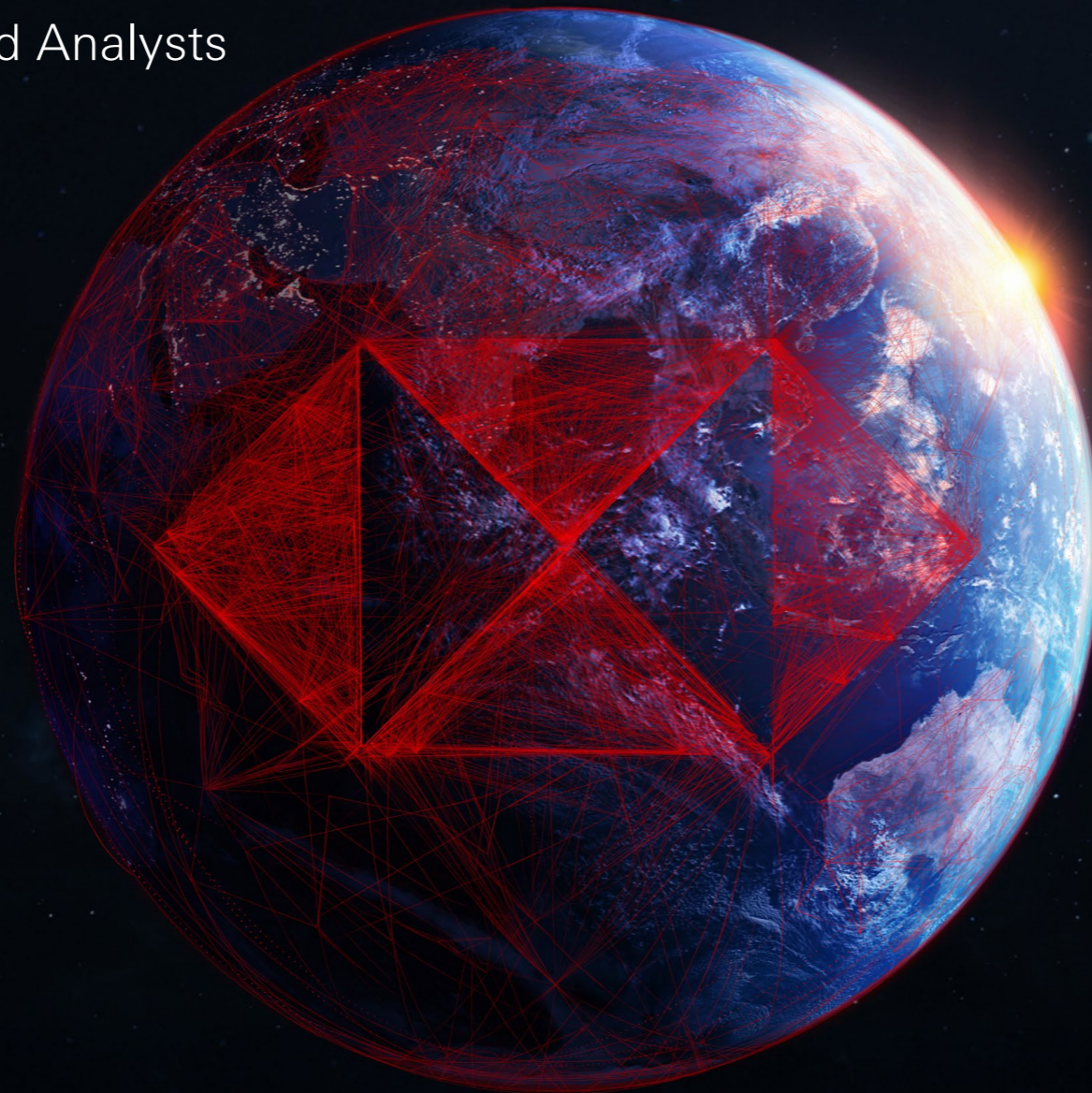


HSBC Holdings plc 1Q24 Results

Presentation to Investors and Analysts



1Q24 Results

Georges Elhedery
Group Chief Financial Officer



Summary

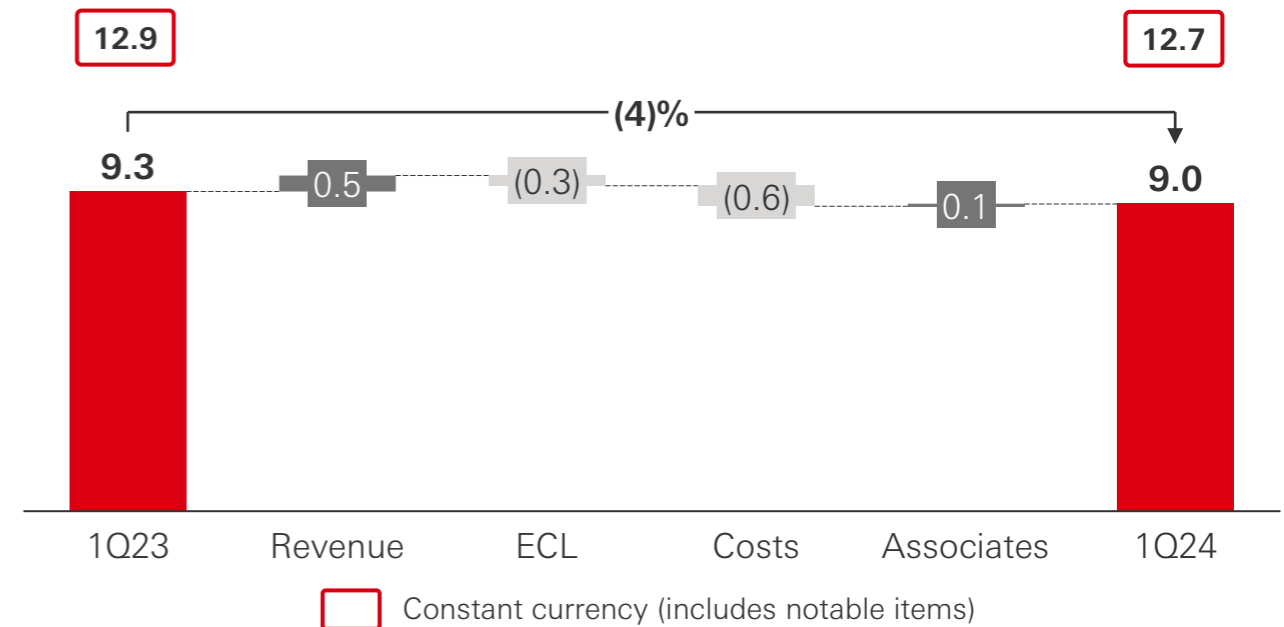
- 1 | **\$12.7bn PBT**, down \$(0.3)bn vs. 1Q23
\$9.0bn PBT excluding notable items, down \$(0.4)bn vs. 1Q23
- 2 | **26.1% reported RoTE¹**
16.4% RoTE excluding notable items¹
- 3 | **\$2bn buyback completed** (\$9bn completed since YE22)
1.2bn of shares repurchased since 1 January 2023 (6% of YE22 share count)
- 4 | **\$8.8bn of further distributions announced:**
 - ◆ **\$0.10** ordinary DPS
 - ◆ **\$0.21** special DPS
 - ◆ **Up to \$3bn** share buyback
- 5 | **Reconfirming FY24 guidance**, including a **mid-teens RoTE** excluding notable items and **approximately (5)% cost growth vs. FY23** on a target basis²

Financial performance

Constant currency, \$bn	1Q23	1Q24	Δ, \$	Δ, %
Revenue	20.2	20.8	0.5	3 %
ECL	(0.4)	(0.7)	(0.3)	(68)%
Costs	(7.6)	(8.2)	(0.6)	(8)%
Associates	0.7	0.8	0.1	10 %
PBT	12.9	12.7	(0.3)	(2)%
Customer loans	963	933	(30)	(3)%
Customer deposits	1,603	1,570	(33)	(2)%
CET1 ratio, % ▶	14.7	15.2		0.5ppts
Memo items:				
Target basis costs ¹	(7.4)	(7.9)	(0.5)	(7)%
Total notable items	3.6	3.7	0.1	2 %
Reported FX basis ▶:				
PAOS	10.3	10.2	(0.1)	(1)%
EPS, \$	0.52	0.54	\$0.02	4 %
EPS excl. material notable items and related impacts, \$	0.36	0.34	\$(0.02)	(6)%
DPS, \$ ²	0.10	0.31	\$0.21	>100%
RoTE, % ³	27.4	26.1		(1.3)ppts
RoTE excl. notable items, % ³	18.4	16.4		(2.0)ppts

- ◆ **\$12.7bn PBT** included \$3.7bn notable items, principally:
 - \$4.8bn gain on sale of Canada⁴
 - \$(1.1)bn impairment on classifying Argentina to held-for-sale
- ◆ **\$9.0bn PBT excluding notable items**, down \$(0.4)bn vs. 1Q23 as higher revenue was offset by higher costs and ECLs

PBT excluding notable items, \$bn



Revenue

\$20.8bn, up \$0.5bn vs. 1Q23, primarily Banking NII

\$17.0bn excluding notable items, up \$0.5bn vs. 1Q23

Constant currency, \$bn	1Q23	1Q24	Δ 1Q23
Revenue	20.2	20.8	0.5
Banking NII	10.1	11.3	1.2
Fee and other income	10.1	9.5	(0.7)
<i>o/w: Wholesale Transaction Banking</i>	<i>2.9</i>	<i>2.6</i>	<i>(0.3)</i>
<i>o/w: Wealth</i>	<i>1.6</i>	<i>1.8</i>	<i>0.2</i>
<i>o/w: Other (includes notable items)</i>	<i>5.7</i>	<i>5.1</i>	<i>(0.6)</i>
<i>Memo: revenue notable items</i>	<i>3.7</i>	<i>3.7</i>	<i>0.1</i>

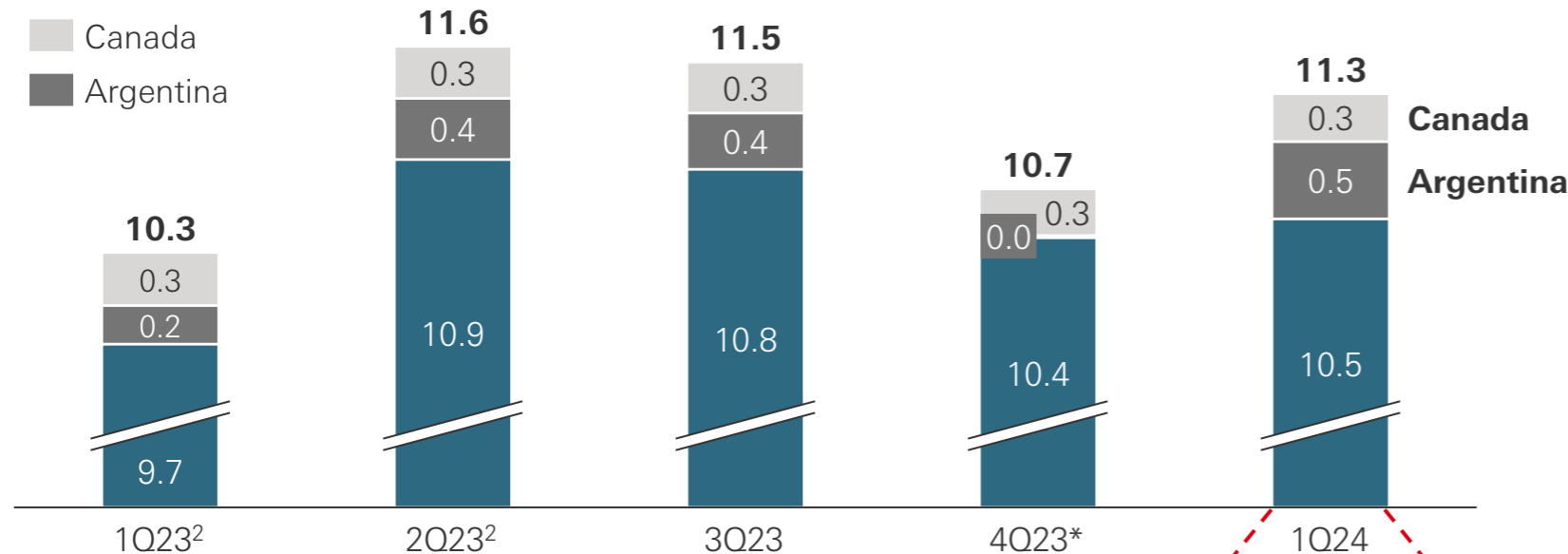
Primarily:

- ◆ \$(0.3)bn Argentina, excluding the \$(1.1)bn impairment
- ◆ \$(0.2)bn Markets Treasury (favourable mark to market movements on swaps in 1Q23)
- ◆ Partly offset by +\$0.1bn notable items

Banking NII

Stable run-rate QoQ; reconfirming at least \$41bn FY24 guidance¹

Banking NII (reported FX), \$bn



- ◆ **Canada:** no further contribution in 2024 given sale completed on 28 March
- ◆ **Argentina:** sale expected to complete within the next 12 months. **Argentina Banking NII will be volatile in future quarters** due to hyperinflation accounting
- ◆ **FY24 Banking NII guidance of at least \$41bn unchanged¹;** assumes \$1bn contribution from Argentina (FY23: \$1.0bn)

1Q24 vs. 4Q23

\$11.3bn Banking NII, **up \$0.6bn**, driven by:

- ◆ \$0.5bn Argentina
- ◆ \$0.2bn non-recurrence of cash flow hedge reclassification*
- ◆ \$(0.1)bn impact of the disposal of our retail banking operations in France
- ◆ UK RFB broadly stable
- ◆ Down modestly in Hong Kong:
 - Lower average HKD rates (1m HIBOR down c.(60)bps)
 - Stable time deposits as a % of customer accounts

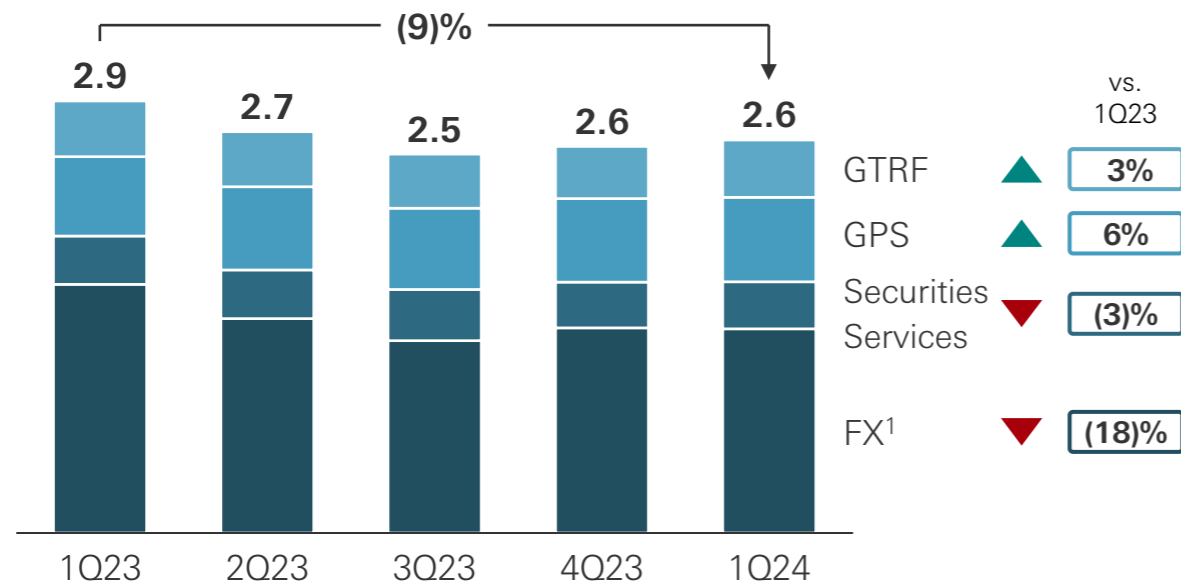
* 4Q23 included impacts of \$(0.5)bn from Argentina hyperinflation and \$(0.3)bn from the reclassification of cash flow hedge revenue between NII and non-NII (of which \$(0.2)bn related to 9M23)

Fee and other income: Wholesale Transaction Banking and Wealth

Strong growth in Wealth, particularly in Asia

Wholesale Transaction Banking: down (9)%, primarily in FX

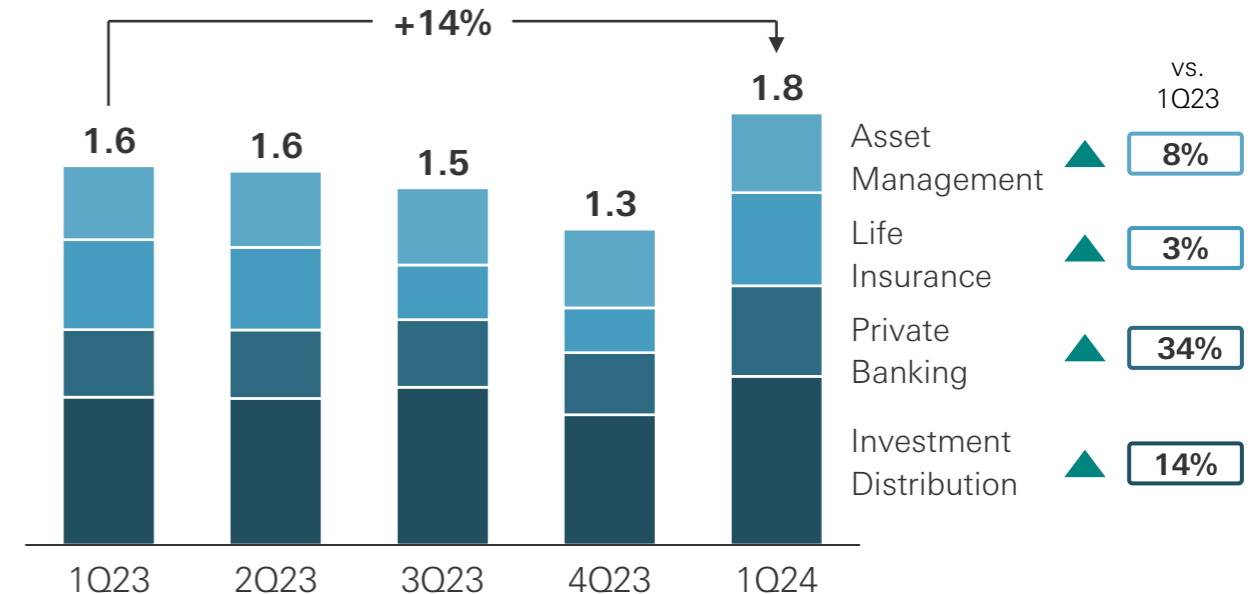
\$bn



- ◆ **FX** down as 1Q23 benefited from higher market volatility
- ◆ **GPS** up due to increased client flows, including new mandates

Wealth up 14%: growth across all products

\$bn

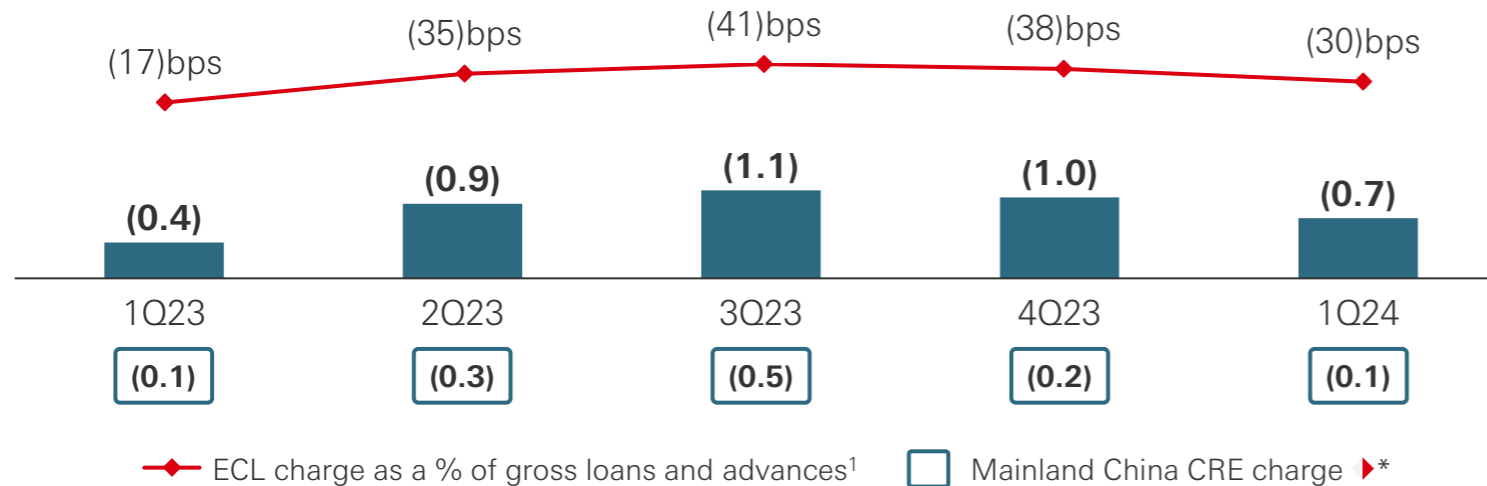


- ◆ **Private Banking** up due to strong brokerage and trading in Asia
- ◆ **Investment Distribution** up due to strong sales of mutual funds, structured products and bonds across Asia
- ◆ **\$27bn NNIA** during the quarter (\$19bn Asia); **\$1.2tn invested assets** (up 4% vs. 4Q23 on a reported basis)
- ◆ **\$0.8bn insurance new business CSM**, up \$0.4bn vs. 1Q23, primarily in HK; **global CSM balance of \$11.9bn**, up \$1.1bn in the quarter

Credit performance

Stable; mainland China CRE charge immaterial

ECL charge trend, \$bn



1Q24 ECL charge, \$bn

	Stage 1-2	Stage 3	Total
Wholesale	(0.1)	(0.2)	(0.3)
Personal	(0.0)	(0.3)	(0.3)
Total	(0.1)	(0.5)	(0.7)[‡]

- ◆ **\$(0.7)bn** 1Q24 ECL charge:
 - \$(0.3)bn Wholesale; immaterial mainland China CRE charge
 - \$(0.3)bn Personal, stable QoQ
- ◆ **\$21.3bn** stage 3 balances (2.3% of customer loans), up \$2.0bn / 0.3ppts vs. 4Q23 on a reported basis
- ◆ (30)bps ECL charge at 1Q24; **reiterate ECL guidance of c.(40)bps for FY24¹**

* Mainland China CRE charge 1Q24: \$(54)m

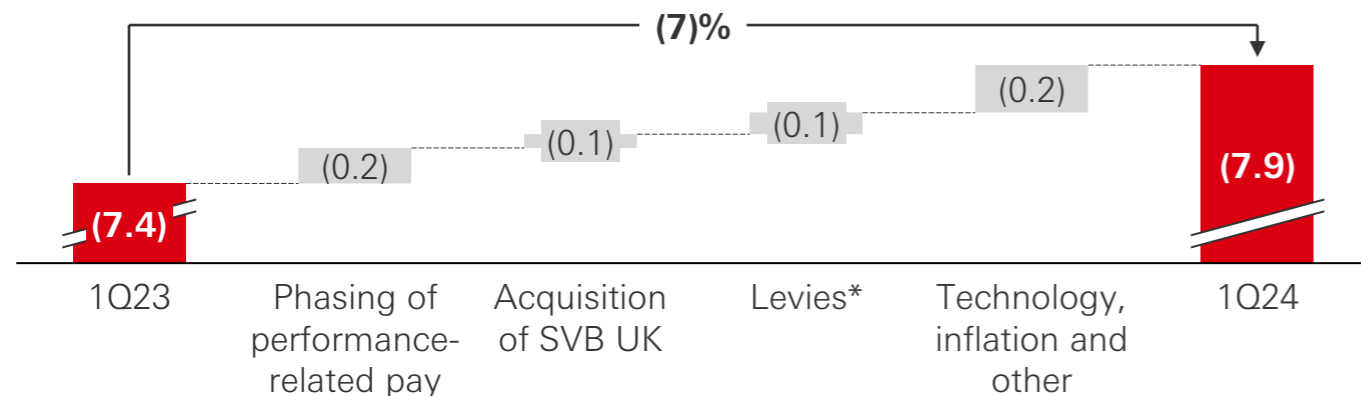
‡ Total charge includes other instruments which are not classified as Wholesale or Personal

Costs

Reconfirming cost growth guidance of approximately (5)% vs. FY23¹

\$bn	1Q23	1Q24
Constant currency costs	(7.6)	(8.2)
Less: notable items	0.1	0.1
Add: impact of retranslating results of hyperinflationary economies at constant currency	(0.1)	—
Less: Canada direct costs	0.2	0.2
Less: France direct costs	0.1	—
Target basis costs	(7.4)	(7.9)

1Q24 vs. 1Q23 (target basis), \$bn



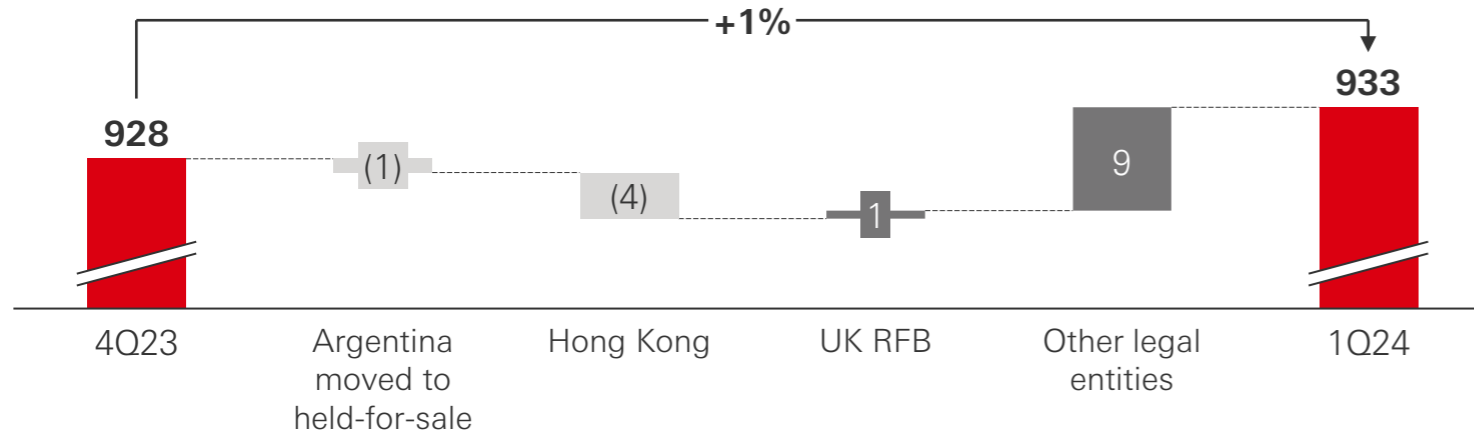
- ◆ **Target basis costs up (7)%**, of which:
 - **(2)ppts** from a change in the phasing of accrual for performance-related pay (PRP) relative to 2023
 - **(1)ppt** from the costs of HSBC Innovation Banking (SVB UK acquired in March 2023)
 - **(1)ppt** from incremental levies*
- ◆ While 1Q24 PRP accrual was higher than in 1Q23, our target basis cost guidance assumes PRP for FY24 to be broadly in line with FY23
- ◆ **Reconfirming cost growth guidance of approximately (5)% vs. FY23** on a target basis¹ (FY23 baseline: \$(31.2)bn)

* Bank of England levy and the incremental FDIC special assessment
Totals may not cast due to rounding

Customer loans and deposits

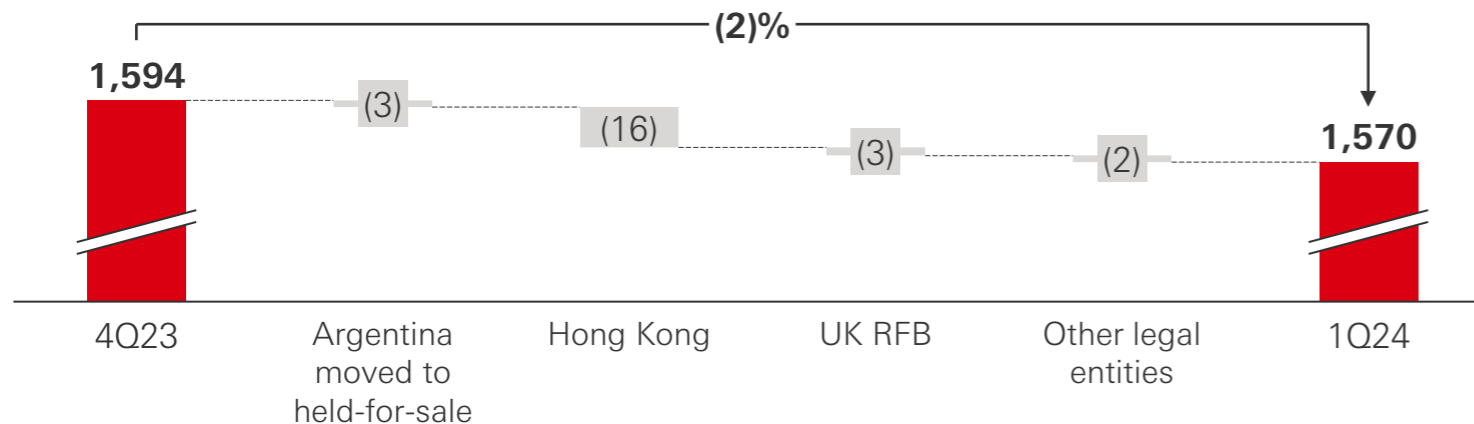
Broadly stable vs. 4Q23

Customer loans, \$bn



- ◆ **Loans up \$5bn / 1%**. Reductions in Hong Kong were offset by growth in other markets:
 - **\$(4)bn** Hong Kong, primarily Wholesale, due to lower market-wide demand
 - **+\$1bn** mortgage growth in the UK RFB
 - **+\$9bn** other entities, including: \$3bn Wholesale growth in HSBC Bank plc, \$3bn growth in the rest of Asia, \$1bn HSBC Middle East and \$1bn Mexico

Customer deposits, \$bn

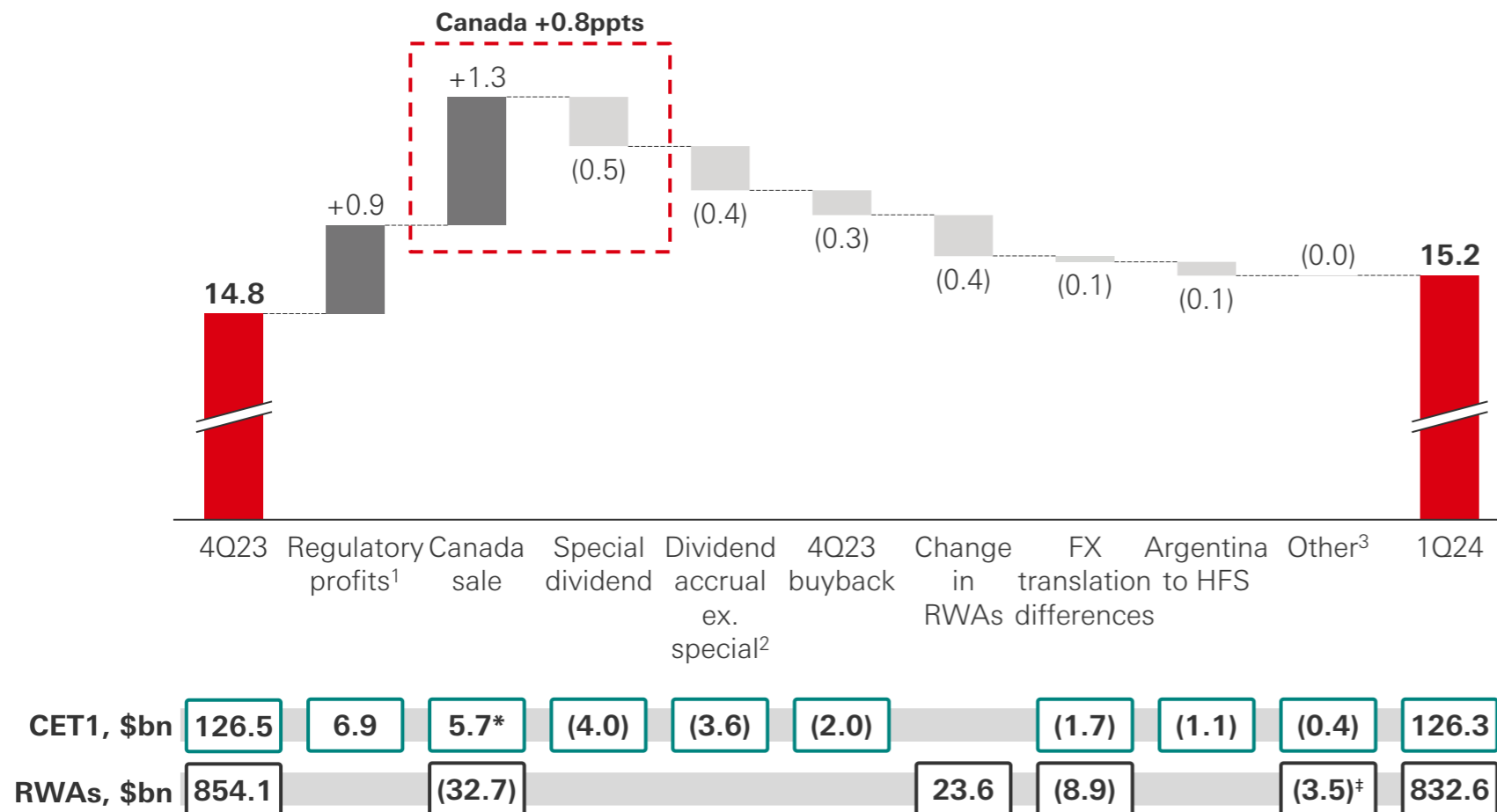


- ◆ **Deposits down \$(24)bn / (2)%**, primarily in Wholesale, reflecting seasonality, our focus on margins and customer deleveraging:
 - **\$(16)bn** Hong Kong: \$(8)bn WPB, including migration from time deposits to Wealth products; \$(8)bn Wholesale
 - **\$(3)bn** UK RFB in CMB, reflecting seasonality
 - **\$(2)bn** other entities: \$(6)bn Wholesale reduction in the rest of Asia was partially offset by WPB growth in the region and Wholesale growth in HSBC Bank plc

Capital and distributions

Further \$8.8bn of capital distributions; CET1 ratio up 0.4ppts vs. 4Q23

CET1 ratio, %



- ◆ **\$8.8bn further capital distributions:**
 - **Up to \$3bn** share buyback announced (expected 2Q24 CET1 ratio impact c.(0.4)ppts)
 - **\$0.10** ordinary DPS
 - **\$0.21** special DPS

- ◆ **\$23.6bn change in RWAs**, primarily:
 - \$9bn lending and other asset growth
 - \$7bn asset quality, primarily in Asia
 - \$5bn market risk

- ◆ **Argentina sale:** recognition of FX reserve recycling loss on closing is expected to have no impact on CET1 or TNAV

- ◆ Intend to manage CET1 capital ratio in our 14-14.5% target range in the medium term

* \$5.7bn Canada sale impact on CET1 capital excludes: \$(0.6)bn FX reserve recycling, \$(0.2)bn goodwill impairment and \$(0.1)bn FVOCI reserve recycling. These are included in the \$4.8bn gain on sale but have no impact on CET1

‡ Primarily relates to the sale of our retail banking operations in France

Outlook

Reconfirming 2024 guidance

- 1** | **RoTE in the mid-teens**, excluding notable items
- 2** | **Banking NII of at least \$41bn¹**
- 3** | **ECL charge of around (40)bps²**
- 4** | **Cost growth of approximately (5)% vs. FY23** on a target basis³
- 5** | **50% dividend payout ratio**, excluding material notable items and related impacts

Appendix

Group guidance summary

Banking NII	At least \$41bn in FY24 ¹
ECL	FY24 ECL charge of around (40)bps ² ; through-the-cycle planning range of (30)-(40)bps ³
Costs	Growth in FY24 of approximately (5)% vs. FY23 on a target basis, reflecting our current business plan for 2024. See slides 8 and 20
Lending growth	Expect mid-single digit annual percentage growth over the medium to long term ³ ; expect demand to remain subdued in the near term ⁴
RoTE	Targeting a mid-teens RoTE in 2024 , excluding notable items. Our guidance reflects our current outlook for the global macroeconomic environment, including customer and financial markets activity
CET1 ratio	Manage in 14-14.5% target range in the medium term ³
Dividends	Dividend payout ratio of 50% for 2024 , excluding material notable items and related impacts

Financial performance summary

\$m	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 1Q23, %
NII	8,840	8,974	8,862	7,829	8,653	(2)%
Non-NII	11,385	7,436	7,017	4,915	12,099	6 %
Revenue	20,225	16,410	15,879	12,744	20,752	3 %
ECL	(428)	(894)	(1,054)	(968)	(720)	(68)%
Costs	(7,568)	(7,732)	(7,813)	(8,530)	(8,151)	(8)%
Associates	702	834	597	(2,383)	769	10 %
Constant currency PBT	12,931	8,618	7,609	863	12,650	(2)%
<i>Memo: notable items</i>	<i>3,607</i>	<i>(250)</i>	<i>(316)</i>	<i>(5,837)</i>	<i>3,682</i>	<i>2 %</i>
FX translation	(45)	153	105	114	—	—
Reported PBT ▶	12,886	8,771	7,714	977	12,650	(2)%
Tax ▶	(1,860)	(1,726)	(1,448)	(755)	(1,813)	3 %
Profit attributable to ordinary shareholders ▶	10,327	6,639	5,619	(153)	10,183	(1)%
Earnings per share, \$ ▶	0.52	0.34	0.29	(0.01)	0.54	\$0.02
EPS excl. material notable items and related impacts, \$ ▶	0.36	0.34	0.27	0.25	0.34	\$(0.02)
Dividend per share, \$ ¹ ▶	0.10	0.10	0.10	0.31	0.31	\$0.21
RoTE (annualised), % ▶	27.4	17.1	14.6	(0.4)	26.1	(1.3)ppts
\$bn	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 4Q23
Customer loans	963	954	949	928	933	1 %
Customer deposits	1,603	1,584	1,582	1,594	1,570	(2)%
Reported RWAs ▶	854	860	840	854	833	(3)%
CET1 ratio, % ▶	14.7	14.7	14.9	14.8	15.2	0.4ppts
TNAV per share, \$ ▶	\$8.08	\$7.84	\$7.96	\$8.19	\$8.67	6 %

Banking NII

NII to Banking NII, \$bn

Reported FX, \$bn ¹	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 4Q23
NII	9.0	9.3	9.2	8.3	8.7	0.4
Less: insurance NII	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
Central costs of funding trading income ²	1.4	2.4	2.4	2.5	2.7	0.2
Banking NII	10.3*	11.6*	11.5	10.7*	11.3	0.6
<i>Memo item: Argentina NII</i>	<i>0.2</i>	<i>0.4</i>	<i>0.4</i>	<i>0.0</i>	<i>0.5</i>	<i>0.5</i>

*** Banking NII adjustments:**

2Q23 included c.\$0.4bn due to methodology changes, of which c.\$0.2bn related to 1Q23 and c.\$0.2bn to 2Q23

4Q23 included: (i) \$(0.5)bn of Argentina hyperinflation impacts; (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)

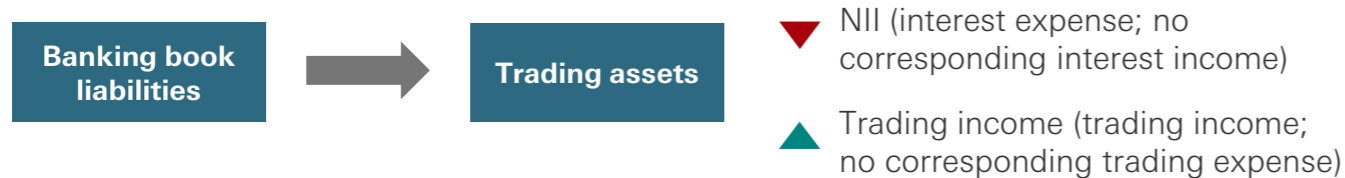
AIEAs and Group NIM, \$bn

Reported FX, \$bn	1Q23	2Q23	3Q23	4Q23	1Q24	Δ 4Q23
Average interest earning assets	2,153	2,172	2,157	2,164	2,140	(24)
NIM, bps	169	172	170	152	163	11
Centrally-funded net trading assets (period end)	104	128	130	164	187	23

Banking NII is a less volatile, more comprehensive view of the Group's rate-sensitive revenues

Background

- ◆ The Group deploys surplus liquidity from customer deposits and other banking book liabilities into both interest-earnings assets (IEAs) and net trading assets
- ◆ Using banking book liabilities to fund trading assets creates an accounting asymmetry:



- ◆ A similar asymmetry is created when banking book liabilities are deployed across currencies using FX swaps (income on the swap is recorded as trading income)
- ◆ Whether to deploy into IEAs or trading assets is a commercial decision relating to which assets will deliver the best returns
- ◆ **As a result, the IEA / trading asset mix can vary, causing revenue to shift from NII to Trading Income, and vice versa**



Definitions Banking book liabilities: liabilities measured at amortised cost, the costs of which are recognised in interest expense; Trading assets: includes financial instruments held for trading or managed on a fair value basis
Trading income: net income from financial instruments held for trading or managed on a fair value basis

Banking NII

Banking NII addresses these asymmetries by deducting, from reported NII, the internal cost of funding net trading assets and the cost of funding foreign exchange (FX) swaps in Markets Treasury

Banking NII, \$bn	1Q24
NII	8.7
Insurance NII	(0.1)
Central costs of funding trading income	2.7
Banking NII	11.3

Interest rate sensitivity

NII sensitivity understates the sensitivity of the Group's revenues to changes in interest rates, because it does not reflect the impact of interest rate changes on trading assets. Banking NII sensitivity is a more comprehensive metric:

Rate sensitivity at 31 Dec 2023, \$m*	(100)bps	+100bps
NII	(1,571)	1,053
Banking NII	(3,353)	2,832

* Further details on Banking NII and Banking NII sensitivity are provided on pages 104 and 214 of the FY23 Annual Report and Accounts

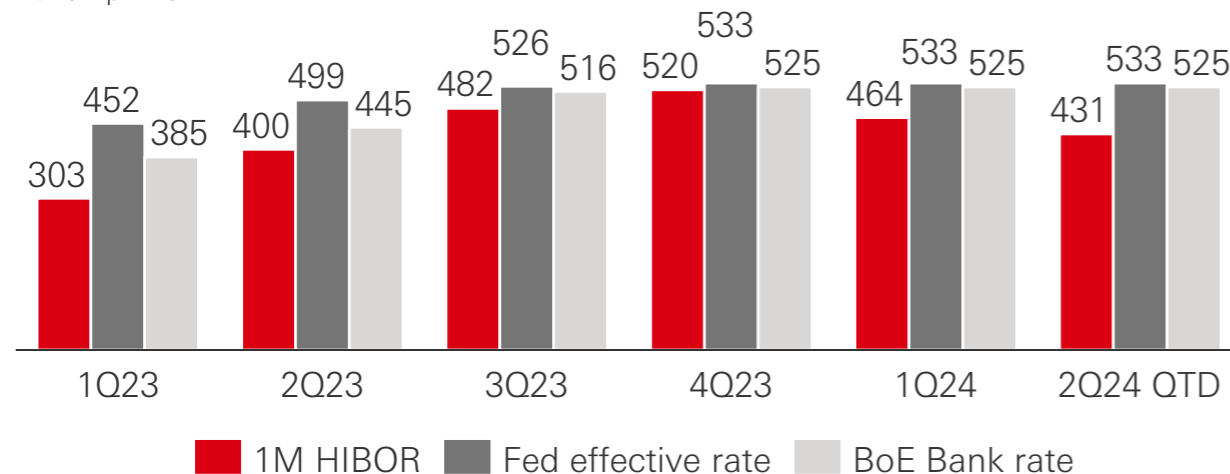
Net interest margin

Quarterly NIM by key legal entity (reported FX basis)

	1Q23	2Q23	3Q23	4Q23	1Q24	% 1Q24 NII	% 1Q24 AIEA
Asia*	1.83%	1.83%	1.85%	1.73%	1.66%	44%	43%
HSBC Bank plc	0.59%	0.60%	0.53%	0.50%	0.35%	5%	22%
UK RFB	2.33%	2.49%	2.41%	2.50%	2.56%	29%	19%
US	1.15%	1.01%	0.87%	0.90%	0.83%	4%	9%
Group	1.69%	1.72%	1.70%	1.52%	1.63%	n.m	n.m

Key rates (quarter averages), bps

Source: Bloomberg
At 26 April 2024

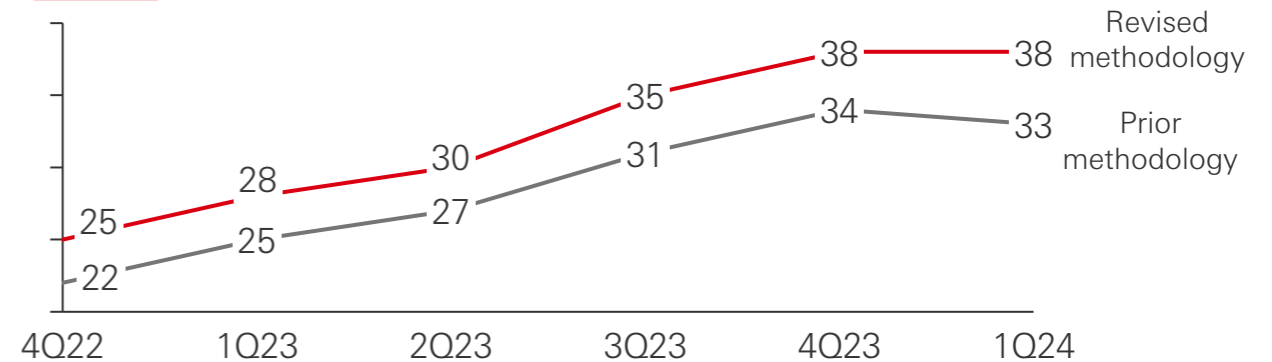


Group NIM, bps (reported FX basis)



Structural hedge now **\$487bn**, up c.\$10bn vs. 4Q23

Time deposits (TMD) as a % of Hong Kong customer accounts: first stable quarter since 1Q22



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

Time deposits as a % of Hong Kong customer accounts has been revised due to the reclassification of some deposit portfolios, primarily in the Private Bank

* Around 60% of the interest expense relating to the central costs of funding trading income is booked in Asia

Wholesale Transaction Banking and Wealth – additional information

Total revenue, \$m

Constant currency basis	1Q23	1Q24	Δ	%
Wholesale Transaction Banking	6,637	6,681	44	1%
Wealth	1,956	2,192	236	12%

Of which: fee and other income, \$m

Constant currency basis	1Q23	1Q24	Δ	%
Wholesale Transaction Banking	2,856	2,598	(258)	(9)%
Foreign Exchange ¹	1,644	1,349	(295)	(18)%
Securities Services	319	311	(8)	(3)%
Global Payments Solutions	525	559	34	6%
Global Trade and Receivables Finance	368	379	11	3%
Wealth	1,573	1,792	219	14%
Investment Distribution	613	700	87	14%
Private Banking	280	375	95	34%
Life Insurance	373	386	13	3%
Asset Management	307	331	24	8%

Wholesale Transaction Banking – selected metrics

	1Q23	2Q23	3Q23	4Q23	1Q24
GTRF loans ² , \$bn	80	81	83	83	82
<i>o/w: Asia</i>	<i>54</i>	<i>56</i>	<i>58</i>	<i>58</i>	<i>57</i>
Assets under custody, \$bn ³ ▶	9,484	9,484	9,106	9,709	9,896

Wealth – selected metrics ▶

	1Q23	2Q23	3Q23	4Q23	1Q24
Invested assets, \$bn	1,074	1,097	1,122	1,191	1,242
Net new invested assets, \$bn	22	12	34	17	27
<i>o/w: Asia</i>	<i>14</i>	<i>12</i>	<i>16</i>	<i>4</i>	<i>19</i>
New Business CSM, \$bn	0.4	0.3	0.6	0.4	0.8
CSM balance, \$bn	10.2	10.6	10.8	10.8	11.9

ECL charge by legal entity

Constant currency, \$m	1Q23	2Q23	3Q23	4Q23	1Q24
Asia (HBAP)	(64)	(391)	(748)	(437)	(271)
<i>o/w Hong Kong</i>	<i>(44)</i>	<i>(451)</i>	<i>(660)</i>	<i>(375)</i>	<i>(234)</i>
<i>o/w mainland China CRE ▶</i>	<i>(62)</i>	<i>(259)</i>	<i>(503)</i>	<i>(195)</i>	<i>(54)</i>
UK RFB (HBUK)	(168)	(260)	(58)	(48)	(52)
HSBC Bank plc (HBEU)	(20)	(56)	(80)	(59)	(66)
USA (HNAH)	(29)	(33)	15	(47)	7
Canada (HBCA)	(1)	(10)	(20)	(16)	(40)
Mexico (HBMX)	(141)	(141)	(159)	(284)	(176)
HSBC Bank Middle East (HBME)	7	(7)	(6)	(84)	(55)
Other	(12)	4	2	7	(67)
Total	(428)	(894)	(1,054)	(968)	(720)

FY24 cost target basis reconciliation

\$m	FY23	1Q23	1Q24
Constant currency	(31,643)	(7,568)	(8,151)
Less: Notable items	187	61	50
Add: Impact of retranslating results of hyperinflationary economies at constant currency	(691)	(130)	—
Less: Canada direct costs	702	173	162
Less: France direct costs	284	70	—
Target basis	(31,161)	(7,394)	(7,939)

Notable items

Reported FX basis, \$m	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue	3,577	(241)	(268)	(2,733)	3,732
<i>o/w: Disposals, acquisitions and related costs</i>	3,562	(241)	310	(2,333)	3,732
<i>o/w: Fair value movements on financial instruments</i>	15	—	—	(1)	—
<i>o/w: Restructuring and other related costs</i>	—	—	—	—	—
<i>o/w: Disposal losses on Markets Treasury repositioning</i>	—	—	(578)	(399)	—
Costs	(61)	(10)	(49)	(65)	(50)
<i>o/w: Disposals, acquisitions and related costs</i>	(61)	(57)	(79)	(124)	(63)
<i>o/w: Impairment of non-financial items</i>	—	—	—	—	—
<i>o/w: Restructuring and other related costs</i>	—	47	30	59	13
Associates	—	—	—	(3,000)	—
<i>o/w: Impairment of interest in associate</i>	—	—	—	(3,000)	—
Total	3,516	(251)	(317)	(5,798)	3,682
<i>Memo: Notable items on a constant currency basis</i>	3,607	(250)	(316)	(5,837)	3,682

Argentina

Reported FX basis, \$m	1Q23	2Q23	3Q23	4Q23	1Q24*	FY23
NII	242	384	355	13	488	994
Non-NII	6	(76)	(108)	(42)	(291)	(220)
Revenue	248	308	247	(29)	197	774
ECL	(23)	(38)	(9)	(37)	(61)	(107)
Costs	(139)	(168)	(151)	31	(160)	(427)
PBT	85	101	87	(35)	(23)	240

Constant currency, \$m	1Q23	2Q23	3Q23	4Q23	1Q24*	FY23
NII	40	44	(10)	(500)	488	(425)
Non-NII	1	(17)	(19)	87	(291)	52
Revenue	41	27	(29)	(412)	197	(373)
ECL	(4)	(5)	9	32	(61)	32
Costs	(23)	(14)	12	237	(160)	212
PBT	14	8	(8)	(143)	(23)	(129)

- ◆ Announced agreement to sell the business on 9 April 2024
- ◆ In 1Q24, recognised a pre-tax \$(1.1)bn impairment loss following the classification of the business to held-for-sale
- ◆ Expect to close the deal within the next 12 months
- ◆ At closing, cumulative foreign currency translation reserves and other reserves will recycle to the income statement. At 31 March 2024, foreign currency translation reserve losses stood at \$4.9bn and other reserve gains at \$0.1bn – these have already been recognised in capital and are expected to have no impact on CET1 or TNAV
- ◆ The transaction will be treated as a material notable item and excluded from the dividend payout calculation
- ◆ Transaction anticipated to have an insignificant impact on the Group's CET1 ratio by closing: the initial reduction of (0.1)ppts in 1Q24 is expected to be broadly offset by the estimated reduction in RWAs on closing
- ◆ At 31 March 2024: total assets \$5.1bn, RWAs \$9bn (of which operational risk RWAs \$1bn), equity \$1.6bn
- ◆ Between signing and closing, the loss on sale will vary by changes in the NAV of the disposed business and associated hyperinflation and foreign currency translation, and the fair value of consideration including price adjustments and migration costs

* Does not include the \$(1,137)m impairment on classification of Argentina to held-for-sale which is booked at a Group level

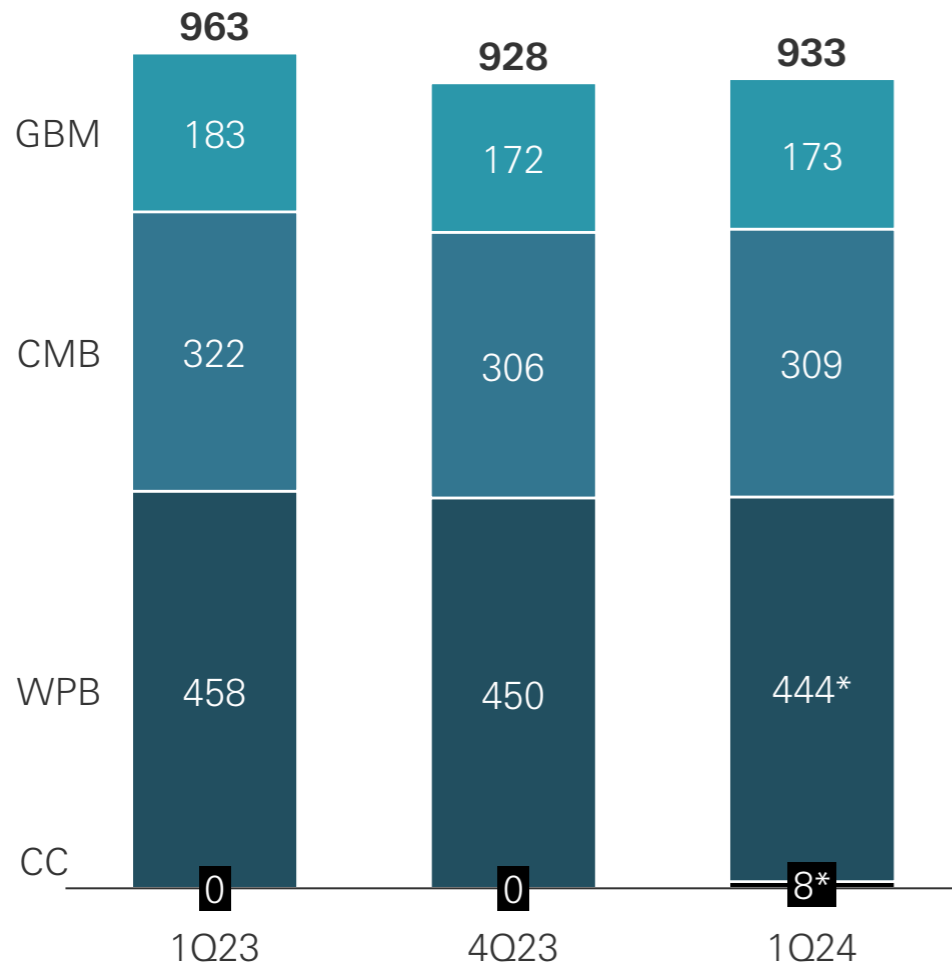
EPS excluding material notable items and related impacts

Reported FX basis, \$m	1Q23	2Q23	3Q23	4Q23	1Q24
PAOS	10,327	6,639	5,619	(153)	10,183
Gain on acquisition of SVB UK	(1,511)	4	(86)	44	—
Impact of the sale of our retail banking operations in France (net of tax)	(1,636)	7	—	1,737	(52)
Impact of the sale of our banking business in Canada	(109)	55	(376)	119	(4,942)*
Impairment of interest in associate (BoCom)	—	—	—	3,000	—
Impairment loss relating to the planned sale of our operations in Argentina	—	—	—	—	1,137
PAOS excluding material notable items and related impacts	7,071	6,705	5,157	4,747	6,326
Average basic number of ordinary shares (m)	19,724	19,662	19,404	19,130	18,823
Basic EPS, \$	0.52	0.34	0.29	(0.01)	0.54
Basic EPS excluding material notable items and related impacts, \$	0.36	0.34	0.27	0.25	0.34

* 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)

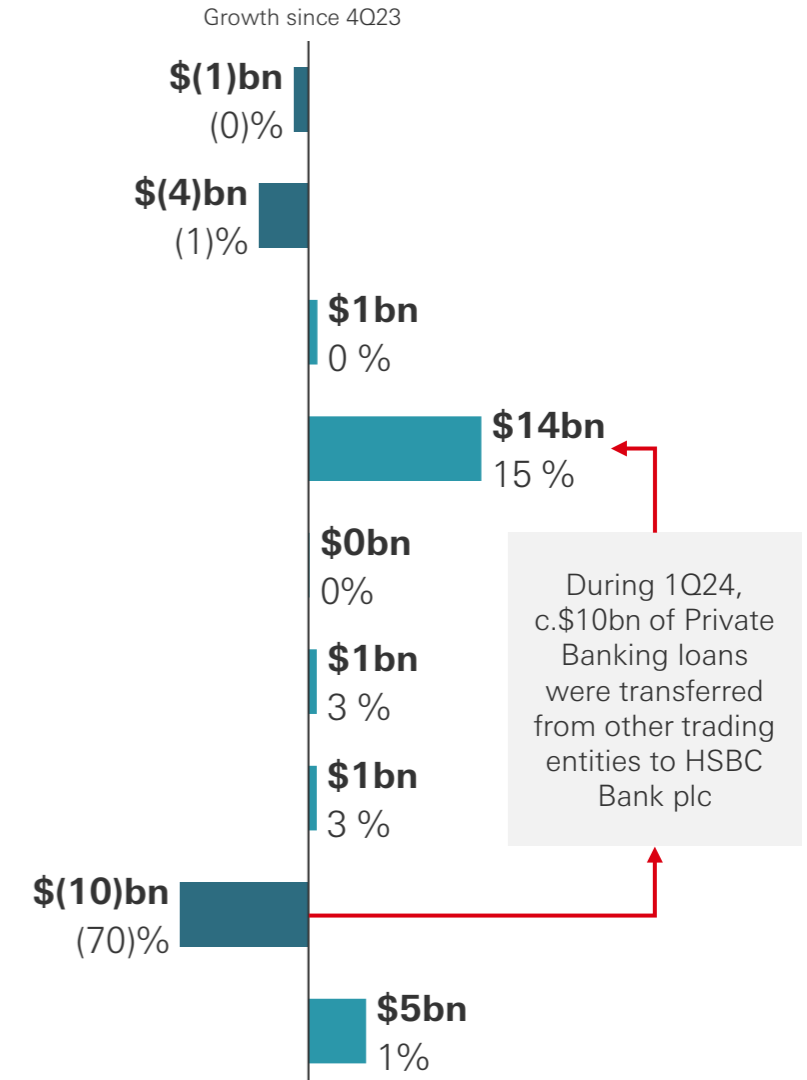
Balance sheet – customer lending

Balances by global business, \$bn



Balances by entity

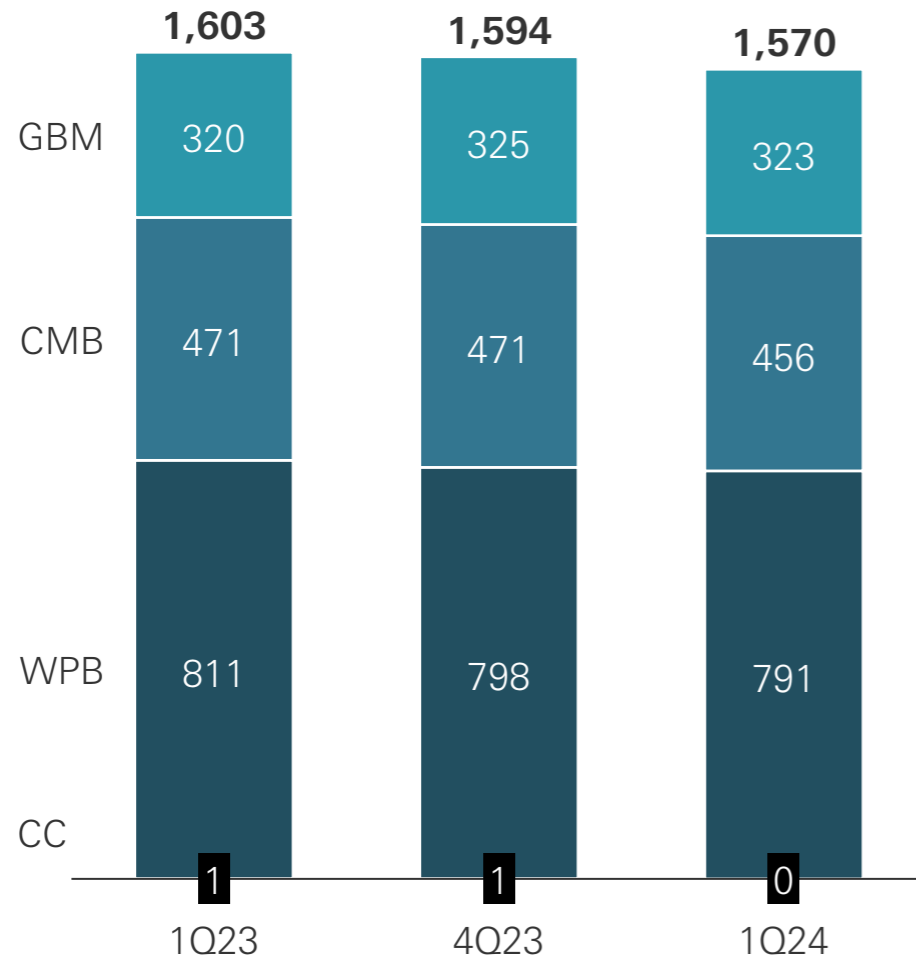
Asia (HBAP)	\$449bn
<i>o/w: Hong Kong</i>	\$275bn
UK RFB (HBUK)	\$268bn
HSBC Bank plc (HBEU)	\$108bn
US (HNAH)	\$55bn
Mexico (HBMX)	\$28bn
HSBC Middle East (HBME)	\$21bn
Other	\$4bn
Total	\$933bn



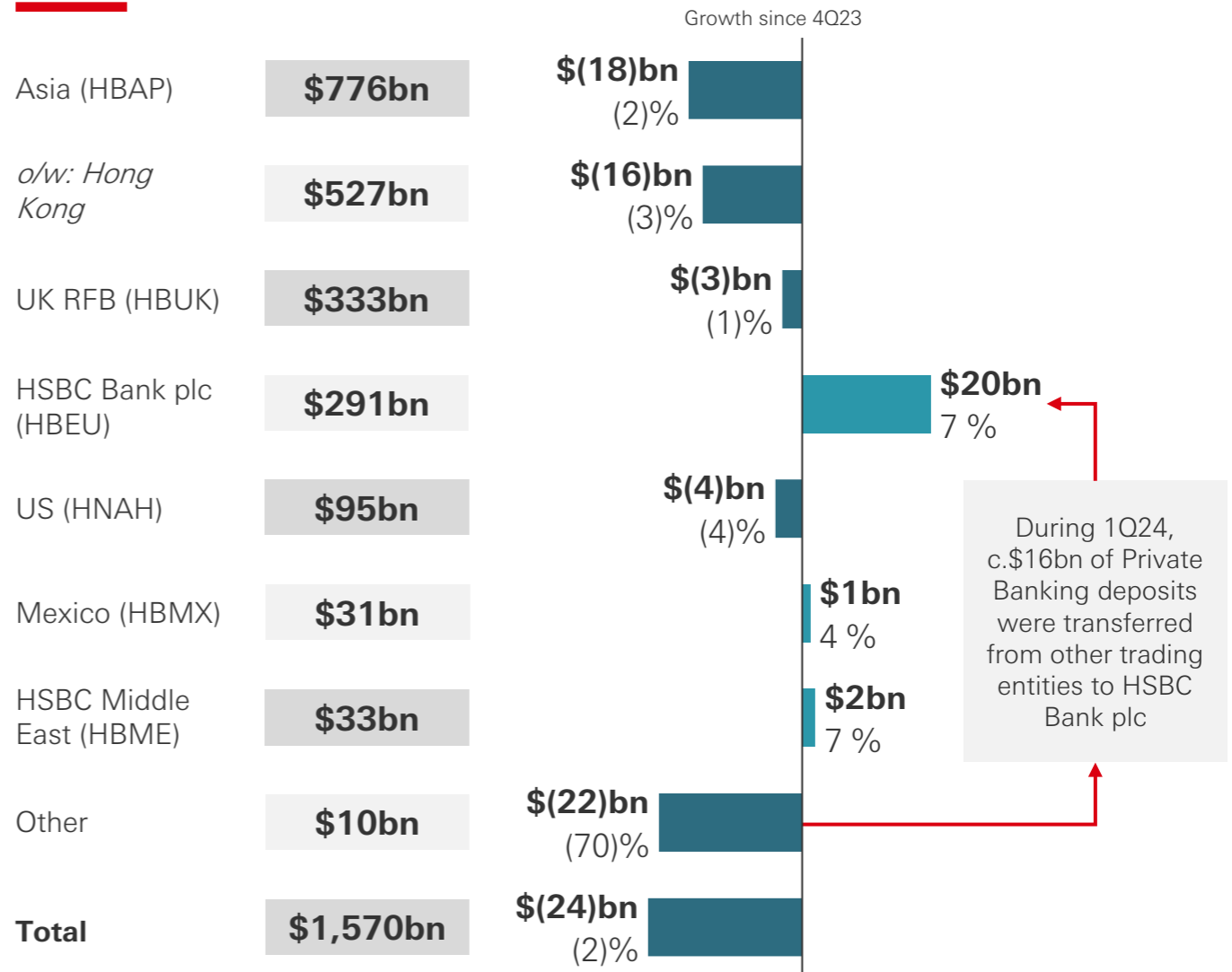
* At 1Q24, \$8bn of home loans retained following the sale of our retail banking operations in France were transferred from WPB to Corporate Centre

Balance sheet – customer accounts

Balances by global business, \$bn



Balances by entity



1Q24 vs. 4Q23 equity drivers

Reported FX basis	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares, millions
At 31 December 2023	185.3	155.7	8.19	19,006
Profit attributable to:	10.6	10.7	0.56	—
<i>Ordinary shareholders¹</i>	10.2	10.7	0.56	—
<i>Other equity holders</i>	0.4	—	—	—
Dividends	(0.4)	—	—	—
<i>On ordinary shares</i>	—	—	—	—
<i>On other equity instruments</i>	(0.4)	—	—	—
FX ¹	(2.3)	(2.2)	(0.11)	—
Impacts of hyperinflation	0.6	0.6	0.03	—
Cancellation of shares/buybacks	(2.0)	(2.0)	0.03	(311)
Actuarial gains/(losses) on defined benefit plans	0.1	0.1	—	—
Cash flow hedge reserves	(0.6)	(0.6)	(0.03)	—
Fair value movements through 'Other Comprehensive Income'	(0.5)	(0.5)	(0.03)	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	(0.5)	(0.5)	(0.03)	—
<i>Of which: Debt and Equity instruments at fair value through OCI</i>	(0.1)	(0.1)	—	—
Other ¹	0.4	0.2	0.03	(8)
At 31 March 2024	191.2	162.0	8.67	18,687

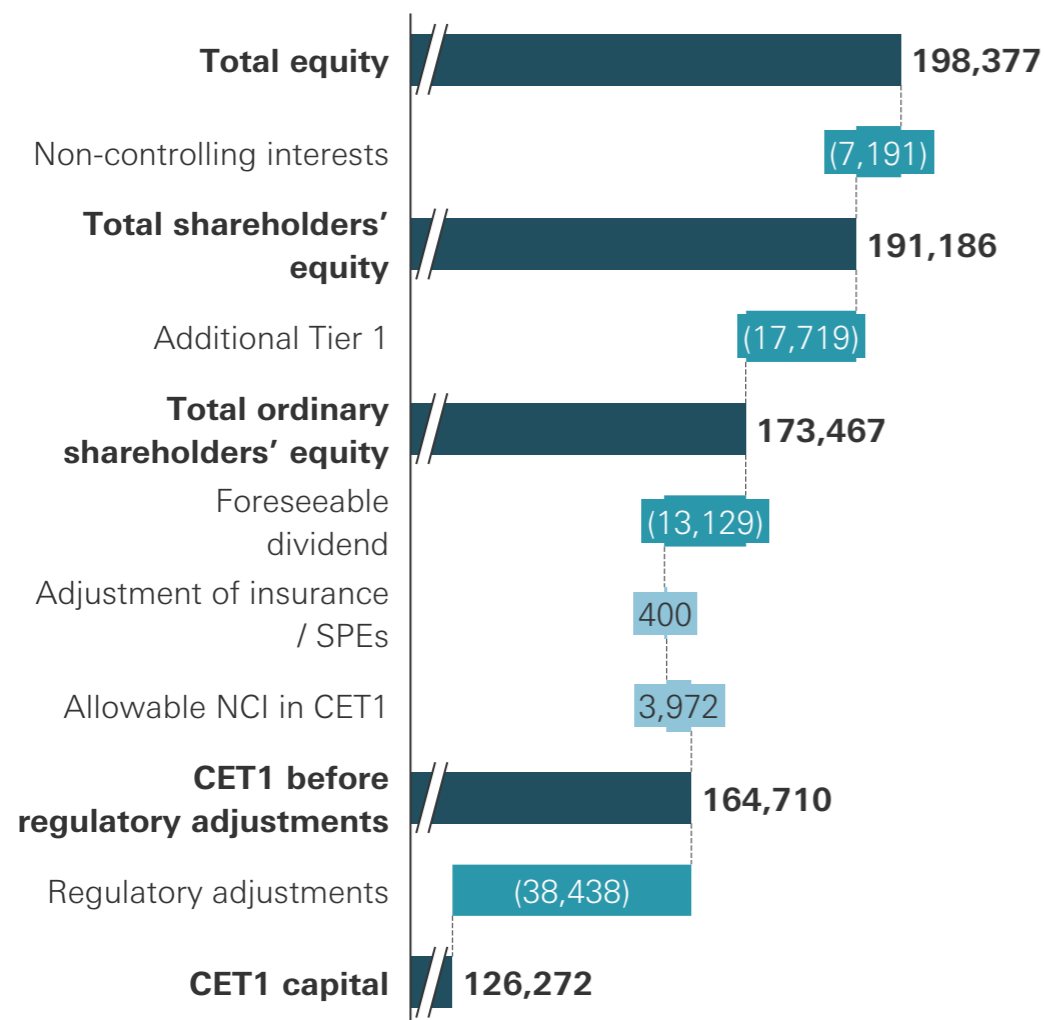
- ◆ Average basic number of shares outstanding during 1Q24: 18,823m
- ◆ Cancellation of shares/buybacks: reflects the impact of the \$2bn buyback announced at 4Q23 results. (311)m shares reflects shares **repurchased and cancelled** during 1Q24 but does not include the 132m shares which were either: (i) repurchased before 31 March but not cancelled or; (ii) shares repurchased after 31 March
- ◆ 2Q24 NAV / TNAV / TNAV per share will reflect the payment of dividends declared at both 4Q23 and 1Q24 (DPS: 4Q23 \$0.31 / 1Q24 \$0.31) and the up to \$3bn buyback announced at 1Q24. Estimated impact c.\$14.7bn / c.\$0.79 per share

\$8.60 on a fully diluted basis

18,838m on a fully diluted basis

Total shareholders' equity to CET1 capital

1Q24 total equity to CET1 capital (reported FX), \$m



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

	3Q23	4Q23	1Q24
Total equity (per balance sheet)	189,840	192,610	198,377
Non-controlling interests	(7,120)	(7,281)	(7,191)
Total shareholders' equity	182,720	185,329	191,186
Additional Tier 1	(17,719)	(17,719)	(17,719)
Total ordinary shareholders' equity ('NAV')	165,001	167,610	173,467
Foreseeable dividend	(5,610)	(5,961)	(13,129)
Adjustment for insurance / SPEs	58	302	400
Allowable NCI in CET1	3,895	3,917	3,972
CET1 before regulatory adjustments	163,344	165,868	164,710
Prudential valuation adjustment	(1,108)	(1,238)	(1,108)
Intangible assets	(12,936)	(13,378)	(12,869)
Deferred tax asset deduction	(3,986)	(4,308)	(4,060)
Cash flow hedge adjustment	3,733	992	1,577
Excess of expected loss	(2,130)	(2,304)	(2,646)
Own credit spread and debt valuation adjustment	268	891	1,410
Defined benefit pension fund assets	(5,305)	(5,773)	(5,797)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital	(818)	100	(21)
Threshold deductions	(16,194)	(14,309)	(14,884)
Regulatory adjustments	(38,516)	(39,367)	(38,438)
CET1 capital	124,828	126,501	126,272

Wealth and Personal Banking

\$m	1Q23	4Q23	1Q24	vs. 1Q23		vs. 4Q23	
Wealth	1,956	1,691	2,192	236	12%	501	30%
Personal Banking	4,986	4,971	4,868	(118)	(2)%	(103)	(2)%
Other	2,071	(2,409)	104	(1,967)	(95)%	2,513	>100%
<i>of which: notable items</i>	2,044	(2,188)	53	(1,991)	(97)%	2,241	>100%
Revenue	9,013	4,253	7,164	(1,849)	(21)%	2,911	68%
ECL	(243)	(289)	(301)	(58)	(24)%	(12)	(4)%
Costs	(3,463)	(3,803)	(3,695)	(232)	(7)%	108	3%
PBT	5,324	180	3,181	(2,143)	(40)%	3,001	>100%
Customer lending, \$bn	458	450	444	(14)	(3)%	(7)	(1)%
Customer accounts, \$bn	811	798	791	(20)	(3)%	(7)	(1)%
RWAs, \$bn ▶	181	193	182	1	0%	(11)	(6)%
HFS customer lending, \$bn	27	43	1	(26)	(97)%	(43)	(98)%
HFS customer accounts, \$bn	34	56	2	(32)	(95)%	(54)	(97)%
Invested assets, \$bn ▶	1,074	1,191	1,242	168	16%	51	4%
Wealth balances, \$bn ▶	1,600	1,727	1,767	166	10%	40	2%
				1Q23	1Q24	vs. 1Q23	
RoTE, % ▶				50.2 ¹	29.4	(20.8)ppts	

Revenue 1Q24 vs. 1Q23

Total revenue down \$(1.8)bn / (21)% due to \$2.0bn notable items in 1Q23 (France impairment reversal)

Wealth up \$0.2bn (12%) with growth in all products. Key areas: (i) \$0.1bn non-NII growth in Private Banking (strong performance in Asia); (ii) Investment Distribution +\$0.1bn. Good performance in Asset Management and Life Insurance

Personal Banking down \$(0.1)bn due to the sale of our France retail operations and margin compression, partly offset by balance sheet growth across a number of entities

Balances 1Q24 vs. 1Q23

Customer lending down \$(14)bn, mainly \$(26)bn from the sale of France retail and the divestment of our business in Oman, partly offset by:

- ◆ Mortgages: UK +\$6bn (4%); Asia +\$3bn (2%), US +\$2bn (11%); Mexico +\$1bn (14%)
- ◆ Unsecured lending: HK +\$1bn (8%); UK +\$1bn (8%); Mexico +\$1bn (17%). Growth in other markets including Singapore and Taiwan

Customer accounts down \$(20)bn mainly: \$(22)bn from the sale of our France retail operations and \$(9)bn outflows in UK due to cost of living pressures and the competitive environment. This was partly offset by growth in Asia ex. HK +\$12bn (3%) notably in Singapore (16%), mainland China (24%), Australia (13%) and Taiwan (27%)

Invested assets +16%: NNIA of \$89bn; favourable market level, FX and other movements of \$79bn

Balances 1Q24 vs. 4Q23

Customer lending down \$(7)bn, mainly the transfer of the remaining France mortgage portfolio to Corporate Centre (\$(8)bn), partly offset by UK mortgages up \$1bn

Customer accounts down \$(7)bn, mainly time deposit outflows in HK, with a portion of these flowing into Wealth products

Invested assets +4%: NNIA of \$27bn; favourable market level, FX and other movements of \$24bn

Commercial Banking

\$m	1Q23	4Q23	1Q24	vs. 1Q23		vs. 4Q23	
Global Payments Solutions	2,885	3,171	3,077	192	7%	(94)	(3)%
Credit & Lending	1,352	1,248	1,382	30	2%	134	11%
Global Trade and Receivables Finance	499	477	497	(2)	(0)%	20	4%
Markets products, Insurance and Investments and Other	1,973	199	576	(1,397)	(71)%	377	>100%
<i>of which: notable items</i>	<i>1,577</i>	<i>(128)</i>	—	<i>(1,577)</i>	<i>(100)%</i>	<i>128</i>	<i>100%</i>
Revenue	6,709	5,095	5,532	(1,177)	(18)%	437	9%
ECL	(149)	(665)	(380)	(231)	>(100)%	285	43%
Costs*	(1,677)	(1,976)	(1,872)	(195)*	(12)%	104	5%
PBT	4,883	2,454	3,280	(1,603)	(33)%	826	34%
Customer lending, \$bn	322	306	309	(14)	(4)%	3	1%
Customer accounts, \$bn	471	471	456	(14)	(3)%	(14)	(3)%
RWAs, \$bn ▶	353	355	338	(15)	(4)%	(17)	(5)%
				1Q23	1Q24	vs. 1Q23	
RoTE, % ▶				36.1 ¹	21.8	(14.3)ppts	

* Costs up 12% reflecting IVB costs, performance related pay accruals and Argentina currency devaluation, offset by strategic cost saves

‡ Held for sale (HFS) transfers primarily relate to Argentina and Armenia

Revenue 1Q24 vs. 1Q23

- ◆ **Revenue** down \$(1.2)bn / (18)%, due to the non-repeat of the gain on acquisition of SVB UK in 1Q23 of \$1.6bn. This more than offset the growth of \$0.4bn due to HSBC Innovation Banking ('IVB') revenue, the higher rates environment and fee growth
- ◆ **GPS** up \$192m (7%) due to higher interest rates and fees supported by business growth initiatives and repricing actions, and IVB revenue
- ◆ **C&L** up \$30m (2%) reflecting IVB revenue, partly offset by lower margins and balances given lower market-wide demand in Hong Kong, repayment of Covid-19 government scheme lending in the UK and reduced commercial real estate exposures in mainland China and the US
- ◆ **GTRF** broadly stable due to improved margins, offset by the impacts of the softer trade cycle in Asia
- ◆ **Other products** includes the 1Q23 \$1.6bn gain on acquisition of SVB UK. This more than offset \$0.2bn of growth due to higher Markets Treasury revenue and interest on own capital, partly offset by the impacts of hyperinflationary accounting

Balance sheet

- ◆ **Customer lending** up \$3bn vs. 4Q23 driven by a \$4bn increase in key markets including Europe, South and Southeast Asia, China and Mexico, partly offset by transfers to HFS‡ of \$1bn. Vs. 1Q23 down \$(14)bn / (4)% due to weaker market-wide loan demand in Hong Kong, repayment of Covid-19 government scheme lending in the UK and reduced Commercial Real Estate exposures in mainland China and the US
- ◆ **Customer accounts** down \$(14)bn / (3)% vs. 4Q23, mainly due to seasonality and transfers to HFS of \$2bn. Down \$(14)bn / (3)% vs. 1Q23 due to a market wide tightening of liquidity, notably in the UK and Asia, partly offset by the impact of deposit campaigns

Global Banking and Markets

\$m	1Q23	4Q23	1Q24	vs. 1Q23		vs. 4Q23	
Securities Services	558	565	564	6	1%	(1)	(0)%
Global Debt Markets	354	77	324	(30)	(8)%	247	>100%
Global FX	1,201	963	971	(230)	(19)%	8	1%
Equities	144	149	257	113	78%	108	72%
Securities Financing	261	304	367	106	41%	63	21%
XVAs	0	4	(29)	(29)	nm	(33)	>(100)%
Markets and Securities Services	2,518	2,062	2,454	(64)	(3)%	392	19%
GTRF	177	163	176	(1)	(1)%	13	8%
GPS	1,073	1,157	1,162	89	8%	5	0%
Credit & Lending	499	479	453	(46)	(9)%	(26)	(5)%
Investment Banking*	310	223	279	(31)	(10)%	56	25%
Other	68	88	121	53	78%	33	38%
Banking	2,127	2,110	2,191	64	3%	81	4%
GBM Other	(243)	(506)	(190)	53	22%	316	62%
<i>of which: notable items</i>	—	(135)	—	—	—	135	100%
Revenue	4,402	3,666	4,455	53	1%	789	22%
ECL	(31)	(16)	(33)	(2)	(6)%	(17)	>(100)%
Costs	(2,381)	(2,695)	(2,397)	(16)	(1)%	298	11%
PBT	1,990	955	2,025	35	2%	1,070	>100%
Customer lending, \$bn	183	172	173	(10)	(5)%	1	1%
Customer accounts, \$bn	320	325	323	2	1%	(3)	(1)%
RWAs, \$bn ▶	225	218	223	(2)	(1)%	4	2%
Assets under custody, \$tn ¹ ▶	9.5	9.7	9.9	0.4	4%	0.2	2%
Gross Investment Banking revenue, \$bn	0.5	0.3	0.4	(0.1)	(7)%	0.1	46%
				1Q23	1Q24	vs. 1Q23	
RoTE, % ▶				15.5	15.1	(0.4)pts	

Commentary 1Q24 vs. 1Q23

Revenue of \$4.5bn, up 1%

MSS revenue \$2.5bn, down \$(0.1)bn / (3)%:

- ◆ Global Debt Markets down as muted secondary client activity through the quarter offset strong primary activity in January
- ◆ A decline in Global FX compared to a very strong prior year as reduced volatility led to lower client volumes
- ◆ Equities up as client flows increased due to improved market sentiment
- ◆ Continued new client onboarding and strong demand in repos and prime finance drove strongly increased performance in Securities Financing

Banking revenue \$2.2bn, up \$0.1bn / 3%:

- ◆ GPS up from higher rates and continued repricing of services
- ◆ Investment Banking* down as 1Q23 benefitted from a small number of large transactions
- ◆ Weak client demand led to lower Credit & Lending revenue

Commentary 1Q24 vs. 4Q23

MSS revenue up 19%:

- ◆ Stronger primary issuance drove better client activity in Global Debt Markets
- ◆ Equities and Securities Financing also benefitted from stronger client activity due to improved sentiment

Banking revenue up 4%:

- ◆ Investment Banking up due to improved activity in Debt Capital Markets and Leveraged Finance

GBM Other benefitted from lower hyperinflationary adjustments and non-recurrence of 4Q23 Treasury disposal losses

* Includes Issuer Services. From 1 January 2024, we renamed 'Capital Markets and Advisory' as 'Investment Banking' to better reflect our purpose and offering

Corporate Centre

\$m	1Q23	4Q23	1Q24	vs. 1Q23	vs. 4Q23
Central Treasury	101	1	9	(92)	8
Legacy Credit	(2)	6	10	12	4
Other	2	(277)	3,582	3,580	3,859
<i>of which: gain on disposal of our banking business in Canada and associated hedges</i>	(57)	(245)	4,789	4,846	5,034
<i>of which: impairment on planned sale of operations in Argentina</i>	—	—	(1,137)	(1,137)	(1,137)
Revenue	101	(270)	3,601	3,500	3,871
ECL	(5)	2	(6)	(1)	(8)
Costs	(47)	(56)	(187)	(140)	(131)
Associates	685	(2,402)	756	71	3,158
<i>of which: BoCom</i>	619	(2,551)	600	(19)	3,151
<i>of which: Saudi Awwal Bank</i>	110	148	145	35	(3)
PBT	734	(2,726)	4,164	3,430	6,890
<i>Memo: revenue notable items</i>	48	(305)	3,679	3,631	3,984
<i>Memo: associate notable items</i>	—	(3,017)	—	—	3,017
RWAs, \$bn ▶	95	88	90	(5)	2
Markets treasury revenue allocated to Global Businesses, \$m*	214	(142)	484	270	626
			1Q23	1Q24	vs. 1Q23
RoTE, % ▶			11.1	36.6	25.5ppts

1Q24 vs. 1Q23 commentary

Revenue up \$3.5bn, primarily reflecting:

- ◆ \$4.8bn gain in 1Q24 on the sale of our banking business in Canada, inclusive of fair value gains on the hedging of the sale proceeds; partly offset by:
- ◆ An impairment of \$(1.1)bn related to the planned disposal of our business in Argentina following the classification to HFS in 1Q24;
- ◆ Adverse fair value movements on financial instruments in Central Treasury and structural hedges;
- ◆ The non-recurrence of a 1Q23 favourable impact following the reversal of an impairment related to the sale of our France retail banking business, and an impairment related to the planned disposal of our operations in Armenia

RWAs down \$(5)bn, primarily reflecting impact of the disposal of our banking business in Canada, partly offset by the RWAs relating to the retained France retail portfolio which was transferred to Corporate Centre

* Not included in Corporate Centre revenue

Reconciliations

Reported revenue to revenue excluding notable items

\$m	1Q23	1Q24
Reported revenue	20,171	20,752
Currency translation	54	—
Constant currency revenue	20,225	20,752
Revenue notable items	(3,669)	(3,732)
Revenue, excluding notable items	16,556	17,020

Reported PBT to PBT excluding notable items

\$m	1Q23	1Q24
Reported profit before tax	12,886	12,650
Currency translation	45	—
Constant currency profit before tax	12,931	12,650
Revenue notable items	(3,669)	(3,732)
Cost notable items	62	50
Profit before tax, excluding notable items	9,324	8,968

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
CASA	Current accounts and savings accounts
Central costs of funding trading income	Associated with funding net income from financial instruments held for trading or managed on a fair value basis which results in an interest expense to Group NII which is fully offset by non-NII reported in Corporate Centre
CET1	Common Equity Tier 1
CMB	Commercial Banking, a global business
Corporate Centre (CC)	Corporate Centre comprises Central Treasury, our legacy businesses, interests in our associates and joint ventures and central stewardship costs
CRE	Commercial Real Estate
CSM	Contractual Service Margin, a component of the carrying amount of a group of insurance contract assets or liabilities which represents the unearned profit which the Group will recognise as it provides insurance contract services under the insurance contracts in the Group
DCM	Debt capital markets
DPS	Dividend per share
ECL	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
ECM	Equity capital markets
EPS	Earnings per share

GBM	Global Banking and Markets, a global business
GPS	Global Payments Solutions
Group	HSBC Holdings plc and its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
HFS	Held-for-sale
IFRS	International Financial Reporting Standard
Innovation Banking / IVB	HSBC Innovation Banking, which includes HSBC Innovation Bank Limited in the UK and related international operations
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
NB CSM	New business contractual service margin
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
PRP	Performance related pay
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
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, the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
Wholesale Transaction Banking / Wholesale TB	Comprises the following products in our CMB and GBM businesses: Global Trade and Receivables Finance, Global Payments Solutions, Global Foreign Exchange and Securities Services
WPB	Wealth and Personal Banking, a global business
XVAs	Credit and Funding Valuation Adjustments

Footnotes

Slide 2: Summary

- 1Q24 RoTE annualised
- Cost growth is on a target basis which excludes the direct cost impact of our disposals in France and Canada from the 2023 baseline. It is measured on a constant currency basis and excludes notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency, which we consider to be outside of our control. This reflects our current business plan for 2024

Slide 3: Financial performance

- Cost growth on a target basis excludes the direct cost impact of our disposals in France and Canada from the 2023 baseline. It is measured on a constant currency basis and excludes notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency, which we consider to be outside of our control. This reflects our current business plan for 2024
- Declared in respect of period. Includes \$0.21 special dividend per share in 1Q24
- 1Q24 RoTE annualised
- Inclusive of a \$0.3bn gain on the foreign exchange hedging of the sale proceeds, the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses

Slide 5: Banking NII

- Based on our current forecasts, reflecting market-implied interest rates as of mid-February and our current modelling of a number of market dependent factors, including customer activity and behaviour levels
- Banking NII of \$11.6bn included \$0.4bn due to methodology changes which related broadly equally to 1Q23 and 2Q23

Slide 6: Fee and other income: Wholesale Transaction Banking and Wealth

- 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

Slide 7: Credit performance

- Including held-for-sale balances

Slide 8: Costs

- Refer to footnote 1 relating to slide 3

Slide 10: Capital and distributions

- Excludes the impact of strategic transactions (Canada and Argentina) which are shown separately
- Includes AT1 coupons paid
- Includes the impact of the sale of our retail banking operations in France and regulatory deductions

Slide 11: Outlook

- Refer to footnote 1 relating to slide 5
- Includes balance in held for sale
- Reflecting our current business plan for 2024. See slides 8 and 20 for reconciliation

Slide 13: Guidance summary

- Our guidance reflects our current forecasts, reflecting market-implied interest rates as of mid-February and our current modelling of a number of market dependent factors, including customer activity and behaviour levels
- Includes balances in held-for-sale
- For our financial targets, in the medium term is defined as 3-4 years from 1 January 2024 and the long term is defined as 5-6 years from 1 January 2024
- Near term is defined as approximately 6 months

Slide 14: Financial performance summary

- 1Q24 includes \$0.21 special dividend per share

Slide 15: Banking NII

- On a constant currency basis: 1Q23 \$10.1bn, 2Q23 \$11.2bn, 3Q23 \$11.0bn, 4Q23 \$10.1bn
- Funding is used to fund assets that generate trading and fair value income, primarily relating to GBM

Slide 17: Net interest margin

- Based on HK deposit balance of \$527bn and the c.3.5ppts difference between the average rates paid on time deposits and CASA as at 29 March 2024. Actual NII impact of migration will depend on rates paid and market conditions

Slide 18: Wholesale Transaction Banking and Wealth

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

Slide 26: 1Q24 vs. 4Q23 equity drivers

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

Slide 28: Wealth and Personal Banking

- RoTE (annualised) in 1Q23 included a 21.3 percentage point favourable impact from the reversal of the impairment losses relating to the planned sale of our retail banking operations in France

Slide 29: Commercial Banking

- RoTE (annualised) in 1Q23 included a 13.3 percentage point favourable impact of the provisional gain on the acquisition of Silicon Valley Bank UK Limited

Slide 30: Global Banking and Markets

- Relates to: (i) Securities Services; (ii) Issuer Services (included in Investment Banking)

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.

This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the “Group”) and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an “Identified Person”) as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

No representations or warranties, express or implied, are given by any Identified Person as to, and no reliance should be placed on, the accuracy or completeness of any information contained in this Presentation, any other written or oral information provided in connection therewith or any data which such information generates. No Identified Person undertakes, or is under any obligation, to provide the recipient with access to any additional information, to update, revise or supplement this Presentation or any additional information or to remedy any inaccuracies in or omissions from this Presentation. Past performance is not necessarily indicative of future results. Differences between past performance and actual results may be material and adverse.

Forward-looking statements

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

Additional detailed information concerning important factors, including but not limited to ESG related factors, that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2023 filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 22 February 2024 (the “2023 Form 20-F”) and in our 1Q 2024 Earnings Release, which we expect to furnish with the SEC on Form 6-K on 30 April 2024 (the “1Q 2024 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 2023 Form 20-F and 1Q 2024 Earnings Release, when furnished with the SEC, each of which is available at www.hsbc.com.

Information in this Presentation was prepared as at 30 April 2024.

