

## Interim Results 2017

### Iain Mackay, Group Finance Director, HSBC

HSBC had a very strong first half to 2017. Our reported and adjusted profits before tax were up. Our three main businesses and our five operating regions demonstrated improving profitability. We ended the quarter with positive jaws for the first half, so demonstrating good cost control once again. And at the end of June we had a common equity tier one ratio of 14.7 per cent – very strong balance sheet, well-funded and liquid.

That capital strength over the last 12 months has helped us to do USD3.5 billion of share buy-backs. Earlier today we announced a further USD2 billion of buy-backs which will complete in the second half of 2017.

### What sets HSBC apart from its competitors?

I think one of the resounding features of the first half of the year, and this builds on previous quarters as well, is the differentiation that our international network brings to us. Approximately 49 per cent of our revenues now come from client-related international activity across that network. Earlier this month, when HSBC was awarded by *Euromoney* best bank in the world, they specifically drew attention to the strength of that network and the differentiation that brings for HSBC.

We support our customers across the 23 main trade corridors globally, investing in supporting trade internationally. That's borne out in this set of numbers by the growth in our transaction banking businesses. Great advances from the Global Liquidity and Cash Management business. Global Trade and Receivables Finance – we see stability returning to that particular product line. And again, those key products are absolutely critical to supporting trade and international investment and supporting our customers to meet their international aspirations.

### How do you see HSBC's network developing?

An important development in the first half of the year was receiving approval from the Chinese authorities for the development of HSBC Qianhai Securities Limited. This will be the first foreign bank majority-owned securities firm in mainland China. It's an extremely important development in terms of enabling us to connect our customers to developing markets in mainland China. The continued strength of our business in Hong Kong and the continued progress in businesses like in Singapore are two very small examples of how we continue to demonstrate the strength of that network and how we support customers internationally.