

HSBC Holdings plc 3Q23 Results

Presentation to Investors and Analysts



Our purpose, values and ambition support the execution of our strategy

Our purpose

Opening up a world of opportunity

Our ambition

To be the preferred **international** financial partner for our clients

Our values

We value difference

We succeed together

We take responsibility

We get it done

Our strategy

Focus on our strengths

Digitise at scale

Energise for growth

Transition to net zero

Business highlights

9M23 financials and capital distributions

Reported PBT
\$29.4bn
 9M22: \$12.0bn

RoTE
17.1%
 9M22: 11.0%

RoTE excludes strategic transactions¹

Share buybacks announced

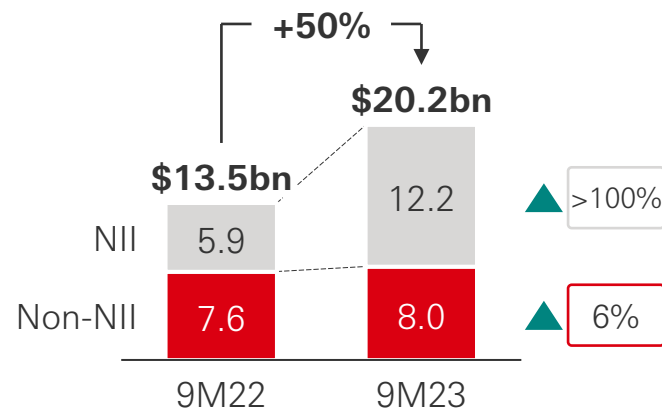
up to **\$7bn**

DPS (declared)

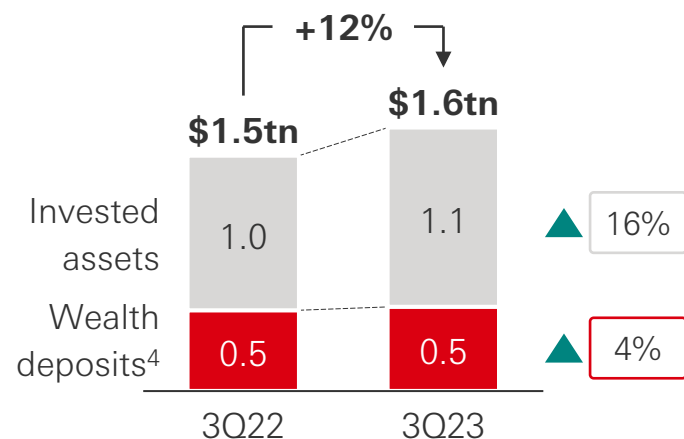
\$0.30 per share

9M22: \$0.09 per share

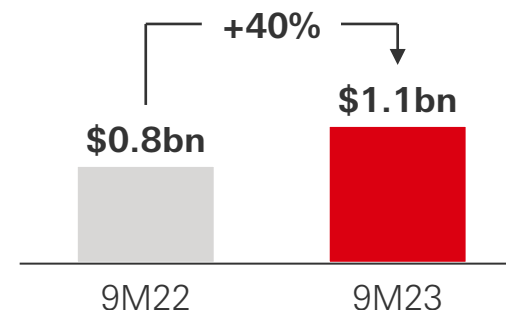
Wholesale transaction banking revenue²



Wealth balances³



Hong Kong insurance manufacturing new business CSM⁵



Group 3Q23 new business CSM of **\$587m**, up \$246m (72%) vs. 2Q23

Mortgages in Asia and the UK

+\$11bn

Growth in Asia and UK WPB balances vs. 3Q22

o/w Asia: \$6bn

o/w UK: \$5bn

Investment in Wealth

Acquired Citi's **Retail Wealth business in mainland China**

c.\$3.6bn in assets and deposits

Wealth customers across **11** major cities

3Q23 results summary

\$m	3Q23	3Q22	Δ (%)
NII	9,248	7,998	▲ 16 %
Non-NII	6,913	3,577	▲ 93 %
Revenue	16,161	11,575	▲ 40 %
ECL	(1,071)	(1,103)	▼ 3 %
Costs	(7,968)	(7,902)	▲ (1)%
Associates	592	554	▲ 7 %
Constant currency PBT	7,714	3,124	▲ >100%
FX translation	—	105	—
Reported PBT	7,714	3,229	▲ >100%
Tax	(1,448)	(572)	▲ >(100)%
Profit attributable to ordinary shareholders	5,619	2,002	▲ >100%
Earnings per share, \$	0.29	0.10	▲ \$0.19
EPS excluding material notable items*, \$	0.27	0.20	▲ \$0.07
Dividend per share (declared), \$	0.10	—	▲ \$0.10
RoTE (YTD, annualised), %	19.7	9.4	▲ 10.3ppts
<i>Memo: notable items⁶</i>	<i>(317)</i>	<i>(3,528)</i>	<i>▲ 91 %</i>
<i>o/w: Treasury security disposals</i>	<i>(578)</i>	<i>—</i>	<i>▼ >(100)%</i>

\$bn	3Q23	2Q23	Δ (%)
Customer loans	936	940	▼ (0)%
Customer deposits	1,563	1,565	▼ (0)%
Reported RWAs	840	860	▼ (2)%
CET1 ratio ⁷ , %	14.9	14.7	▲ 0.2ppts
TNAV per share, \$	\$7.96	\$7.84	▲ \$0.12

- ◆ **Revenue of \$16.2bn**, up \$4.6bn (40%):
 - ◆ **NII of \$9.2bn**, up \$1.3bn vs. 3Q22 due to interest rate rises, stable vs. 2Q23
 - ◆ **Non-NII of \$6.9bn, up \$3.3bn**, primarily due to: (i) the non-recurrence of a **\$2.5bn** impairment in 3Q22 relating to the planned sale of our retail banking operations in France; (ii) **\$1.6bn** higher revenue offset into non-NII from the central costs of funding GBM trading activity; (iii) offset by **\$0.6bn** Treasury disposal **losses** taken for hedging and risk management purposes[‡]
 - ◆ **Banking NII of \$11.5bn**
- ◆ **ECL charge of \$1.1bn, \$0.5bn** relates to our mainland China CRE portfolio
- ◆ **Costs of \$8.0bn**, up 1% as lower restructuring costs were offset by higher performance-related pay accrual, technology spending and Innovation Banking costs
- ◆ **Customer loans broadly stable** vs. 2Q23 as softer corporate loan demand in Hong Kong was partly offset by growth in WPB
- ◆ **Customer deposits stable** vs. 2Q23
- ◆ CET1 ratio of **14.9%**; TNAV per share of **\$7.96**, up \$0.12 vs. 2Q23 mainly due to retained profits
- ◆ Third interim **dividend of \$0.10 per share**; announcing an **up to \$3bn share buyback**

Variances on this slide are vs. 3Q22 unless otherwise stated

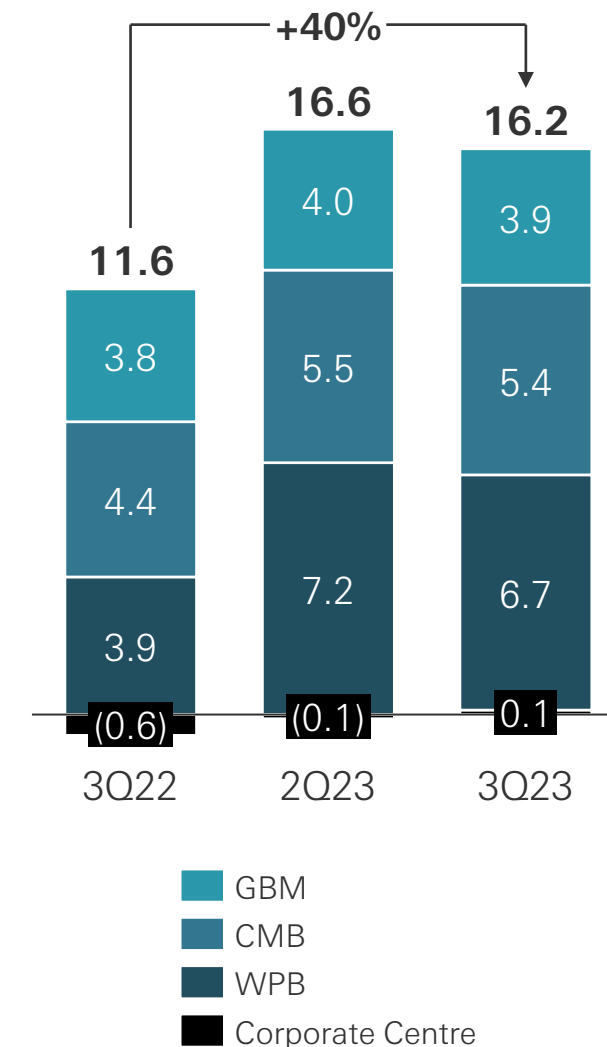
* Reconciliation on slide 28

‡ These losses do not materially impact CET1 capital, TNAV or TNAV per share as they have already been taken through reserves

Revenue performance

	3Q23 revenue		3Q23 vs. 3Q22	
WPB	Wealth	\$1,894m	107	6 %
	Personal Banking	\$5,282m	908	21 %
	Other	\$(457)m	1,770*	79 %
CMB	GTRF	\$520m	(7)	(1)%
	Credit and Lending	\$1,339m	(114)	(8)%
	GPS	\$3,199m	1,231	63 %
	Other	\$366m	(127)	(26)%
GBM	MSS	\$2,158m	(139)	(6)%
	<i>of which: FX</i>	\$928m	(133)	(13)%
	Banking	\$2,158m	455	27 %
	<i>of which: GPS</i>	\$1,127m	329	41 %
	<i>of which: Capital Markets & Advisory</i>	\$254m	72	40 %
	Other	\$(429)m	(223)	>(100)%
Corp. Centre	\$131m	>100%	725	
Group	\$16,161m	▲ 40%	4,586	

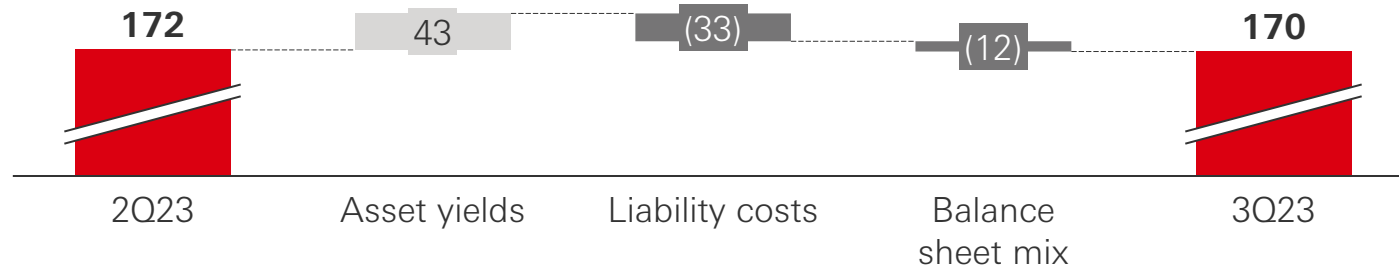
Revenue by global business, \$bn



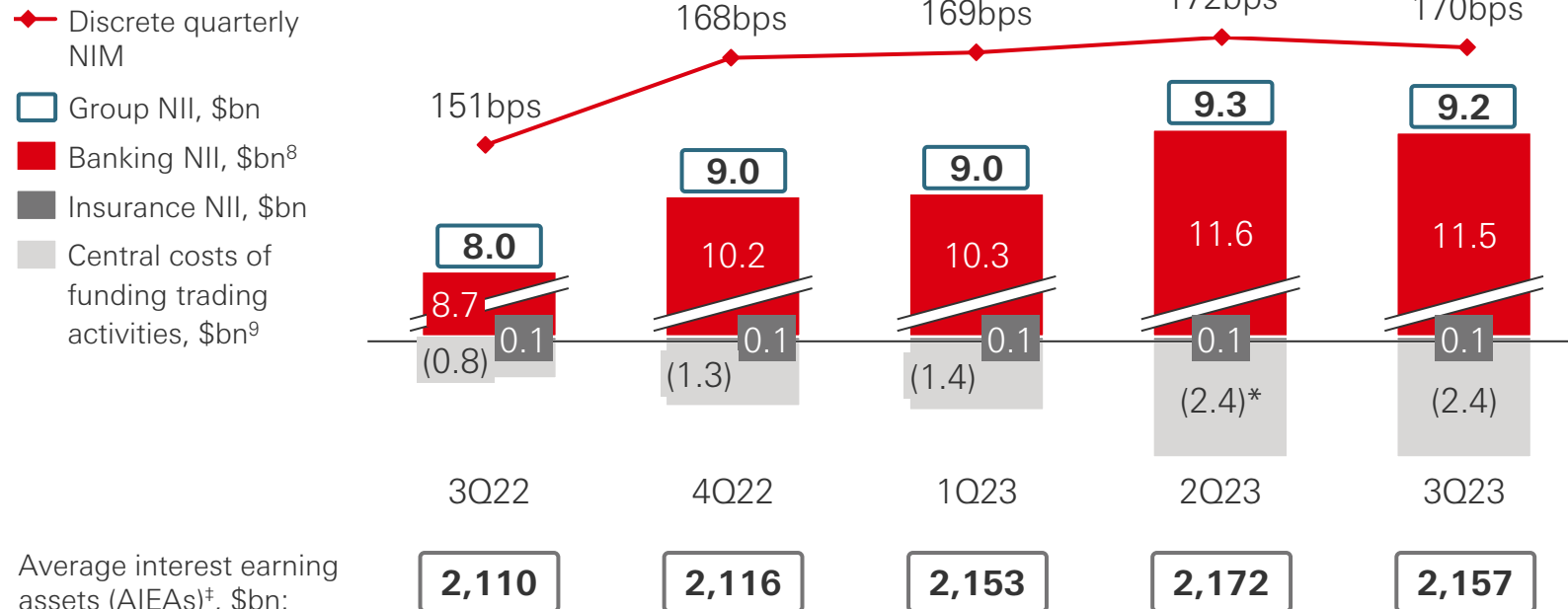
* Variance largely due to the portion of an impairment in 3Q22 relating to the planned sale of our retail banking operations in France which was booked in WPB (\$2.3bn)

Net interest income and margin

NIM progression, bps



Reported NII analysis



Average interest earning assets (AIEAs)[‡], \$bn:

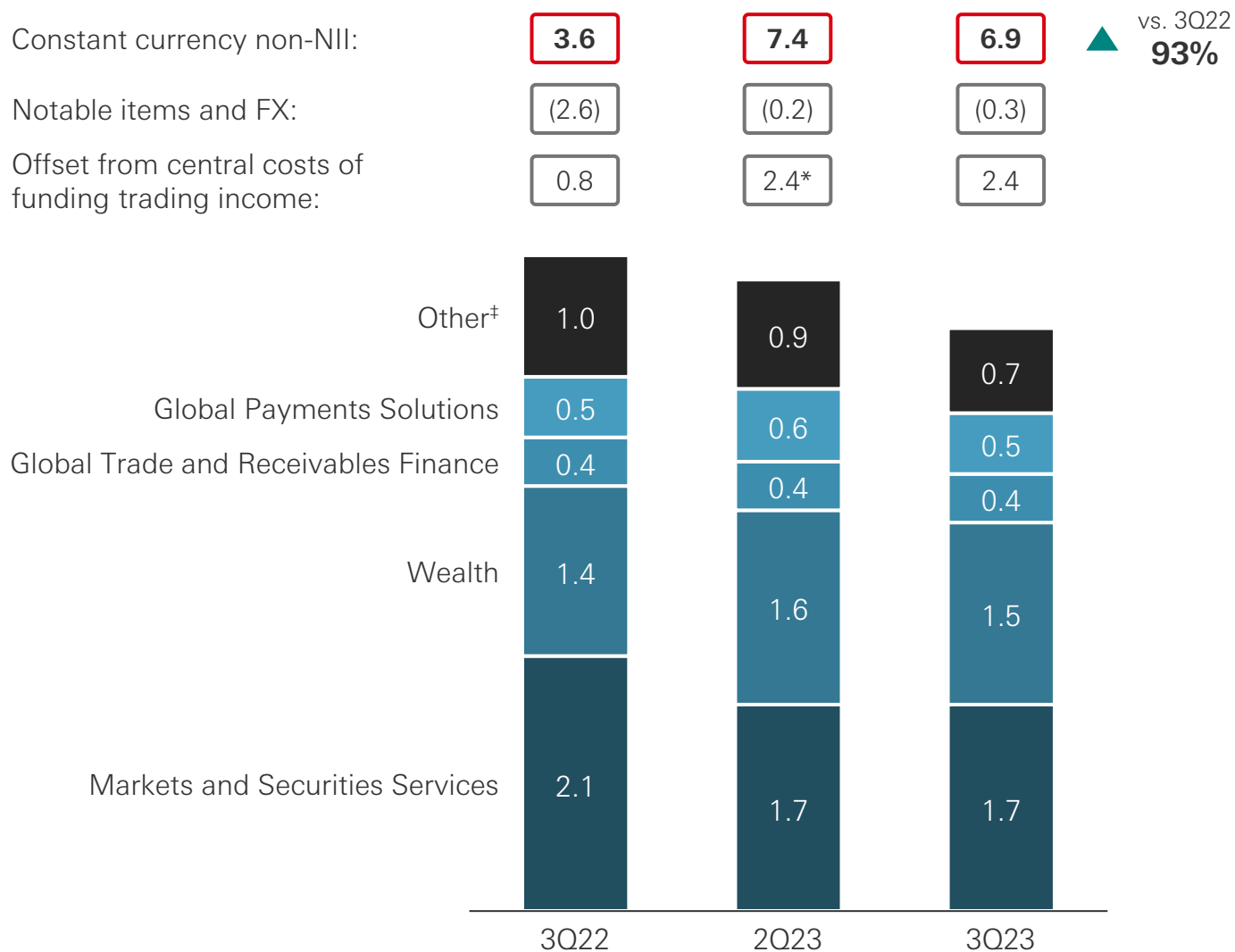
3Q22	4Q22	1Q23	2Q23	3Q23
2,110	2,116	2,153	2,172	2,157

* 2Q23 central costs of funding trading income included \$0.4bn reflecting the year-to-date impact of methodology changes
 ‡ 3Q23 includes c.\$18bn insurance AIEAs and excludes c.\$130bn period end trading, fair value and associated net asset balances

- ◆ **NII stable** vs. 2023 on a constant currency basis
- ◆ **Banking NII of \$11.5bn, stable vs. 2023.** 2023 included \$0.4bn favourable 1H23 impact of methodology changes which relate broadly equally to 1Q23 and 2Q23
- ◆ **NIM broadly stable** vs. 2023
- ◆ **FY23 guidance unchanged:** expect NII >\$35bn and the revenue offset into non-NII from the central costs of funding GBM trading activities to be in excess of \$7bn

Non-NII

Group non-NII, \$bn



◆ **Constant currency non-NII up \$3.3bn (93%) vs. 3Q22:**

- ◆ **\$2.3bn** favourable movement in notable items and FX. **3Q22 included a \$2.5bn impairment** relating to the planned sale of our retail banking business in France; **3Q23 included \$0.6bn Treasury disposal losses***
- ◆ **\$1.6bn** increase in the revenue offset into non-NII from the central costs of funding GBM trading activity
- ◆ Other down \$0.3bn, including lower Markets Treasury income
- ◆ **\$0.6bn of Treasury disposal losses*** associated with enhancement of our structural interest rate hedge position:
 - ◆ Disposal proceeds will be reinvested into higher yielding or higher duration assets. Disposal losses are forecast to be **more than recovered through NII**, the majority of which will be over the first **five years**
 - ◆ Modest benefit to CET1 ratio
 - ◆ Expect a further **c.\$0.4bn** of these losses in 4Q23

Product splits are shown on a reported FX basis

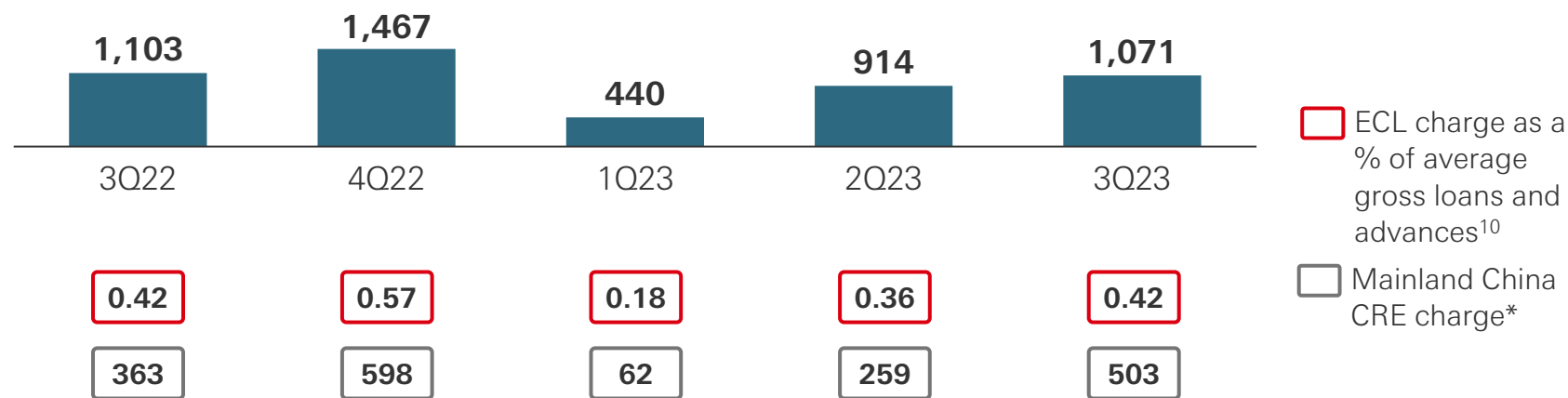
* 2Q23 included \$0.4bn reflecting the year-to-date impact of methodology changes

◆ These losses do not materially impact CET1 capital, TNAV or TNAV per share as they have already been taken through reserves

‡ Other includes WPB Personal Banking, WPB Other, CMB Credit & Lending, CMB Other, GBM Banking (excl. GPS and GTRF), GBM Other and Corporate Centre (excl. offset from central costs of funding trading income)

Credit performance

ECL charge trend, \$m



ECL charge / (release) by entity, \$m

	3Q23	2Q23
Asia (HBAP)	748	391
<i>o/w Hong Kong</i> [‡]	659	451
UK RFB (HBUK)	58	260
HSBC Bank plc (HBEU)	80	56
USA (HNAH)	(15)	33
Canada (HBCA)	20	10
Mexico (HBMX)	158	140
HSBC Bank Middle East (HBME)	6	7
Other	16	17
Total	1,071	914

ECL charge by stage, \$bn

	Stage 1-2	Stage 3	Total
Wholesale	0.1	0.7	0.8
Personal	0.1	0.1	0.2
Total	0.2	0.9*	1.1*

- ◆ **\$1.1bn charge**, including **\$0.5bn** relating to mainland China CRE
 - ◆ YTD mainland China CRE charge \$0.8bn
- ◆ Low personal lending charge of \$0.2bn
- ◆ Low charge in the UK RFB driven by stage 1 and 2 releases as improved economic expectations have led to favourable re-weightings in our economic scenarios
- ◆ Stage 3 balances of **\$19bn**, down \$1bn on a reported basis vs. 2Q23 (2.0% of total loans)
- ◆ **FY23 Group ECL guidance unchanged at ~40bps¹⁰**

* Mainland China CRE charge is on a reported basis and has not been currency adjusted in prior periods

‡ Hong Kong included a \$503m charge relating to mainland China CRE

◆ Totals do not sum due to rounding

Mainland China commercial real estate update

Mainland China CRE exposures by booking location and credit quality

At 30 September 2023

	<i>Memo: Hong Kong at 2023</i>	Hong Kong	Mainland China	Rest of Group	Total
Total	8,076	7,504	5,146	985	13,635
Strong	1,161	1,197	1,748	111	3,056
Good	747	643	946	431	2,020
Satisfactory	973	925	1,689	233	2,847
Sub-standard	1,891	1,485	520	191	2,196
Credit impaired	3,304	3,254	243	19	3,516
Allowance for ECL*	<i>(1,981)</i>	(2,031)	(221)	(18)	(2,270)

Hong Kong booked sub-standard and credit impaired exposures

\$m	Total exposure	Of which not secured	ECL allowance*
Sub-standard	1,485	1,075	(71)
Credit impaired	3,254	2,588	(1,893) [‡]
Total	4,739	3,663	(1,964)

c.73%
coverage ratio
against not
secured, credit
impaired
exposures

- ◆ Total mainland China CRE exposure **\$13.6bn, down \$0.6bn** vs. 2Q23 mainly due to write-offs and down **\$7.7bn vs. FY21**

Hong Kong booked exposures:

- ◆ **\$7.5bn, down \$0.5bn** vs. 2Q23; \$7.2bn drawn loans & advances
- ◆ Our exposure classified as strong, good and satisfactory remained broadly stable vs. 2Q23:
 - ◆ c.50% is to state-owned enterprises; c.50% is primarily lending to privately-owned enterprises that are not residential property developers. This is reflected in the minimal ECL allowance in this part of the portfolio
- ◆ Given worsened market conditions, the management assessed plausible downside scenario of c.\$1bn ECL now looks more realistic for FY23
 - ◆ YTD ECL charge of **\$0.8bn**
- ◆ **FY23 Group ECL guidance of c.40bps unchanged¹⁰**

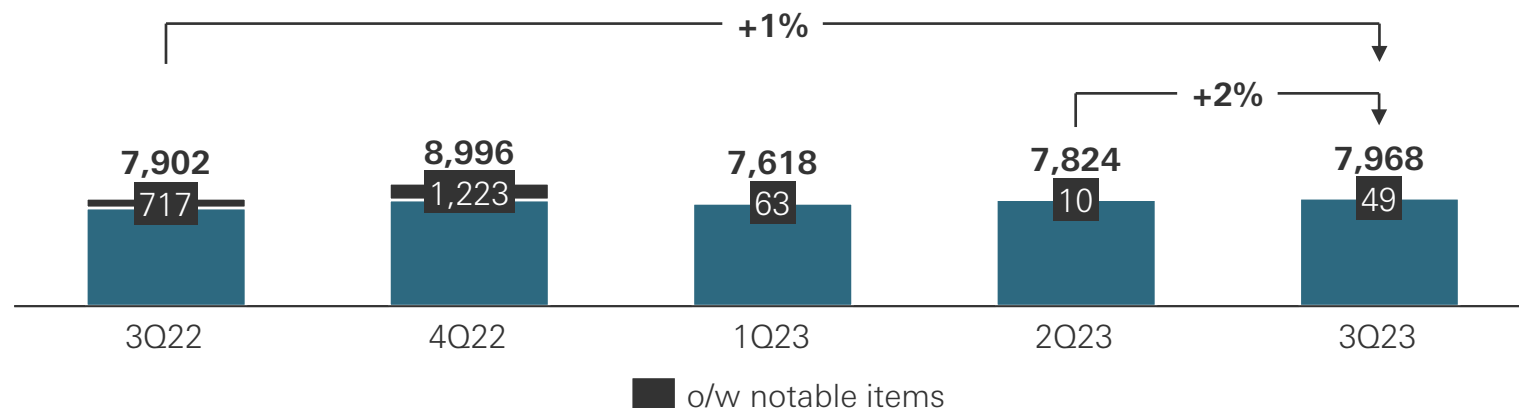
Exposure in previous periods is shown on a reported FX basis

* ECL allowance shown on not secured exposures only

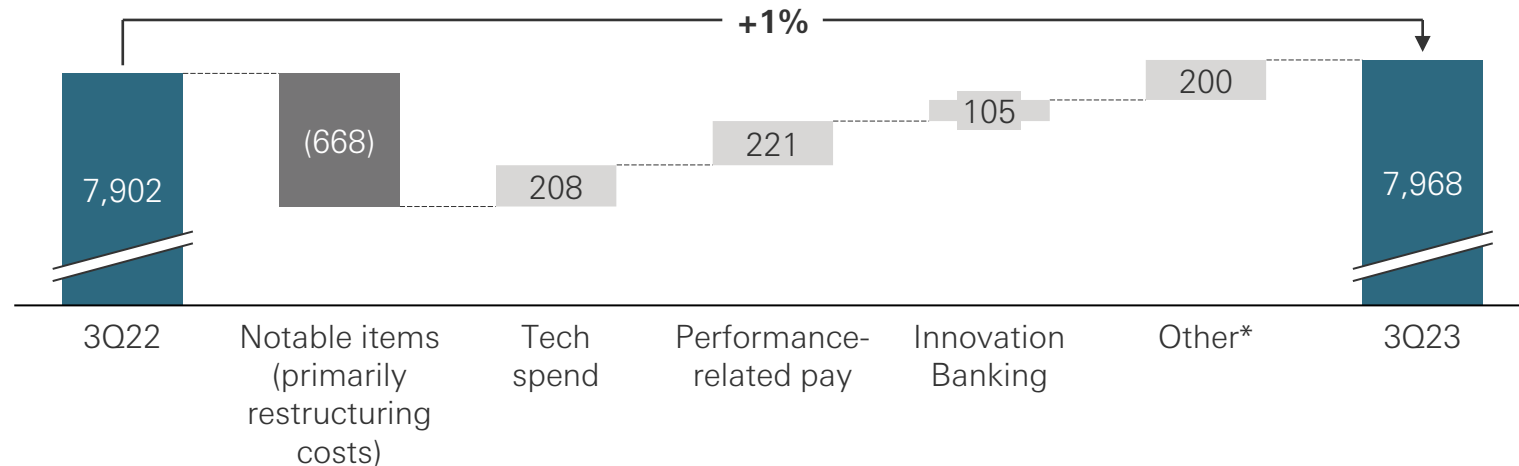
‡ 3Q23 ECL allowance and credit impaired exposures were reduced by c.\$0.4bn vs. 2Q23 due to write-offs

Costs

Operating expenses trend, \$m



3Q23 vs. 3Q22 (constant currency), \$m



Reported costs:

- ◆ **9M23 costs of \$23.4bn, down 2%** vs. 9M22, primarily due to lower restructuring costs
- ◆ 9M23 cost-efficiency ratio of **44%**, improved 22ppts vs. 9M22; 3Q23 CER of **49%**, improved 18ppts vs. 3Q22

Constant currency basis:

- ◆ **3Q23 costs of \$8.0bn, up 1%** vs. 3Q22. Lower notable items (largely restructuring costs) were offset by higher performance-related pay accrual, technology spending and Innovation Banking costs

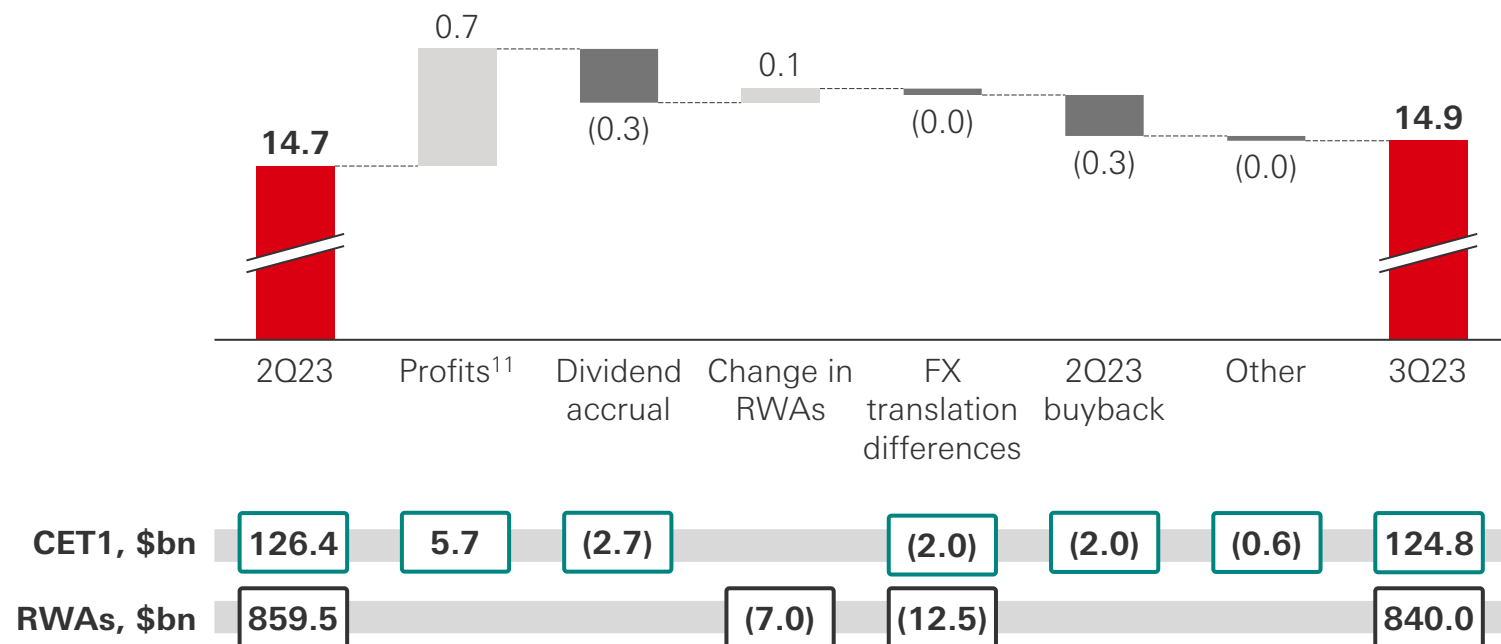
Target basis guidance (reconciliation on slide 14):

- ◆ **c.4% cost growth in FY23, 1% higher** than previously guided due to higher technology and operations expenditure
- ◆ Acquisition of SVB UK and related international investments to increase costs by an **additional c.1%**
- ◆ Potential for a **further increase of c.1%** as we consider higher performance-related pay in 4Q23
- ◆ Target basis: constant currency, excluding notable items and the impact of retranslating 2022 results in hyperinflationary economies at constant currency and costs associated with SVB UK and related international investments
- ◆ FY22 comparative: **\$29.8bn**

* Other includes inflation and the impact of re-translating 3Q22 costs in hyperinflationary economies at constant currency, partly offset by cost programme saves

Capital adequacy

CET1 ratio⁷, %



Capital progression⁷

	3Q23	2Q23	3Q22
Common equity tier 1 capital, \$bn	125	126	111
RWAs, \$bn	840	860	828
CET1 ratio, %	14.9	14.7	13.4
Leverage ratio exposure, \$bn	2,478	2,498	2,415
Leverage ratio, %	5.7	5.8	5.4

- ◆ **CET1 ratio up 0.2ppts** as profit generation and lower RWAs were offset by dividend accrual and the share buyback announced at 2Q23
- ◆ Declared ordinary dividends of **\$0.30** per share (\$5.9bn) in respect of 9M23, accrued **\$0.49** per share (\$9.6bn)
- ◆ We anticipate the share buyback announced of up to \$3bn to impact the CET1 ratio by **around 40bps** in 4Q23

Strategic transactions (see slide 18):

- ◆ Continue to expect the planned sale of our retail banking operations in France to close on 1 January 2024
 - ◆ Expect an up to **\$2.2bn** impairment in 4Q23 which will impact the CET1 ratio by **around 30bps**
- ◆ Our banking business in Canada remains in held-for-sale, expect the transaction to complete in 1Q24
 - ◆ Estimated gain on sale **\$5.5bn** (as at 30-Sep-23), which we will recognise through a combination of Canada earnings from 30-Sep-23 until completion and a remaining gain on sale at completion
 - ◆ Remain committed to consider payment of a **\$0.21 per share special dividend** as a priority use of proceeds in 1H24

Summary

- 1** | **PBT of \$7.7bn** and annualised **RoTE¹ of 17.1%** (excluding strategic transactions)
- 2** | **Good Wealth performance**, particularly in Hong Kong. Continued investment, including the acquisition of Citi's retail wealth business in mainland China
- 3** | **\$0.5bn** ECL charge on our mainland China CRE portfolio. FY23 Group ECL guidance unchanged at **c.40bps** of average loans¹⁰
- 4** | Mortgage growth in Asia of **\$6bn** and the UK of **\$5bn** vs. 3Q22 has been offset by softer corporate loan demand
- 5** | Strong capital position, CET1 ratio of **14.9%**; further up to **\$3bn** buyback announced which we aim to complete before our FY23 results announcement; third quarterly interim dividend of **\$0.10** per share

Appendix

Group guidance summary

Updates to guidance

	Previous guidance	Revised guidance
Costs	Targeting c.3% cost growth vs. FY22 on a target basis, plus c.1% for additional costs relating to the acquisition of SVB UK and related international investments	Expect c.4% cost growth vs. FY22 on a target basis (reconciliation on slide 14). Costs relating to the acquisition of SVB UK and related international investments will add an additional c.1% Potential for a further increase of c.1% due to higher PRP in 4Q23

Existing Group guidance

	Existing guidance
RoTE	RoTE in the mid-teens for 2023 and 2024 ¹²
NII	FY23 NII >\$35bn and the revenue offset into non-NII from the central costs of funding GBM trading activities to be in excess of \$7bn
Lending	Cautious outlook on loan growth in the short term; expect mid-single digit percentage annual loan growth in the medium to long term
ECL	FY23 ECL charge of around 40bps ¹⁰ ; through-the-cycle planning range of 30-40bps
CET1	Manage in 14-14.5% target range in the medium term; aim to manage range down further longer term
Asia as a % of Group TE ¹³	c.50% medium to long term ¹⁴
Dividends	Dividend payout ratio of 50% for 2023 and 2024 ¹⁵

Cost target basis reconciliation

\$m	3Q23	2Q23	1Q23	4Q22	3Q22	9M23	9M22	FY22
Reported	7,968	7,871	7,586	8,781	7,793	23,425	23,920	32,701
Currency impact	—	(47)	32	215	109	—	(486)	(392)
Constant currency	7,968	7,824	7,618	8,996	7,902	23,425	23,434	32,309
Notable items ¹⁶	(48)	(9)	(63)	(1,223)	(717)	(120)	(1,726)	(2,925)
Impact of retranslating results of hyperinflationary economies at constant currency	—	63	69	121	128	—	287	418
SVB UK and related international investments	(105)	(67)	—	—	—	(172)	—	—
Target basis	7,815	7,811	7,625	7,894	7,312	23,134	21,995	29,802

Note: Table uses 3Q23 average FX rates for all quarters and 9M23 average rates for 9M22. FY22 uses 9M23 rates for 1Q22-3Q22 and Sep-23 average rates for 4Q22

FY23 cost target basis:

- ◆ **Now expect c.4% cost growth on a target basis** (constant currency, excluding notable items and the impact of retranslating 2022 results in hyperinflationary economies at constant currency). This is **c.1% higher** than previously guided due to higher technology and operations expenditure
- ◆ We continue to expect the acquisition of SVB UK and related international investments to increase costs by an **additional c.1%**
- ◆ In addition, there may be a further **increase of c.1%** as we consider a potential increase in performance-related pay based on the out-turn of our performance and ongoing execution of our strategy in 4Q23
- ◆ The relevant FY22 comparative is **\$29.8bn**

Key financial metrics

Reported results, \$m	3Q23	2Q23	3Q22
NII	9,248	9,305	8,006
Other Income	6,913	7,400	3,502
Revenue	16,161	16,705	11,508
ECL	(1,071)	(913)	(1,068)
Costs	(7,968)	(7,871)	(7,793)
Associate income	592	850	582
Profit before tax	7,714	8,771	3,229
Tax	(1,448)	(1,726)	(572)
Profit after tax	6,266	7,045	2,657
Profit attributable to ordinary shareholders (PAOS)	5,619	6,639	2,002
Basic EPS, \$	0.29	0.34	0.10
DPS (in respect of the period), \$	0.10	0.10	—
Net interest margin (annualised), %	1.70	1.72	1.51

Reported balance sheet, \$bn	3Q23	2Q23	3Q22
Total assets	3,021	3,041	2,975
Net loans and advances to customers	936	960	966
Customer accounts	1,563	1,596	1,567
Quarterly average interest-earning assets	2,157	2,172	2,110
Reported loan/deposit ratio	59.9	60.1	61.6
Ordinary shareholders' equity (NAV)	165	165	149
Tangible ordinary shareholders' equity (TNAV)	153	153	138
NAV per share, \$	8.56	8.44	7.53
TNAV per share, \$	7.96	7.84	7.01

Alternative performance measures, \$m	3Q23	2Q23	3Q22
Constant currency NII	9,248	9,208	7,998
Constant currency other income	6,913	7,399	3,577
Constant currency revenue	16,161	16,607	11,575
Constant currency ECL	(1,071)	(914)	(1,103)
Constant currency costs	(7,968)	(7,824)	(7,902)
Constant currency associate income	592	829	554
Constant currency profit before tax	7,714	8,698	3,124
PAOS excl. goodwill and other intangible impairment	5,626	6,650	2,445
Return on average tangible equity (annualised), %	14.6	17.1	6.8
Return on average equity (annualised), %	13.5	15.9	5.2
Constant currency net loans and advances to customers, \$bn	936	940	999
Constant currency customer accounts, \$bn	1,563	1,565	1,621
Cost efficiency ratio, %	49.3	47.1	68.3
ECL as a % of average gross loans and advances to customers, annualised %	0.45	0.38	0.43

Capital, leverage and liquidity ⁷	3Q23	2Q23	3Q22
Risk-weighted assets, \$bn	840	860	828
CET1 ratio, %	14.9	14.7	13.4
Total capital ratio, %	19.7	19.8	18.1
Leverage ratio, %	5.7	5.8	5.4
High-quality liquid assets (liquidity value), \$bn	641	631	663
Liquidity coverage ratio, %	134	132	133

Share count, m	3Q23	2Q23	3Q22
Basic number of ordinary shares outstanding	19,275	19,534	19,738
Basic number of ordinary shares outstanding and dilutive potential ordinary shares	19,426	19,679	19,857
Average basic number of ordinary shares outstanding	19,404	19,662	19,752

Notable items

Notable items (reported basis), \$m	3Q23	2Q23	1Q23	4Q22	3Q22
Revenue	(268)	(241)	3,577	(320)	(2,691)
<i>o/w: Disposals, acquisitions and related costs*</i>	310	(241)	3,562	(71)	(2,378)
<i>o/w: Fair value movements on financial instruments</i>	—	—	15	35	(282)
<i>o/w: Restructuring and other related costs</i>	—	—	—	(284)	(31)
<i>o/w: Disposal losses on Markets Treasury repositioning</i>	(578)‡	—	—	—	—
Costs	(49)	(10)	(61)	(1,169)	(691)
<i>o/w: Disposals, acquisitions and related costs</i>	(79)	(57)	(61)	(9)	(9)
<i>o/w: Impairment of non-financial items</i>	—	—	—	—	—
<i>o/w: Restructuring and other related costs</i>	30	47	—	(1,160)	(682)
Total	(317)	(251)	3,516	(1,489)	(3,382)
<i>Memo: Notable items on a constant currency basis</i>	<i>(317)</i>	<i>(250)</i>	<i>3,608</i>	<i>(1,565)</i>	<i>(3,528)</i>

* Includes FV gains on FX hedges related to the planned sale of our banking business in Canada, including \$214m in 3Q23

‡ \$339m of the losses were booked in Asia

Net interest margin

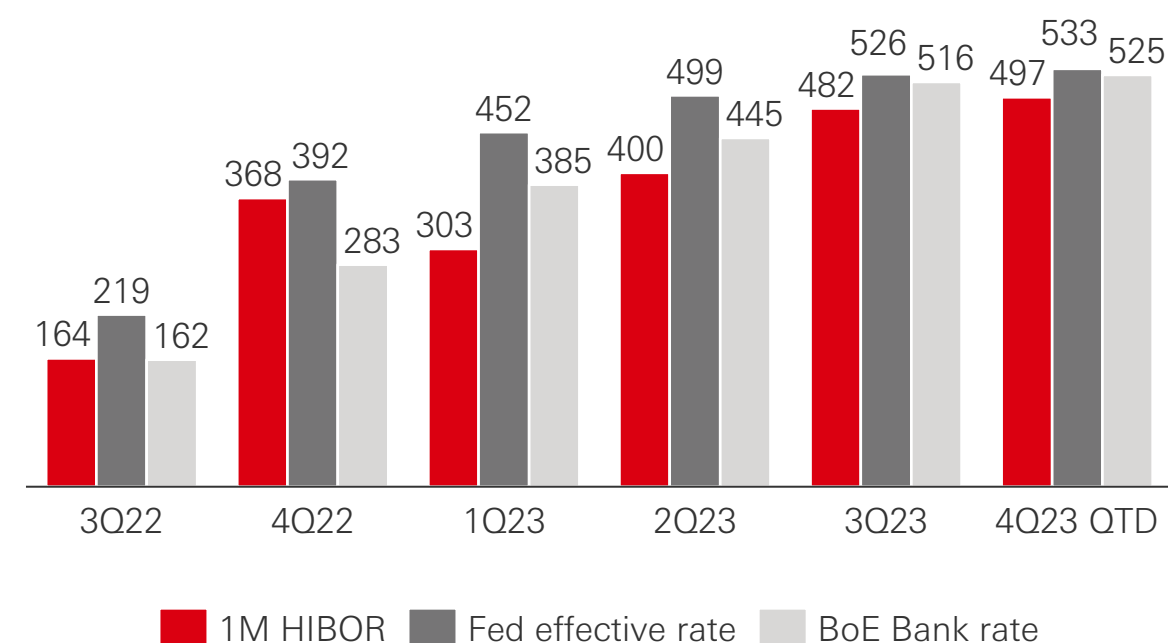
Quarterly NIM by key legal entity

	3Q22	4Q22	1Q23	2Q23	3Q23	% of 3Q23 Group NII	% of 3Q23 Group AIEA
The Hongkong and Shanghai Banking Corporation (HBAP)*	1.66%	1.94%	1.83%	1.83%	1.85%	46%	43%
HSBC Bank plc	0.44%	0.50%	0.59%	0.60%	0.53%	7%	22%
HSBC UK Bank plc (UK RFB)	1.99%	2.19%	2.33%	2.49%	2.41%	27%	19%
HSBC North America Holdings, Inc	1.16%	1.16%	1.15%	1.01%	0.87%	4%	8%

* In 9M23, c.60% of the interest expense relating to the central costs of trading income was booked in HBAP

Key rates (quarter averages), bps

Source: Bloomberg
* At 27 October 2023



Canada and France disposals

Banking business in Canada

- ◆ Our banking business in Canada remains in held-for-sale. We expect the transaction to **complete in 1Q24** for a base cash consideration of CAD13.5bn for the issued common equity of HSBC Canada
- ◆ Estimated gain on sale **\$5.5bn** (as at 30-Sep-23), which we will recognise through a combination of Canada earnings from 30-Sep-23 until completion and a remaining gain on sale at completion
- ◆ Expected **CET1 ratio impact of around 130bps**. This may be reduced by the \$0.21 per share special dividend which we remain committed to consider as a priority use of the proceeds in 1H24

Retail banking operations in France

- ◆ During 3Q23, we revised the terms for the planned sale, including the retention of \$7.4bn loans that were originally planned to transfer on completion of the sale
- ◆ Continue to expect the sale to **complete on 1 January 2024**
- ◆ Expect an **up to \$2.2bn impairment in 4Q23** which will **impact the CET1 ratio by around 30bps**

Costs

- ◆ Around \$0.3bn of operating expenses from the businesses (\$0.2bn Canada, \$0.1bn France) relate to Group recharges and other costs and will not transfer as part of the planned transactions

HSBC Bank Canada selected financial information, \$bn

	9M23
NII	1.0
Non-NII	0.5
Revenue	1.5
ECL	(0.0)
Costs	(0.8)
PBT	0.7
RWA	31.2
Customer loans (reported in HFS)	54.6
Customer accounts (reported in HFS)	59.2

- ◆ Average interest earning assets at 1H23 \$81.6bn¹⁷

France retail selected financial information, \$bn

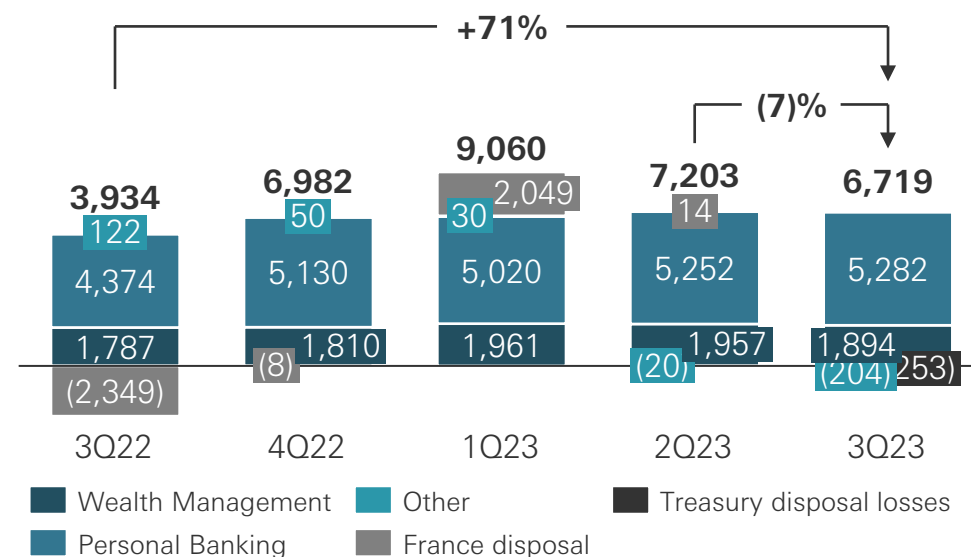
	9M23
NII	0.1
Non-NII	0.1
Revenue	0.2
ECL	0.0
Costs	(0.4)
PBT	(0.2)
RWA	4.6
Customer loans	16.4
Customer accounts	22.6

Wealth and Personal Banking

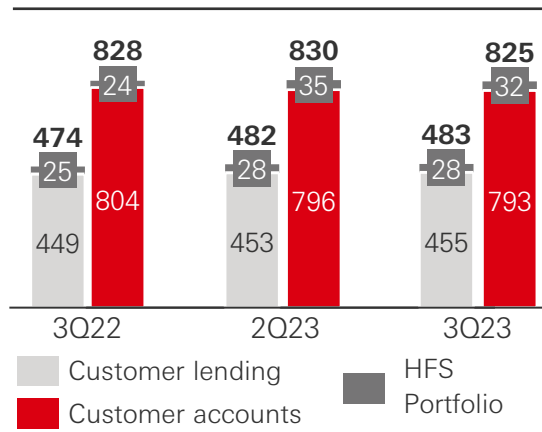
3Q23 financial highlights

Revenue	\$6.7bn	▲	71% (3Q22: \$3.9bn)
ECL	\$(0.2)bn	▼	28% (3Q22: \$(0.3)bn)
Costs	\$(3.7)bn	▲	(6)% (3Q22: \$(3.5)bn)
PBT	\$2.8bn	▲	>100% (3Q22: \$0.1bn)
RoTE ¹⁸	37.3%	▲	27.8ppts (3Q22: 9.5%)

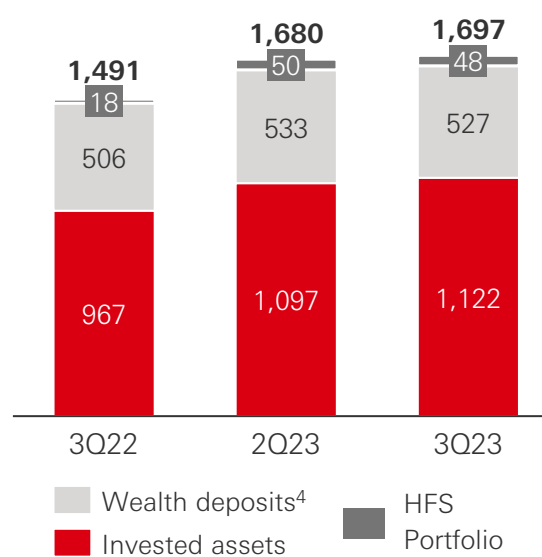
Revenue performance, \$m



Balance sheet, \$bn



Reported Wealth Balances, \$bn



3Q23 vs. 3Q22

- ◆ **Revenue** up \$2.8bn (71%). Excl. the \$2.3bn France impairment in 3Q22 and \$0.3bn Treasury disposal losses, up \$0.7bn (11%). Personal Banking NII up \$0.9bn (23%) and Wealth up \$0.1bn (6%) across all products. Other down \$0.3bn including \$0.1bn New Zealand loss on sale
- ◆ **Customer lending** up 1%. Incl. HFS balances, lending up \$9bn (2%). Mortgages up \$6bn in Asia, \$5bn UK, unsecured up \$3bn (Mexico and HK), Private Banking down \$4bn due to deleveraging and balances down \$2bn due to the sale of Oman and Greece
- ◆ **Customer accounts** down 1%. Incl. HFS balances, deposits down \$3bn, primarily in the UK (rising cost of living and competition on savings products) and the sale of Oman and Greece (\$2bn), partly offset by growth in Hong Kong, Singapore and mainland China
- ◆ **Wealth balances** up 12%. Excl. HFS impact, up 14% incl. NNIA of \$77bn, wealth deposits up \$15bn and favourable market levels and FX impacts of \$115bn

3Q23 vs. 2Q23

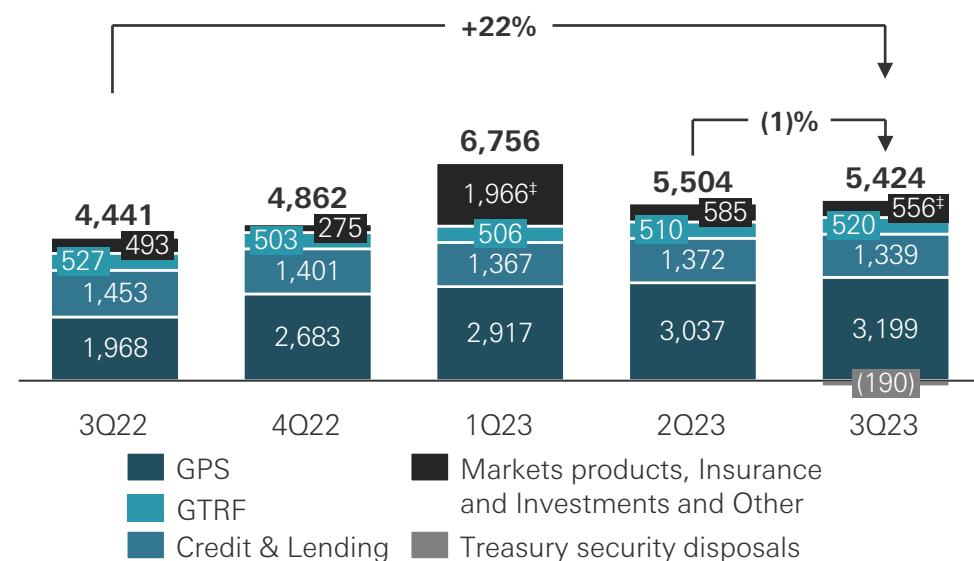
- ◆ **Revenue** down \$0.5bn (7%), incl. \$0.3bn Treasury disposal losses and adverse assumption changes in our insurance business
- ◆ **Customer lending** up \$2bn. \$4bn growth in mortgages (primarily in Asia and the UK) was partly offset by deleveraging in Private Banking (\$2bn). Up \$1bn incl. HFS balances due to the sale of Oman and Greece (\$1bn)
- ◆ **Customer accounts** down \$3bn, primarily in the UK. Down \$5bn incl. HFS due to the sale of Oman and Greece (\$2bn)
- ◆ **Wealth balances** up 1%. Excl. HFS impact, up 1%: NNIA of \$34bn partly offset by adverse market levels and FX impacts of \$18bn

Commercial Banking

3Q23 financial highlights

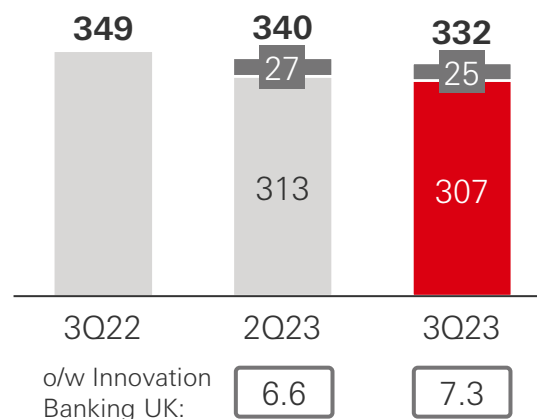
Revenue	\$5.4bn	▲	22% (3Q22: \$4.4bn)
ECL	\$(0.7)bn	▼	1% (3Q22: \$(0.7)bn)
Costs	\$(1.9)bn	▲	(15)%* (3Q22: \$(1.7)bn)
PBT	\$2.8bn	▲	36% (3Q22: \$2.1bn)
RoTE ¹⁹	25.8%	▲	12.5ppts (3Q22: 13.3%)

Revenue performance, \$m

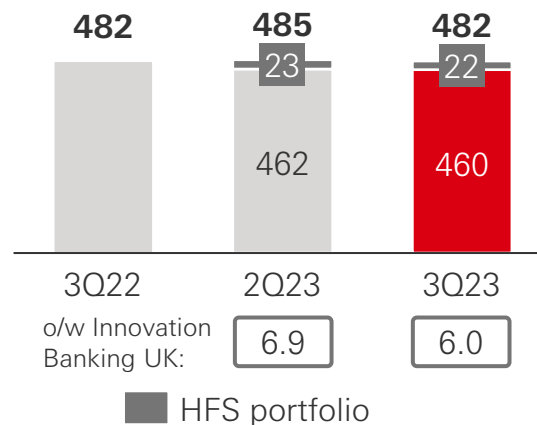


Balance sheet, \$bn

Customer lending



Customer accounts



3Q23 vs. 3Q22

- ◆ **Revenue** up \$1bn (22%), primarily due to growth in Asia and the UK RFB. GPS up \$1.2bn due to higher interest rates and business repricing actions, partly offset by lower Credit & Lending due to margins and balances in Asia, and \$0.2bn notable Treasury disposal losses
- ◆ **Customer lending and accounts** of \$307bn and \$460bn were down 12% and 5% respectively. Including balances in HFS:
 - ◆ Lending down \$17bn (5%) due to lower market-wide loan demand in Hong Kong and the UK as a result of higher interest rates and soft economic conditions which was partly offset by Innovation Banking lending
 - ◆ Deposits broadly stable as market-wide reductions in the UK and the sale of our Oman business (\$2bn) were offset by Innovation Banking deposits and inflows in the USA

3Q23 vs. 2Q23

- ◆ **Revenue** broadly stable as higher GPS revenue was offset by \$0.2bn Treasury disposal losses
- ◆ **Customer lending** down \$6bn, primarily due to weaker market-wide loan demand in Hong Kong
- ◆ **Customer accounts** broadly stable despite continued tightening of global liquidity

* Costs up 15% due to Innovation Banking costs, higher performance-related pay accrual, the impact of Argentina hyperinflation and investment in technology, partly offset by our cost savings initiatives

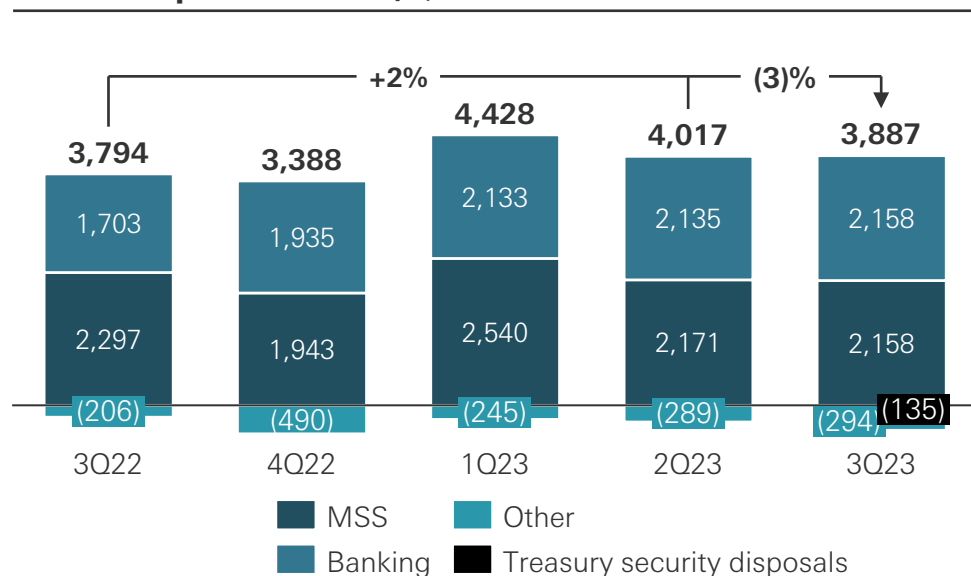
‡ 1Q23: o/w **\$1.5bn** preliminary gain on acquisition of SVB UK; 3Q23: o/w additional gain relating to SVB UK of **\$0.1bn**

Global Banking and Markets

3Q23 financial highlights

Revenue	\$3.9bn	▲	2% (3Q22: \$3.8bn)
ECL	\$(0.2)bn	▲	(71)% (3Q22: \$(0.1)bn)
Costs	\$(2.4)bn	▲	(5)% (3Q22: \$(2.3)bn)
PBT	\$1.3bn	▼	(7)% (3Q22: \$1.4bn)
RoTE ²⁰	12.9%	▲	1.3ppts (3Q22: 11.6%)

Revenue performance, \$m



Management view of revenue

\$m	3Q23	Δ3Q22
MSS	2,158	(6)%
Securities Services	615	18%
Global Debt Markets	158	44%
Global FX	928	(13)%
Equities	167	(39)%
Securities Financing	302	22%
XVAs	(12)	>(100)%
Banking	2,158	27%
GTRF	164	(5)%
GPS	1,127	41%
Credit & Lending	506	(4)%
Capital Markets & Advisory	254	40%
Other	107	>100%
GBM Other	(429)	>(100)%
Principal Investments	1	>100%
Other	(430)	>(100)%
Revenue	3,887	2%

Key indicators

	3Q23	Δ3Q22
Cost-income ratio, %	62	2ppts
Gross Capital Markets and Advisory revenue ²¹ , \$m	379	34%
Customer lending, \$bn	173	(14)%
Customer deposits, \$bn	310	(7)%
Assets under custody, \$tn	8.3	10%
RWAs, \$bn	221	(5)%

3Q23 vs. 3Q22

- ◆ **Revenue** of \$3.9bn, up \$0.1bn (2%), including \$0.1bn Treasury disposal losses
- ◆ MSS revenue of \$2.2bn, down \$0.1bn (6%):
 - ◆ Global FX down vs. a strong 3Q22 but still benefitting from higher client flows due to illiquid and volatile markets
 - ◆ Equities down due to lower volatility and client activity
 - ◆ Securities Services up from the benefit of higher rates; AUC up 10% vs. prior year
 - ◆ Securities Financing improved from higher client flows and onboarding of new clients from strategic platform investments
 - ◆ Global Debt Markets up due to higher volumes and a normalised market environment
- ◆ Banking revenue of \$2.2bn, up \$0.5bn (27%):
 - ◆ GPS up 41% due to higher interest rates and repricing actions
 - ◆ Capital Markets and Advisory up 40%, primarily due to increased financing revenue
 - ◆ Credit & Lending down 4% due to weaker client demand
 - ◆ Other down \$0.2bn, including \$0.1bn Treasury disposal losses

3Q23 vs. 2023

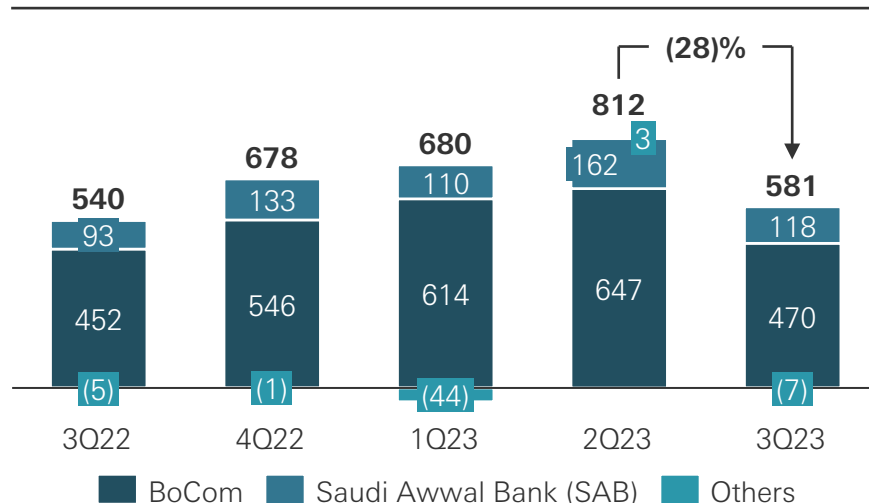
- ◆ **Revenue** down \$0.1bn (3%), reflecting \$0.1bn Treasury disposal losses
- ◆ MSS stable as higher client flows in Securities Financing and Equities were offset by seasonal reductions in Global FX and Global Debt Markets; Banking revenue and lending balances stable

Corporate Centre

3Q23 financial highlights

Revenue	\$131m	▲	>100% (3Q22: \$(594)m)
ECL	\$(1)m	▲	100% (3Q22: \$1m)
Costs	\$54m	▼	>100% (3Q22: \$(457)m)
Associates	\$581m	▲	8% (3Q22: \$540m)
PBT	\$765m	▲	>(100)% (3Q22: \$(510)m)
RoTE ²⁰	7.3%	▲	5.0ppts (3Q22: 2.3%)

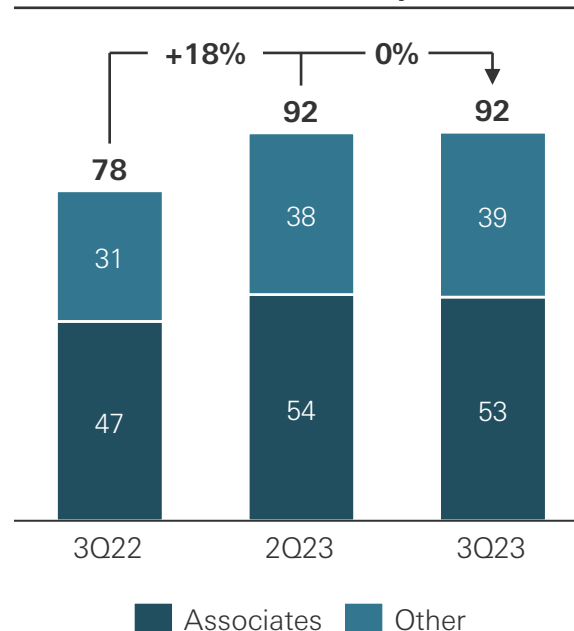
Associate income detail, \$m



Revenue performance, \$m

	3Q22	4Q22	1Q23	2Q23	3Q23
Central Treasury	(352)	(12)	101	(21)	17
Legacy Portfolios	(7)	(177)	(2)	(9)	7
Other	(235)	(223)	(11)	(87)	107
Total	(594)	(412)	88	(117)	131
<i>Not included in Corporate Centre revenue: Markets Treasury revenue allocated to global businesses</i>	337	277	224	183	(497)
<i>o/w: notable Treasury disposal losses</i>	—	—	—	—	(578)

RWAs (constant currency), \$bn



3Q23 vs. 3Q22

- ◆ **Revenue** up \$725m, primarily in Central Treasury reflecting the non-recurrence of \$282m adverse movements on non-qualifying hedges in 3Q22, FV gains on FX hedges related to the planned sale of our banking business in Canada of \$214m in 3Q23, and the non-recurrence of \$149m losses related to planned disposals in France and Russia
- ◆ **RWAs** up \$14bn, including RWAs on FX hedges related to the planned sale of our banking business in Canada and higher associate RWAs

3Q23 vs. 2Q23

- ◆ **Revenue** up \$248m, mainly favourable FV movements on FX hedges related to the planned sale of our banking business in Canada, partly offset by lower FX revaluation gains
- ◆ **Associates** down \$231m, primarily BoCom due to lower profits in 2Q23; note we report Associate income one quarter in arrears

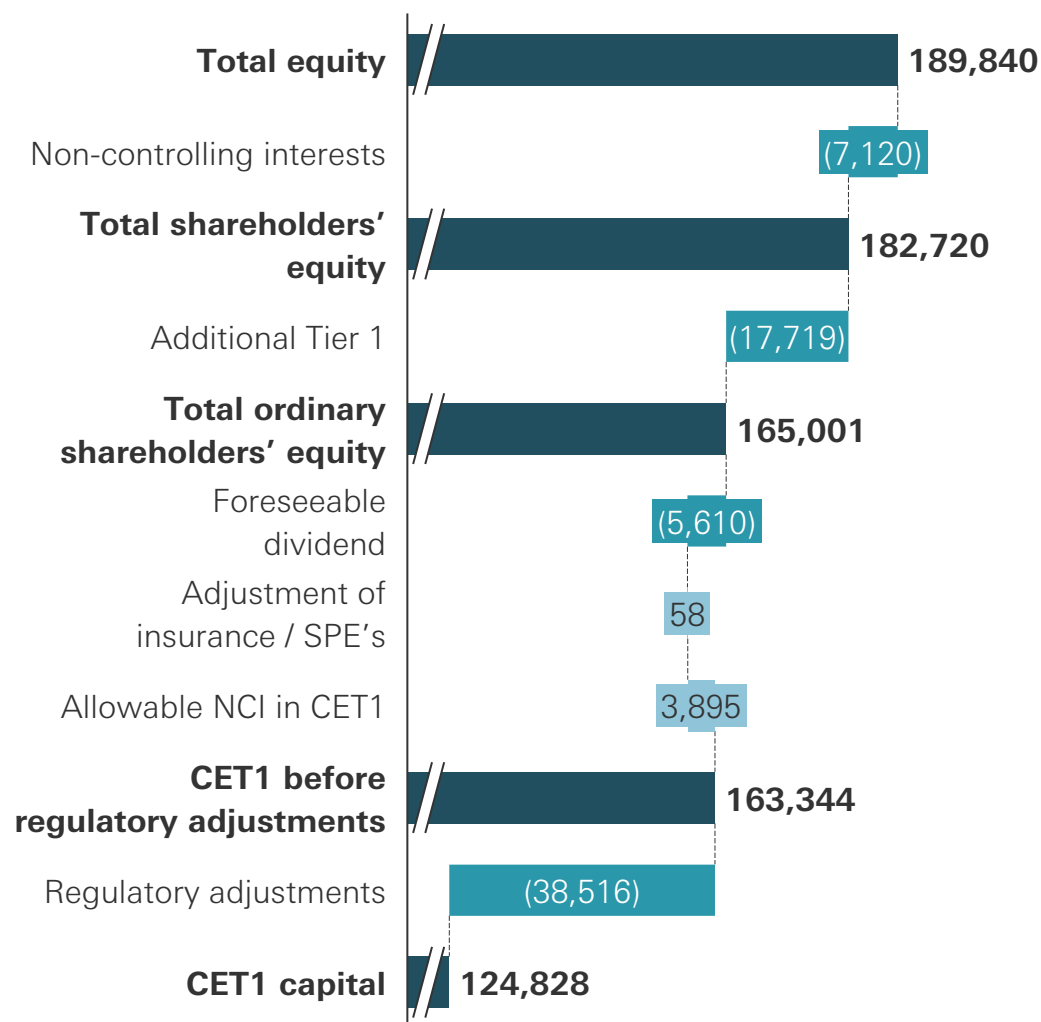
3Q23 vs. 2Q23 equity drivers

	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares, millions
At 30 June 2023	184.2	153.2	7.84	19,534
Profit attributable to:	6.1	6.0	0.31	—
<i>Ordinary shareholders²²</i>	5.6	6.0	0.31	—
<i>Other equity holders</i>	0.4	—	—	—
Dividends	(2.4)	(2.0)	(0.10)	—
<i>On ordinary shares</i>	(2.0)	(2.0)	(0.10)	—
<i>On other equity instruments</i>	(0.4)	—	—	—
FX ²²	(2.8)	(2.6)	(0.13)	—
Issuance/redemption of securities	(1.7)	—	—	—
Cancellation of shares/buybacks ²³	(2.0)	(2.0)	0.00	(255)
Actuarial gains/(losses) on defined benefit plans	(0.2)	(0.2)	(0.01)	—
Cash flow hedge reserves	1.0	1.0	0.05	—
Fair value movements through 'Other Comprehensive Income'	(0.2)	(0.2)	(0.01)	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	0.0	0.0	—	—
<i>Of which: Debt and Equity instruments at fair value through OCI</i>	(0.2)	(0.2)	(0.01)	—
Other ²²	0.7	0.2	0.01	(4)
At 30 September 2023	182.7	153.4	7.96	19,275

- ◆ Average basic number of shares outstanding during 3Q23: 19,404m
- ◆ On 30 October 2023, the Directors approved the cancellation of 325,273,407 ordinary shares held in treasury. A further announcement will follow once the treasury shares are cancelled
- ◆ **TNAV per share increased by \$0.12 to \$7.96**, mainly due to profits, partly offset by adverse FX movements and dividends paid during the quarter

Total shareholders' equity to CET1 capital

3Q23 total equity to CET1 capital, \$m

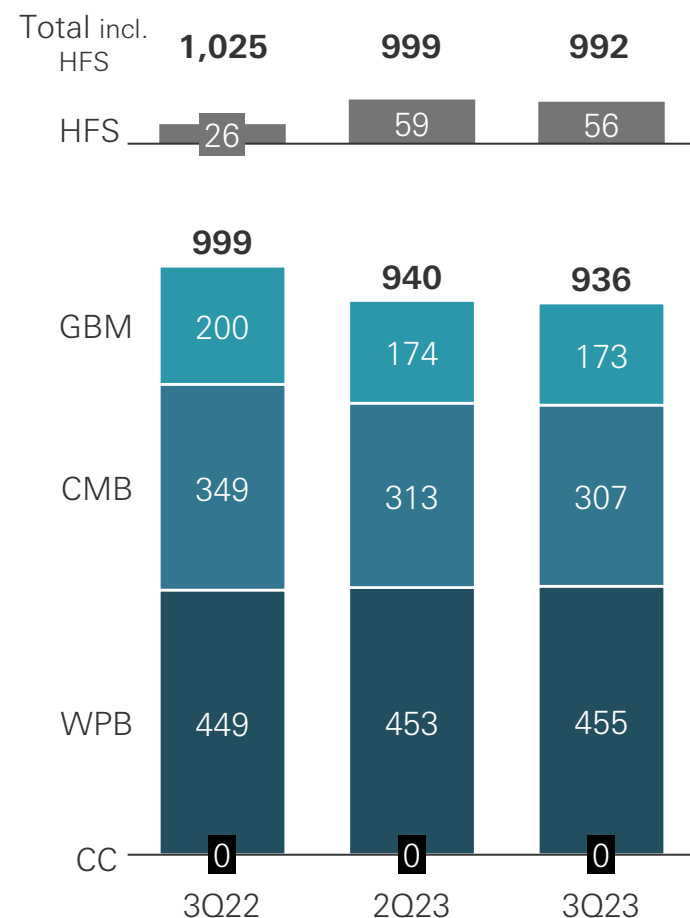


Total equity to CET1 capital walk⁷, \$m

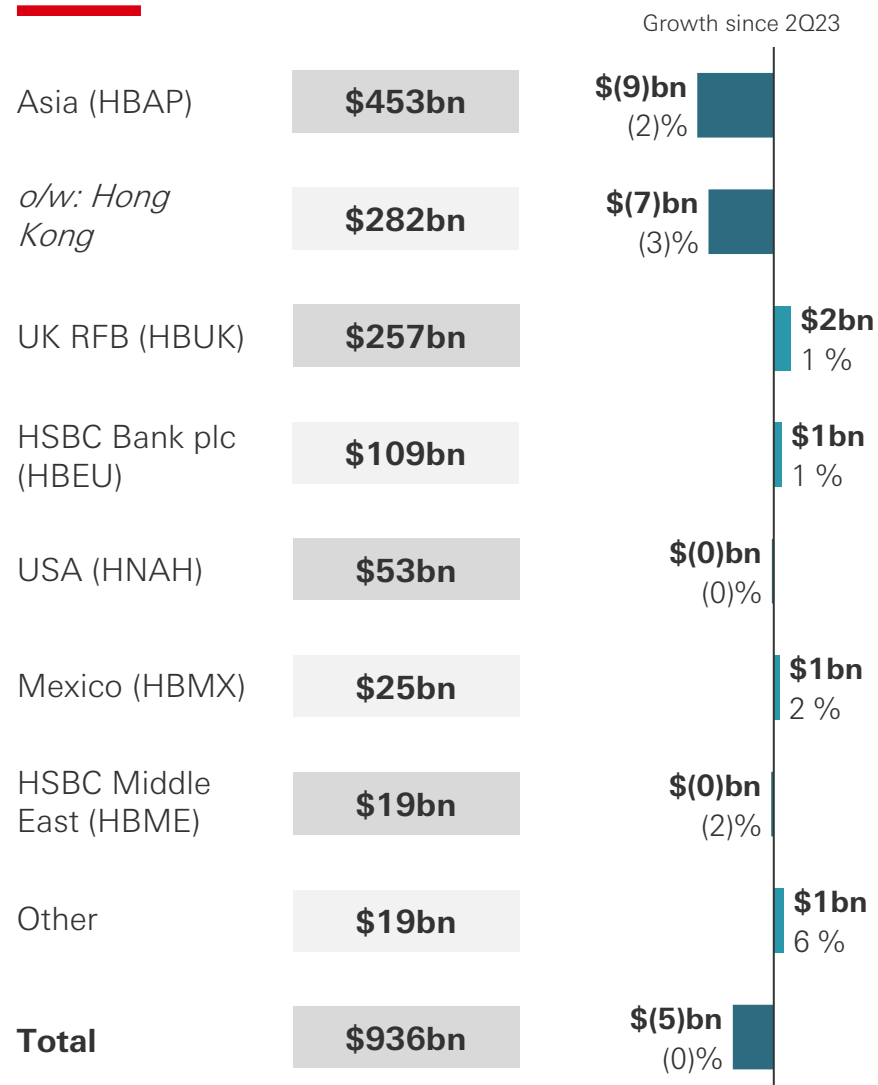
	3Q23	2Q23	1Q23
Total equity (per balance sheet)	189,840	191,651	197,523
Non-controlling interests	(7,120)	(7,481)	(7,428)
Total shareholders' equity	182,720	184,170	190,095
Additional Tier 1	(17,719)	(19,392)	(19,392)
Total ordinary shareholders' equity	165,001	164,778	170,703
Foreseeable dividend	(5,610)	(4,887)	(8,132)
Adjustment for insurance / SPE's	58	(3)	(3)
Allowable NCI in CET1	3,895	4,127	4,192
CET1 before regulatory adjustments	163,344	164,015	166,760
Prudential valuation adjustment	(1,108)	(1,076)	(1,147)
Intangible assets	(12,936)	(12,875)	(12,593)
Deferred tax asset deduction	(3,986)	(3,947)	(4,343)
Cash flow hedge adjustment	3,733	4,686	2,904
Excess of expected loss	(2,130)	(1,813)	(1,618)
Own credit spread and debt valuation adjustment	268	290	(369)
Defined benefit pension fund assets	(5,305)	(5,790)	(5,948)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital (incl. IFRS 9 transitional adjustments where relevant)	(818)	(724)	(720)
Threshold deductions	(16,194)	(16,308)	(17,200)
Regulatory adjustments	(38,516)	(37,597)	(41,074)
CET1 capital	124,828	126,418	125,686

Balance sheet – customer lending

Balances by global business, \$bn



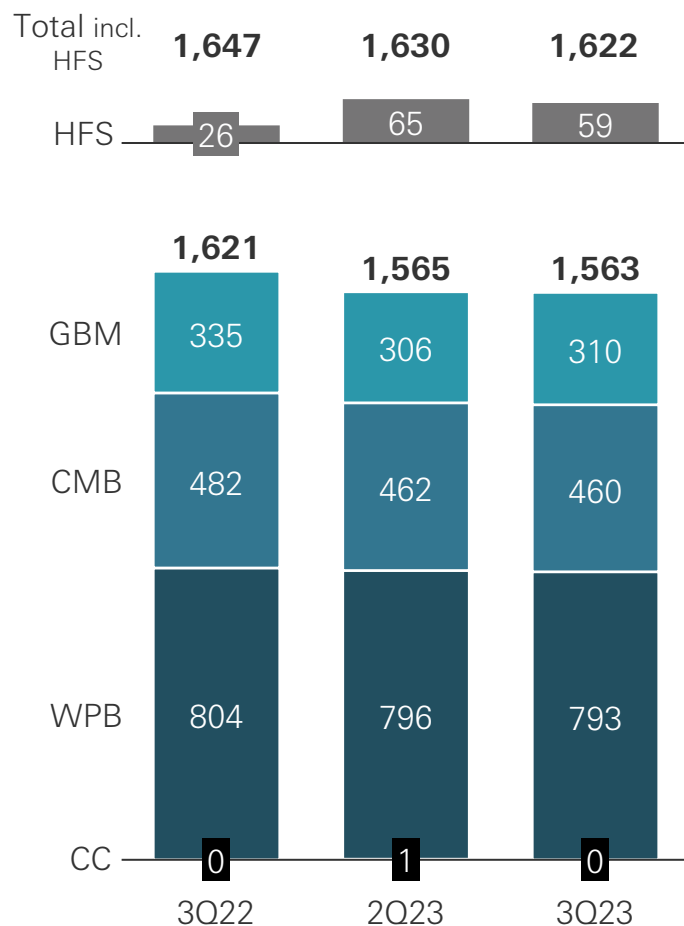
Balances by entity



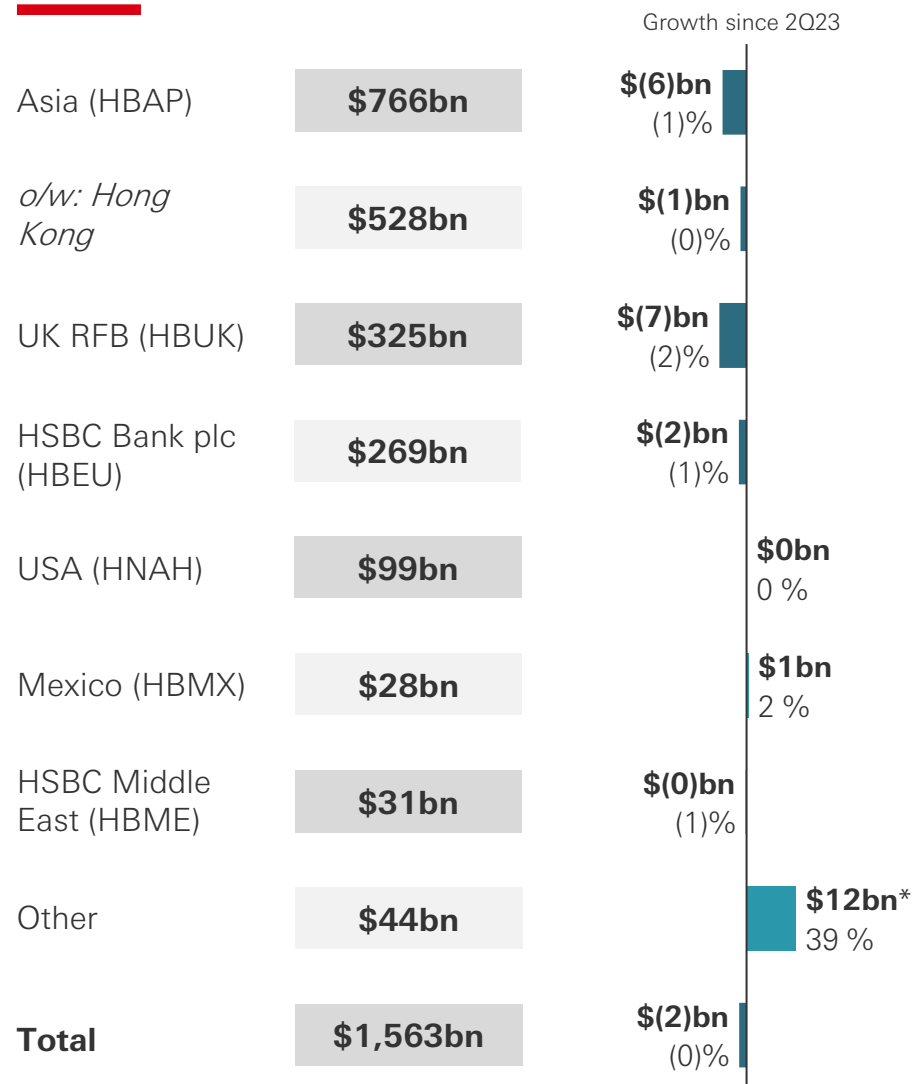
- ◆ **Customer lending of \$936bn, broadly stable** (down \$5bn) vs. 2Q23
- ◆ **WPB** up \$2bn, growth in mortgages in Asia and the UK was partially offset by deleveraging in Private Banking
- ◆ **CMB** down \$6bn (2%) due to weaker market-wide loan demand in Hong Kong
- ◆ **GBM** broadly stable as lower customer activity in Asia was offset by higher loan demand in Europe
- ◆ **CRE** balances down \$5.8bn on a reported basis from FY22 to 1H23, notably relating to mainland China and the USA. Further reduction of \$0.6bn in mainland China balances in 3Q23
- ◆ Cautious outlook on loan growth in the short term; expect mid-single digit percentage annual loan growth in the medium to long term

Balance sheet – customer accounts

Balances by global business, \$bn



Balances by entity



- ◆ **Customer accounts of \$1,563bn, broadly stable** vs. 2Q23
- ◆ **WPB** broadly stable as outflows in the UK were largely offset by inflows across Asia
- ◆ **CMB** broadly stable despite continued tightening of global liquidity
- ◆ **GBM** up \$4bn, primarily driven by growth in HSBC Bank plc
- ◆ **Average GPS balances** of \$718bn were down \$10bn (1%) vs. 2Q23
- ◆ **UK RFB deposits of £266bn, up £50bn** (23%) vs. 4Q19

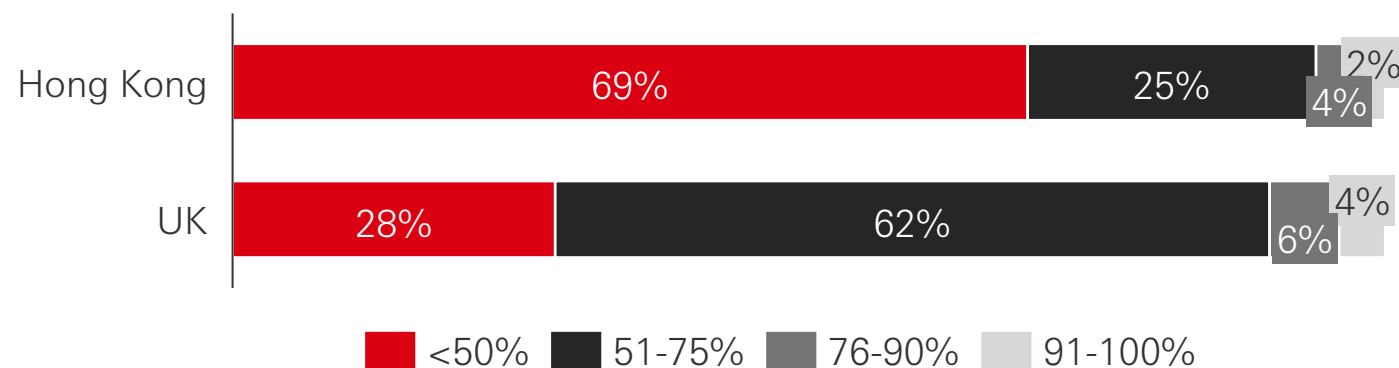
* Other up primarily due to the transfer of **\$11.4bn** deposits from HBEU to 'Other Trading Entities' as a result of intra-Group restructuring

Global CRE exposures (1H23 and FY22 data)

1H23 Commercial real estate exposure, \$m²⁴

	HBAP	<i>o/w HK</i>	HBUK	HBEU	HNAH	HBMX	HBME	Other	Total
Gross loans and advances	59,560	44,068	14,805	5,045	4,643	976	1,604	928	87,561
o/w stage 1	42,242	30,218	12,827	4,181	1,918	877	1,118	839	64,002
o/w stage 2	13,588	10,447	1,385	650	2,662	65	313	44	18,707
o/w stage 3*	3,730	3,403	593	214	63	34	173	45	4,852
Stage 3 as a % of loans	6%	8%	4%	4%	1%	3%	11%	5%	6%

FY22 LTV analysis (fully collateralised exposure)²⁵



- ◆ In more developed markets such as the UK and Hong Kong, our exposure mainly comprises the financing of investment assets, the redevelopment of existing stock and the augmentation of both commercial and residential markets to support economic and population growth
- ◆ At 1H23, Hong Kong exposure included exposure to mainland China CRE of **\$8.1bn**, which accounted for \$3.3bn of the \$3.4bn stage 3 exposure
- ◆ In less developed commercial real estate markets, our exposures comprise lending for development assets on relatively short tenors with a particular focus on supporting larger, better capitalised developers involved in residential construction or assets supporting economic expansion

EPS excluding material notable items and related impacts

\$m	3Q23	2Q23	3Q22	YTD
PAOS	5,619	6,639	2,002	22,585
Provisional gain on acquisition of SVB UK	(86)	4	—	(1,593)
Impairment loss relating to France disposal (net of tax)	—	7	1,852	(1,622)
Impact of agreed Canada sale*	(376)	55	—	(439)
PAOS excluding material notable items	5,157	6,705	3,854	18,931
Average basic number of ordinary shares (m)	19,404	19,662	19,752	19,596
Basic EPS, \$	0.29	0.34	0.10	1.15
Basic EPS excluding material notable items, \$	0.27	0.34	0.20	0.97

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

Glossary

AIEA	Average interest earning assets
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
CER	Cost-efficiency ratio
CET1	Common Equity Tier 1
Corporate Centre (CC)	Corporate Centre comprises Central Treasury, our legacy businesses, interests in our associates and joint ventures and central stewardship costs
CMB	Commercial Banking, a global business
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
CRE	Commercial Real Estate
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
EPS	Earnings per share
FVOCI	Fair value through other comprehensive income
GBM	Global Banking and Markets, a global business
GPS	Global Payments Solutions (formerly GLCM: Global Liquidity and Cash Management)
Group	HSBC Holdings plc and its subsidiary undertakings
GTRF	Global Trade and Receivables Finance

HFS	Held-for-sale
HQLA	High-quality liquid assets
IFRS	International Financial Reporting Standard
Innovation Banking	Includes HSBC Innovation Bank Limited and related international operations
LTV	Loan to value
Markets Treasury	Execution arm of HSBC's Treasury function, responsible for cash and liquidity management, funding, and management of structural interest rate risk of the Group
MSS	Markets and Securities Services
NAV	Net asset value
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
POCI	Purchased originated credit impaired
Ppt	Percentage points
PRP	Performance related pay
SAB	Saudi Awwal Bank, an associate of HSBC
SVB UK	Silicon Valley Bank UK, now HSBC Innovation Bank Limited
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
TNAV	Tangible net asset value
UK RFB / RFB	HSBC UK, the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
WPB	Wealth and Personal Banking, a global business
XVAs	Credit and Funding Valuation Adjustments

Footnotes

1. RoTE excluding the impact of strategic transactions (the planned sale of our retail banking operations in France and the acquisition of SVB UK), annualised. Annualised RoTE including strategic transactions is 19.7% for 9M23 and 9.4% for 9M22
2. Wholesale transaction banking revenue comprises Global Payments Solutions, Global Trade and Receivables Finance, Securities Services and FX (GFX in GBM management view of income and GFX in CMB from cross sale of FX to CMB clients includes within 'Markets products, Insurance and Investments and Other'). GFX includes our emerging markets business
3. Balances are shown on a reported FX basis. Excludes wealth balances in held-for-sale
4. Wealth deposits include Premier, Jade and Global Private Banking deposits, which include Prestige deposits in Hang Seng Bank, and form part of the total WPB customer accounts balance
5. Reported FX basis
6. Notable items in 3Q22 included a \$2.5bn impairment relating to the planned sale of our retail banking operations in France, \$0.7bn restructuring and other related costs and adverse fair value movements on financial instruments of \$0.3bn
7. Unless otherwise stated, regulatory capital ratios and requirements are on a reported basis, and are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. Leverage metrics exclude central bank claims in accordance with the Prudential Regulation Authority's ('PRA') UK leverage framework. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law
8. Banking NII is defined as Group NII excluding the central costs of funding trading and fair value income and third party insurance NII. For full analysis, please see the glossary and HSBC Holdings plc 3Q23 Earnings Release
9. The centrally allocated funding costs associated with funding net income from financial instruments held for trading or managed on a fair value basis results in an interest expense to Group NII which is fully offset by non-NII which is reported in Corporate Centre
10. Including held-for-sale balances
11. Regulatory profits
12. RoTE target is subject to the current market-implied path for global policy rates. Excludes the impact of strategic transactions
13. Based on tangible equity ('TE') of the Group's major legal entities excluding associates, holding companies and consolidation adjustments. Asia refers to The Hongkong and Shanghai Banking Corporation (HBAP)
14. Medium term is defined as 3-4 years from 1 January 2020; long term is defined as 5-6 years from 1 January 2020
15. For the purposes of computing our dividend payout ratio target, we exclude from earnings per share material notable items, comprising the impacts of the planned sale of our retail banking operations in France, the agreed sale of our banking business in Canada and the provisional gain following the acquisition of SVB UK. We also exclude HSBC Bank Canada's financial results from the 30 June 2022 net asset reference date until completion, as the gain on sale will be recognised through a combination of the consolidation of HSBC Bank Canada's results in the Group's results since this date, and the remaining gain on sale recognised at completion
16. Notable items shown on a constant currency basis, see slide 16 for notable items as reported
17. Converted from CAD109,621m as reported in HSBC Bank Canada's Second Quarter 2023 Interim Report, using an average CAD/USD rate of 0.74476
18. RoTE (annualised) in 9M23 included a 6.6 percentage point favourable impact from the reversal of the impairment losses relating to the planned sale of our retail banking operations in France
19. RoTE (annualised) in 9M23 included a 4.3 percentage point favourable impact from the provisional gain on the acquisition of SVB UK
20. RoTE is YTD annualised
21. Includes revenue shared with Markets and Securities Services and CMB
22. 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'
23. Shareholders equity and tangible equity reflect the full \$2bn buyback announced at 2Q23. The change in shares reflects the shares repurchased and cancelled during the quarter but does not include shares repurchased and cancelled after 30 September
24. Based on the loan purpose for on balance sheet exposures only
25. This disclosure is updated on an annual basis and is correct for FY22. Figures are based on the industry sector of the obligor / borrower including both on and off balance sheet exposures. Total for Hong Kong \$36.2bn, UK \$12.7bn

Disclaimer

Important notice

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Forward-looking statements

This Presentation may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, 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 related targets, commitments and ambitions described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market or economic conditions, regulatory changes, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war or the Israel-Hamas war and potential further escalations, specific economic developments, such as the uncertain performance of the commercial real estate sector in mainland China, or as a result of data limitations and changes in applicable methodologies in relation to ESG related matters). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained herein.

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

Alternative Performance Measures

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

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

Information in this Presentation was prepared as at 30 October 2023.

