as well as seasonality across markets

# Corporate Centre

\$m	4Q23	3Q24	4Q24	vs. 4Q23	
				\$	%
Central Treasury	1	68	(91)	(92)	>(100)%
Legacy Credit	6	9	(73)	(79)	>(100)%
Other	(290)	(296)	(4,894)	(4,604)	>(100)%
<b>Revenue</b>	<b>(283)</b>	<b>(219)</b>	<b>(5,058)</b>	<b>(4,775)</b>	<b>&gt;(100)%</b>
ECL	4	(21)	(2)	(6)	>(100)%
Costs	(70)	51	367	437	>100%
<b>Associates</b>	<b>(2,401)</b>	<b>591</b>	<b>675</b>	<b>3,076</b>	<b>&gt;100%</b>
<i>of which: BoCom</i>	<i>(2,552)</i>	<i>444</i>	<i>539</i>	<i>3,091</i>	<i>&gt;100%</i>
<i>of which: Saudi Awwal Bank</i>	<i>147</i>	<i>147</i>	<i>133</i>	<i>(14)</i>	<i>(10)%</i>
<b>PBT</b>	<b>(2,750)</b>	<b>402</b>	<b>(4,018)</b>	<b>(1,268)</b>	<b>(46)%</b>
<i>Memo: revenue notable items</i>	<i>(325)</i>	<i>(211)</i>	<i>(4,913)</i>	<i>(4,588)</i>	<i>&gt; (100)%</i>
RWAs, \$bn ▶	88	91	87	(1)	(1)%
Markets Treasury revenue allocated to Global Businesses, \$m*	(155)	307	370	525	>100%
			<b>FY23</b>	<b>FY24</b>	<b>vs. FY23</b>
RoTE, % ▶			(1.0)	0.7	1.7ppts

## Revenue 4Q24 vs. 4Q23

**Revenue** down \$(4.8)bn, principally reflecting the impact of strategic transactions, notably:

- ◆ \$(5.2)bn recycling of historical foreign currency reserve losses on completing the sale of our business in Argentina
- ◆ \$0.1bn from a reduction in the loss on disposal on the sale of Argentina
- ◆ \$0.3bn non-recurrence of 4Q23 fair value losses on the hedging of the proceeds from the sale of our banking business in Canada

It also included \$0.1bn fair value gains on hedges related to our retained French retail lending portfolio

\* 4Q23 included \$(0.4)bn of Treasury disposal losses. Markets Treasury revenue is not included in Corporate Centre revenue and is allocated to the Global Businesses



# Glossary

ADRs	American Depositary Receipts
AI	Artificial intelligence
AIEA	Average interest earning assets
AM	Asset Management
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
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
CIB	Corporate and Institutional Banking
CIOM	Channel Islands and Isle of Man
CMB	Commercial Banking, one of our global business which operated until 31 December 2024
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
CSM release	The systematic recognition of the unearned profit of insurance contracts in revenue over the period that services are provided
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
FVOCI	Fair value through other comprehensive income
GBM	Global Banking and Markets, one of our global business which operated until 31 December 2024
Gen AI	Generative artificial intelligence
GFX	Global Foreign Exchange
GPS	Global Payments Solutions
Group	HSBC Holdings plc and its subsidiary undertakings
GTS	Global Trade Solutions
IFRS	International Financial Reporting Standard
Issued share count	Number of ordinary shares issued by the Company
IWPB	International Wealth and Premier Banking
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
NAV	Net asset value
New business CSM	Insurance manufacturing new business contractual service margin
NBFI	Non-bank financial institution
NCI	Non-controlling interests
NII	Net interest income
NIM	Net interest margin
NNIA	Net new invested assets
PAOS	Profit attributable to ordinary shareholders
PBT	Profit before tax
Ppt	Percentage points
Return on tangible equity / RoTE	Return on average tangible equity
RM	Relationship manager
RWA	Risk-weighted asset
SPE	Special purpose entity
SVB UK	Silicon Valley Bank UK Limited, now HSBC Innovation Bank Limited
TMD	Time deposit
TNAV	Tangible net asset value
UK RFB / RFB	HSBC UK Bank plc (HSBC UK), the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
WPB	Wealth and Personal Banking, one of our global business which operated until 31 December 2024
Wholesale Transaction Banking	Comprises the following products in our CMB and GBM businesses: Global Trade and Receivables Finance, Global Payments Solutions, Global Foreign Exchange and Securities Services



# Footnotes (1)

## Business update

### Slide 3: 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 5: 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 6: 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. 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'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 and 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 and 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 and 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 and 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. 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 10: 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 11: 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 12: We manage our capital with discipline

1. The issued share count as at 31 December 2022 was 20,294m

### Slide 14: 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 17: A mid-teens RoTE provides us with a range of options for capital deployment

1. For illustrative purposes only, based on internal analysis of maximum capital allocation using a basic set of assumptions with all else remaining equal. Assumptions include: (i) a 14-16% return on tangible equity excluding notable items; (ii) RWAs and TNAV balances as at 31DEC24 of \$838bn and \$154bn respectively are unchanged; (iii) a dividend payout ratio of 50%; and (iv) dividends received from BoCom are unchanged from 2024

# Footnotes (2)

## Slide 18: Your HSBC

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

## 4Q24 results

### Slide 20: 4Q24 summary

1. Includes: (1) an approximate distribution amount of the \$0.36 dividend per share, payable on 25 April 2025; (2) the up to \$2bn buyback

### Slide 23: 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 25: 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 32: Capital

1. Ratio movements include the impact of threshold deductions

### Slide 33: 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 49 for a reconciliation of our 2025 target basis

### Slide 39: 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 41: 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 42: Wholesale Transaction Banking and Wealth — additional information

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'. GFX includes our emerging markets business

2. Loans to customers and banks, not including balances in held-for-sale
3. Relates to: (i) Securities Services; (ii) Issuer Services (included in Investment Banking)

### Slide 43: Wholesale multi-jurisdictional revenue

1. Multi-jurisdictional client revenue: 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 (i.e. the clients' home market). 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, 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
2. Refers to clients whose Global Relationship Manager is based in the US, Rest of Americas, UK RFB and UK NRFB and the Rest of Europe
3. Refers to clients whose Global Relationship Manager is based in Asia or MENAT

### Slide 46: Global CRE exposure

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

### Slide 54: 4Q24 vs. 3Q24 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'
2. Primarily from the recycling of FX and other reserve losses on the sale of our business in Argentina

### Slide 55: FY24 vs. FY23 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'
2. Primarily from the recycling of FX and other reserve losses on the sale of our business in Argentina

# Disclaimer

## Important notice

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](http://www.hsbc.com).

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

