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22 February 2022

(Hong Kong Stock Code: 5)

## **HSBC Holdings plc**

### **2021 RESULTS - HIGHLIGHTS**

The attached announcement is being released to all the stock exchanges on which HSBC Holdings plc is listed.

For and on behalf of  
**HSBC Holdings plc**

Aileen Taylor  
Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Mark Tucker\*, Noel Quinn, Rachel Duan†, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Eileen K Murray†, David Nish†, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

\* Non-executive Group Chairman

† Independent non-executive Director

#### **HSBC Holdings plc**

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*Incorporated in England with limited liability. Registered in England: number 617987*

22 February 2022

## HSBC HOLDINGS PLC

### 2021 RESULTS – HIGHLIGHTS

#### Noel Quinn, Group Chief Executive, said:

“We made good progress against our strategy in 2021, which contributed to a strong financial performance that was supported by the global economic recovery. All of our regions were profitable and we saw growth in the fourth quarter of 2021 in many of our business lines.

We have good momentum coming into 2022 and are confident that we can continue to execute against our strategy. We also remain cognisant of the potential impact that further Covid-19-related uncertainty and continued inflation might have on us and our clients.”

#### 2021 financial performance (vs 2020)

- **Reported profit after tax up \$8.6bn to \$14.7bn and reported profit before tax up \$10.1bn to \$18.9bn.** The increase was driven by a net release of expected credit losses and other credit impairment charges ('ECL') and a higher share of profit from our associates. **Adjusted profit before tax up 79% to \$21.9bn.**
- **All regions were profitable in 2021, notably HSBC UK Bank plc, where reported profit before tax increased by \$4.5bn to \$4.8bn.** Our Asia operations contributed \$12.2bn to reported profit before tax and all other regions reported a material recovery in profitability, reflecting favourable ECL movements.
- **Reported revenue down 2% to \$49.6bn,** primarily reflecting the impact of lower global interest rates and a decrease in revenue in Markets and Securities Services ('MSS') compared with a strong comparative period. Notwithstanding these factors, we saw revenue growth in areas of strategic focus, including Wealth, in part due to favourable market impacts in life insurance manufacturing, and Global Trade and Receivables Finance ('GTRF'). **Adjusted revenue down 3% to \$50.1bn.**
- **Net interest margin ('NIM') of 1.20%, down 12 basis points ('bps') from 2020,** with stabilisation in the second half of 2021.
- **Reported ECL were a net release of \$0.9bn, compared with an \$8.8bn charge in 2020,** reflecting an improvement in economic conditions relative to 2020, and better than expected levels of credit performance.
- **Reported operating expenses broadly unchanged at \$34.6bn. Adjusted operating expenses down 1% to \$32.1bn,** despite inflationary pressures, as the impact of our cost-saving initiatives and a reduction in the UK bank levy charge absorbed higher performance-related pay and continued growth in technology investment.
- **Customer lending balances in 2021 up \$8bn on a reported basis and \$23bn on a constant currency basis,** primarily driven by growth in mortgage balances, mainly in the UK and Hong Kong.
- **Common equity tier 1 ('CET1') capital ratio of 15.8%, down 0.1 percentage points.** Capital generation was more than offset by dividends, the up to \$2bn share buy-back announced in October, foreign exchange movements and other deductions. Risk-weighted assets ('RWAs') reduced despite new Pillar 1 requirements for structural foreign exchange, reflecting actions under our transformation programme.
- **The Board has approved a second interim dividend of \$0.18 per share, making a total for 2021 of \$0.25 per share.** We also intend to initiate a further share buy-back of up to \$1bn, to commence after the existing up to \$2bn buy-back has concluded.

#### 4Q21 financial performance (vs 4Q20)

- **Reported profit after tax up \$1.1bn to \$2.0bn and reported profit before tax up \$1.3bn to \$2.7bn,** reflecting lower ECL charges, lower operating expenses and revenue growth. **Adjusted profit before tax up 79% to \$4.0bn.**
- **Reported revenue up 2% to \$12.0bn,** mainly in Commercial Banking ('CMB') from growth in Credit and Lending and GTRF. **Adjusted revenue up 2% to \$12.1bn.**
- **Reported ECL were a net charge of \$0.5bn,** which included an increase in allowances to reflect recent developments in China's commercial real estate sector.
- **Reported operating expenses down 3% to \$9.5bn** due to a lower UK bank levy and further cost savings, partly offset by a \$0.6bn impairment of goodwill related to our Wealth and Personal Banking ('WPB') business in Latin America. **Adjusted operating expenses down 8% to \$8.3bn.**

#### Outlook

We carry good business momentum into 2022 in most areas and expect mid-single-digit lending growth over the year. However, we expect a weaker Wealth performance in Asia in the first quarter of 2022.

We expect ECL charges to normalise towards 30bps of average loans in 2022, based on current consensus economic forecasts and default experience, noting we retain \$0.6bn of Covid-19-related allowances as at the end of 2021. Uncertainty remains given recent developments in China's commercial real estate sector, while inflationary pressures persist in many of our markets.

We continue to target 2022 adjusted operating expenses in line with 2021, despite inflationary pressures, with cost to achieve spend of \$3.4bn expected to generate over \$2bn of cost savings in 2022. In 2023, we intend to manage growth in adjusted operating expenses to within a range of 0% to 2%, compared with 2022 (on an IFRS 4 basis), with cost savings of at least \$0.5bn from actions taken in 2022 helping to offset inflation.

We expect mid-single-digit RWA growth in 2022 through a combination of business growth, acquisitions and regulatory changes, partly offset by additional RWA savings. This growth, together with capital returns are expected to normalise our CET1 position to be within our 14% to 14.5% target operating range during 2022.

Our net interest income outlook is now significantly more positive. If policy rates were to follow the current implied market consensus, we would expect to deliver a RoTE of at least 10% for 2023, one year ahead of our previous expectations.

We continue to target dividends within our 40% to 55% dividend payout ratio range.

## Key financial metrics

	For the year ended		
	2021	2020	2019
<b>Reported results</b>			
Reported revenue (\$m)	<b>49,552</b>	50,429	56,098
Reported profit before tax (\$m)	<b>18,906</b>	8,777	13,347
Reported profit after tax (\$m)	<b>14,693</b>	6,099	8,708
Profit attributable to the ordinary shareholders of the parent company (\$m)	<b>12,607</b>	3,898	5,969
Cost efficiency ratio (%)	<b>69.9</b>	68.3	75.5
Net interest margin (%)	<b>1.20</b>	1.32	1.58
Basic earnings per share (\$)	<b>0.62</b>	0.19	0.30
Diluted earnings per share (\$)	<b>0.62</b>	0.19	0.30
Dividend per ordinary share (in respect of the period) (\$)	<b>0.25</b>	0.15	0.30
Dividend payout ratio (%) <sup>1</sup>	<b>40.3</b>	78.9	100.0
<b>Alternative performance measures</b>			
Adjusted revenue (\$m)	<b>50,090</b>	51,770	56,435
Adjusted profit before tax (\$m)	<b>21,916</b>	12,271	22,681
Adjusted cost efficiency ratio (%)	<b>64.2</b>	62.6	59.5
Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers (%)	<b>(0.09)</b>	0.87	0.26
Return on average ordinary shareholders' equity (%)	<b>7.1</b>	2.3	3.6
Return on average tangible equity (%) <sup>2</sup>	<b>8.3</b>	3.1	8.4
	At 31 Dec		
	2021	2020	2019
<b>Balance sheet</b>			
Total assets (\$m)	<b>2,957,939</b>	2,984,164	2,715,152
Net loans and advances to customers (\$m)	<b>1,045,814</b>	1,037,987	1,036,743
Customer accounts (\$m)	<b>1,710,574</b>	1,642,780	1,439,115
Average interest-earning assets (\$m)	<b>2,209,513</b>	2,092,900	1,922,822
Loans and advances to customers as % of customer accounts (%)	<b>61.1</b>	63.2	72.0
Total shareholders' equity (\$m)	<b>198,250</b>	196,443	183,955
Tangible ordinary shareholders' equity (\$m)	<b>158,193</b>	156,423	144,144
Net asset value per ordinary share at period end (\$)	<b>8.76</b>	8.62	8.00
Tangible net asset value per ordinary share at period end (\$)	<b>7.88</b>	7.75	7.13
<b>Capital, leverage and liquidity</b>			
Common equity tier 1 capital ratio (%) <sup>3</sup>	<b>15.8</b>	15.9	14.7
Risk-weighted assets (\$m) <sup>3</sup>	<b>838,263</b>	857,520	843,395
Total capital ratio (%) <sup>3</sup>	<b>21.2</b>	21.5	20.4
Leverage ratio (%) <sup>3</sup>	<b>5.2</b>	5.5	5.3
High-quality liquid assets (liquidity value) (\$bn)	<b>717</b>	678	601
Liquidity coverage ratio (%)	<b>138</b>	139	150
<b>Share count</b>			
Period end basic number of \$0.50 ordinary shares outstanding (millions)	<b>20,073</b>	20,184	20,206
Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)	<b>20,189</b>	20,272	20,280
Average basic number of \$0.50 ordinary shares outstanding (millions)	<b>20,197</b>	20,169	20,158

For reconciliations of our reported results to an adjusted basis, including lists of significant items, see page 98 of the *Annual Report and Accounts 2021*. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 117 of the *Annual Report and Accounts 2021*.

- <sup>1</sup> Dividend per ordinary share, in respect of the period, expressed as a percentage of basic earning per share.
- <sup>2</sup> Profit attributable to ordinary shareholders, excluding impairment of goodwill and other intangible assets and changes in present value of in-force insurance contracts ('PVIF') (net of tax), divided by average ordinary shareholders' equity excluding goodwill, PVIF and other intangible assets (net of deferred tax).
- <sup>3</sup> Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments', which are explained further on page 195 of the *Annual Report and Accounts 2021*. Leverage ratios are calculated using the end point definition of capital and the IFRS 9 regulatory transitional arrangements. References to EU regulations and directives (including technical standards) should be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law.

## Highlights

	Year ended 31 Dec	
	2021	2020
	\$m	\$m
<b>Reported</b>		
Revenue <sup>1</sup>	49,552	50,429
ECL	928	(8,817)
Operating expenses	(34,620)	(34,432)
Share of profit in associates and joint ventures	3,046	1,597
<b>Profit before tax</b>	<b>18,906</b>	<b>8,777</b>
<b>Adjusted<sup>2</sup></b>		
Revenue <sup>1</sup>	50,090	51,770
ECL	928	(9,282)
Operating expenses	(32,148)	(32,409)
Share of profit in associates and joint ventures	3,046	2,192
<b>Profit before tax</b>	<b>21,916</b>	<b>12,271</b>
<b>Significant items affecting adjusted performance</b>		
<b>Revenue</b>		
Customer redress programmes	11	(21)
Disposals, acquisitions and investment in new businesses	–	(10)
Fair value movements on financial instruments <sup>3</sup>	(242)	264
Restructuring and other related costs	(307)	(170)
<b>Operating expenses</b>		
Customer redress programmes	(49)	54
Impairment of goodwill and other intangibles	(587)	(1,090)
Past service costs of guaranteed minimum pension benefits equalisation	–	(17)
Restructuring and other related costs	(1,836)	(1,908)
Settlements and provisions in connection with legal matters and other regulatory matters	–	(12)
<b>Share of profit in associates and joint ventures</b>		
Impairment of goodwill	–	(462)

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Adjusted performance is computed by adjusting reported results for the year-on-year effects of foreign currency translation differences and significant items which distort year-on-year comparisons.

3 Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.

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## Statement by Mark E Tucker, Group Chairman

2021 was another challenging year. While Covid-19 vaccines were rolled out globally, some countries dealt with very significant outbreaks and many more operated under various restrictions at different points. As in 2020, this took a huge toll on our customers, our people, the communities we serve and our shareholders.

My colleagues once again demonstrated their resilience, their professionalism and, above all, their exceptional commitment to serving our customers. Our purpose as an organisation is to open up a world of opportunity. Our people have brought this to life in the way they have supported our customers and each other. On behalf of the Board, I would like to thank them warmly for everything they have done, and continue to do.

ESG was another major theme of 2021. The pandemic has exposed the fragility of the planet and society as a whole. It has also created a catalyst for change and highlighted the associated commercial opportunities. Businesses, governments, regulators and investors all continued along their ESG journeys in 2021, as public awareness grew and activism around climate change in particular increased. HSBC has long understood that good ESG performance goes hand-in-hand with good financial performance, and it is now abundantly clear that the action businesses take on sustainability is an important lens through which they are being viewed and assessed by their stakeholders.

### Progress

HSBC delivered a good financial performance in 2021. Reported profit before tax was \$18.9bn, an increase of \$10.1bn as compared with 2020, while adjusted profit before tax was \$21.9bn, up 79%. All of our regions were profitable in 2021, supported by the global economic recovery, demonstrating the value of our global network. There was also good growth in focus areas such as Asia wealth and trade. In line with the dividend policy announced in February 2021, the Board approved a second interim dividend for 2021 of \$0.18, meaning the full year dividends for 2021 are \$0.25.

Good progress has been made in executing our strategic plan. A number of key milestones were reached in 2021 – including resolving the future of our retail businesses in France and the US, the organic build-out of HSBC Personal Wealth Planning in mainland China, and acquisitions in Singapore and India to accelerate the development of our wealth capabilities across Asia. At the same time, our work to digitise HSBC and to play a leading role in the net zero transition has continued at pace. There is more to do – and it will be important to see successive consecutive quarters of growth – but good momentum exists across our businesses.

### Board of Directors

Due to ongoing travel restrictions and safety concerns, the Board has not been able to meet in person for two years. We look forward to reconnecting with each other and welcoming those Board members we are yet to meet in person. At the same time, we have come to appreciate the benefits of this new way of working – which include more regular dialogue, less travel and reduced costs – and we will therefore use a hybrid model going forward.

We were pleased to hold our first hybrid AGM in May 2021, which the majority of shareholders attended virtually. It is a matter of deep regret to me, and to the Board as a whole, that we have been unable to meet our loyal Hong Kong shareholders face-to-face. We look forward to doing so again as soon as it is practicable and safe. In the meantime, a hybrid meeting does at least allow for constructive engagement and discussions with shareholders, which we continue to value highly.

At the 2021 AGM, Laura Cha, Henri de Castries and Heidi Miller all retired from the Board. We also recently announced that Irene Lee and Pauline van der Meer Mohr will step down from the Board at the conclusion of our 2022 AGM in April. I am enormously grateful to them all for their important and valuable contributions to the Board, the committees and the subsidiary entities on which they have served. We welcomed Dame Carolyn Fairbairn and Rachel Duan to the Board on 1 September. Both Carolyn and Rachel bring a wealth of skills and expertise that will be of great value to the Board's discussions.

### External environment

The roll-out of vaccines around the world and a robust global economic recovery mean we entered 2022 in a better state than we might have expected a year ago. There are clearly still significant challenges ahead, foremost among which is the uncertainty caused by the spread of the Omicron variant, and potentially other variants in the future. Supply chain bottlenecks, high energy and food prices, surging consumer demand and higher wages have combined to drive up inflation. Central banks have already begun to respond by tightening monetary policy and this is likely to continue in 2022.

Global economic growth forecasts are fairly resilient – our own forecast is 4.1% global GDP growth in 2022. However, there remains a great deal of uncertainty given the wide range of responses from governments to the different challenges they face.

After China's strong recovery, growth slowed in the second half of 2021. As a result, we expect China's government to take action to ease monetary and fiscal policies, with the aim of shoring up growth. Meanwhile, India's economy is set to grow rapidly, but growth is expected to be slower in the UK and the US.

Global trade performed well in 2021, with volumes rising above pre-pandemic levels despite ongoing supply chain disruptions. Looking forward, trade growth could be further boosted by the lifting of restrictions on movement that remain in place in some countries. There are also signs that supply chain bottlenecks will ease as the year goes on, although when and how remains uncertain. The Regional Comprehensive Economic Partnership is expected to reinforce Asia's central role in global trade. Along with the bilateral trade deals being struck by some countries, it also shows that trade liberalisation continues to advance in some parts of the world.

Although there is currently no long-term agreement between the UK and the EU on access to financial services, we have worked for a number of years to ensure we will be able to maintain a full service for our clients under all potential scenarios. Ideally, the temporary arrangements on access to financial services will be retained so as to minimise disruption and enable the UK financial services industry to continue to offer the many benefits it brings to the UK and EU economies. However, we are well prepared for a broad range of outcomes.

As a global bank operating in more than 60 countries and territories, with a history stretching back more than 156 years, we always have experienced – and always will experience – geopolitical tensions. However, we remain alive to the potential impact that geopolitics can have on our business, as well as on our clients. The relationship between the US and China remains a prominent feature of the external environment, but we do not currently expect it to change significantly in the near future. We also expect the mutual economic benefits brought by the UK-China relationship to outweigh any short-term pressures. We continue to engage with all governments and remain focused on serving the needs of our customers in both East and West, and the many points in between.

**Stakeholder engagement**

Our purpose of opening up a world of opportunity is equally applicable to our different stakeholders. For our people, it can mean helping them to develop new skills and advance in their careers, as well as being diverse and inclusive. For our shareholders, it can mean creating sustainable returns and value. For our suppliers, it can mean supporting them to grow their businesses and strengthen their own supply chains. And for the communities we serve, it can mean being a responsible citizen and leading the net zero transition.

Stakeholder engagement has been a priority for the Board in 2021. For example, the Board oversaw HSBC's continuing work in support of our ambition to align our financed emissions to net zero by 2050 or sooner. This included engaging shareholders and leading NGOs ahead of the 2021 AGM, when our special resolution on the next steps in relation to our climate ambition was overwhelmingly approved. We also reviewed and approved a new thermal coal phase-out policy, which we announced in December 2021 and is designed to allow HSBC to help facilitate the transition to net zero in both developed and developing markets.

**Thank you**

Finally, I would like to reiterate how grateful I am to all my colleagues for the great dedication and care they have shown to our customers and to each other over the past year. Their tremendous efforts have, above everything else, made us what we are today – and will shape what we become tomorrow.

**Mark E Tucker**

Group Chairman

22 February 2022

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## Review by Noel Quinn, Group Chief Executive

A year ago, we refreshed our core purpose as an organisation. 'Opening up a world of opportunity' was the outcome of extensive consultation with colleagues and customers around the globe. I have been delighted by the way it has been embraced across HSBC – and in the many conversations I have had with colleagues, I have been greatly encouraged by how they see their roles contributing towards it.

Opening up a world of opportunity draws heavily on HSBC's past, but it also encapsulates what we need to focus on to succeed now and in the future. Opportunities have always come in many shapes and forms, some of which have required us to change and evolve to make the most of them. We need to keep challenging ourselves to find and capture these opportunities. This is how we will help our customers to grow and succeed over the long term.

As we do so, we will be guided by the values underpinning our purpose – we value difference, we succeed together, we take responsibility and we get it done. These are the behaviours that will help us to identify and unlock new opportunities – and together they represent the kind of organisation we want HSBC to be.

With our purpose and values firmly in mind, we made good progress in 2021 against all four of our strategic pillars: focus on our strengths, digitise at scale, energise for growth and transition to net zero. Delivering against them contributed to a strong financial performance, which was supported by the global economic recovery. All of our regions were profitable and we have built a strong platform for future growth.

For some of our customers, the first priority has remained navigating the ongoing impact of Covid-19, particularly in markets that suffered severe outbreaks or faced restrictions during the course of 2021. To this end, I must again offer my deep thanks to my colleagues, who have exemplified our values in supporting our customers and each other, all the while continuing to deal with the pandemic themselves.

As economies recovered and opened up, we have helped more and more of our customers to look beyond the immediate horizon and towards the opportunities we can open up for them. In 2021, we helped almost 269,000 personal customers to buy their first homes. We lent \$47bn to help our business banking customers to run, grow and digitise their businesses. We launched new products and services that make it easier for our customers to bank with us, and allow us to focus our efforts on serving them. We facilitated \$799bn of trade, which has helped businesses and economies around the world to recover and grow again.

As our people also began to look to the future, we created opportunities for them too. We helped more than 30,000 colleagues move into new roles in 2021, and over 115,000 colleagues to develop future-ready skills through our learning programmes. An increasing number of these programmes focused on building skills and capabilities in areas like data and sustainability, which are essential to our future.

More than anything else, the opportunities of the future will be defined by the single greatest challenge of our time – the need for everyone to make the low-carbon transition. To seize them, we must change, adapt, invest and innovate. Since 2019, we have reduced greenhouse gas emissions across our operations by more than half. We also provided and facilitated \$82.6bn of sustainable finance and investment – bringing the cumulative total since 1 January 2020 to \$126.7bn, towards our ambition of \$750bn to \$1tn by 2030. Furthermore, we have collaborated with other banks and financial institutions to help accelerate the transition through initiatives including the Net-Zero Banking Alliance, the Glasgow Financial Alliance for Net Zero and the Sustainable Markets Initiative's Financial Services Taskforce.

### Financial performance

The global economic recovery supported our 2021 financial performance, as the release of expected credit losses resulted in an improvement in the profitability of the Group and all global businesses. Our interest-rate sensitive business lines continued to be adversely impacted by low interest rates, but our net interest margin remained broadly stable during 2021 and the outlook is now significantly more positive. After absorbing the impact of low interest rates for some time, we believe we have turned the corner on revenue. We have also seen good fee income growth, good growth in mortgage balances and our lending pipelines across both retail and wholesale remain strong. Our insurance business also continues to perform well, notably in Asia where we have seen strong growth in value of new business, despite the border between Hong Kong and mainland China remaining closed.

As a consequence, the Group delivered \$18.9bn of reported profit before tax, up \$10.1bn on the prior year, and \$21.9bn of adjusted profits, up 79%. We were profitable in every region, with Asia leading the way and material increases in profits in the UK, continental Europe, the US and the Middle East.

Adjusted revenue was down 3%, due mainly to the impact of interest rate cuts. However, trade balances grew by 23% overall, while loans and advances increased by \$23bn for the year.

Our cost reduction programmes were able to absorb increased technology investment and higher performance-related pay, with adjusted operating expenses down by 1%. Return on tangible equity was 8.3%. If rates follow the path currently implied by the market, we would expect to reach a return on tangible equity of at least 10% for 2023, one year ahead of our previous expectations.

In the fourth quarter of 2021, we took a charge on expected credit losses, due to changing market conditions in the mainland China commercial real estate sector. Since the year end, there has been some positive sentiment as a consequence of new policy actions. They will take time to impact the market and we will continue to support our clients, with whom we have good and long-standing relationships.

Our funding, liquidity and capital all remain strong. We grew deposits by \$90bn on a constant currency basis, with growth in all three global businesses. Our common equity tier 1 ratio was 15.8%. As a consequence, we are able to announce a second interim dividend of \$0.18, bringing the full-year dividends for 2021 to \$0.25 per ordinary share. This is within our target payout ratio, and our aim is for a sustainable dividend in 2022.

Our strong capital position and confidence in the business enabled us to announce a share buy-back of up to \$2bn in October 2021. We also intend to initiate a further share buy-back of up to \$1bn, to commence after the existing buy-back of up to \$2bn has concluded.

We are also helping to create sustainable returns for shareholders by driving underlying growth across the business. We have much more to do, but I am encouraged by what we have achieved so far.

## Focus on our strengths

We have made good progress restructuring our portfolio of businesses, with the aim of investing in those areas in which we are strongest and withdrawing from those areas in which we lack the necessary scale to compete.

Over the last two years, we reduced gross risk-weighted assets by a cumulative \$104bn, against our original three-year target of \$110bn. Given this progress, we now expect to exceed this target by the end of 2022. In Global Banking and Markets, adjusted risk-weighted assets were 10% lower in 2021, as we moved capital and resources mainly into Asia and the Middle East. The extensive work undertaken to transform this business since 2019 was also designed to mitigate the impact of Basel III reforms.

We reached two key milestones for our transformation as we took steps to resolve the future of our businesses in the US and continental Europe. In the US, we entered into an agreement to sell our mass market retail business, which has now been completed on schedule. We also entered into an agreement to sell our retail banking activities in France, which we expect to complete in 2023. Both deals will help our US and continental Europe businesses to become more focused, better aligned to the Group and the international needs of our wholesale and wealth management customers.

In Asia, we continued to enhance our wealth proposition, including through the launch of HSBC Greater Bay Area Connect and more than 30 new asset management products across the region. In December, we received regulatory approval to acquire the remaining 50% stake in HSBC Life China, our joint venture insurance company in mainland China. All of this is enabling us to significantly expand our capabilities to serve the growing wealth and insurance needs of our customers in China, particularly in the Greater Bay Area.

We accelerated the development of our wealth capabilities across the rest of Asia by several years through two acquisitions. We entered into an agreement to buy AXA Singapore, which was completed earlier this month and will expand our insurance and wealth franchise in our ASEAN regional hub. We also agreed to buy L&T Investment Management to strengthen our asset management business in India. Both deals represent significant steps towards our ambition of being a leading wealth manager in Asia.

The overall investment we have made in Asia wealth was evidenced by strong customer acquisition, and significantly increased assets and balances, year-on-year. Net new invested assets in Asia wealth were \$36.2bn, which was more than double the previous year.

In Commercial Banking, we grew our lending by \$11bn and our international account opening increased by 13% in 2021, while trade balances grew by 30% and are now above pre-pandemic levels.

## Digitise at scale

We invested \$6bn in technology in 2021, as we continued to drive change in the way we approach technology across the organisation and ultimately improve the customer experience.

Around 97% of transactions are now fully automated. For example, automated credit and lending systems processed around \$15bn of personal loans in 2021. Our use of the Cloud increased to cover 27% of technology services, giving us more processing power and speed, while we also increased our use of Agile across technology roles.

Almost half of our retail customers are now active on mobile, and we have developed new products and improved existing ones so we can better meet their needs. Our revamped mobile app is now available across 24 markets and Global Money was extended to more markets, allowing more of our international retail customers to hold, manage and send funds in various currencies. Corporate customers carried out over 9 million payments through the HSBCnet app – an increase of 58% year-on-year. HSBC Kinetic – our award-winning mobile banking app for business customers in the UK – has acquired more than 24,000 customers since it was launched.

## Energise for growth

We have taken further steps to create a dynamic and inclusive culture, which helps us to attract and retain the best people.

After listening to our people, we introduced a hybrid working model, wherever appropriate, which allows us to strike the right balance between office-based work and home-based work. We have also taken the opportunity during Covid-19 to reconfigure much of our head office workspace to better facilitate team-based Agile working methods. We are still learning about what works, but we believe that trusting our colleagues to find the right balance is integral to building the culture we aspire to at HSBC. As a consequence of hybrid working, we will need less office space. In 2021, we reduced our global office footprint by more than 3.4 million square feet – equivalent to 18%.

We were pleased to exceed our target for 30% women in leadership roles globally in 2020, and we set a new target of 35% by 2025. HSBC was named in the Bloomberg Gender-Equality Index last month, with our overall score increasing by 21 percentage points in 2021 and outperforming the financial services average by 15 percentage points. We also continued to work to improve ethnicity representation, especially for Black colleagues. However, we still have a way to go to get to where we want, and need, to be on both measures.

In our most recent colleague survey, our employee engagement index was 72%, which is unchanged on 2020 and 4 percentage points above the average for the financial services sector.

## Transition to net zero

The industrial landscape of the world is being transformed by the transition to net zero. I am determined that HSBC will play a leading role in driving this change.

At the 2021 AGM, 99.7% of shareholders backed our special resolution on climate change, providing a strong endorsement of our climate plan and our commitment to support our customers on their transitions to a low-carbon future. However, we do not take this support for granted, and we have taken a number of further steps to maintain our leadership role.

In September, we partnered with Temasek, subject to regulatory approval, to launch a new debt financing fund for sustainable infrastructure in south-east Asia, with \$150m of seed capital and the ambition to deploy \$1bn of financing over five years. At the COP26 meeting in Glasgow, HSBC was one of over 100 public and private organisations behind the launch of FAST-Infra, a labelling system that aims to increase investor confidence in the sustainability credentials of projects in emerging markets. We are also supporting the Energy Transition Mechanism, a public-private partnership led by the Asian Development Bank that aims for the materially earlier retirement of coal assets without hindering growth. HSBC was presented with the Terra Carta seal by HRH the Prince of Wales in recognition of the work that we are doing to create truly sustainable markets.

After also joining the Powering Past Coal Alliance, we published a new thermal coal policy to phase out the financing of coal-fired power and thermal coal mining in EU and OECD markets by 2030, and globally by 2040. This fulfilled the commitment approved by our



shareholders and followed a period of extensive engagement with our stakeholders. It has two clear objectives: to drive thermal coal phase-out within the timeframe required to reach net zero by 2050; and to help enable the energy transition in developing economies.

We are committed to working with our clients to develop valid, science-based transition plans to understand – sector-by-sector and client-by-client – how we will move to net zero by 2050. These transition plans and the targets within them must be predicated on the science relevant to the individual sectors. We will use them as a basis for further engagement and decision making, including how we drive change within our portfolios. As part of this process, we have disclosed interim targets for on-balance sheet financed emissions in the oil and gas, and power and utilities sectors. In the year ahead, we plan to set interim targets for financed emissions across a range of other sectors. We will also work on our climate transition plan, which will be published in 2023 and will bring together in one place how we will embed our net zero targets into our strategy, processes, policies and governance.

## **2022**

We have good momentum coming into 2022 and are confident that we can continue to execute against our strategy. We also remain cognisant of the potential impact that further Covid-19-related uncertainty and continued inflation might have on us and our clients.

Throughout HSBC's history, our people have always demonstrated great professionalism and commitment to those we serve, and that is as evident today as it has ever been. Despite the personal and professional challenges they continue to face after two years of living with the pandemic, I am proud of my colleagues, and the sense of duty and care they continue to show towards our customers and each other. Our success – now and in the future – is testament to them and all they continue to do for our bank.

## **Noel Quinn**

Group Chief Executive

22 February 2022

## Financial summary

	Year ended 31 Dec	
	2021 \$m	2020 \$m
<b>For the year</b>		
Profit before tax	<b>18,906</b>	8,777
Profit attributable to:		
– ordinary shareholders of the parent company	<b>12,607</b>	3,898
Dividends paid on ordinary shares	<b>4,480</b>	–
Total shareholders' equity	<b>198,250</b>	196,443
Total regulatory capital	<b>177,786</b>	184,423
Customer accounts	<b>1,710,574</b>	1,642,780
Total assets	<b>2,957,939</b>	2,984,164
Risk-weighted assets	<b>838,263</b>	857,520
<b>Per ordinary share</b>	<b>\$</b>	<b>\$</b>
Basic earnings per share	<b>0.62</b>	0.19
Dividend per ordinary share (in respect of the period)	<b>0.25</b>	0.15
Dividends per ordinary share (paid in the period)	<b>0.22</b>	–
Net asset value per ordinary share at period end <sup>1</sup>	<b>8.76</b>	8.62
Tangible net asset value per ordinary share at period end <sup>2</sup>	<b>7.88</b>	7.75
<b>Share information</b>		
Number of \$0.50 ordinary shares in issue (millions)	<b>20,632</b>	20,694
Basic number of \$0.50 ordinary shares outstanding (millions)	<b>20,073</b>	20,184
Basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)	<b>20,189</b>	20,272

- The definition of net asset value per ordinary share is total shareholders' equity, less non-cumulative preference shares and capital securities, divided by the number of ordinary shares in issue, excluding own shares held by the company, including those purchased and held in treasury.*
- The definition of tangible net asset value per ordinary share is total ordinary shareholder's equity excluding goodwill, PVIF and other intangible assets (net of deferred tax), divided by the number of basic ordinary shares in issue, excluding own shares held by the company, including those purchased and held in treasury.*

## Distribution of results by global business

### Adjusted profit before tax

	Year ended 31 Dec			
	2021		2020	
	\$m	%	\$m	%
Wealth and Personal Banking	<b>7,048</b>	<b>32.2</b>	4,130	33.7
Commercial Banking	<b>6,743</b>	<b>30.8</b>	1,831	14.9
Global Banking and Markets	<b>5,333</b>	<b>24.3</b>	4,839	39.4
Corporate Centre	<b>2,792</b>	<b>12.7</b>	1,471	12.0
<b>Profit before tax</b>	<b>21,916</b>	<b>100.0</b>	12,271	100.0

## Distribution of results by geographical region

### Reported profit/(loss) before tax

	Year ended 31 Dec			
	2021		2020	
	\$m	%	\$m	%
Europe	<b>3,779</b>	<b>20.0</b>	(4,205)	(47.9)
Asia	<b>12,249</b>	<b>64.8</b>	12,832	146.2
Middle East and North Africa	<b>1,423</b>	<b>7.5</b>	19	0.2
North America	<b>1,374</b>	<b>7.3</b>	168	1.9
Latin America	<b>81</b>	<b>0.4</b>	(37)	(0.4)
<b>Profit before tax</b>	<b>18,906</b>	<b>100.0</b>	8,777	100.0

## HSBC adjusted profit before tax and balance sheet data

	2021				
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
<b>Net operating income/(expense) before change in expected credit losses and other credit impairment charges<sup>1</sup></b>	<b>22,110</b>	<b>13,415</b>	<b>15,002</b>	<b>(437)</b>	<b>50,090</b>
– external	21,753	13,294	16,558	(1,515)	50,090
– inter-segment	357	121	(1,556)	1,078	–
<i>of which: net interest income/(expense)</i>	<i>14,198</i>	<i>8,898</i>	<i>4,122</i>	<i>(739)</i>	<i>26,479</i>
Change in expected credit losses and other credit impairment recoveries	288	300	337	3	928
<b>Net operating income/(expense)</b>	<b>22,398</b>	<b>13,715</b>	<b>15,339</b>	<b>(434)</b>	<b>51,018</b>
Total operating expenses	(15,384)	(6,973)	(10,006)	215	(32,148)
<b>Operating profit/(loss)</b>	<b>7,014</b>	<b>6,742</b>	<b>5,333</b>	<b>(219)</b>	<b>18,870</b>
Share of profit in associates and joint ventures	34	1	–	3,011	3,046
<b>Adjusted profit before tax</b>	<b>7,048</b>	<b>6,743</b>	<b>5,333</b>	<b>2,792</b>	<b>21,916</b>
	%	%	%	%	%
Share of HSBC's adjusted profit before tax	32.2	30.8	24.3	12.7	100.0
Adjusted cost efficiency ratio	69.6	52.0	66.7	49.2	64.2
<b>Adjusted balance sheet data</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Loans and advances to customers (net)	488,786	349,126	207,162	740	1,045,814
Interests in associates and joint ventures	499	13	126	28,971	29,609
Total external assets	932,582	622,925	1,229,820	172,612	2,957,939
Customer accounts	859,029	506,688	344,205	652	1,710,574
Adjusted risk-weighted assets <sup>2</sup>	178,319	332,832	236,199	90,913	838,263
	2020				
Net operating income/(expense) before change in expected credit losses and other credit impairment charges <sup>1</sup>	22,571	13,718	15,768	(287)	51,770
– external	20,474	14,114	18,651	(1,469)	51,770
– inter-segment	2,097	(396)	(2,883)	1,182	–
<i>of which: net interest income/(expense)</i>	<i>15,470</i>	<i>9,560</i>	<i>4,580</i>	<i>(1,337)</i>	<i>28,273</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	(3,005)	(4,989)	(1,289)	1	(9,282)
Net operating income/(expense)	19,566	8,729	14,479	(286)	42,488
Total operating expenses	(15,443)	(6,897)	(9,640)	(429)	(32,409)
Operating profit/(loss)	4,123	1,832	4,839	(715)	10,079
Share of profit in associates and joint ventures	7	(1)	–	2,186	2,192
<b>Adjusted profit before tax</b>	<b>4,130</b>	<b>1,831</b>	<b>4,839</b>	<b>1,471</b>	<b>12,271</b>
	%	%	%	%	%
Share of HSBC's adjusted profit before tax	33.7	14.9	39.4	12.0	100.0
Adjusted cost efficiency ratio	68.4	50.3	61.1	(149.5)	62.6
<b>Adjusted balance sheet data</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Loans and advances to customers (net)	462,286	338,193	220,692	1,231	1,022,402
Interests in associates and joint ventures	444	13	141	26,472	27,070
Total external assets	869,924	562,125	1,319,389	187,189	2,938,627
Customer accounts	823,991	464,380	331,164	593	1,620,128
Adjusted risk-weighted assets <sup>2</sup>	170,050	322,422	261,081	91,028	844,581

<sup>1</sup> Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

<sup>2</sup> Adjusted risk-weighted assets are calculated using reported risk-weighted assets adjusted for the effects of currency translation differences and significant items.

## Consolidated income statement

for the year ended 31 December

	2021 \$m	2020 \$m
Net interest income	26,489	27,578
– interest income <sup>1,2</sup>	36,188	41,756
– interest expense <sup>3</sup>	(9,699)	(14,178)
Net fee income	13,097	11,874
– fee income	16,788	15,051
– fee expense	(3,691)	(3,177)
Net income from financial instruments held for trading or managed on a fair value basis	7,744	9,582
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	4,053	2,081
Changes in fair value of designated debt and related derivatives <sup>4</sup>	(182)	231
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	798	455
Gains less losses from financial investments	569	653
Net insurance premium income	10,870	10,093
Other operating income	502	527
<b>Total operating income</b>	<b>63,940</b>	<b>63,074</b>
Net insurance claims and benefits paid and movement in liabilities to policyholders	(14,388)	(12,645)
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>49,552</b>	<b>50,429</b>
Change in expected credit losses and other credit impairment charges	928	(8,817)
<b>Net operating income</b>	<b>50,480</b>	<b>41,612</b>
Employee compensation and benefits	(18,742)	(18,076)
General and administrative expenses	(11,592)	(11,115)
Depreciation and impairment of property, plant and equipment and right-of-use assets <sup>5</sup>	(2,261)	(2,681)
Amortisation and impairment of intangible assets	(1,438)	(2,519)
Goodwill impairment	(587)	(41)
<b>Total operating expenses</b>	<b>(34,620)</b>	<b>(34,432)</b>
<b>Operating profit</b>	<b>15,860</b>	<b>7,180</b>
Share of profit in associates and joint ventures	3,046	1,597
<b>Profit before tax</b>	<b>18,906</b>	<b>8,777</b>
Tax expense	(4,213)	(2,678)
<b>Profit for the year</b>	<b>14,693</b>	<b>6,099</b>
Attributable to:		
– ordinary shareholders of the parent company	12,607	3,898
– preference shareholders of the parent company	7	90
– other equity holders	1,303	1,241
– non-controlling interests	776	870
<b>Profit for the year</b>	<b>14,693</b>	<b>6,099</b>
	\$	\$
Basic earnings per ordinary share	0.62	0.19
Diluted earnings per ordinary share	0.62	0.19

1 Interest income includes \$30,916m (2020: \$35,293m) of interest recognised on financial assets measured at amortised cost and \$4,337m (2020: \$5,614m) of interest recognised on financial assets measured at fair value through other comprehensive income.

2 Interest revenue calculated using the effective interest method comprises interest recognised on financial assets measured at either amortised cost or fair value through other comprehensive income.

3 Interest expense includes \$8,227m (2020: \$12,426m) of interest on financial instruments, excluding interest on financial liabilities held for trading or designated or otherwise mandatorily measured at fair value.

4 The debt instruments, issued for funding purposes, are designated under the fair value option to reduce an accounting mismatch.

5 Includes depreciation of the right-of-use assets of \$878m (2020: \$1,029m).

## Consolidated statement of comprehensive income

for the year ended 31 December

	2021 \$m	2020 \$m
Profit for the year	14,693	6,099
<b>Other comprehensive income/(expense)</b>		
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>		
Debt instruments at fair value through other comprehensive income	(2,139)	1,750
– fair value gains/(losses)	(2,270)	2,947
– fair value gains transferred to the income statement on disposal	(464)	(668)
– expected credit (recoveries)/losses recognised in the income statement	(49)	48
– income taxes	644	(577)
Cash flow hedges	(664)	471
– fair value gains/(losses)	595	(157)
– fair value (gains)/losses reclassified to the income statement	(1,514)	769
– income taxes	255	(141)
Share of other comprehensive income/(expense) of associates and joint ventures	103	(73)
– share for the year	103	(73)
Exchange differences	(2,393)	4,855
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Remeasurement of defined benefit asset/liability	(274)	834
– before income taxes	(107)	1,223
– income taxes	(167)	(389)
Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	531	167
– before income taxes	512	190
– income taxes	19	(23)
Equity instruments designated at fair value through other comprehensive income	(446)	212
– fair value gains/(losses)	(443)	212
– income taxes	(3)	–
Effects of hyperinflation	315	193
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>(4,967)</b>	<b>8,409</b>
<b>Total comprehensive income for the year</b>	<b>9,726</b>	<b>14,508</b>
Attributable to:		
– ordinary shareholders of the parent company	7,765	12,146
– preference shareholders of the parent company	7	90
– other equity holders	1,303	1,241
– non-controlling interests	651	1,031
<b>Total comprehensive income for the year</b>	<b>9,726</b>	<b>14,508</b>

## Consolidated balance sheet

	At	
	31 Dec 2021 \$m	31 Dec 2020 \$m
<b>Assets</b>		
Cash and balances at central banks	403,018	304,481
Items in the course of collection from other banks	4,136	4,094
Hong Kong Government certificates of indebtedness	42,578	40,420
Trading assets	248,842	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	49,804	45,553
Derivatives	196,882	307,726
Loans and advances to banks	83,136	81,616
Loans and advances to customers	1,045,814	1,037,987
Reverse repurchase agreements – non-trading	241,648	230,628
Financial investments	446,274	490,693
Prepayments, accrued income and other assets	139,982	156,412
Current tax assets	970	954
Interests in associates and joint ventures	29,609	26,684
Goodwill and intangible assets	20,622	20,443
Deferred tax assets	4,624	4,483
<b>Total assets</b>	<b>2,957,939</b>	<b>2,984,164</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Hong Kong currency notes in circulation	42,578	40,420
Deposits by banks	101,152	82,080
Customer accounts	1,710,574	1,642,780
Repurchase agreements – non-trading	126,670	111,901
Items in the course of transmission to other banks	5,214	4,343
Trading liabilities	84,904	75,266
Financial liabilities designated at fair value	145,502	157,439
Derivatives	191,064	303,001
Debt securities in issue	78,557	95,492
Accruals, deferred income and other liabilities	123,778	128,624
Current tax liabilities	698	690
Liabilities under insurance contracts	112,745	107,191
Provisions	2,566	3,678
Deferred tax liabilities	4,673	4,313
Subordinated liabilities	20,487	21,951
<b>Total liabilities</b>	<b>2,751,162</b>	<b>2,779,169</b>
<b>Equity</b>		
Called up share capital	10,316	10,347
Share premium account	14,602	14,277
Other equity instruments	22,414	22,414
Other reserves	6,460	8,833
Retained earnings	144,458	140,572
<b>Total shareholders' equity</b>	<b>198,250</b>	<b>196,443</b>
Non-controlling interests	8,527	8,552
<b>Total equity</b>	<b>206,777</b>	<b>204,995</b>
<b>Total liabilities and equity</b>	<b>2,957,939</b>	<b>2,984,164</b>

**Consolidated statement of cash flows**  
**for the year ended 31 December**

	2021	2020
	\$m	\$m
<b>Profit before tax</b>	<b>18,906</b>	8,777
<b>Adjustments for non-cash items:</b>		
Depreciation, amortisation and impairment	4,286	5,241
Net gain from investing activities	(647)	(541)
Share of profits in associates and joint ventures	(3,046)	(1,597)
Change in expected credit losses gross of recoveries and other credit impairment charges	(519)	9,096
Provisions including pensions	1,063	1,164
Share-based payment expense	467	433
Other non-cash items included in profit before tax	510	(906)
Elimination of exchange differences <sup>1</sup>	18,937	(25,749)
<b>Changes in operating assets and liabilities</b>		
Change in net trading securities and derivatives	(9,226)	13,150
Change in loans and advances to banks and customers	(11,014)	(14,131)
Change in reverse repurchase agreements – non-trading	552	9,950
Change in financial assets designated and otherwise mandatorily measured at fair value	(4,254)	(1,962)
Change in other assets	19,899	(19,610)
Change in deposits by banks and customer accounts	95,703	226,723
Change in repurchase agreements – non-trading	14,769	(28,443)
Change in debt securities in issue	(16,936)	(9,075)
Change in financial liabilities designated at fair value	(11,425)	(6,630)
Change in other liabilities	(10,935)	20,323
Dividends received from associates	808	761
Contributions paid to defined benefit plans	(509)	(495)
Tax paid	(3,077)	(4,259)
<b>Net cash from operating activities</b>	<b>104,312</b>	182,220
Purchase of financial investments	(493,042)	(496,669)
Proceeds from the sale and maturity of financial investments	521,190	476,990
Net cash flows from the purchase and sale of property, plant and equipment	(1,086)	(1,446)
Net cash flows from purchase/(disposal) of customer and loan portfolios	3,059	1,362
Net investment in intangible assets	(2,479)	(2,064)
Net cash flow from acquisition and disposal of subsidiaries, businesses, associates and joint ventures	(106)	(603)
<b>Net cash from investing activities</b>	<b>27,536</b>	(22,430)
Issue of ordinary share capital and other equity instruments	1,996	1,497
Cancellation of shares	(707)	–
Net sales/(purchases) of own shares for market-making and investment purposes	(1,386)	(181)
Redemption of preference shares and other equity instruments	(3,450)	(398)
Subordinated loan capital repaid <sup>2</sup>	(864)	(3,538)
Dividends paid to shareholders of the parent company and non-controlling interests	(6,383)	(2,023)
<b>Net cash from financing activities</b>	<b>(10,794)</b>	(4,643)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>121,054</b>	155,147
Cash and cash equivalents at 1 Jan	468,323	293,742
Exchange differences in respect of cash and cash equivalents	(15,345)	19,434
<b>Cash and cash equivalents at 31 Dec<sup>3</sup></b>	<b>574,032</b>	468,323
<b>Cash and cash equivalents comprise:</b>		
– cash and balances at central banks	403,018	304,481
– items in the course of collection from other banks	4,136	4,094
– loans and advances to banks of one month or less	55,705	51,788
– reverse repurchase agreements with banks of one month or less	76,658	65,086
– treasury bills, other bills and certificates of deposit less than three months	28,488	30,023
– cash collateral and net settlement accounts	11,241	17,194
– less: items in the course of transmission to other banks	(5,214)	(4,343)
<b>Cash and cash equivalents at 31 Dec<sup>3</sup></b>	<b>574,032</b>	468,323

1 Adjustment to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.

2 Subordinated liabilities changes during the year are attributable to repayments of \$(0.9)bn (2020: \$(3.5)bn) of securities. Non-cash changes during the year included foreign exchange gains/(losses) of \$(0.3)bn (2020: \$0.5bn) and fair value gains/(losses) of \$(1.0)bn (2020: \$1.1bn).

3 At 31 December 2021 \$33,634m (2020: \$41,912m) was not available for use by HSBC, of which \$15,357m (2020: \$16,935m) related to mandatory deposits at central banks.

## Consolidated statement of changes in equity

for the year ended 31 December

	Other reserves									
	Called up share capital and share premium	Other equity instruments	Retained earnings <sup>3,4</sup>	Financial assets at FVOCI reserve				Total shareholders' equity	Non-controlling interests	Total equity
				Cash flow hedging reserve	Foreign exchange reserve	Merger and other reserves <sup>4,5</sup>				
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
<b>At 1 Jan 2021</b>	<b>24,624</b>	<b>22,414</b>	<b>140,572</b>	<b>1,816</b>	<b>457</b>	<b>(20,375)</b>	<b>26,935</b>	<b>196,443</b>	<b>8,552</b>	<b>204,995</b>
Profit for the year	–	–	13,917	–	–	–	–	13,917	776	14,693
Other comprehensive income (net of tax)	–	–	661	(2,455)	(654)	(2,394)	–	(4,842)	(125)	(4,967)
– debt instruments at fair value through other comprehensive income	–	–	–	(2,105)	–	–	–	(2,105)	(34)	(2,139)
– equity instruments designated at fair value through other comprehensive income	–	–	–	(350)	–	–	–	(350)	(96)	(446)
– cash flow hedges	–	–	–	–	(654)	–	–	(654)	(10)	(664)
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	–	–	531	–	–	–	–	531	–	531
– remeasurement of defined benefit asset/liability	–	–	(288)	–	–	–	–	(288)	14	(274)
– share of other comprehensive income of associates and joint ventures	–	–	103	–	–	–	–	103	–	103
– effects of hyperinflation	–	–	315	–	–	–	–	315	–	315
– exchange differences	–	–	–	–	–	(2,394)	–	(2,394)	1	(2,393)
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>–</b>	<b>14,578</b>	<b>(2,455)</b>	<b>(654)</b>	<b>(2,394)</b>	<b>–</b>	<b>9,075</b>	<b>651</b>	<b>9,726</b>
Shares issued under employee remuneration and share plans	354	–	(336)	–	–	–	–	18	–	18
Capital securities issued <sup>1</sup>	–	2,000	(4)	–	–	–	–	1,996	–	1,996
Dividends to shareholders	–	–	(5,790)	–	–	–	–	(5,790)	(593)	(6,383)
Redemption of securities <sup>2</sup>	–	(2,000)	–	–	–	–	–	(2,000)	–	(2,000)
Transfers <sup>5</sup>	–	–	(3,065)	–	–	–	3,065	–	–	–
Cost of share-based payment arrangements	–	–	467	–	–	–	–	467	–	467
Cancellation of shares <sup>7</sup>	(60)	–	(2,004)	–	–	–	60	(2,004)	–	(2,004)
Other movements	–	–	40	5	–	–	–	45	(83)	(38)
<b>At 31 Dec 2021</b>	<b>24,918</b>	<b>22,414</b>	<b>144,458</b>	<b>(634)</b>	<b>(197)</b>	<b>(22,769)</b>	<b>30,060</b>	<b>198,250</b>	<b>8,527</b>	<b>206,777</b>



Consolidated statement of changes in equity (continued)

	Called up share capital and share premium		Other equity instruments	Retained earnings <sup>3,4</sup>	Other reserves				Total shareholders' equity	Non-controlling interests	Total equity
	\$m	\$m			Financial assets at FVOCI reserve	Cash flow hedging reserve	Foreign exchange reserve	Merger and other reserves <sup>1,5</sup>			
At 1 Jan 2020	24,278	20,871	136,679	(108)	(2)	(25,133)	27,370	183,955	8,713	192,668	
Profit for the year	—	—	5,229	—	—	—	—	5,229	870	6,099	
Other comprehensive income (net of tax)	—	—	1,118	1,913	459	4,758	—	8,248	161	8,409	
– debt instruments at fair value through other comprehensive income	—	—	—	1,746	—	—	—	1,746	4	1,750	
– equity instruments designated at fair value through other comprehensive income	—	—	—	167	—	—	—	167	45	212	
– cash flow hedges	—	—	—	—	459	—	—	459	12	471	
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	—	—	167	—	—	—	—	167	—	167	
– remeasurement of defined benefit asset/liability	—	—	831	—	—	—	—	831	3	834	
– share of other comprehensive income of associates and joint ventures	—	—	(73)	—	—	—	—	(73)	—	(73)	
– effects of hyperinflation	—	—	193	—	—	—	—	193	—	193	
– exchange differences	—	—	—	—	—	4,758	—	4,758	97	4,855	
Total comprehensive income for the year	—	—	6,347	1,913	459	4,758	—	13,477	1,031	14,508	
Shares issued under employee remuneration and share plans	346	—	(339)	—	—	—	—	7	—	7	
Capital securities issued <sup>1</sup>	—	1,500	(3)	—	—	—	—	1,497	—	1,497	
Dividends to shareholders	—	—	(1,331)	—	—	—	—	(1,331)	(692)	(2,023)	
Redemption of securities <sup>2</sup>	—	—	(1,450)	—	—	—	—	(1,450)	—	(1,450)	
Transfers <sup>6</sup>	—	—	435	—	—	—	(435)	—	—	—	
Cost of share-based payment arrangements	—	—	434	—	—	—	—	434	—	434	
Other movements	—	43	(200)	11	—	—	—	(146)	(500)	(646)	
At 31 Dec 2020	24,624	22,414	140,572	1,816	457	(20,375)	26,935	196,443	8,552	204,995	

- During 2021, HSBC Holdings issued \$2,000m of additional tier 1 instruments on which there were \$4m of external issue costs. In 2020, HSBC Holdings issued \$1,500m of perpetual subordinated contingent convertible capital securities.
- During 2021, HSBC Holdings redeemed \$2,000m 6.875% perpetual subordinated contingent convertible capital securities. For further details, see Note 31 in the Annual Report and Accounts 2021. In 2020, HSBC Holdings called and later redeemed \$1,450m 6.20% non-cumulative US dollar preference shares.
- At 31 December 2021, retained earnings included 558,397,704 treasury shares (2020: 509,825,249). In addition, treasury shares are also held within HSBC's Insurance business retirement funds for the benefit of policyholders or beneficiaries within employee trusts for the settlement of shares expected to be delivered under employee share schemes or bonus plans, and the market-making activities in Markets and Security Services.
- Cumulative goodwill amounting to \$5,138m has been charged against reserves in respect of acquisitions of subsidiaries prior to 1 January 1998, including \$3,469m charged against the merger reserve arising on the acquisition of HSBC Bank plc. The balance of \$1,669m has been charged against retained earnings.
- Statutory share premium relief under section 131 of the Companies Act 1985 (the 'Act') was taken in respect of the acquisition of HSBC Bank plc in 1992, HSBC Continental Europe in 2000 and HSBC Finance Corporation in 2003, and the shares issued were recorded at their nominal value only. In HSBC's consolidated financial statements, the fair value differences of \$8,290m in respect of HSBC Continental Europe and \$12,768m in respect of HSBC Finance Corporation were recognised in the merger reserve. The merger reserve created on the acquisition of HSBC Finance Corporation subsequently became attached to HSBC Overseas Holdings (UK) Limited ('HOHU'), following a number of intra-Group reorganisations. During 2009, pursuant to section 131 of the Companies Act 1985, statutory share premium relief was taken in respect of the rights issue and \$15,796m was recognised in the merger reserve.
- Permitted transfers from the merger reserve to retained earnings were made when the investment in HSBC Overseas Holdings (UK) Limited was previously impaired. In 2020, a further impairment of \$435m was recognised and a permitted transfer of this amount was made from the merger reserve to retained earnings. During 2021, a part reversal of these impairments resulted in a transfer from retained earnings back to the merger reserve of \$3,065m.
- For further details, see Note 31 in the Annual Report and Accounts 2021. In October 2021, HSBC announced a share buy-back of up to \$2.0bn, which will be completed no later than April 2022. At 31 December 2021, 120,366,714 ordinary shares had been purchased and cancelled representing a nominal value of \$60m, which has been transferred from share capital to capital redemption reserve within merger and other reserves.

## 1 Basis of preparation and significant accounting policies

The basis of preparation and summary of significant accounting policies applicable to the consolidated financial statements of HSBC and the separate financial statements of HSBC Holdings can be found in Note 1, or the relevant Note, in the Financial Statements in the *Annual Report and Accounts 2021*.

### (a) Compliance with International Financial Reporting Standards

The consolidated financial statements of HSBC and the separate financial statements of HSBC Holdings comply with UK-adopted international accounting standards and with the requirements of the Companies Act 2006, and have also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. These financial statements are also prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRSs as issued by the IASB for the periods presented. There were no unendorsed standards effective for the year ended 31 December 2021 affecting these consolidated and separate financial statements.

### Standards adopted during the year ended 31 December 2021

There were no new accounting standards or interpretations that had a significant effect on HSBC in 2021. Accounting policies have been consistently applied.

### (b) Differences between IFRSs and Hong Kong Financial Reporting Standards

There are no significant differences between IFRSs and Hong Kong Financial Reporting Standards in terms of their application to HSBC, and consequently there would be no significant differences had the financial statements been prepared in accordance with Hong Kong Financial Reporting Standards. The 'Notes on the financial statements', taken together with the 'Report of the Directors', include the aggregate of all disclosures necessary to satisfy IFRSs and Hong Kong reporting requirements.

### (c) Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect the uncertainty that the global Covid-19 pandemic has had on HSBC's operations, as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity.

## 2 Tax

### Tax expense

	2021 \$m	2020 \$m
Current tax <sup>1</sup>	3,250	2,700
– for this year	3,182	2,883
– adjustments in respect of prior years	68	(183)
Deferred tax	963	(22)
– origination and reversal of temporary differences	874	(341)
– effect of changes in tax rates	132	58
– adjustments in respect of prior years	(43)	261
<b>Year ended 31 Dec<sup>2</sup></b>	<b>4,213</b>	<b>2,678</b>

<sup>1</sup> Current tax included Hong Kong profits tax of \$813m (2020: \$888m). The Hong Kong tax rate applying to the profits of subsidiaries assessable in Hong Kong was 16.5% (2020: 16.5%).

<sup>2</sup> In addition to amounts recorded in the income statement, a tax charge of \$7m (2020: charge of \$7m) was recorded directly to equity.

## Tax reconciliation

The tax charged to the income statement differs from the tax charge that would apply if all profits had been taxed at the UK corporation tax rate as follows:

	2021		2020	
	\$m	%	\$m	%
<b>Profit before tax</b>	<b>18,906</b>		8,777	
<b>Tax expense</b>				
Taxation at UK corporation tax rate of 19.00%	3,592	19.0	1,668	19.0
Impact of differently taxed overseas profits in overseas locations	280	1.5	178	2.0
UK banking surcharge	332	1.8	(113)	(1.3)
Items increasing tax charge in 2021:				
– impact of differences between French tax basis and IFRSs	434	2.3	–	–
– local taxes and overseas withholding taxes	360	1.9	228	2.6
– UK tax losses not recognised	294	1.6	444	5.1
– other permanent disallowables	254	1.3	322	3.6
– non-deductible goodwill write-down	178	0.9	–	–
– impact of changes in tax rates	132	0.7	58	0.6
– bank levy	93	0.5	202	2.3
– impacts of hyperinflation	68	0.4	65	0.7
– adjustments in respect of prior period liabilities	25	0.1	78	0.9
– non-deductible regulatory settlements	2	–	33	0.4
Items reducing tax charge in 2021:				
– non-taxable income and gains	(641)	(3.4)	(515)	(5.8)
– tax impact of planned sale of French retail banking business	(434)	(2.3)	–	–
– effect of profits in associates and joint ventures	(414)	(2.2)	(250)	(2.8)
– deductions for AT1 coupon payments	(270)	(1.4)	(310)	(3.5)
– non-UK movements in unrecognised deferred tax	(67)	(0.4)	608	6.9
– non-deductible UK customer compensation	(5)	–	(18)	(0.2)
<b>Year ended 31 Dec</b>	<b>4,213</b>	<b>22.3</b>	2,678	30.5

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise. The key applicable tax rates for 2021 include Hong Kong (16.5%), the US (21%) and the UK (19%). If the Group's profits were taxed at the statutory rates of the countries in which the profits arose, then the tax rate for the year would have been 22.3% (2020: 19.7%). The effective tax rate for the year of 22.3% was lower than in the previous year (2020: 30.5%). The impact of non-recognition of deferred tax was smaller in 2021 than in 2020, which decreased the effective tax rate by 10.8%. This was partly offset by changes in the geographical composition of profits, which resulted in tax at applicable local statutory rates being 2.5% greater for 2020 than for 2021.

The signing of a framework agreement for the planned sale of the French retail banking business resulted in a tax deduction (tax value of \$434m) for a provision for loss on disposal, which was recorded in the French tax return. A deferred tax liability of the same amount arises as a consequence of the temporary difference between the French tax basis and IFRSs in respect of this provision.

During 2021, legislation to increase the main rate of UK corporation tax from 19% to 25% from 1 April 2023 was enacted, increasing the Group's 2021 tax charge by \$132m due to the remeasurement of deferred tax balances.

Accounting for taxes involves some estimation because tax law is uncertain and its application requires a degree of judgement, which authorities may dispute. Liabilities are recognised based on best estimates of the probable outcome, taking into account external advice where appropriate. We do not expect significant liabilities to arise in excess of the amounts provided. HSBC only recognises current and deferred tax assets where recovery is probable.

## Movement of deferred tax assets and liabilities

	Loan impairment provisions	Unused tax losses and tax credits	Derivatives, FVOD <sup>1</sup> and other investments	Insurance business	Expense provisions	Fixed assets	Retirement obligations	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets	1,242	1,821	548	–	565	901	–	960	6,037
Liabilities	–	–	(705)	(1,622)	–	–	(2,306)	(1,234)	(5,867)
<b>At 1 Jan 2021</b>	<b>1,242</b>	<b>1,821</b>	<b>(157)</b>	<b>(1,622)</b>	<b>565</b>	<b>901</b>	<b>(2,306)</b>	<b>(274)</b>	<b>170</b>
Income statement	(89)	161	22	(43)	(333)	(26)	(336)	(319)	(963)
Other comprehensive income	(5)	33	149	–	74	25	(205)	713	784
Equity	–	–	–	–	–	–	–	–	–
Foreign exchange and other adjustments	14	(14)	(5)	25	(10)	3	28	(81)	(40)
<b>At 31 Dec 2021</b>	<b>1,162</b>	<b>2,001</b>	<b>9</b>	<b>(1,640)</b>	<b>296</b>	<b>903</b>	<b>(2,819)</b>	<b>39</b>	<b>(49)</b>
Assets <sup>2</sup>	1,162	2,001	9	–	296	903	109	742	5,222
Liabilities <sup>2</sup>	–	–	–	(1,640)	–	–	(2,928)	(703)	(5,271)
Assets	983	1,414	979	–	650	1,002	–	422	5,450
Liabilities	–	–	(558)	(1,621)	–	–	(1,613)	(401)	(4,193)
At 1 Jan 2020	983	1,414	421	(1,621)	650	1,002	(1,613)	21	1,257
Income statement	295	355	(274)	(32)	(81)	(112)	(190)	61	22
Other comprehensive income	–	–	(23)	–	–	–	(387)	(660)	(1,070)
Foreign exchange and other adjustments	(36)	52	(281)	31	(4)	11	(116)	304	(39)
At 31 Dec 2020	1,242	1,821	(157)	(1,622)	565	901	(2,306)	(274)	170
Assets <sup>2</sup>	1,242	1,821	548	–	565	901	–	960	6,037
Liabilities <sup>2</sup>	–	–	(705)	(1,622)	–	–	(2,306)	(1,234)	(5,867)

1 Fair value of own debt.

2 After netting off balances within countries, the balances as disclosed in the accounts are as follows: deferred tax assets \$4,624m (2020: \$4,483m) and deferred tax liabilities \$4,673m (2020: \$4,313m).

In applying judgement in recognising deferred tax assets, management has critically assessed all available information, including future business profit projections and the track record of meeting forecasts. Management's assessment of the likely availability of future taxable profits against which to recover deferred tax assets is based on the most recent financial forecasts approved by management, which cover a five-year period and are extrapolated where necessary, and takes into consideration the reversal of existing taxable temporary differences and past business performance.

The Group's net deferred tax asset of \$4.6bn (2020: \$4.5bn) included \$2.6bn (2020: \$2.4bn) of deferred tax assets relating to the US and a net deferred tax asset of \$0.0bn (2020: \$nil) in France.

The net US deferred tax asset of \$2.6bn included \$1.1bn related to US tax losses that expire in 13 to 17 years. Management expects the US deferred tax asset to be substantially recovered in seven to eight years, with the majority recovered in the first five years.

The net deferred tax asset in France of \$0.0bn included \$0.4bn (2020: \$nil) related to tax losses which are expected to be substantially recovered within ten years.

Following the signing of a framework agreement in 2021 for the planned sale of the French retail banking business, that business is now excluded from our deferred tax analysis as its sale is considered probable. Although the French consolidated tax group recorded a tax loss in both 2020 and 2021, this would have been taxable profit if the effects of the retail banking business and other non-recurring items, mainly related to the restructuring of the European business, were excluded. The French net deferred tax asset is supported by forecasts of taxable profit, also taking into consideration the history of profitability in the remaining businesses. No net deferred tax asset was recognised as at 31 December 2020 as management did not consider there to be convincing evidence of sufficient future taxable profits within the French consolidated tax group to support recognition.

The Group's net deferred tax liability of \$4.7bn (2020: \$4.3bn) included a net UK deferred tax asset of \$0.8bn (2020: \$0.6bn), of which \$0.2bn related to UK banking tax losses which are expected to be substantially recovered within one year. The net UK deferred tax asset of \$0.8bn excludes a \$3.0bn deferred tax liability arising on the UK pension scheme surplus, the reversal of which is not taken into account when estimating future taxable profits. The UK deferred tax assets are supported by forecasts of taxable profit, also taking into consideration the history of profitability in the relevant businesses.

## Unrecognised deferred tax

The amount of gross temporary differences, unused tax losses and tax credits for which no deferred tax asset is recognised in the balance sheet was \$16.9bn (2020: \$15.6bn). This amount included unused UK tax losses of \$10.5bn (2020: \$9.3bn), of which \$5.8bn (2020: \$4.3bn) arose after 1 April 2017 and can be recovered against the future taxable profits of any of the Group's UK tax resident subsidiaries. The remaining balance can only be recovered against future taxable profits of HSBC Holdings plc. No deferred tax was recognised on any of these losses due to the absence of convincing evidence regarding the availability of sufficient future taxable profits against which to recover them, taking into account the recent history of taxable losses within the UK group. Deferred tax asset recognition is reassessed at each balance sheet date based on the available evidence. Of the total amounts unrecognised, \$10.9bn (2020: \$11.5bn) had no expiry date, \$0.7bn (2020: \$0.7bn) was scheduled to expire within 10 years and the remaining balance is expected to expire after 10 years.

Deferred tax is not recognised in respect of the Group's investments in subsidiaries and branches where HSBC is able to control the timing of remittance or other realisation and where remittance or realisation is not probable in the foreseeable future. The aggregate temporary differences relating to unrecognised deferred tax liabilities arising on investments in subsidiaries and branches is \$12.7bn (2020: \$12.1bn) and the corresponding unrecognised deferred tax liability was \$0.8bn (2020: \$0.7bn).

### 3 Dividends

#### Dividends to shareholders of the parent company

	2021			2020		
	Per share \$	Total \$m	Settled in scrip \$m	Per share \$	Total \$m	Settled in scrip \$m
<b>Dividends paid on ordinary shares</b>						
In respect of previous year:						
– fourth interim dividend / interim dividend	0.15	3,059	–	–	–	–
In respect of current year:						
– first interim dividend	0.07	1,421	–	–	–	–
– second interim dividend	–	–	–	–	–	–
– third interim dividend	–	–	–	–	–	–
<b>Total</b>	<b>0.22</b>	<b>4,480</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Total dividends on preference shares classified as equity (paid quarterly) <sup>1</sup>	4.99	7	–	62.00	90	–
Total coupons on capital securities classified as equity	–	1,303	–	–	1,241	–
<b>Dividends to shareholders</b>		<b>5,790</b>			<b>1,331</b>	

<sup>1</sup> HSBC Holdings called \$1,450m 6.20% non-cumulative US dollar preference shares on 10 December 2020. The security was redeemed and cancelled on 13 January 2021.

On 4 January 2022, HSBC paid a coupon on its €1,250m subordinated capital securities, representing a total distribution of €30m (\$34m). No liability was recorded in the balance sheet at 31 December 2021 in respect of this coupon payment.

The distributable reserves of HSBC Holdings at 31 December 2021 were \$32.2bn, compared with \$31.3bn at 31 December 2020. The increase was primarily driven by profits generated of \$10.8bn, offset by ordinary dividend payments and additional tier 1 coupon distributions of \$5.8bn, other reserves movements of \$2.1bn and \$2bn related to our share buy-back programme.

#### Second interim dividend for 2021

After the end of the year, the Directors approved a second interim dividend in respect of the financial year ended 31 December 2021 of \$0.18 per ordinary share, a distribution of approximately \$3,649m. The second interim dividend for 2021 will be payable on 28 April 2022 to holders on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 11 March 2022. No liability was recorded in the financial statements in respect of the second interim dividend for 2021.

The second interim dividend will be payable in US dollars, or in pounds sterling or Hong Kong dollars at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00am on 19 April 2022, or a combination of these currencies. Particulars of these arrangements will be sent to shareholders on or about 25 March 2022 and changes to currency elections must be received by 13 April 2022. The ordinary shares in London, Hong Kong and Bermuda, and American Depositary Shares ('ADSs') in New York will be quoted ex-dividend on 10 March 2022.

The second interim dividend will be payable on ADSs, each of which represents five ordinary shares, on 28 April 2022 to holders of record on 11 March 2022. The second interim dividend of \$0.90 per ADS will be payable by the depositary in US dollars. Alternatively, the cash dividend may be invested in additional ADSs by participants in the dividend reinvestment plan operated by the depositary, elections must be received by 8 April 2022.

Any person who has acquired ordinary shares registered on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register but who has not lodged the share transfer with the Principal Registrar in the UK, Hong Kong or Bermuda Overseas Branch Registrar should do so before 4.00pm local time on 11 March 2022 in order to receive the second interim dividend for 2021.

Ordinary shares may not be removed from or transferred to the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 11 March 2022. Any person wishing to remove ordinary shares to or from each register must do so before 4.00pm local time on 10 March 2022.

Transfers of ADSs must be lodged with the depositary by 11.00am on 11 March 2022 in order to receive the second interim dividend. ADS holders who receive a cash dividend will be charged a fee, which will be deducted by the depositary, of \$0.005 per ADS per cash dividend.

## 4 Earnings per share

Basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding, excluding own shares held. Diluted earnings per ordinary share is calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

### Profit attributable to the ordinary shareholders of the parent company

	2021	2020
	\$m	\$m
Profit attributable to shareholders of the parent company	13,917	5,229
Dividend payable on preference shares classified as equity	(7)	(90)
Coupon payable on capital securities classified as equity	(1,303)	(1,241)
<b>Year ended 31 Dec</b>	<b>12,607</b>	<b>3,898</b>

### Basic and diluted earnings per share

	2021			2020		
	Profit \$m	Number of shares (millions)	Per share \$	Profit \$m	Number of shares (millions)	Per share \$
Basic <sup>1</sup>	12,607	20,197	0.62	3,898	20,169	0.19
Effect of dilutive potential ordinary shares		105			73	
<b>Diluted<sup>1</sup></b>	<b>12,607</b>	<b>20,302</b>	<b>0.62</b>	3,898	20,242	0.19

<sup>1</sup> Weighted average number of ordinary shares outstanding (basic) or assuming dilution (diluted).

The number of anti-dilutive employee share options excluded from the weighted average number of dilutive potential ordinary shares is 8.6m (2020: 14.6m).

## 5 Adjusted balance sheet reconciliation

	At			
	31 Dec 2021	31 Dec 2020		
	Reported and Adjusted \$m	Adjusted \$m	Currency translation \$m	Reported \$m
Loans and advances to customers (net)	1,045,814	1,022,402	15,585	1,037,987
Interests in associates and joint ventures	29,609	27,070	(386)	26,684
Total external assets	2,957,939	2,938,627	45,537	2,984,164
Customer accounts	1,710,574	1,620,128	22,652	1,642,780

## 6 Reconciliation of reported and adjusted items

	Year ended	
	2021	2020
	\$m	\$m
<b>Revenue<sup>1</sup></b>		
Reported	<b>49,552</b>	50,429
Currency translation		1,393
Significant items	<b>538</b>	(52)
– customer redress programmes	<b>(11)</b>	21
– disposals, acquisitions and investment in new businesses	–	10
– fair value movements on financial instruments <sup>2</sup>	<b>242</b>	(264)
– restructuring and other related costs <sup>3</sup>	<b>307</b>	170
– currency translation on significant items		11
<b>Adjusted</b>	<b>50,090</b>	51,770
<b>ECL</b>		
Reported	<b>928</b>	(8,817)
Currency translation		(465)
<b>Adjusted</b>	<b>928</b>	(9,282)
<b>Operating expenses</b>		
Reported	<b>(34,620)</b>	(34,432)
Currency translation		(1,072)
Significant items	<b>2,472</b>	3,095
– customer redress programmes	<b>49</b>	(54)
– impairment of goodwill and other intangibles	<b>587</b>	1,090
– past service costs of guaranteed minimum pension benefits equalisation	–	17
– restructuring and other related costs	<b>1,836</b>	1,908
– settlements and provisions in connection with legal and regulatory matters	–	12
– currency translation on significant items		122
<b>Adjusted</b>	<b>(32,148)</b>	(32,409)
<b>Share of profit in associates and joint ventures</b>		
Reported	<b>3,046</b>	1,597
Currency translation		133
Significant items	–	462
– impairment of goodwill	–	462
– currency translation on significant items		–
<b>Adjusted</b>	<b>3,046</b>	2,192
<b>Profit before tax</b>		
Reported	<b>18,906</b>	8,777
Currency translation		(11)
Significant items	<b>3,010</b>	3,505
– revenue	<b>538</b>	(52)
– operating expenses	<b>2,472</b>	3,095
– share of profit in associates and joint ventures	–	462
<b>Adjusted</b>	<b>21,916</b>	12,271

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.

3 Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.



## 7 Contingent liabilities, contractual commitments and guarantees

	2021	2020
	\$m	\$m
Guarantees and other contingent liabilities:		
– financial guarantees	27,795	18,384
– performance and other guarantees	85,534	78,114
– other contingent liabilities	858	1,219
<b>At 31 Dec</b>	<b>114,187</b>	<b>97,717</b>
Commitments <sup>1</sup> :		
– documentary credits and short-term trade-related transactions	8,827	7,178
– forward asset purchases and forward deposits placed	47,184	66,506
– standby facilities, credit lines and other commitments to lend	759,463	771,086
<b>At 31 Dec</b>	<b>815,474</b>	<b>844,770</b>

<sup>1</sup> Includes \$627,637m of commitments at 31 December 2021 (31 December 2020: \$659,783m), to which the impairment requirements in IFRS 9 are applied where HSBC has become party to an irrevocable commitment.

The preceding table discloses the nominal principal amounts of off-balance sheet liabilities and commitments for the Group, which represent the maximum amounts at risk should the contracts be fully drawn upon and clients default. As a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements. The expected credit loss provision relating to guarantees and commitments under IFRS 9 is disclosed in Note 27 of the *Annual Report and Accounts 2021*.

The majority of the guarantees have a term of less than one year, while guarantees with terms of more than one year are subject to HSBC's annual credit review process.

Contingent liabilities arising from legal proceedings, regulatory and other matters against Group companies are excluded from this note but are disclosed in Notes 27 and 34 of the *Annual Report and Accounts 2021*.

### Financial Services Compensation Scheme

The Financial Services Compensation Scheme ('FSCS') provides compensation, up to certain limits, to eligible customers of financial services firms that are unable, or likely to be unable, to pay claims against them. The FSCS may impose a further levy on HSBC UK to the extent the industry levies imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse. The ultimate FSCS levy to the industry as a result of a collapse cannot be estimated reliably. It is dependent on various uncertain factors including the potential recovery of assets by the FSCS, changes in the level of protected products (including deposits and investments) and the population of FSCS members at the time.

### Associates

HSBC's share of associates' contingent liabilities, contractual commitments and guarantees amounted to \$63.5bn at 31 December 2021 (2020: \$53.1bn). No matters arose where HSBC was severally liable.

## 8 Legal proceedings and regulatory matters

HSBC is party to legal proceedings and regulatory matters in a number of jurisdictions arising out of its normal business operations. Apart from the matters described below, HSBC considers that none of these matters are material. The recognition of provisions is determined in accordance with the accounting policies set out in Note 1. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 31 December 2021 (see Note 27 of the *Annual Report and Accounts 2021*). Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent that doing so would be seriously prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. It is not practicable to provide an aggregate estimate of potential liability for our legal proceedings and regulatory matters as a class of contingent liabilities.

### Bernard L. Madoff Investment Securities LLC

Various non-US HSBC companies provided custodial, administration and similar services to a number of funds incorporated outside the US whose assets were invested with Bernard L. Madoff Investment Securities LLC ('Madoff Securities'). Based on information provided by Madoff Securities as at 30 November 2008, the purported aggregate value of these funds was \$8.4bn, including fictitious profits reported by Madoff. Based on information available to HSBC, the funds' actual transfers to Madoff Securities minus their actual withdrawals from Madoff Securities during the time HSBC serviced the funds are estimated to have totalled approximately \$4bn. Various HSBC companies have been named as defendants in lawsuits arising out of Madoff Securities' fraud.

**US litigation:** The Madoff Securities Trustee has brought lawsuits against various HSBC companies and others in the US Bankruptcy Court for the Southern District of New York (the 'US Bankruptcy Court'), seeking recovery of transfers from Madoff Securities to HSBC in an amount not yet pleaded or determined. Following an initial dismissal of certain claims, which was later reversed on appeal, the cases were remanded to the US Bankruptcy Court, where they are now pending.

Fairfield Sentry Limited, Fairfield Sigma Limited and Fairfield Lambda Limited (together, 'Fairfield') (in liquidation since July 2009) have brought a lawsuit in the US against fund shareholders, including HSBC companies that acted as nominees for clients, seeking restitution of redemption payments. In December 2018, the US Bankruptcy Court dismissed certain claims by the Fairfield liquidators and granted a motion by the liquidators to file amended complaints. In May 2019, the liquidators appealed certain issues from the US Bankruptcy Court to the US District Court for the Southern District of New York (the 'New York District Court'), and these appeals remain pending.

In January 2020, the Fairfield liquidators filed amended complaints on the claims remaining in the US Bankruptcy Court. In December 2020, the US Bankruptcy Court dismissed the majority of those claims. In March 2021, the liquidators and defendants appealed the US Bankruptcy Court's decision to the New York District Court, and these appeals are currently pending. Meanwhile, proceedings before the US Bankruptcy Court with respect to the remaining claims that were not dismissed are ongoing.



**UK litigation:** The Madoff Securities Trustee has filed a claim against various HSBC companies in the High Court of England and Wales, seeking recovery of transfers from Madoff Securities to HSBC in an amount not yet pleaded or determined. The deadline for service of the claim has been extended to September 2022 for UK-based defendants and November 2022 for all other defendants.

**Cayman Islands litigation:** In February 2013, Primeo Fund ('Primeo') (in liquidation since April 2009) brought an action against HSBC Securities Services Luxembourg ('HSSL') and Bank of Bermuda (Cayman) Limited (now known as HSBC Cayman Limited), alleging breach of contract and breach of fiduciary duty and claiming damages and equitable compensation. The trial concluded in February 2017 and, in August 2017, the court dismissed all claims against the defendants. In September 2017, Primeo appealed to the Court of Appeal of the Cayman Islands and, in June 2019, the Court of Appeal of the Cayman Islands dismissed Primeo's appeal. In August 2019, Primeo filed a notice of appeal to the UK Privy Council. Two hearings before the UK Privy Council took place during 2021. Judgment was given against HSBC in respect of the first hearing and judgment is pending in respect of the second hearing.

**Luxembourg litigation:** In April 2009, Herald Fund SPC ('Herald') (in liquidation since July 2013) brought an action against HSSL before the Luxembourg District Court, seeking restitution of cash and securities that Herald purportedly lost because of Madoff Securities' fraud, or money damages. The Luxembourg District Court dismissed Herald's securities restitution claim, but reserved Herald's cash restitution and money damages claims. Herald has appealed this judgment to the Luxembourg Court of Appeal, where the matter is pending. In late 2018, Herald brought additional claims against HSSL and HSBC Bank plc before the Luxembourg District Court, seeking further restitution and damages.

In October 2009, Alpha Prime Fund Limited ('Alpha Prime') brought an action against HSSL before the Luxembourg District Court, seeking the restitution of securities, or the cash equivalent, or money damages. In December 2018, Alpha Prime brought additional claims before the Luxembourg District Court seeking damages against various HSBC companies. These matters are currently pending before the Luxembourg District Court.

In December 2014, Senator Fund SPC ('Senator') brought an action against HSSL before the Luxembourg District Court, seeking restitution of securities, or the cash equivalent, or money damages. In April 2015, Senator commenced a separate action against the Luxembourg branch of HSBC Bank plc asserting identical claims before the Luxembourg District Court. In December 2018, Senator brought additional claims against HSSL and HSBC Bank plc Luxembourg branch before the Luxembourg District Court, seeking restitution of Senator's securities or money damages. These matters are currently pending before the Luxembourg District Court.

There are many factors that may affect the range of possible outcomes, and any resulting financial impact, of the various Madoff-related proceedings described above, including but not limited to the multiple jurisdictions in which the proceedings have been brought. Based upon the information currently available, management's estimate of the possible aggregate damages that might arise as a result of all claims in the various Madoff-related proceedings is around \$600m, excluding costs and interest. Due to uncertainties and limitations of this estimate, any possible damages that might ultimately arise could differ significantly from this amount.

### **Anti-money laundering and sanctions-related matters**

In December 2012, HSBC Holdings entered into a number of agreements, including an undertaking with the UK Financial Services Authority (replaced with a Direction issued by the UK Financial Conduct Authority ('FCA') in 2013 and again in 2020) as well as a cease-and-desist order with the US Federal Reserve Board ('FRB'), both of which contained certain forward-looking anti-money laundering ('AML') and sanctions-related obligations. Over the past several years, HSBC has retained a Skilled Person under section 166 of the Financial Services and Markets Act and an Independent Consultant under the FRB cease-and-desist order to produce periodic assessments of the Group's AML and sanctions compliance programme. The Skilled Person completed its engagement in the second quarter of 2021, and the FCA has determined that no further Skilled Person work is required. Separately, the Independent Consultant continues to work pursuant to the FRB cease-and-desist order. The roles of each of the FCA Skilled Person and the FRB Independent Consultant are discussed on page 209 of the *Annual Report and Accounts 2021*.

In December 2021, the FCA concluded its investigation into HSBC's compliance with UK money laundering regulations and financial crime systems and control requirements. The FCA imposed a fine on HSBC Bank plc, which has been paid.

Since November 2014, a number of lawsuits have been filed in federal courts in the US against various HSBC companies and others on behalf of plaintiffs who are, or are related to, victims of terrorist attacks in the Middle East. In each case, it is alleged that the defendants aided and abetted the unlawful conduct of various sanctioned parties in violation of the US Anti-Terrorism Act. Currently, nine actions remain pending in federal courts in New York or the District of Columbia. The courts have granted HSBC's motions to dismiss in five of these cases; appeals remain pending in two cases, and the remaining three dismissals are also subject to appeal. The four remaining actions are at an early stage.

Based on the facts currently known, it is not practicable to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

### **London interbank offered rates, European interbank offered rates and other benchmark interest rate investigations and litigation**

**Euro interest rate derivatives:** In December 2016, the European Commission ('EC') issued a decision finding that HSBC, among other banks, engaged in anti-competitive practices in connection with the pricing of euro interest rate derivatives in early 2007. The EC imposed a fine on HSBC based on a one-month infringement. In September 2019, the General Court of the European Union (the 'General Court') issued a decision largely upholding the EC's findings on liability but annulling the fine. HSBC and the EC both appealed the General Court's decision to the European Court of Justice (the 'Court of Justice'). In June 2021, the EC adopted a new fining decision for an amount that was 5% less than the previously annulled fine, and it subsequently withdrew its appeal to the Court of Justice. HSBC has appealed the EC's June 2021 fining decision to the General Court, and its appeal to the Court of Justice on liability also remains pending.

**US dollar Libor:** Beginning in 2011, HSBC and other panel banks have been named as defendants in a number of private lawsuits filed in the US with respect to the setting of US dollar Libor. The complaints assert claims under various US laws, including US antitrust and racketeering laws, the US Commodity Exchange Act ('US CEA') and state law. The lawsuits include individual and putative class actions, most of which have been transferred and/or consolidated for pre-trial purposes before the New York District Court. HSBC has reached class settlements with five groups of plaintiffs, and the court has approved these settlements. HSBC has also resolved several of the individual actions, although a number of other US dollar Libor-related actions remain pending against HSBC in the New York District Court.

**Intercontinental Exchange ('ICE') Libor:** Between January and March 2019, HSBC and other panel banks were named as defendants in three putative class actions filed in the New York District Court on behalf of persons and entities who purchased instruments paying interest indexed to US dollar ICE Libor from a panel bank. The complaints allege, among other things, misconduct related to the

suppression of this benchmark rate in violation of US antitrust and state law. In July 2019, the three putative class actions were consolidated, and the plaintiffs filed a consolidated amended complaint. In March 2020, the court granted the defendants' motion to dismiss in its entirety and, in February 2022, the US Court of Appeals for the Second Circuit dismissed the plaintiffs' appeal.

**Singapore interbank offered rate ('Sibor'), Singapore swap offer rate ('SOR') and Australia bank bill swap rate ('BBSW'):**

In July and August 2016, HSBC and other panel banks were named as defendants in two putative class actions filed in the New York District Court on behalf of persons who transacted in products related to the Sibor, SOR and BBSW benchmark rates. The complaints allege, among other things, misconduct related to these benchmark rates in violation of US antitrust, commodities and racketeering laws, and state law.

In the Sibor/SOR litigation, in October 2021, The Hongkong and Shanghai Banking Corporation Limited reached a settlement in principle with the plaintiffs to resolve this action. The settlement remains subject to court approval.

In the BBSW litigation, in November 2018, the court dismissed all foreign defendants, including all HSBC entities, on personal jurisdiction grounds. In April 2019, the plaintiffs filed an amended complaint, which the defendants moved to dismiss. In February 2020, the court again dismissed the plaintiffs' amended complaint against all HSBC entities.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

### Foreign exchange-related investigations and litigation

In December 2021, the EC issued a settlement decision finding that a number of banks, including HSBC, had engaged in anti-competitive practices in an online chatroom between 2011 and 2012 in the foreign exchange spot market. The EC imposed a €174.3m fine on HSBC in connection with this matter, which is fully provisioned.

In January 2018, following the conclusion of the US Department of Justice's ('DoJ') investigation into HSBC's historical foreign exchange activities, HSBC Holdings entered into a three-year deferred prosecution agreement with the Criminal Division of the DoJ (the 'FX DPA'), regarding fraudulent conduct in connection with two particular transactions in 2010 and 2011. In January 2021, the FX DPA expired and, in August 2021, the charges deferred by the FX DPA were dismissed.

In December 2016, Brazil's Administrative Council of Economic Defense initiated an investigation into the onshore foreign exchange market and identified a number of banks, including HSBC, as subjects of its investigation.

In June 2020, the Competition Commission of South Africa, having initially referred a complaint for proceedings before the South African Competition Tribunal in February 2017, filed a revised complaint against 28 financial institutions, including HSBC Bank plc and HSBC Bank USA, for alleged anti-competitive behaviour in the South African foreign exchange market. In December 2021, a hearing on HSBC Bank plc's and HSBC Bank USA's applications to dismiss the revised complaint took place before the South African Competition Tribunal, where a decision remains pending.

Beginning in 2013, various HSBC companies and other banks have been named as defendants in a number of putative class actions filed in, or transferred to, the New York District Court arising from allegations that the defendants conspired to manipulate foreign exchange rates. HSBC has reached class settlements with two groups of plaintiffs, including direct and indirect purchasers of foreign exchange products, and the court has granted final approval of these settlements. A putative class action by a group of retail customers of foreign exchange products remains pending.

In November and December 2018, complaints alleging foreign exchange-related misconduct were filed in the New York District Court and the High Court of England and Wales against HSBC and other defendants by certain plaintiffs that opted out of the direct purchaser class action settlement in the US. These matters remain pending. Additionally, lawsuits alleging foreign exchange-related misconduct remain pending against HSBC and other banks in courts in Brazil and Israel. It is possible that additional civil actions will be initiated against HSBC in relation to its historical foreign exchange activities.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

### Precious metals fix-related litigation

**Gold:** Beginning in March 2014, numerous putative class actions were filed in the New York District Court and the US District Courts for the District of New Jersey and the Northern District of California, naming HSBC and other members of The London Gold Market Fixing Limited as defendants. The complaints, which were consolidated in the New York District Court, allege that, from January 2004 to June 2013, the defendants conspired to manipulate the price of gold and gold derivatives for their collective benefit in violation of US antitrust laws, the US CEA and New York state law. In October 2020, HSBC reached a settlement in principle with the plaintiffs to resolve the consolidated action. The settlement remains subject to court approval.

Beginning in December 2015, numerous putative class actions under Canadian law were filed in the Ontario and Quebec Superior Courts of Justice against various HSBC companies and other financial institutions. The plaintiffs allege that, among other things, from January 2004 to March 2014, the defendants conspired to manipulate the price of gold and gold derivatives in violation of the Canadian Competition Act and common law. These actions are ongoing.

**Silver:** Beginning in July 2014, numerous putative class actions were filed in federal district courts in New York, naming HSBC and other members of The London Silver Market Fixing Limited as defendants. The complaints allege that, from January 2007 to December 2013, the defendants conspired to manipulate the price of silver and silver derivatives for their collective benefit in violation of US antitrust laws, the US CEA and New York state law. The actions were consolidated in the New York District Court and remain pending, following the conclusion of pre-class certification discovery.

In April 2016, two putative class actions under Canadian law were filed in the Ontario and Quebec Superior Courts of Justice against various HSBC companies and other financial institutions. The plaintiffs in both actions allege that, from January 1999 to August 2014, the defendants conspired to manipulate the price of silver and silver derivatives in violation of the Canadian Competition Act and common law. These actions are ongoing.

**Platinum and palladium:** Between late 2014 and early 2015, numerous putative class actions were filed in the New York District Court, naming HSBC and other members of The London Platinum and Palladium Fixing Company Limited as defendants. The complaints allege that, from January 2008 to November 2014, the defendants conspired to manipulate the price of platinum group metals ('PGM') and PGM-based financial products for their collective benefit in violation of US antitrust laws and the US CEA. In March 2020, the court

granted the defendants' motion to dismiss the plaintiffs' third amended complaint but granted the plaintiffs leave to re-plead certain claims. The plaintiffs have filed an appeal.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

### **Film finance litigation**

In July and November 2015, two actions were brought by individuals against HSBC Private Bank (UK) Limited ('PBGB') in the High Court of England and Wales seeking damages on various alleged grounds, including breach of duty to the claimants, in connection with their participation in certain Ingenious film finance schemes. In December 2018 and June 2019, two further actions were brought against PBGB in the High Court of England and Wales by multiple claimants in connection with lending provided by PBGB to third parties in respect of certain Ingenious film finance schemes in which the claimants participated. In January 2022, HSBC UK Bank plc (as successor to PBGB) reached a settlement in principle with the claimant group to resolve these actions. The settlement remains subject to the negotiation of definitive documentation.

In June 2020, two separate claims were issued against HSBC UK Bank plc (as successor to PBGB) in the High Court of England and Wales by two separate groups of investors in Eclipse film finance schemes in connection with PBGB's role in the development of such schemes. These actions are ongoing.

In April 2021, HSBC UK Bank plc (as successor to PBGB) was served with a claim issued in the High Court of England and Wales in connection with PBGB's role in the development of the Zeus film finance schemes. This action is at an early stage.

It is possible that additional actions or investigations will be initiated against HSBC UK Bank plc as a result of PBGB's historical involvement in the provision of certain film finance-related services.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

### **Other regulatory investigations, reviews and litigation**

HSBC Holdings and/or certain of its affiliates are subject to a number of other investigations and reviews by various regulators and competition and law enforcement authorities, as well as litigation, in connection with various matters relating to the firm's businesses and operations, including:

- investigations by tax administration, regulatory and law enforcement authorities in Argentina, India and elsewhere in connection with allegations of tax evasion or tax fraud, money laundering and unlawful cross-border banking solicitation;
- an investigation by the US Commodity Futures Trading Commission regarding interest rate swap transactions related to bond issuances, among other things, as well as the use of non-HSBC approved messaging platforms for business communications;
- an investigation by the PRA in connection with depositor protection arrangements in the UK;
- an investigation by the FCA in connection with collections and recoveries operations in the UK;
- an investigation by the UK Competition and Markets Authority concerning the financial services sector;
- a putative class action brought in the New York District Court relating to the Mexican government bond market;
- two group actions pending in the US courts and a claim issued in the High Court of England and Wales in connection with HSBC Bank plc's role as a correspondent bank to Stanford International Bank Ltd from 2003 to 2009; and
- litigation brought against various HSBC companies in the US courts relating to residential mortgage-backed securities, based primarily on (a) claims brought against HSBC Bank USA in connection with its role as trustee on behalf of various securitisation trusts; and (b) claims against several HSBC companies seeking that the defendants repurchase various mortgage loans.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

## **9 Events after the balance sheet date**

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The following recently announced acquisitions form part of our strategy to grow our insurance business, helping to deliver on our strategic priority to become a market leader in Asian Wealth management.

- On 11 February 2022, following the completion of all regulatory approvals, HSBC Insurance (Asia-Pacific) Holdings Ltd, a wholly-owned subsidiary of the Group, acquired 100% of the issued share capital of AXA Insurance Pte Limited for \$529m, subject to adjustment for closing items. This will be reflected in our 2022 results by which time determination of the initial acquisition accounting will have been completed.
- On 30 December 2021, HSBC Insurance (Asia) Limited, a wholly-owned subsidiary of the Group, received approval from the China Banking and Insurance Regulatory Commission to acquire the remaining 50% equity interest in HSBC Life Insurance Company Limited (HSBC Life China). Completion is expected to occur during the first half of 2022. Headquartered in Shanghai, HSBC Life China offers a comprehensive range of insurance solutions covering annuity, whole life, critical illness and unit-linked insurance products and in 2021 reported gross written premiums of approximately \$0.4bn (2020: \$0.3bn).
- On 28 January 2022, HSBC Insurance (Asia-Pacific) Holdings Limited notified the shareholders of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited ('CHOICE') of its intention to increase its shareholding in CHOICE up to 49%. HSBC currently has a 26% shareholding which is accounted for as an associate. Any increase in shareholding is subject to agreement with other shareholders in CHOICE, as well as internal and regulatory approvals. Established in 2008, CHOICE is a life insurance company based in India with reported gross written premiums of approximately \$0.7bn for the year to 31 March 2021 (31 March 2020: \$0.5bn).

In 2021 HSBC Bank USA, N.A. entered into definitive sale agreements with Citizens Bank and Cathay Bank to sell approximately 90 of our retail branches along with substantially all residential mortgage, unsecured and retail business banking loans and all deposits in our branch network not associated with our Premier, Jade and Private Banking customers. The sale agreement with Cathay Bank completed on 4 February 2022 and the sale agreement with Citizens Bank completed on 18 February 2022. For further information on the transactions refer to Note 36: Business disposals on page 387 of the *Annual Report and Accounts 2021*.

A second interim dividend for 2021 of \$0.18 per ordinary share (a distribution of approximately \$3,649m) was approved by the Directors after 31 December 2021. HSBC Holdings called \$2,500m 3.262% Fixed to Floating Rate Senior Unsecured Notes due March 2023 on 8 February 2022. The security will be redeemed and cancelled on 13 March 2022. These accounts were approved by the Board of Directors on 22 February 2022 and authorised for issue.

## 10 Capital structure

### Capital ratios

	At 31 Dec	
	2021	2020
	%	%
<b>Transitional basis</b>		
Common equity tier 1 ratio	15.8	15.9
Tier 1 ratio	18.6	18.7
<b>Total capital ratio</b>	<b>21.2</b>	<b>21.5</b>
<b>End point basis</b>		
Common equity tier 1 ratio	15.8	15.9
Tier 1 ratio	18.5	18.5
<b>Total capital ratio</b>	<b>20.0</b>	<b>20.2</b>

### Total regulatory capital and risk-weighted assets

	At 31 Dec	
	2021	2020
	\$m	\$m
<b>Transitional basis</b>		
Common equity tier 1 capital	132,565	136,050
Additional tier 1 capital	23,727	24,123
Tier 2 capital	21,494	24,250
Total regulatory capital	177,786	184,423
Risk-weighted assets	838,263	857,520
<b>End point basis</b>		
Common equity tier 1 capital	132,565	136,050
Additional tier 1 capital	22,421	22,411
Tier 2 capital	12,475	14,743
Total regulatory capital	167,461	173,204
Risk-weighted assets	838,263	857,520

### Leverage ratio<sup>1</sup>

Ref*		At 31 Dec	
		2021	2020
		\$bn	\$bn
20	Tier 1 capital	155.0	158.5
21	Total leverage ratio exposure	2,962.7	2,897.1
		%	%
22	<b>Leverage ratio</b>	<b>5.2</b>	<b>5.5</b>
EU-23	Choice of transitional arrangements for the definition of the capital measure	<b>Fully phased-in</b>	Fully phased-in
	UK leverage ratio exposure – quarterly average <sup>2</sup>	2,545.6	2,555.5
		%	%
	UK leverage ratio – quarterly average <sup>2</sup>	6.0	6.1
	UK leverage ratio – quarter end <sup>2</sup>	6.2	6.2

\* The references identify the lines prescribed in the EBA template.

1 References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law. The CRR II regulatory transitional arrangements for IFRS 9 are applied in both leverage ratio calculations.

2 UK leverage ratio denotes the Group's leverage ratio calculated under the PRA's UK leverage framework. This measure excludes qualifying central bank balances and loans under the UK Bounce Back Loan scheme from the calculation of exposure.

## 11 Statutory accounts

The information in this news release does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ('the Act'). The statutory accounts for the year ended 31 December 2021 will be delivered to the Registrar of Companies in England and Wales in accordance with section 441 of the Act. The auditor has reported on those accounts. Its report was unqualified and did not contain a statement under section 498(2) or (3) of the Act.

## 12 Dealings in HSBC Holdings plc listed securities

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The Group has policies and procedures that, except where permitted by statute and regulation, prohibit specified transactions in respect of its securities listed on The Stock Exchange of Hong Kong Limited. Except for dealings as intermediaries or as trustees by subsidiaries of HSBC Holdings, neither HSBC Holdings nor any of its subsidiaries has purchased, sold or redeemed any of its securities listed on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2021.

## 13 Interim dividends for 2022

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The Group has reviewed whether it will revert to paying quarterly dividends and is currently not intending to pay quarterly dividends during 2022. The Group will continue to review whether to revert to paying quarterly dividends in future years, and a further update will be given at or ahead of the 2022 results announcement in February 2023.

For the financial year 2021, we are at the lower end of our target dividend payout ratio range of between 40% and 55% of reported earnings per ordinary share ('EPS'), driven by ECL releases and higher restructuring costs. The dividend policy has the flexibility to adjust EPS for non-cash significant items such as goodwill or intangibles impairments and may be supplemented from time to time by buybacks or special dividends, should the Group find itself in an excess capital position absent compelling investment opportunities to deploy that excess.

Dividends are declared in US dollars and, at the election of the shareholder, paid in cash in one of, or in a combination of, US dollars, pounds sterling and Hong Kong dollars.

## 14 Earnings releases and interim results

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First and third quarter results for 2022 will be released on 26 April 2022 and 25 October 2022 respectively. The interim results for the six months to 30 June 2022 will be issued on 1 August 2022.

## 15 Corporate governance codes

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HSBC is subject to corporate governance requirements in both the UK and Hong Kong. During 2021, HSBC complied with the provisions and requirements of both the UK and Hong Kong Corporate Governance Codes.

Under the Hong Kong Code, the audit committee should be responsible for the oversight of all risk management and internal control systems. HSBC's Group Risk Committee is responsible for oversight of internal control, other than internal control over financial reporting, and risk management systems. This is permitted under the UK Corporate Governance Code.

HSBC Holdings has codified obligations for transactions in Group securities in accordance with the requirements of the UK Market Abuse Regulation and the rules governing the listing of securities on HKEx, save that the HKEx has granted waivers from strict compliance with the rules that take into account accepted practices in the UK, particularly in respect of employee share plans. During the year, all Directors were reminded of their obligations in respect of transacting in HSBC Group securities. Following specific enquiry all Directors have confirmed that they have complied with their obligations.

The Group Audit Committee has reviewed the annual results for 2021.

The Directors of HSBC Holdings plc as at the date of this announcement comprise:

Mark Tucker\*, Noel Quinn, Rachel Duan†, Carolyn Julie Fairbairn†, James Antony Forese†, Steven Guggenheimer†, José Antonio Meade Kuribreña†, Irene Lee†, Eileen K Murray†, David Nish†, Ewen Stevenson, Jackson Tai†, and Pauline van der Meer Mohr†.

\* Non-executive Group Chairman

† Independent non-executive Director

## 16 Cautionary statement regarding forward-looking statements

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This news release 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', 'estimate', 'seek', 'intend', 'target', 'plan', 'believe', 'potential' or '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 conditions or regulatory changes, due to the impact of the Covid-19 pandemic 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, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this news release is available in our Annual Report and Accounts for the fiscal year ended 31 December 2021 which we expect to file with the SEC on Form 20-F on or around 23 February 2022.

## 17 Use of alternative performance measures

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This news release 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 an 'adjusted performance' basis which is computed by adjusting reported results for the period-on-period effects of foreign currency translation differences and significant items which distort period-on-period comparisons. Significant items are those items which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the underlying trends in the business. Reconciliations between alternative performance measures and the most directly comparable measures under IFRS are provided in our 2021 Form 20-F, when filed, which will be available at [www.hsbc.com](http://www.hsbc.com).

## 18 Certain defined terms

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Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC Holdings classified as equity. The abbreviations '\$m' and '\$bn' represent millions and billions (thousands of millions) of US dollars, respectively.

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## HSBC HOLDINGS PLC

### Data Pack

### 4Q 2021

The financial information on which this supplement is based is unaudited and has been prepared in accordance with HSBC's significant accounting policies as described in the *Annual Report and Accounts 2021*. The financial information does not constitute financial statements prepared in accordance with International Financial Reporting Standards ('IFRSs'), is not complete and should be read in conjunction with the *Annual Report and Accounts 2021*, the *Interim Report 2021*, and other reports and financial information published by HSBC.

Unless stated otherwise, all information is on a reported basis. Where disclosed, adjusted performance information is computed by adjusting reported results for the effects of foreign currency translation differences and significant items, which both distort period-on-period comparisons. We consider adjusted performance provides useful information for investors by aligning internal and external reporting, identifying and quantifying items management believes to be significant, and providing insight into how management assesses period-on-period performance. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 117 of our *Annual Report and Accounts 2021*. All alternative performance measures are reconciled to the closest reported financial measure.

'Significant items' refers collectively to the items that management and investors would ordinarily identify and consider separately to improve the understanding of the underlying trends in the business.

The quarterly comparatives are translated at average 4Q21 exchange rates for the income statement or at the prevailing rates of exchange on 31 December 2021 for the balance sheet. The yearly comparatives are translated at average FY21 exchange rates for the income statement or at the prevailing rates of exchange on 31 December 2021 for the balance sheet.



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**HSBC**
**HSBC Holdings plc consolidated**

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Reported (\$m)</b>							
Net interest income	6,781	6,610	6,584	6,514	6,619	26,489	27,578
Net fee income	3,101	3,322	3,211	3,463	2,967	13,097	11,874
Other operating income	2,107	2,080	2,770	3,009	2,171	9,966	10,977
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>11,989</b>	<b>12,012</b>	<b>12,565</b>	<b>12,986</b>	<b>11,757</b>	<b>49,552</b>	<b>50,429</b>
Change in expected credit losses and other credit impairment charges	(450)	659	284	435	(1,174)	928	(8,817)
Total operating expenses	(9,544)	(7,989)	(8,560)	(8,527)	(9,864)	(34,620)	(34,432)
of which: staff expenses <sup>1</sup>	(5,002)	(4,130)	(4,689)	(4,921)	(5,079)	(18,742)	(18,076)
Share of profit in associates and joint ventures	669	721	771	885	666	3,046	1,597
<b>Profit/(loss) before tax</b>	<b>2,664</b>	<b>5,403</b>	<b>5,060</b>	<b>5,779</b>	<b>1,385</b>	<b>18,906</b>	<b>8,777</b>
Tax expense	(635)	(1,161)	(1,206)	(1,211)	(450)	(4,213)	(2,678)
Profit/(loss) after tax	2,029	4,242	3,854	4,568	935	14,693	6,099
Profit/(loss) attributable to:							
- ordinary shareholders of the parent company ('PAOS')	1,788	3,543	3,396	3,880	562	12,607	3,898
- preference shareholders of the parent company	—	—	—	7	23	7	90
- other equity holders of the parent company	142	495	212	454	175	1,303	1,241
- non-controlling interests	99	204	246	227	175	776	870
(Increase)/decrease in present value of in-force insurance business ('PVIF') (net of tax)	(6)	(68)	(44)	60	309	(58)	(253)
Impairment of goodwill and other intangible assets (net of tax)	591	17	—	—	(120)	608	1,036
PAOS net of PVIF and goodwill impairment	2,373	3,492	3,352	3,940	751	13,157	4,681
<b>Reported significant items - Totals (\$m)</b>							
Revenue	(103)	(189)	41	(287)	(67)	(538)	63
ECL	—	—	—	—	—	—	—
Operating expenses	(1,203)	(404)	(541)	(324)	(758)	(2,472)	(2,973)
Share of profit in associates and joint ventures	—	—	—	—	—	—	(462)
<b>Adjusted (\$m)</b>							
<b>Net operating income before change in expected credit losses and other credit impairment charges<sup>1</sup></b>	<b>12,092</b>	<b>12,049</b>	<b>12,243</b>	<b>13,029</b>	<b>11,798</b>	<b>50,090</b>	<b>51,769</b>
of which: net interest income	6,788	6,531	6,439	6,372	6,585	26,479	28,273
of which: net fee income	3,101	3,287	3,151	3,408	2,949	13,097	12,142
Change in expected credit losses and other credit impairment charges	(450)	644	272	424	(1,172)	928	(9,282)
Total operating expenses	(8,341)	(7,486)	(7,836)	(8,043)	(9,092)	(32,148)	(32,409)
Share of profit in associates and joint ventures	669	725	777	891	684	3,046	2,192
<b>Profit/(loss) before tax</b>	<b>3,970</b>	<b>5,932</b>	<b>5,456</b>	<b>6,301</b>	<b>2,218</b>	<b>21,916</b>	<b>12,270</b>

**HSBC**  
**HSBC Holdings plc consolidated**

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Earnings metrics</b>							
Return on average equity (annualised)	4.0 %	8.0 %	7.8 %	9.0 %	1.3 %	7.1 %	2.3 %
Return on average tangible equity (annualised)	6.0 %	8.7 %	8.6 %	10.2 %	1.9 %	8.3 %	3.1 %
Earnings per share (\$)	0.09	0.18	0.17	0.19	0.03	0.62	0.19
Adjusted ECL / average gross loans (annualised)	0.17 %	(0.24)%	(0.10)%	(0.17)%	0.44 %	(0.09)%	0.87 %
<b>Dividends</b>							
Dividends per share - declared in respect of the period (\$)	0.18	—	0.07	—	0.15	0.25	0.15
Dividends paid during the period, net of scrip (\$m)	—	1,421	3,059	—	—	4,480	—
Value of scrip issued during period (\$m)	—	—	—	—	—	—	—
<b>Revenue significant items (\$m)</b>							
Customer redress programmes	(7)	—	—	18	1	11	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	(2)	—	(10)
Fair value movements on financial instruments	16	(64)	45	(239)	(46)	(242)	264
Restructuring and other related costs	(112)	(125)	(4)	(66)	(20)	(307)	(170)
<b>Cost significant items (\$m)</b>							
Costs of structural reform	—	—	—	—	—	—	—
Customer redress programmes	(25)	(7)	(27)	10	107	(49)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(587)	—	—	—	(8)	(587)	(1,090)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	(17)	—	(17)
Restructuring and other related costs	(591)	(397)	(514)	(334)	(836)	(1,836)	(1,908)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(4)	—	(12)
<b>Share of profit in associates and joint ventures significant items (\$m)</b>							
Impairment of goodwill	—	—	—	—	—	—	(462)
<b>Reconciling items - Currency translation on reported items - Totals (\$m)</b>							
Revenue		(150)	(284)	(243)	(27)		
ECL		(15)	(12)	(11)	2		
Operating expenses		106	197	167	25		
Share of profit in associates and joint ventures		4	6	6	18		
Currency translation on revenue significant items		2	(3)	1	(1)		
Currency translation on operating expense significant items		7	14	7	11		
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—		

1 Staff expenses are presented net of software capitalisation costs. During 4Q21, the allocation of internally capitalised software costs between staff expenses and general administrative expenses was updated to better reflect the allocation of the underlying costs being capitalised. The YTD impact recognised in 4Q was an increase of \$733m in staff expenses, offset by a corresponding decrease in general administrative expenses. There is no impact on total operating expenses and comparatives have not been re-presented.

**HSBC**  
**HSBC Holdings plc consolidated**

	Balance sheet date					Balance sheet date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	
<b>Assets – reported (\$m)</b>							
Cash and balances at central banks	403,018	409,918	393,559	384,448	304,481	403,018	
Items in the course of collection from other banks	4,136	6,384	9,406	5,162	4,094	4,136	
Hong Kong Government certificates of indebtedness	42,578	41,476	41,880	41,020	40,420	42,578	
Trading assets	248,842	256,374	260,250	249,031	231,990	248,842	
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	49,804	49,068	49,120	46,829	45,553	49,804	
Derivatives	196,882	198,533	209,516	241,048	307,726	196,882	
Loans and advances to banks	83,136	95,974	86,886	83,873	81,616	83,136	
Loans and advances to customers (net)	1,045,814	1,039,677	1,059,511	1,040,207	1,037,987	1,045,814	
Reverse repurchase agreements – non-trading	241,648	211,035	201,714	190,260	230,628	241,648	
Financial investments	446,274	428,751	434,576	451,207	490,693	446,274	
Prepayments, accrued income and other assets	139,982	177,145	175,155	172,708	156,412	139,982	
Current tax assets	970	428	405	568	954	970	
Interests in associates and joint ventures	29,609	28,561	28,709	27,543	26,684	29,609	
Goodwill and intangible assets	20,622	20,895	20,703	20,275	20,443	20,622	
Deferred tax assets	4,624	4,572	4,615	4,450	4,483	4,624	
<b>Total assets</b>	<b>2,957,939</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,958,629</b>	<b>2,984,164</b>	<b>2,957,939</b>	
<b>Liabilities – reported (\$m)</b>							
Hong Kong currency notes in circulation	42,578	41,476	41,880	41,020	40,420	42,578	
Deposits by banks	101,152	92,548	100,448	86,743	82,080	101,152	
Customer accounts	1,710,574	1,687,982	1,669,091	1,650,019	1,642,780	1,710,574	
Repurchase agreements – non-trading	126,670	121,158	112,798	107,896	111,901	126,670	
Items in the course of transmission to other banks	5,214	7,563	15,100	6,540	4,343	5,214	
Trading liabilities	84,904	89,212	89,637	85,755	75,266	84,904	
Financial liabilities designated at fair value	145,502	146,086	151,686	151,673	157,439	145,502	
Derivatives	191,064	189,169	200,156	229,599	303,001	191,064	
Debt securities in issue	78,557	82,903	84,218	96,039	95,492	78,557	
Accruals, deferred income and other liabilities	123,778	164,487	164,800	159,246	128,624	123,778	
Current tax liabilities	698	1,516	929	681	690	698	
Liabilities under insurance contracts	112,745	111,015	110,572	107,910	107,191	112,745	
Provisions	2,566	2,359	2,814	3,168	3,678	2,566	
Deferred tax liabilities	4,673	4,125	4,338	3,807	4,313	4,673	
Subordinated liabilities	20,487	20,503	20,774	20,817	21,951	20,487	
<b>Total liabilities</b>	<b>2,751,162</b>	<b>2,762,102</b>	<b>2,769,241</b>	<b>2,750,913</b>	<b>2,779,169</b>	<b>2,751,162</b>	

## HSBC

### HSBC Holdings plc consolidated

#### Equity – reported (\$m)

Called up share capital	10,316	10,376	10,376	10,375	10,347	10,316
Share premium account	14,602	14,601	14,600	14,588	14,277	14,602
Other equity instruments	22,414	22,414	22,414	24,414	22,414	22,414
Other reserves	6,460	3,979	6,509	6,016	8,833	6,460
Retained earnings	144,458	146,774	144,319	143,817	140,572	144,458
<b>Total shareholders' equity</b>	<b>198,250</b>	<b>198,144</b>	<b>198,218</b>	<b>199,210</b>	<b>196,443</b>	<b>198,250</b>
Non-controlling interests	8,527	8,545	8,546	8,506	8,552	8,527
<b>Total equity</b>	<b>206,777</b>	<b>206,689</b>	<b>206,764</b>	<b>207,716</b>	<b>204,995</b>	<b>206,777</b>
<b>Total liabilities and equity</b>	<b>2,957,939</b>	<b>2,968,791</b>	<b>2,976,005</b>	<b>2,958,629</b>	<b>2,984,164</b>	<b>2,957,939</b>

#### Other balance sheet data - reported (\$m)

Loans and advances to customers (gross)	1,057,232	1,051,186	1,072,374	1,053,790	1,052,478	1,057,232
Risk-weighted assets <sup>1</sup>	838,263	839,184	862,292	846,835	857,520	838,263
Total shareholders' equity	198,250	198,144	198,218	199,210	196,443	198,250
AT1 capital	(22,414)	(22,414)	(22,414)	(24,414)	(22,414)	(22,414)
Preference shares	—	—	—	—	—	—
Perpetual capital securities	—	—	—	—	—	—
<b>Ordinary shareholders' equity ('NAV')</b>	<b>175,836</b>	<b>175,730</b>	<b>175,804</b>	<b>174,796</b>	<b>174,029</b>	<b>175,836</b>
Goodwill, PVIF and other intangibles (net of deferred tax)	(17,643)	(18,019)	(17,819)	(17,439)	(17,606)	(17,643)
<b>Tangible equity ('TNAV')</b>	<b>158,193</b>	<b>157,711</b>	<b>157,985</b>	<b>157,357</b>	<b>156,423</b>	<b>158,193</b>

	Year to date					Year ended
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Average TNAV</b>	<b>158,776</b>	<b>158,354</b>	<b>156,412</b>	<b>157,400</b>	<b>150,101</b>	<b>158,776</b>
Fair value of own debt, DVA and other adjustments	1,278	1,547	3,286	1,641	422	1,278
<b>Average TNAV excluding fair value of own debt, DVA and other adjustments (RoTE TNAV)</b>	<b>160,054</b>	<b>159,901</b>	<b>159,698</b>	<b>159,041</b>	<b>150,523</b>	<b>160,054</b>

# HSBC

## HSBC Holdings plc consolidated

	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Adjusted balance sheet data – at most recent balance sheet FX rates (\$m)</b>						
Loans and advances to customers (net)	1,045,814	1,039,581	1,045,074	1,028,730	1,022,403	1,045,814
Customer accounts	1,710,574	1,687,004	1,646,374	1,631,960	1,620,128	1,710,574
Risk-weighted assets <sup>1</sup>	838,263	837,762	852,129	838,733	844,581	838,263
<b>Regulatory capital – Transitional basis (\$m)</b>						
Common equity tier 1 capital	132,565	133,195	134,606	134,481	136,050	132,565
Additional tier 1 capital	23,727	23,714	23,729	25,715	24,123	23,727
Tier 2 capital	21,494	22,069	22,787	22,921	24,250	21,494
Total regulatory capital	177,786	178,978	181,122	183,117	184,423	177,786
<b>Regulatory capital – end-point basis (\$m)</b>						
Common equity tier 1 capital	132,565	133,195	134,606	134,481	136,050	132,565
Additional tier 1 capital	22,421	22,408	22,423	24,409	22,411	22,421
Tier 2 capital	12,475	13,016	13,662	13,870	14,743	12,475
Total regulatory capital	167,461	168,619	170,691	172,760	173,204	167,461
<b>Capital ratios – transitional basis</b>						
Common equity tier 1 ratio	15.8 %	15.9 %	15.6 %	15.9 %	15.9 %	15.8 %
Tier 1 ratio	18.6 %	18.7 %	18.4 %	18.9 %	18.7 %	18.6 %
Total capital ratio	21.2 %	21.3 %	21.0 %	21.6 %	21.5 %	21.2 %
<b>Capital ratios – end-point basis</b>						
Common equity tier 1 ratio	15.8 %	15.9 %	15.6 %	15.9 %	15.9 %	15.8 %
Tier 1 ratio	18.5 %	18.5 %	18.2 %	18.8 %	18.5 %	18.5 %
Total capital ratio	20.0 %	20.1 %	19.8 %	20.4 %	20.2 %	20.0 %
Leverage exposures (\$m)	2,962,679	2,964,827	2,968,472	2,930,186	2,897,113	2,962,679
Leverage Ratio	5.2 %	5.2 %	5.3 %	5.4 %	5.5 %	5.2 %

## HSBC

### HSBC Holdings plc consolidated

#### Balance sheet metrics

NAV / share (\$) at the end of the period	\$	8.76	\$	8.70	\$	8.69	\$	8.64	\$	8.62	\$	8.76
TNAV / share (\$) at the end of the period	\$	7.88	\$	7.81	\$	7.81	\$	7.78	\$	7.75	\$	7.88

#### Ordinary \$0.50 shares

Basic number of ordinary shares in issue (m)		20,073		20,201		20,223		20,226		20,184		20,073
--	--	--------	--	--------	--	--------	--	--------	--	--------	--	--------

	Quarter ended					Year ended
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Ordinary shares issued during the period (m)	—	—	3	56	1	59
<i>of which scrip</i>	—	—	—	—	—	—
Shares bought back and cancelled during the period (m)	(120)	—	—	—	—	(120)
Other movements in basic number of ordinary shares during the period	(8)	(22)	(6)	(14)	10	(49)
Average basic number of ordinary shares outstanding during the period (m)	20,152	20,213	20,227	20,191	20,179	20,197
<b>Balance sheet data – significant items- Totals (\$m)</b>						
Risk-weighted assets – disposals	—	—	—	—	—	—
<b>Balance sheet data – currency translation on reported items – Totals (\$m)</b>						
Loans and advances to customers (net)		(96)	(14,437)	(11,477)	(15,584)	
Customer accounts		(978)	(22,717)	(18,059)	(22,652)	
Risk-weighted assets <sup>1</sup>		(1,422)	(10,163)	(8,102)	(12,939)	

<sup>1</sup> Risk-weighted assets figures presented in the data pack are calculated using the regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation.

# HSBC

## HSBC Holdings plc

### Net Interest Margin

	Quarter to date					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-20
<b>Average balances during period (\$m)</b>						
Short-term funds and loans and advances to banks	487,515	471,201	451,441	391,270	348,680	450,678
Loans and advances to customers	1,057,277	1,057,515	1,065,218	1,062,715	1,051,692	1,060,658
Reverse repurchase agreements – non-trading	221,041	200,930	191,927	211,034	225,791	206,246
Financial investments	436,342	422,161	438,848	458,435	470,099	438,840
Other interest-earning assets	49,258	56,153	51,519	55,464	62,741	53,091
<b>Total interest-earning assets</b>	<b>2,251,433</b>	<b>2,207,960</b>	<b>2,198,953</b>	<b>2,178,918</b>	<b>2,159,003</b>	<b>2,209,513</b>
<b>Interest income during period (\$m)</b>						
Short-term funds and loans and advances to banks	305	293	267	240	247	1,105
Loans and advances to customers	6,586	6,480	6,516	6,489	6,663	26,071
Reverse repurchase agreements – non-trading	243	290	224	262	271	1,019
Financial investments	1,690	1,648	1,676	1,715	1,797	6,729
Other interest-earning assets	394	299	292	279	323	1,264
<b>Total</b>	<b>9,219</b>	<b>9,010</b>	<b>8,975</b>	<b>8,985</b>	<b>9,301</b>	<b>36,188</b>
<b>Average balances during period (\$m)</b>						
Deposits by banks	81,236	74,569	74,029	72,767	73,622	75,671
Customer accounts	1,375,321	1,364,573	1,366,651	1,343,405	1,318,889	1,362,580
Repurchase agreements – non-trading	128,135	112,142	107,868	108,466	107,666	114,201
Debt securities in issue – non-trading	185,372	189,253	194,612	203,552	210,501	193,137
Other interest-bearing liabilities	74,189	72,692	67,541	69,221	74,224	70,929
<b>Total interest-bearing liabilities</b>	<b>1,844,253</b>	<b>1,813,229</b>	<b>1,810,701</b>	<b>1,797,411</b>	<b>1,784,902</b>	<b>1,816,518</b>
Non-interest bearing current accounts	330,631	320,854	316,041	305,390	294,420	318,305
<b>Interest expense during period (\$m)</b>						
Deposits by banks	47	44	56	51	57	198
Customer accounts	1,042	1,037	1,005	1,015	1,116	4,099
Repurchase agreements – non-trading	102	96	81	85	106	363
Debt securities in issue – non-trading	869	870	911	953	1,043	3,603
Other interest-bearing liabilities	378	353	338	367	360	1,436
<b>Total</b>	<b>2,438</b>	<b>2,400</b>	<b>2,391</b>	<b>2,471</b>	<b>2,682</b>	<b>9,699</b>
<b>Net interest margin (%)</b>	<b>1.19 %</b>	<b>1.19 %</b>	<b>1.20 %</b>	<b>1.21 %</b>	<b>1.22 %</b>	<b>1.20 %</b>



**HSBC**  
**Wealth and Personal Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	3,584	3,541	3,561	3,505	3,550	14,191
Net fee income	1,357	1,496	1,413	1,628	1,326	5,894
Other operating income/(expense)	360	379	733	560	444	2,032
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,301</b>	<b>5,416</b>	<b>5,707</b>	<b>5,693</b>	<b>5,320</b>	<b>22,117</b>
Change in expected credit losses and other credit impairment charges	(1)	237	34	18	(310)	288
Total operating expenses	(4,687)	(3,802)	(3,943)	(3,874)	(4,006)	(16,306)
Share of profit in associates and joint ventures	10	13	3	8	4	34
<b>Profit/(loss) before tax</b>	<b>623</b>	<b>1,864</b>	<b>1,801</b>	<b>1,845</b>	<b>1,008</b>	<b>6,133</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	9	(2)	1	(1)	(1)	7
ECL	—	—	—	—	—	—
Operating expenses	(671)	(34)	(149)	(68)	(10)	(922)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,292</b>	<b>5,351</b>	<b>5,589</b>	<b>5,593</b>	<b>5,307</b>	<b>22,110</b>
<i>of which: net interest income</i>	<i>3,589</i>	<i>3,498</i>	<i>3,484</i>	<i>3,448</i>	<i>3,542</i>	<i>14,198</i>
<i>of which: net fee income</i>	<i>1,356</i>	<i>1,480</i>	<i>1,390</i>	<i>1,607</i>	<i>1,322</i>	<i>5,894</i>
Change in expected credit losses and other credit impairment charges	(1)	232	32	16	(308)	288
Total operating expenses	(4,016)	(3,719)	(3,706)	(3,730)	(3,976)	(15,384)
Share of profit in associates and joint ventures	10	14	2	8	5	34
<b>Profit/(loss) before tax</b>	<b>1,285</b>	<b>1,878</b>	<b>1,917</b>	<b>1,887</b>	<b>1,028</b>	<b>7,048</b>
<b>Earnings metrics – adjusted</b>						
Return on average tangible equity (annualised, YTD) <sup>1</sup>	15.2 %	17.2 %	17.9 %	18.8 %	9.1 %	15.2 %
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	491,973	485,238	495,465	478,784	474,088	491,973
Loans and advances to customers (net)	488,786	481,795	491,320	474,260	469,186	488,786
Total external assets	932,582	916,178	912,479	880,152	881,918	932,582
Customer accounts	859,029	844,611	841,257	842,532	834,759	859,029
Risk-weighted assets	178,319	177,032	184,973	171,945	172,787	178,319
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	488,786	482,192	484,137	468,583	462,286	488,786
Customer accounts	859,029	844,089	830,288	833,558	823,991	859,029
Risk-weighted assets	178,319	176,739	182,630	170,217	170,050	178,319

## HSBC

### Wealth and Personal Banking

#### Management View of Adjusted Revenue – at originally reported average FX rates (\$m)

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Wealth</b>	<b>2,042</b>	<b>2,189</b>	<b>2,481</b>	<b>2,408</b>	<b>2,061</b>	<b>9,123</b>	
– investment distribution <sup>2</sup>	716	884	841	1,047	735	3,488	
– Private Banking	423	467	446	488	407	1,826	
Net interest income	165	161	163	156	156	647	
Non interest income	258	306	283	332	251	1,179	
– life insurance manufacturing <sup>3</sup>	593	527	898	572	637	2,590	
– asset management	310	311	296	301	282	1,219	
<b>Personal Banking</b>	<b>3,094</b>	<b>3,053</b>	<b>3,077</b>	<b>3,030</b>	<b>3,041</b>	<b>12,254</b>	
Net interest income <sup>2</sup>	2,742	2,696	2,738	2,682	2,718	10,858	
Non interest income	352	357	339	348	323	1,396	
Other <sup>3</sup>	156	176	149	256	219	733	
<b>Net operating income</b>	<b>5,292</b>	<b>5,418</b>	<b>5,707</b>	<b>5,694</b>	<b>5,321</b>	<b>22,110</b>	

#### Management View of Adjusted Revenue – at most recent period average FX rates (\$m)

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Wealth</b>	<b>2,042</b>	<b>2,175</b>	<b>2,450</b>	<b>2,380</b>	<b>2,055</b>	<b>9,123</b>	<b>8,004</b>
– investment distribution <sup>2</sup>	716	878	831	1,037	733	3,488	3,252
– Private Banking	423	463	439	481	405	1,826	1,789
Net interest income	165	160	161	154	156	647	688
Non interest income	258	303	278	327	249	1,179	1,101
– life insurance manufacturing <sup>3</sup>	593	527	891	566	637	2,590	1,890
– asset management	310	307	289	296	280	1,219	1,073
<b>Personal Banking</b>	<b>3,094</b>	<b>3,011</b>	<b>3,004</b>	<b>2,976</b>	<b>3,048</b>	<b>12,254</b>	<b>13,330</b>
Net interest income <sup>2</sup>	2,742	2,660	2,673	2,637	2,726	10,858	12,070
Non interest income	352	351	331	339	322	1,396	1,260
Other <sup>3</sup>	156	165	135	237	204	733	1,237
<b>Net operating income</b>	<b>5,292</b>	<b>5,351</b>	<b>5,589</b>	<b>5,593</b>	<b>5,307</b>	<b>22,110</b>	<b>22,571</b>

## HSBC

### Wealth and Personal Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	(6)	—	—	(1)	—	(7)
Disposals, acquisitions and investment in new businesses	—	—	—	—	(1)	—
Fair value movement on financial instruments	—	(1)	1	—	—	—
Restructuring and other related costs	15	(1)	—	—	—	14

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(21)	(5)	(25)	12	109	(39)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(587)	—	—	—	15	(587)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(63)	(29)	(124)	(80)	(134)	(296)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

Revenue	(67)	(118)	(101)	(12)		
ECL	(5)	(2)	(2)	2		
Operating expenses	50	91	78	21		
Share of profit in associates and joint ventures	1	(1)	—	1		
Currency translation on revenue significant items	—	(1)	—	2		
Currency translation on operating expense significant items	1	3	2	1		
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—		

Loans and advances to customers (net)	397	(7,183)	(5,677)	(6,900)		
Customer accounts	(522)	(10,969)	(8,974)	(10,768)		
Risk-weighted assets	(293)	(2,343)	(1,728)	(2,737)		

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 In the fourth quarter of 2021, revenue of \$62m for the full-year related to wealth lending was moved from Personal Banking to investment distribution. Comparative data have not been re-presented.

3 In the fourth quarter of 2021, revenue primarily related to interest on capital held in our insurance business, was moved from 'Other' to life insurance manufacturing. Comparative data have been re-presented. For the full-year, at the most recent period average FX rates, the impact was \$53m (2020: \$79m, 2019: \$144m).

**HSBC**  
**Commercial Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	2,294	2,236	2,204	2,182	2,210	8,916
Net fee income	928	925	898	888	808	3,639
Other operating income	165	213	219	279	128	876
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,387</b>	<b>3,374</b>	<b>3,321</b>	<b>3,349</b>	<b>3,146</b>	<b>13,431</b>
Change in expected credit losses and other credit impairment charges	(221)	272	19	230	(874)	300
Total operating expenses	(1,805)	(1,706)	(1,785)	(1,759)	(1,916)	(7,055)
Share of profit in associates and joint ventures	—	—	—	1	(1)	1
<b>Profit/(loss) before tax</b>	<b>1,361</b>	<b>1,940</b>	<b>1,555</b>	<b>1,821</b>	<b>355</b>	<b>6,677</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	—	—	18	(1)	16
ECL	—	—	—	—	—	—
Operating expenses	(30)	(33)	(16)	(3)	(152)	(82)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,389</b>	<b>3,331</b>	<b>3,239</b>	<b>3,269</b>	<b>3,144</b>	<b>13,415</b>
<i>of which: net interest income</i>	<i>2,295</i>	<i>2,208</i>	<i>2,152</i>	<i>2,122</i>	<i>2,203</i>	<i>8,898</i>
<i>of which: net fee income</i>	<i>928</i>	<i>913</i>	<i>877</i>	<i>873</i>	<i>810</i>	<i>3,639</i>
Change in expected credit losses and other credit impairment charges	(221)	264	14	223	(875)	300
Total operating expenses	(1,775)	(1,653)	(1,728)	(1,722)	(1,762)	(6,973)
Share of profit in associates and joint ventures	—	—	—	1	—	1
<b>Profit/(loss) before tax</b>	<b>1,393</b>	<b>1,942</b>	<b>1,525</b>	<b>1,771</b>	<b>507</b>	<b>6,743</b>
<b>Earnings metrics – adjusted</b>						
Return on average tangible equity (annualised, YTD) <sup>1</sup>	10.8 %	11.6 %	11.1 %	11.5 %	1.3 %	10.8 %
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	356,023	352,101	358,460	351,236	351,098	356,023
Loans and advances to customers (net)	349,126	345,156	350,945	343,623	343,182	349,126
Total external assets	622,925	624,523	624,042	605,417	570,295	622,925
Customer accounts	506,688	488,201	485,689	470,872	470,428	506,688
Risk-weighted assets	332,832	326,902	332,084	326,818	327,734	332,832
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	349,126	344,845	346,207	339,988	338,193	349,126
Customer accounts	506,688	487,963	478,902	465,794	464,380	506,688
Risk-weighted assets	332,832	326,390	327,415	323,205	322,422	332,832

**HSBC**  
**Commercial Banking**

**Management View of Adjusted Revenue – at originally reported average FX rates (\$m)**

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
Global Trade and Receivables Finance	512	500	478	455	423	1,945	
Credit and Lending	1,567	1,520	1,497	1,468	1,457	6,052	
Global Liquidity and Cash Management <sup>2</sup>	938	896	879	862	898	3,575	
Markets products, Insurance and Investments and other	372	458	466	546	369	1,843	
– of which: share of revenue from Markets and Securities Services and Banking products	275	266	265	259	231	1,065	
<b>Net operating income</b>	<b>3,389</b>	<b>3,374</b>	<b>3,320</b>	<b>3,331</b>	<b>3,147</b>	<b>13,415</b>	

**Management View of Adjusted Revenue – at most recent period average FX rates (\$m)**

Global Trade and Receivables Finance	512	495	469	448	422	1,945	1,784
Credit and Lending	1,567	1,501	1,460	1,440	1,461	6,052	5,828
Global Liquidity and Cash Management <sup>2</sup>	938	885	859	847	898	3,575	4,252
Markets products, Insurance and Investments and other	372	450	451	534	363	1,843	1,854
– of which: share of revenue from Markets and Securities Services and Banking products	275	264	260	255	231	1,065	950
<b>Net operating income</b>	<b>3,389</b>	<b>3,331</b>	<b>3,239</b>	<b>3,269</b>	<b>3,144</b>	<b>13,415</b>	<b>13,718</b>

**Reported Revenue significant items (\$m)**

Customer redress programmes	(1)	—	—	19	1	18	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	
Fair value movement on financial instruments	—	—	—	1	(1)	1	
Restructuring and other related costs	(1)	—	—	(2)	(1)	(3)	

**Reported Cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—	
Customer redress programmes	(1)	—	—	—	—	(1)	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	
Impairment of goodwill and other intangibles	—	—	—	—	(1)	—	
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—	
Restructuring and other related costs	(29)	(33)	(16)	(3)	(151)	(81)	
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—	

## HSBC

### Commercial Banking

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reported Balance sheet data – significant items – Totals (\$m)

Risk-weighted assets – disposals	—	—	—	—	—	—
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#### Reconciling items Currency translation on reported items – Totals (\$m)

Revenue	(43)	(82)	(62)	(3)
ECL	(8)	(5)	(7)	(1)
Operating expenses	21	41	35	5
Share of profit in associates and joint ventures	—	—	—	1

Currency translation on revenue significant items

— — — —

Currency translation on operating expense significant items

1 — 1 3

Currency translation on share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

(311) (4,738) (3,635) (4,989)

Customer accounts

(238) (6,787) (5,078) (6,048)

Risk-weighted assets

(512) (4,669) (3,613) (5,312)

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 With effect from January 2021, a change in the transfer pricing methodology resulted in a reduction in revenue for GLCM, offset in Other, leaving CMB quarterly revenue unchanged. All prior quarters have be re-presented on the revised basis.

**HSBC**  
**Global Banking and Markets**

**Reported (\$m)**

Net interest income	1,078	1,020	999	1,025	1,106	4,122
Net fee income	821	923	909	950	841	3,603
Other operating income	1,475	1,568	1,580	2,240	1,352	6,863
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,374</b>	<b>3,511</b>	<b>3,488</b>	<b>4,215</b>	<b>3,299</b>	<b>14,588</b>
Change in expected credit losses and other credit impairment charges	(224)	147	224	190	9	337
Total operating expenses	(2,763)	(2,382)	(2,482)	(2,576)	(2,604)	(10,203)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>387</b>	<b>1,276</b>	<b>1,230</b>	<b>1,829</b>	<b>704</b>	<b>4,722</b>

**Reported Significant items – Totals (\$m)**

Revenue	(146)	(93)	(98)	(77)	(212)	(414)
ECL	—	—	—	—	—	—
Operating expenses	(77)	(47)	(44)	(29)	(134)	(197)
Share of profit in associates and joint ventures	—	—	—	—	—	—

**Adjusted (\$m)**

<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,520</b>	<b>3,557</b>	<b>3,496</b>	<b>4,201</b>	<b>3,486</b>	<b>15,002</b>
<i>of which: net interest income</i>	<i>1,077</i>	<i>1,008</i>	<i>978</i>	<i>1,002</i>	<i>1,088</i>	<i>4,122</i>
<i>of which: net fee income</i>	<i>823</i>	<i>915</i>	<i>892</i>	<i>930</i>	<i>827</i>	<i>3,603</i>
Change in expected credit losses and other credit impairment charges	(224)	145	220	187	10	337
Total operating expenses	(2,686)	(2,297)	(2,372)	(2,484)	(2,469)	(10,006)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>610</b>	<b>1,405</b>	<b>1,344</b>	<b>1,904</b>	<b>1,027</b>	<b>5,333</b>

**Earnings metrics – adjusted**

Return on average tangible equity (annualised, YTD) <sup>1</sup>	8.6 %	10.1 %	10.7 %	12.1 %	6.7 %	8.6 %
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**Balance sheet – reported (\$m)**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	208,485	213,087	217,292	222,660	226,024	208,485
Loans and advances to customers (net)	207,162	211,976	216,098	221,223	224,364	207,162
Total external assets	1,229,820	1,265,530	1,258,694	1,281,710	1,347,440	1,229,820
Customer accounts	344,205	354,466	341,242	335,823	336,983	344,205
Risk-weighted assets	236,199	249,081	255,158	254,587	265,147	236,199

**Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)**

	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (net)	207,162	211,797	213,602	219,074	220,692	207,162
Customer accounts	344,205	354,251	336,306	331,832	331,164	344,205
Risk-weighted assets	236,199	248,555	252,392	252,290	261,081	236,199

**HSBC**  
**Global Banking and Markets**

**Management View of Adjusted Revenue – at originally reported average FX rates (\$m)<sup>2</sup>**

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
<b>Markets and Securities Services</b>	<b>1,871</b>	<b>1,985</b>	<b>1,941</b>	<b>2,492</b>	<b>1,919</b>	<b>8,288</b>	
Securities Services	471	528	472	452	439	1,923	
Global Debt Markets	1	164	317	396	118	878	
Global Foreign Exchange	903	772	728	952	820	3,355	
Equities	234	348	223	419	298	1,224	
Securities Financing	218	222	198	240	174	878	
Credit and Funding Valuation Adjustments	44	(49)	3	33	70	30	
<b>Banking</b>	<b>1,660</b>	<b>1,659</b>	<b>1,661</b>	<b>1,630</b>	<b>1,571</b>	<b>6,610</b>	
Global Trade and Receivables Finance	176	180	180	178	167	714	
Global Liquidity and Cash Management	481	465	448	444	465	1,838	
Credit & Lending	657	629	658	654	649	2,596	
Capital Markets & Advisory	309	337	320	291	253	1,256	
Other	37	48	55	63	37	206	
<b>GBM Other</b>	<b>(11)</b>	<b>(40)</b>	<b>(16)</b>	<b>170</b>	<b>21</b>	<b>104</b>	
Principal Investments	53	88	64	173	74	377	
Other	(64)	(128)	(80)	(3)	(53)	(273)	
<b>Net operating income</b>	<b>3,520</b>	<b>3,604</b>	<b>3,586</b>	<b>4,292</b>	<b>3,511</b>	<b>15,002</b>	

**Management View of Adjusted Revenue – at most recent period average FX rates (\$m)<sup>2</sup>**

<b>Markets and Securities Services</b>	<b>1,871</b>	<b>1,963</b>	<b>1,899</b>	<b>2,444</b>	<b>1,903</b>	<b>8,288</b>	<b>8,997</b>
Securities services	471	521	463	443	431	1,923	1,832
Global Debt Markets	1	162	309	389	118	878	1,464
Global Foreign Exchange	903	764	714	933	811	3,355	4,140
Equities	234	344	216	411	297	1,224	844
Securities Financing	218	220	194	236	175	878	988
Credit and Funding Valuation Adjustments	44	(48)	3	32	71	30	(271)
<b>Banking</b>	<b>1,660</b>	<b>1,641</b>	<b>1,627</b>	<b>1,598</b>	<b>1,558</b>	<b>6,610</b>	<b>6,748</b>
Global Trade and Receivables Finance	176	178	177	174	166	714	706
Global Liquidity and Cash Management	481	459	439	435	459	1,838	2,034
Credit & Lending	657	622	643	640	648	2,596	2,687
Capital Markets & Advisory	309	333	313	286	252	1,256	1,073
Other	37	49	55	63	33	206	248
<b>GBM Other</b>	<b>(11)</b>	<b>(47)</b>	<b>(30)</b>	<b>159</b>	<b>25</b>	<b>104</b>	<b>23</b>
Principal Investments	53	88	63	172	72	377	115
Other	(64)	(135)	(93)	(13)	(47)	(273)	(92)
<b>Net operating income</b>	<b>3,520</b>	<b>3,557</b>	<b>3,496</b>	<b>4,201</b>	<b>3,486</b>	<b>15,002</b>	<b>15,768</b>

**Reported Revenue significant items (\$m)**

Customer redress programmes	—	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	—
Fair value movement on financial instruments	(15)	9	(1)	(12)	(64)	(19)	(19)
Restructuring and other related costs	(131)	(102)	(97)	(65)	(148)	(395)	(395)



**HSBC**  
**Global Banking and Markets**

**Reported Cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	1	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(77)	(47)	(44)	(29)	(135)	(197)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

**Share of profit in associates and joint ventures significant items (\$m)**

Impairment of goodwill	—	—	—	—	—	—
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**Reported Balance sheet data – significant items – Totals (\$m)**

Risk-weighted assets – disposals	—	—	—	—	—	—
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**Reconciling items Currency translation on reported items – Totals (\$m)**

Revenue		(44)	(87)	(89)	(27)	
ECL		(2)	(4)	(3)	1	
Operating expenses		39	68	63	4	
Share of profit in associates and joint ventures		—	—	—	—	
Currency translation on revenue significant items		3	3	2	(2)	
Currency translation on operating expense significant items		1	2	—	3	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(179)	(2,496)	(2,149)	(3,672)	
Customer accounts		(215)	(4,936)	(3,991)	(5,819)	
Risk-weighted assets		(526)	(2,766)	(2,297)	(4,066)	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

2 With effect from the first quarter of 2021, the management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. All prior quarters have been re-presented on the new basis.

**HSBC**  
**Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	(175)	(187)	(180)	(198)	(247)	(740)
Net fee income	(5)	(22)	(9)	(3)	(8)	(39)
Other operating income	107	(80)	238	(70)	247	195
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(73)</b>	<b>(289)</b>	<b>49</b>	<b>(271)</b>	<b>(8)</b>	<b>(584)</b>
Change in expected credit losses and other credit impairment charges	(4)	3	7	(3)	1	3
Total operating expenses	(289)	(99)	(350)	(318)	(1,338)	(1,056)
Share of profit in associates and joint ventures	659	708	768	876	663	3,011
<b>Profit/(loss) before tax</b>	<b>293</b>	<b>323</b>	<b>474</b>	<b>284</b>	<b>(682)</b>	<b>1,374</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	36	(94)	138	(227)	147	(147)
ECL	—	—	—	—	—	—
Operating expenses	(425)	(290)	(332)	(224)	(462)	(1,271)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(109)</b>	<b>(190)</b>	<b>(81)</b>	<b>(34)</b>	<b>(139)</b>	<b>(437)</b>
<i>of which: net interest expense</i>	<i>(173)</i>	<i>(183)</i>	<i>(175)</i>	<i>(200)</i>	<i>(248)</i>	<i>(739)</i>
<i>of which: net fee income/(expense)</i>	<i>(6)</i>	<i>(21)</i>	<i>(8)</i>	<i>(2)</i>	<i>(10)</i>	<i>(39)</i>
Change in expected credit losses and other credit impairment charges	(4)	3	6	(2)	1	3
Total operating expenses	136	183	(30)	(107)	(885)	215
Share of profit in associates and joint ventures	659	711	775	882	679	3,011
<b>Profit/(loss) before tax</b>	<b>682</b>	<b>707</b>	<b>670</b>	<b>739</b>	<b>(344)</b>	<b>2,792</b>
<b>Earnings metrics – adjusted</b>						
Return on average tangible equity (annualised, YTD) <sup>1</sup>	5.6 %	5.4 %	5.1 %	7.4 %	3.1 %	5.6 %
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	751	760	1,157	1,112	1,268	751
Loans and advances to customers (net)	740	750	1,148	1,101	1,255	740
Total external assets	172,612	162,560	180,790	191,350	184,511	172,612
Customer accounts	652	704	903	792	610	652
Risk-weighted assets	90,913	86,169	90,077	93,485	91,852	90,913
<b>Adjusted balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	740	747	1,128	1,085	1,232	740
Customer accounts	652	701	878	776	593	652
Risk-weighted assets	90,913	86,078	89,692	93,021	91,028	90,913

**HSBC**  
**Corporate Centre**

**Management View of Adjusted Revenue – at originally reported average FX rates (\$m)**

	Quarter ended					Year to date	
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21	31-Dec-20
Central Treasury	(9)	(35)	(27)	(28)	(12)	(99)	
Legacy Credit	(14)	(35)	7	9	3	(33)	
Other	(86)	(125)	(69)	(25)	(146)	(305)	
<b>Net operating income</b>	<b>(109)</b>	<b>(195)</b>	<b>(89)</b>	<b>(44)</b>	<b>(155)</b>	<b>(437)</b>	

**Memo**

Markets Treasury previously reported in Corporate Centre – now allocated to global businesses <sup>2</sup>	495	524	515	805	610	2,339	
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**Management View of Adjusted Revenue – at most recent period average FX rates (\$m)**

Central Treasury	(9)	(35)	(27)	(28)	(12)	(99)	157
Legacy Credit	(14)	(35)	6	9	3	(33)	(20)
Other	(86)	(120)	(60)	(15)	(130)	(305)	(424)
<b>Net operating income</b>	<b>(109)</b>	<b>(190)</b>	<b>(81)</b>	<b>(34)</b>	<b>(139)</b>	<b>(437)</b>	<b>(287)</b>

**Memo**

Markets Treasury previously reported in Corporate Centre – now allocated to global businesses <sup>2</sup>	495	518	504	788	596	2,339	
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**Reported Revenue significant items (\$m)**

Customer redress programmes	—	—	—	—	—	—	
Disposals, acquisitions and investment in new businesses	—	—	—	—	(1)	—	
Fair value movement on financial instruments	31	(72)	45	(228)	19	(224)	
Restructuring and other related costs	5	(22)	93	1	129	77	

**Reported Cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—	
Customer redress programmes	(3)	(2)	(2)	(2)	(2)	(9)	
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—	
Impairment of goodwill and other intangibles	—	—	—	—	(23)	—	
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	(17)	—	
Restructuring and other related costs	(422)	(288)	(330)	(222)	(416)	(1,262)	
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(4)	—	

**Share of profit in associates and joint ventures significant items (\$m)**

Impairment of goodwill	—	—	—	—	—	—	
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**Reported Balance sheet data – significant items – Totals (\$m)**

Risk-weighted assets – disposals	—	—	—	—	—	—	
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**HSBC**  
**Corporate Centre**

**Reconciling items Currency translation on reported items – Totals (\$m)**

Revenue		4	3	9	15
ECL		—	(1)	1	—
Operating expenses		(4)	(3)	(9)	(5)
Share of profit in associates and joint ventures		3	7	6	16
Currency translation on revenue significant items		(1)	(5)	(1)	(1)
Currency translation on operating expense significant items		4	9	4	4
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(3)	(20)	(16)	(23)
Customer accounts		(3)	(25)	(16)	(17)
Risk-weighted assets		(91)	(385)	(464)	(824)

*1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.*

*2 At 4Q20 we renamed our Balance Sheet Management function as Markets Treasury to reflect the activities it undertakes more accurately and its relationship to our Group Treasury function more broadly.*

**HSBC**  
**Europe**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Europe – TOTAL</b>						
<b>Reported (\$m)</b>						
Net interest income	1,593	1,720	1,614	1,528	1,521	6,455
Net fee income	972	985	961	964	927	3,882
Other operating income	2,626	1,979	2,602	2,560	2,506	9,767
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,191</b>	<b>4,684</b>	<b>5,177</b>	<b>5,052</b>	<b>4,954</b>	<b>20,104</b>
Change in expected credit losses and other credit impairment charges	274	657	333	337	(513)	1,601
Total operating expenses	(4,810)	(4,300)	(4,557)	(4,527)	(5,715)	(18,194)
Share of profit in associates and joint ventures	14	101	18	135	45	268
<b>Profit/(loss) before tax</b>	<b>669</b>	<b>1,142</b>	<b>971</b>	<b>997</b>	<b>(1,229)</b>	<b>3,779</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	21	(67)	156	(235)	102	(125)
ECL	—	—	—	—	—	—
Operating expenses	(393)	(340)	(357)	(277)	(648)	(1,367)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,170</b>	<b>4,635</b>	<b>4,822</b>	<b>5,138</b>	<b>4,889</b>	<b>20,229</b>
<i>of which: net interest income</i>	<i>1,597</i>	<i>1,671</i>	<i>1,530</i>	<i>1,453</i>	<i>1,541</i>	<i>6,443</i>
Change in expected credit losses and other credit impairment charges	274	642	321	331	(521)	1,601
Total operating expenses	(4,417)	(3,878)	(4,057)	(4,140)	(5,090)	(16,827)
Share of profit in associates and joint ventures	14	99	17	132	46	268
<b>Profit/(loss) before tax</b>	<b>1,041</b>	<b>1,498</b>	<b>1,103</b>	<b>1,461</b>	<b>(676)</b>	<b>5,271</b>
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	401,236	402,922	408,278	411,365	414,940	401,236
Loans and advances to customers (net)	397,090	398,308	402,778	405,493	408,495	397,090
Total external assets	1,274,336	1,273,063	1,294,594	1,301,898	1,337,006	1,274,336
Customer accounts	667,769	666,968	663,996	643,162	629,647	667,769
Risk-weighted assets <sup>1</sup>	261,115	262,727	269,873	271,481	284,322	261,115
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	397,090	398,119	393,017	397,150	399,320	397,090
Customer accounts	667,769	666,815	648,112	630,099	616,813	667,769

## HSBC Europe

### Europe – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,782</b>	<b>1,684</b>	<b>1,749</b>	<b>1,804</b>	<b>1,754</b>	<b>7,019</b>
<i>of which: net interest income</i>	<i>1,133</i>	<i>1,106</i>	<i>1,150</i>	<i>1,075</i>	<i>1,055</i>	<i>4,464</i>
Change in expected credit losses and other credit impairment charges	169	239	115	113	(78)	636
Total operating expenses	(1,556)	(1,353)	(1,445)	(1,484)	(1,595)	(5,838)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>395</b>	<b>570</b>	<b>419</b>	<b>433</b>	<b>81</b>	<b>1,817</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(11)	(5)	2	(8)	(8)	(22)
ECL	—	—	—	—	—	—
Operating expenses	(43)	(8)	(53)	(48)	39	(152)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,793</b>	<b>1,649</b>	<b>1,677</b>	<b>1,756</b>	<b>1,779</b>	<b>7,041</b>
<i>of which: net interest income</i>	<i>1,136</i>	<i>1,080</i>	<i>1,106</i>	<i>1,048</i>	<i>1,068</i>	<i>4,471</i>
Change in expected credit losses and other credit impairment charges	169	234	112	111	(80)	636
Total operating expenses	(1,513)	(1,317)	(1,339)	(1,396)	(1,642)	(5,686)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>449</b>	<b>566</b>	<b>450</b>	<b>471</b>	<b>57</b>	<b>1,991</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	226,417	223,077	225,163	220,955	220,255	226,417
Loans and advances to customers (net)	225,063	221,470	223,159	218,760	217,870	225,063
Total external assets	385,600	366,588	370,719	357,796	361,385	385,600
Customer accounts	313,434	308,793	310,128	300,962	289,610	313,434
Risk-weighted assets	52,788	52,312	53,678	52,871	54,297	52,788
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	225,063	221,681	218,114	214,571	213,563	225,063
Customer accounts	313,434	309,205	303,221	295,212	284,349	313,434

**HSBC**  
**Europe**

**Europe – Commercial Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,225</b>	<b>1,208</b>	<b>1,200</b>	<b>1,210</b>	<b>1,201</b>	<b>4,843</b>
<i>of which: net interest income</i>	<i>766</i>	<i>737</i>	<i>747</i>	<i>756</i>	<i>730</i>	<i>3,006</i>
Change in expected credit losses and other credit impairment charges	63	353	161	192	(416)	769
Total operating expenses	(648)	(653)	(691)	(727)	(899)	(2,719)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>640</b>	<b>908</b>	<b>670</b>	<b>675</b>	<b>(114)</b>	<b>2,893</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(3)	—	1	17	(3)	15
ECL	—	—	—	—	—	—
Operating expenses	(5)	(15)	—	(7)	(140)	(27)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,228</b>	<b>1,176</b>	<b>1,145</b>	<b>1,156</b>	<b>1,215</b>	<b>4,828</b>
<i>of which: net interest income</i>	<i>765</i>	<i>718</i>	<i>715</i>	<i>715</i>	<i>739</i>	<i>2,988</i>
Change in expected credit losses and other credit impairment charges	63	345	155	189	(421)	769
Total operating expenses	(643)	(623)	(665)	(701)	(765)	(2,692)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>648</b>	<b>898</b>	<b>635</b>	<b>644</b>	<b>29</b>	<b>2,905</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	120,169	121,670	124,224	126,733	129,719	120,169
Loans and advances to customers (net)	117,907	119,245	121,356	123,685	126,407	117,907
Total external assets	260,590	263,604	271,509	263,370	233,042	260,590
Customer accounts	206,785	205,672	207,253	202,858	200,647	206,785
Risk-weighted assets	106,702	106,408	112,444	111,942	115,252	106,702
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	117,907	119,048	118,262	121,019	123,430	117,907
Customer accounts	206,785	205,361	202,018	198,550	196,323	206,785

# HSBC

## Europe

### Europe – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net operating income before change in expected credit losses and other credit impairment charges	1,162	1,080	1,204	1,506	1,048	4,952
of which: net interest income	69	36	32	39	94	176
Change in expected credit losses and other credit impairment charges	48	62	54	36	(21)	200
Total operating expenses	(1,496)	(1,272)	(1,326)	(1,357)	(1,400)	(5,451)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(286)</b>	<b>(130)</b>	<b>(68)</b>	<b>185</b>	<b>(373)</b>	<b>(299)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(145)	(95)	(87)	(63)	(169)	(390)
ECL	—	—	—	—	—	—
Operating expenses	(63)	(31)	(25)	(20)	(124)	(139)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
Net operating income before change in expected credit losses and other credit impairment charges	1,307	1,143	1,232	1,518	1,221	5,342
of which: net interest income	69	32	25	33	93	176
Change in expected credit losses and other credit impairment charges	48	60	52	35	(21)	200
Total operating expenses	(1,433)	(1,209)	(1,247)	(1,292)	(1,285)	(5,312)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(78)</b>	<b>(6)</b>	<b>37</b>	<b>261</b>	<b>(85)</b>	<b>230</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	54,097	57,608	58,252	63,037	64,135	54,097
Loans and advances to customers (net)	53,577	57,037	57,632	62,420	63,402	53,577
Total external assets	560,886	583,022	596,433	623,448	687,630	560,886
Customer accounts	146,901	151,799	145,714	138,605	138,833	146,901
Risk-weighted assets	81,932	91,018	91,217	94,448	102,616	81,932
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	53,577	56,836	56,030	60,947	61,531	53,577
Customer accounts	146,901	151,547	141,996	135,618	135,602	146,901



**HSBC**  
**Europe**

**Europe – Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,016</b>	<b>711</b>	<b>1,025</b>	<b>533</b>	<b>949</b>	<b>3,285</b>
<i>of which: net interest income/(expense)</i>	<b>(372)</b>	(160)	(316)	(343)	(358)	(1,191)
Change in expected credit losses and other credit impairment charges	<b>3</b>	2	1	(5)	—	1
Total operating expenses	<b>(1,108)</b>	(1,020)	(1,097)	(960)	(1,819)	(4,185)
Share of profit in associates and joint ventures	<b>11</b>	101	19	136	46	267
<b>Profit/(loss) before tax</b>	<b>(78)</b>	<b>(206)</b>	<b>(52)</b>	<b>(296)</b>	<b>(824)</b>	<b>(632)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>173</b>	35	241	(179)	283	270
ECL	—	—	—	—	—	—
Operating expenses	<b>(278)</b>	(285)	(282)	(207)	(426)	(1,052)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>843</b>	<b>667</b>	<b>768</b>	<b>709</b>	<b>672</b>	<b>3,015</b>
<i>of which: net interest expense</i>	<b>(372)</b>	(159)	(315)	(343)	(358)	(1,191)
Change in expected credit losses and other credit impairment charges	<b>3</b>	2	2	(4)	1	1
Total operating expenses	<b>(830)</b>	(729)	(806)	(752)	(1,399)	(3,133)
Share of profit in associates and joint ventures	<b>11</b>	99	17	132	46	267
<b>Profit/(loss) before tax</b>	<b>27</b>	<b>39</b>	<b>(19)</b>	<b>85</b>	<b>(680)</b>	<b>150</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>553</b>	567	641	639	829	553
Loans and advances to customers (net)	<b>543</b>	557	631	628	816	543
Total external assets	<b>67,261</b>	59,849	55,933	57,283	54,951	67,261
Customer accounts	<b>650</b>	705	902	737	557	650
Risk-weighted assets	<b>19,693</b>	12,989	12,534	12,220	12,157	19,693
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>543</b>	554	612	613	795	543
Customer accounts	<b>650</b>	702	878	719	539	650

## HSBC Europe

### SIGNIFICANT ITEMS

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	(7)	—	—	18	1	11
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	26	(64)	48	(236)	(10)	(226)
Restructuring and other related costs	2	(3)	108	(17)	111	90
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(25)	(7)	(27)	10	107	(49)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(3)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	(17)	—
Restructuring and other related costs	(368)	(333)	(330)	(287)	(731)	(1,318)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(4)	—
<b>Share of profit in associates and joint ventures significant items (\$m)</b>						
Impairment of goodwill	—	—	—	—	—	—
<b>Europe – Wealth and Personal Banking</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	(6)	—	—	(1)	—	(7)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	—	—	—	1
Restructuring and other related costs	(6)	(5)	2	(7)	(8)	(16)
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(22)	(5)	(25)	12	109	(40)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(21)	(3)	(28)	(60)	(70)	(112)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Europe

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Commercial Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	(2)	—	—	20	—	18
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	—	—	(1)	1
Restructuring and other related costs	(2)	—	1	(3)	(2)	(4)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(1)	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(3)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(15)	—	(7)	(137)	(26)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(13)	9	3	(8)	(29)	(9)
Restructuring and other related costs	(132)	(104)	(90)	(55)	(140)	(381)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(63)	(31)	(25)	(20)	(124)	(139)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Europe

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Europe – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	35	(73)	45	(228)	21	(221)
Restructuring and other related costs	138	108	196	49	262	491

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(1)	(2)	(3)	(3)	(4)	(9)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	(17)	—
Restructuring and other related costs	(275)	(283)	(280)	(205)	(401)	(1,043)
Settlements and provisions in connection with legal and regulatory matters	(2)	—	1	1	(3)	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Europe – TOTAL

Revenue	(114)	(204)	(148)	36
ECL	(15)	(12)	(6)	(8)
Operating expenses	89	155	116	(18)
Share of profit in associates and joint ventures	(2)	(1)	(3)	1
Revenue significant items	2	(5)	1	(1)
Operating expense significant items	7	12	6	5
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(189)	(9,761)	(8,343)	(9,175)
Customer accounts	(153)	(15,884)	(13,063)	(12,834)

## HSBC Europe

### Europe – Wealth and Personal Banking

Revenue	(40)	(70)	(56)	18
ECL	(5)	(3)	(2)	(2)
Operating expenses	30	55	41	(8)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	1
Operating expense significant items	2	2	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	211	(5,045)	(4,189)	(4,307)
Customer accounts	412	(6,907)	(5,750)	(5,261)

### Europe – Commercial Banking

Revenue	(33)	(54)	(37)	13
ECL	(8)	(6)	(3)	(5)
Operating expenses	15	29	22	(2)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	—	2
Operating expense significant items	—	3	3	4
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(197)	(3,094)	(2,666)	(2,977)
Customer accounts	(311)	(5,235)	(4,308)	(4,324)

## HSBC Europe

### Europe – Global Banking and Markets

Revenue	(30)	(59)	(51)	1
ECL	(2)	(2)	(1)	—
Operating expenses	32	54	45	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	—	—	(3)
Operating expense significant items	—	—	—	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(201)	(1,602)	(1,473)	(1,871)
Customer accounts	(252)	(3,718)	(2,987)	(3,231)

### Europe – Corporate Centre

Revenue	(10)	(22)	(5)	5
ECL	—	1	1	1
Operating expenses	10	20	8	(4)
Share of profit in associates and joint ventures	(2)	(2)	(4)	—
Revenue significant items	(1)	(6)	(2)	(1)
Operating expense significant items	4	11	7	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(3)	(19)	(15)	(21)
Customer accounts	(3)	(24)	(18)	(18)

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	1,623	1,593	1,625	1,556	1,503	6,397
Net fee income	431	389	351	313	345	1,484
Other operating income	199	162	152	201	149	714
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,253</b>	<b>2,144</b>	<b>2,128</b>	<b>2,070</b>	<b>1,997</b>	<b>8,595</b>
Change in expected credit losses and other credit impairment charges	230	563	281	288	(499)	1,362
Total operating expenses	(1,329)	(1,213)	(1,350)	(1,280)	(1,291)	(5,172)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>1,154</b>	<b>1,494</b>	<b>1,059</b>	<b>1,078</b>	<b>207</b>	<b>4,785</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	—	—	17	(1)	15
ECL	—	—	—	—	—	—
Operating expenses	(121)	(84)	(121)	(79)	(104)	(405)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,255</b>	<b>2,098</b>	<b>2,052</b>	<b>2,007</b>	<b>2,040</b>	<b>8,580</b>
<i>of which: net interest income</i>	<i>1,627</i>	<i>1,559</i>	<i>1,568</i>	<i>1,505</i>	<i>1,536</i>	<i>6,386</i>
Change in expected credit losses and other credit impairment charges	230	551	273	284	(507)	1,362
Total operating expenses	(1,208)	(1,106)	(1,186)	(1,178)	(1,212)	(4,767)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>1,277</b>	<b>1,543</b>	<b>1,139</b>	<b>1,113</b>	<b>321</b>	<b>5,175</b>
	Balance sheet date					Balance sheet date
<b>Balance sheet – reported (\$m)</b>	<b>31-Dec-21</b>	<b>30-Sep-21</b>	<b>30-Jun-21</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>
Loans and advances to customers (gross)	267,135	264,807	268,872	266,423	265,468	267,135
Loans and advances to customers (net)	264,624	261,952	265,240	262,442	261,109	264,624
Total external assets	466,955	435,607	444,450	424,987	414,816	466,955
Customer accounts	381,482	372,655	378,211	365,650	354,099	381,482
Risk-weighted assets	113,311	111,920	116,868	115,733	116,710	113,311
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	264,624	262,884	259,723	257,421	258,814	264,624
Customer accounts	381,482	373,981	370,344	358,654	350,987	381,482

**HSBC**  
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**HSBC UK – Wealth and Personal Banking**

**Reported (\$m)**

**Net operating income before change in expected credit losses and other credit impairment charges**

*of which: net interest income*

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

**Profit/(loss) before tax**

**Reported Significant items – Totals (\$m)**

Revenue

ECL

Operating expenses

Share of profit in associates and joint ventures

**Adjusted (\$m)**

**Net operating income before change in expected credit losses and other credit impairment charges**

*of which: net interest income*

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

**Profit/(loss) before tax**

**Balance sheet – reported (\$m)**

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

**Balance sheet data – at most recent balance sheet date FX rates (\$m)**

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,205</b>	<b>1,163</b>	<b>1,159</b>	<b>1,100</b>	<b>1,062</b>	<b>4,627</b>
<i>of which: net interest income</i>	<i>978</i>	<i>947</i>	<i>982</i>	<i>903</i>	<i>875</i>	<i>3,810</i>
Change in expected credit losses and other credit impairment charges	157	227	112	107	(132)	603
Total operating expenses	(762)	(745)	(851)	(825)	(744)	(3,183)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>600</b>	<b>645</b>	<b>420</b>	<b>382</b>	<b>186</b>	<b>2,047</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(6)	—	—	(1)	—	(7)
ECL	—	—	—	—	—	—
Operating expenses	(31)	(9)	(40)	(46)	15	(126)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,211</b>	<b>1,138</b>	<b>1,118</b>	<b>1,077</b>	<b>1,085</b>	<b>4,634</b>
<i>of which: net interest income</i>	<i>983</i>	<i>927</i>	<i>946</i>	<i>884</i>	<i>894</i>	<i>3,817</i>
Change in expected credit losses and other credit impairment charges	157	222	108	105	(135)	603
Total operating expenses	(731)	(721)	(782)	(763)	(777)	(3,057)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>637</b>	<b>639</b>	<b>444</b>	<b>419</b>	<b>173</b>	<b>2,180</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	179,291	175,909	177,693	173,809	171,377	179,291
Loans and advances to customers (net)	178,243	174,630	176,039	171,970	169,365	178,243
Total external assets	264,886	248,705	252,250	240,884	238,853	264,886
Customer accounts	241,832	236,049	238,324	230,650	218,723	241,832
Risk-weighted assets	33,436	33,177	34,100	33,829	34,218	33,436
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	178,243	175,252	172,377	168,680	167,877	178,243
Customer accounts	241,832	236,889	233,366	226,237	216,801	241,832



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**HSBC UK – Commercial Banking**

**Reported (\$m)**

**Net operating income before change in expected credit losses and other credit impairment charges**

*of which: net interest income*

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

**Profit/(loss) before tax**

**Reported Significant items – Totals (\$m)**

Revenue

ECL

Operating expenses

Share of profit in associates and joint ventures

**Adjusted (\$m)**

**Net operating income before change in expected credit losses and other credit impairment charges**

*of which: net interest income*

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

**Profit/(loss) before tax**

**Balance sheet – reported (\$m)**

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

**Balance sheet data – at most recent balance sheet date FX rates (\$m)**

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>995</b>	<b>938</b>	<b>929</b>	<b>932</b>	<b>881</b>	<b>3,794</b>
<i>of which: net interest income</i>	<i>637</i>	<i>643</i>	<i>643</i>	<i>651</i>	<i>630</i>	<i>2,574</i>
Change in expected credit losses and other credit impairment charges	<b>68</b>	336	171	183	(366)	758
Total operating expenses	<b>(424)</b>	(387)	(412)	(400)	(422)	(1,623)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>639</b>	<b>887</b>	<b>688</b>	<b>715</b>	<b>93</b>	<b>2,929</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	—	—	18	(1)	16
ECL	—	—	—	—	—	—
Operating expenses	<b>(8)</b>	(3)	(3)	5	(34)	(9)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>997</b>	<b>918</b>	<b>896</b>	<b>895</b>	<b>901</b>	<b>3,778</b>
<i>of which: net interest income</i>	<i>639</i>	<i>629</i>	<i>619</i>	<i>618</i>	<i>644</i>	<i>2,556</i>
Change in expected credit losses and other credit impairment charges	<b>68</b>	329	165	179	(374)	758
Total operating expenses	<b>(416)</b>	(376)	(396)	(396)	(396)	(1,614)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>649</b>	<b>871</b>	<b>665</b>	<b>678</b>	<b>131</b>	<b>2,922</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	<b>87,538</b>	88,583	90,826	92,219	93,517	87,538
Loans and advances to customers (net)	<b>86,076</b>	87,007	88,849	90,077	91,169	86,076
Total external assets	<b>189,646</b>	175,130	179,376	171,734	161,864	189,646
Customer accounts	<b>139,308</b>	136,220	139,324	134,629	135,108	139,308
Risk-weighted assets	<b>77,033</b>	75,751	79,698	78,712	79,688	77,033
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>86,076</b>	87,317	87,001	88,353	90,368	86,076
Customer accounts	<b>139,308</b>	136,705	136,426	132,053	133,921	139,308

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Global Banking and Markets**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>44</b>	<b>43</b>	<b>43</b>	<b>41</b>	<b>56</b>	<b>171</b>
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(11)	(10)	(10)	(13)	(29)	(44)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>28</b>	<b>27</b>	<b>127</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>44</b>	<b>42</b>	<b>40</b>	<b>39</b>	<b>56</b>	<b>171</b>
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(11)	(9)	(10)	(13)	(29)	(44)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>33</b>	<b>33</b>	<b>30</b>	<b>26</b>	<b>27</b>	<b>127</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	44	36	35	64	79	44
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	727	848	970	864	819	727
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>7</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>4</b>
<i>of which: net interest income/(expense)</i>	<i>6</i>	<i>3</i>	<i>2</i>	<i>3</i>	<i>(2)</i>	<i>14</i>
Change in expected credit losses and other credit impairment charges	6	—	(3)	(3)	(2)	—
Total operating expenses	(133)	(71)	(77)	(41)	(96)	(322)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(120)</b>	<b>(72)</b>	<b>(81)</b>	<b>(45)</b>	<b>(99)</b>	<b>(318)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	6	—	—	1	—	7
ECL	—	—	—	—	—	—
Operating expenses	(86)	(72)	(77)	(36)	(86)	(271)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(2)</b>	<b>(3)</b>
<i>of which: net interest income/(expense)</i>	<i>5</i>	<i>3</i>	<i>2</i>	<i>3</i>	<i>(2)</i>	<i>14</i>
Change in expected credit losses and other credit impairment charges	6	—	—	—	1	—
Total operating expenses	(47)	—	1	(4)	(10)	(51)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(40)</b>	<b>(1)</b>	<b>(1)</b>	<b>(7)</b>	<b>(11)</b>	<b>(54)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	306	314	352	395	574	306
Loans and advances to customers (net)	306	314	352	395	574	306
Total external assets	12,378	11,735	12,789	12,305	14,021	12,378
Customer accounts	342	385	563	371	268	342
Risk-weighted assets	2,115	2,144	2,100	2,328	1,985	2,115
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	306	315	345	388	569	306
Customer accounts	342	387	552	364	265	342

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**SIGNIFICANT ITEMS**

**HSBC UK – TOTAL**

**Reported revenue significant items (\$m)**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	(7)	—	—	18	—	11
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	5	—	—	(1)	(1)	4

**Reported cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(25)	(7)	(27)	10	107	(49)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	(17)	—
Restructuring and other related costs	(96)	(77)	(94)	(89)	(194)	(356)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

**Share of profit in associates and joint ventures significant items (\$m)**

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

**HSBC UK – Wealth and Personal Banking**

**Reported revenue significant items (\$m)**

Customer redress programmes	(6)	—	—	(1)	—	(7)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

**Reported cost significant items (\$m)**

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(22)	(5)	(25)	12	109	(40)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(4)	(15)	(58)	(94)	(86)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC UK – Commercial Banking

###### Reported revenue significant items (\$m)

Customer redress programmes

(2) — — 20 — 18

Disposals, acquisitions and investment in new businesses

— — — — —

Fair value movements on financial instruments

— — — — —

Restructuring and other related costs

— — — (2) (1) (2)

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — —

Customer redress programmes

(1) — — — — (1)

Disposals, acquisitions and investment in new businesses

— — — — —

Impairment of goodwill and other intangibles

— — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — —

Restructuring and other related costs

(7) (3) (3) 5 (34) (8)

Settlements and provisions in connection with legal and regulatory matters

— — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — —

##### HSBC UK – Global Banking and Markets

###### Reported revenue significant items (\$m)

Customer redress programmes

— — — — —

Disposals, acquisitions and investment in new businesses

— — — — —

Fair value movements on financial instruments

— — — — —

Restructuring and other related costs

— — — — —

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — —

Customer redress programmes

— — — — —

Disposals, acquisitions and investment in new businesses

— — — — —

Impairment of goodwill and other intangibles

— — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — —

Restructuring and other related costs

— — — — —

Settlements and provisions in connection with legal and regulatory matters

— — — — —

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC UK – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — — —

Restructuring and other related costs

6 — — 1 — 7

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

(1) (2) (3) (3) (4) (9)

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — (17) —

Restructuring and other related costs

(85) (70) (74) (33) (65) (262)

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC UK – TOTAL

Revenue

(46) (76) (46) 43

ECL

(12) (8) (4) (8)

Operating expenses

26 47 26 (29)

Share of profit in associates and joint ventures

— — — —

Revenue significant items

— — — 1

Operating expense significant items

3 4 3 (4)

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

932 (5,517) (5,021) (2,295)

Customer accounts

1,326 (7,867) (6,996) (3,112)

## HSBC

### HSBC UK

#### UK ring-fenced bank

##### HSBC UK – Wealth and Personal Banking

Revenue	(25)	(41)	(24)	23
ECL	(5)	(4)	(2)	(3)
Operating expenses	16	31	18	(16)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	2	2	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	622	(3,662)	(3,290)	(1,488)
Customer accounts	840	(4,958)	(4,413)	(1,922)

##### HSBC UK – Commercial Banking

Revenue	(20)	(33)	(20)	19
ECL	(7)	(6)	(4)	(8)
Operating expenses	8	14	9	(9)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	(1)	—
Operating expense significant items	—	1	—	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	310	(1,848)	(1,724)	(801)
Customer accounts	485	(2,898)	(2,576)	(1,187)

**HSBC**  
**HSBC UK**  
**UK ring-fenced bank**

**HSBC UK – Global Banking and Markets**

Revenue	(1)	(3)	(2)	—
ECL	—	—	—	—
Operating expenses	1	—	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

**HSBC UK – Corporate Centre**

Revenue	—	(1)	(1)	(1)
ECL	—	3	3	3
Operating expenses	1	1	(1)	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	2	—	(2)	(4)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1	(7)	(7)	(5)
Customer accounts	2	(11)	(7)	(3)



**HSBC**  
**HSBC Bank**  
**Non ring-fenced bank**

**HSBC Bank – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	645	572	587	607	660	2,411
Net fee income	413	498	504	530	477	1,945
Other operating income	908	726	1,060	1,374	812	4,068
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,966</b>	<b>1,796</b>	<b>2,151</b>	<b>2,511</b>	<b>1,949</b>	<b>8,424</b>
Change in expected credit losses and other credit impairment charges	46	95	52	46	(216)	239
Total operating expenses	(1,986)	(1,749)	(1,808)	(1,968)	(2,290)	(7,511)
Share of profit in associates and joint ventures	15	99	17	132	45	263
<b>Profit/(loss) before tax</b>	<b>41</b>	<b>241</b>	<b>412</b>	<b>721</b>	<b>(512)</b>	<b>1,415</b>
<b>Reported significant items – Totals (\$m)</b>						
Revenue	(133)	(94)	5	(64)	(46)	(286)
ECL	—	—	—	—	—	—
Operating expenses	(153)	(134)	(110)	(76)	(430)	(473)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,099</b>	<b>1,844</b>	<b>2,058</b>	<b>2,487</b>	<b>1,972</b>	<b>8,710</b>
<i>of which: net interest income</i>	<i>645</i>	<i>557</i>	<i>560</i>	<i>584</i>	<i>648</i>	<i>2,411</i>
Change in expected credit losses and other credit impairment charges	46	93	49	46	(212)	239
Total operating expenses	(1,833)	(1,575)	(1,629)	(1,827)	(1,849)	(7,038)
Share of profit in associates and joint ventures	15	97	16	129	46	263
<b>Profit/(loss) before tax</b>	<b>327</b>	<b>459</b>	<b>494</b>	<b>835</b>	<b>(43)</b>	<b>2,174</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	124,515	129,083	130,193	135,368	139,987	124,515
Loans and advances to customers (net)	122,954	127,407	128,405	133,558	137,981	122,954
Total external assets	759,119	796,973	813,446	834,286	881,616	759,119
Customer accounts	270,975	278,480	270,732	262,475	260,614	270,975
Risk-weighted assets	141,179	153,825	153,099	157,555	167,115	141,179
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	122,954	126,110	124,091	130,013	131,471	122,954
Customer accounts	270,975	276,871	262,798	256,286	251,619	270,975









## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### SIGNIFICANT ITEMS

##### HSBC Bank – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(6)	9	1	(10)	(30)	(6)
Restructuring and other related costs	(127)	(103)	4	(54)	(16)	(280)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(3)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(151)	(134)	(111)	(77)	(424)	(473)
Settlements and provisions in connection with legal and regulatory matters	(2)	—	1	1	(3)	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

##### HSBC Bank – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	—	—	—	1
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	2	(4)	(6)	(1)	(8)	(9)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Commercial Banking

###### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

1 — — — (1) 1

Restructuring and other related costs

— — — — (1) —

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — (3) —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

5 (13) 12 (2) (98) 2

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Global Banking and Markets

###### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

(13) 9 3 (8) (29) (9)

Restructuring and other related costs

(131) (102) (89) (54) (136) (376)

###### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — — —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(62) (34) (22) (24) (133) (142)

Settlements and provisions in connection with legal and regulatory matters

— — — — — —

## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### HSBC Bank – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — 2 —

Restructuring and other related costs

5 (1) 92 — 119 96

##### Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Impairment of goodwill and other intangibles

— — — — (1) —

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(92) (83) (97) (52) (187) (324)

Settlements and provisions in connection with legal and regulatory matters

(2) — 1 1 (3) —

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill

— — — — — —

##### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC Bank – TOTAL

Revenue

(43) (90) (86) (28)

ECL

(2) (3) — 4

Operating expenses

43 75 69 22

Share of profit in associates and joint ventures

(2) (1) (3) 1

Revenue significant items

3 (2) 2 (5)

Operating expense significant items

3 6 4 11

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

(1,297) (4,314) (3,545) (6,510)

Customer accounts

(1,609) (7,934) (6,189) (8,995)



## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### HSBC Bank – Wealth and Personal Banking

Revenue	(10)	(19)	(25)	(9)
ECL	(1)	—	—	—
Operating expenses	8	16	17	12
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(587)	(1,454)	(1,122)	(2,447)
Customer accounts	(556)	(1,867)	(1,460)	(2,611)

##### HSBC Bank – Commercial Banking

Revenue	(10)	(17)	(15)	(9)
ECL	—	—	—	2
Operating expenses	5	8	11	9
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	1	—	1
Operating expense significant items	—	—	1	5
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(506)	(1,246)	(943)	(2,176)
Customer accounts	(796)	(2,337)	(1,732)	(3,137)

## HSBC

### HSBC Bank

#### Non ring-fenced bank

##### HSBC Bank – Global Banking and Markets

Revenue	(24)	(46)	(43)	(1)
ECL	(2)	(1)	—	—
Operating expenses	26	45	39	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	1	—	(3)
Operating expense significant items	1	1	1	4
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(201)	(1,602)	(1,473)	(1,871)
Customer accounts	(252)	(3,717)	(2,986)	(3,232)

##### HSBC Bank – Corporate Centre

Revenue	1	(8)	(2)	(8)
ECL	—	—	—	—
Operating expenses	3	5	2	4
Share of profit in associates and joint ventures	(2)	(1)	(3)	1
Revenue significant items	1	(5)	(1)	(4)
Operating expense significant items	2	6	3	4
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(4)	(11)	(8)	(16)
Customer accounts	(5)	(11)	(9)	(15)

**HSBC**  
**Europe – Other**

**Europe – Other – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income/(expense)	(675)	(445)	(598)	(635)	(642)	(2,353)
Net fee income	128	98	106	121	105	453
Other operating income	1,519	1,091	1,390	985	1,545	4,985
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>972</b>	<b>744</b>	<b>898</b>	<b>471</b>	<b>1,008</b>	<b>3,085</b>
Change in expected credit losses and other credit impairment charges	(2)	(1)	–	3	202	–
Total operating expenses	(1,495)	(1,338)	(1,399)	(1,279)	(2,134)	(5,511)
Share of profit in associates and joint ventures	(1)	2	1	3	–	5
<b>Profit/(loss) before tax</b>	<b>(526)</b>	<b>(593)</b>	<b>(500)</b>	<b>(802)</b>	<b>(924)</b>	<b>(2,421)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	156	27	151	(188)	149	146
ECL	–	–	–	–	–	–
Operating expenses	(119)	(122)	(126)	(122)	(114)	(489)
Share of profit in associates and joint ventures	–	–	–	–	–	–
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>816</b>	<b>693</b>	<b>712</b>	<b>644</b>	<b>877</b>	<b>2,939</b>
<i>of which: net interest income/(expense)</i>	<i>(675)</i>	<i>(445)</i>	<i>(598)</i>	<i>(636)</i>	<i>(643)</i>	<i>(2,354)</i>
Change in expected credit losses and other credit impairment charges	(2)	(2)	(1)	1	198	–
Total operating expenses	(1,376)	(1,197)	(1,242)	(1,135)	(2,029)	(5,022)
Share of profit in associates and joint ventures	(1)	2	1	3	–	5
<b>Profit/(loss) before tax</b>	<b>(563)</b>	<b>(504)</b>	<b>(530)</b>	<b>(487)</b>	<b>(954)</b>	<b>(2,078)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	9,586	9,032	9,213	9,574	9,485	9,586
Loans and advances to customers (net)	9,512	8,949	9,133	9,493	9,405	9,512
Total external assets	48,262	40,483	36,698	42,625	40,574	48,262
Customer accounts	15,312	15,833	15,053	15,037	14,934	15,312
Risk-weighted assets	6,625	(3,018)	(94)	(1,807)	497	6,625
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	9,512	9,125	9,203	9,716	9,035	9,512
Customer accounts	15,312	15,963	14,970	15,159	14,207	15,312

## HSBC Europe – Other

### HSBC Europe – Other – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>163</b>	<b>168</b>	<b>152</b>	<b>152</b>	<b>287</b>	<b>635</b>
<i>of which: net interest income/(expense)</i>	<i>(26)</i>	<i>(31)</i>	<i>(33)</i>	<i>(36)</i>	<i>(31)</i>	<i>(126)</i>
Change in expected credit losses and other credit impairment charges	6	(2)	(3)	—	59	1
Total operating expenses	(458)	(299)	(262)	(286)	(428)	(1,305)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(289)</b>	<b>(133)</b>	<b>(113)</b>	<b>(134)</b>	<b>(82)</b>	<b>(669)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(6)	(5)	2	(7)	(8)	(16)
ECL	—	—	—	—	—	—
Operating expenses	(14)	5	(7)	(1)	32	(17)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>169</b>	<b>168</b>	<b>140</b>	<b>152</b>	<b>298</b>	<b>651</b>
<i>of which: net interest income/(expense)</i>	<i>(31)</i>	<i>(32)</i>	<i>(31)</i>	<i>(34)</i>	<i>(31)</i>	<i>(126)</i>
Change in expected credit losses and other credit impairment charges	6	(1)	(2)	—	60	1
Total operating expenses	(444)	(299)	(247)	(278)	(461)	(1,288)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(269)</b>	<b>(132)</b>	<b>(109)</b>	<b>(126)</b>	<b>(103)</b>	<b>(636)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	9,587	9,033	9,216	9,573	9,483	9,587
Loans and advances to customers (net)	9,512	8,950	9,133	9,493	9,406	9,512
Total external assets	21,115	23,050	22,613	23,378	24,543	21,115
Customer accounts	15,312	15,834	15,052	15,036	14,935	15,312
Risk-weighted assets	3,670	3,102	3,480	3,669	3,582	3,670
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	9,512	9,126	9,204	9,716	9,034	9,512
Customer accounts	15,312	15,962	14,970	15,159	14,207	15,312

## HSBC Europe – Other

### HSBC Europe – Other – Commercial Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(138)</b>	<b>(100)</b>	<b>(109)</b>	<b>(112)</b>	<b>(36)</b>	<b>(459)</b>
<i>of which: net interest income/(expense)</i>	<i>(118)</i>	<i>(110)</i>	<i>(116)</i>	<i>(116)</i>	<i>(122)</i>	<i>(460)</i>
Change in expected credit losses and other credit impairment charges	2	—	—	(1)	100	1
Total operating expenses	<b>(38)</b>	(74)	(75)	(68)	(158)	(255)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(174)</b>	<b>(174)</b>	<b>(184)</b>	<b>(181)</b>	<b>(94)</b>	<b>(713)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	—	1	(1)	—	(2)
ECL	—	—	—	—	—	—
Operating expenses	(2)	1	(9)	(10)	(5)	(20)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(136)</b>	<b>(102)</b>	<b>(113)</b>	<b>(114)</b>	<b>(34)</b>	<b>(457)</b>
<i>of which: net interest income/(expense)</i>	<i>(121)</i>	<i>(110)</i>	<i>(113)</i>	<i>(115)</i>	<i>(122)</i>	<i>(460)</i>
Change in expected credit losses and other credit impairment charges	2	(1)	—	—	101	1
Total operating expenses	<b>(36)</b>	(73)	(61)	(58)	(155)	(235)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(170)</b>	<b>(176)</b>	<b>(174)</b>	<b>(172)</b>	<b>(88)</b>	<b>(691)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	(1)	—	—
Loans and advances to customers (net)	—	1	—	—	—	—
Total external assets	<b>(1,676)</b>	(1,634)	(1,676)	(1,674)	(1,655)	(1,676)
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	<b>(1,459)</b>	(1,200)	(1,198)	(1,181)	(1,197)	(1,459)
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	1	—	—
Customer accounts	—	—	—	—	—	—

## HSBC Europe – Other

### HSBC Europe – Other – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(92)</b>	<b>(66)</b>	<b>(56)</b>	<b>(123)</b>	<b>(112)</b>	<b>(337)</b>
<i>of which: net interest income/(expense)</i>	<i>(153)</i>	<i>(143)</i>	<i>(149)</i>	<i>(148)</i>	<i>(138)</i>	<i>(593)</i>
Change in expected credit losses and other credit impairment charges	(2)	—	1	1	40	—
Total operating expenses	(120)	(134)	(174)	(72)	(90)	(500)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(214)</b>	<b>(200)</b>	<b>(229)</b>	<b>(194)</b>	<b>(162)</b>	<b>(837)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(1)	(2)	(1)	(1)	(4)	(5)
ECL	—	—	—	—	—	—
Operating expenses	(1)	3	(3)	4	9	3
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>(91)</b>	<b>(69)</b>	<b>(64)</b>	<b>(128)</b>	<b>(106)</b>	<b>(332)</b>
<i>of which: net interest income/(expense)</i>	<i>(155)</i>	<i>(142)</i>	<i>(147)</i>	<i>(147)</i>	<i>(137)</i>	<i>(593)</i>
Change in expected credit losses and other credit impairment charges	(2)	—	—	—	40	—
Total operating expenses	(119)	(131)	(161)	(69)	(101)	(503)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(212)</b>	<b>(200)</b>	<b>(225)</b>	<b>(197)</b>	<b>(167)</b>	<b>(835)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	99	(1,171)	(1,201)	(1,199)	(1,187)	99
Customer accounts	1	1	1	1	—	1
Risk-weighted assets	(2,639)	(4,370)	(2,632)	(3,499)	(2,769)	(2,639)
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	1	1	—	—	1	1

## HSBC Europe – Other

### HSBC Europe – Other – Corporate Centre

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,034</b>	742	910	554	867	3,240
<i>of which: net interest income/(expense)</i>	<i>(368)</i>	<i>(163)</i>	<i>(305)</i>	<i>(339)</i>	<i>(352)</i>	<i>(1,175)</i>
Change in expected credit losses and other credit impairment charges	—	—	2	2	2	4
Total operating expenses	<b>(874)</b>	(829)	(891)	(855)	(1,456)	(3,449)
Share of profit in associates and joint ventures	<b>(4)</b>	2	2	4	1	4
<b>Profit/(loss) before tax</b>	<b>156</b>	<b>(85)</b>	<b>23</b>	<b>(295)</b>	<b>(586)</b>	<b>(201)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>162</b>	36	149	(180)	162	167
ECL	—	—	—	—	—	—
Operating expenses	<b>(98)</b>	(130)	(109)	(120)	(149)	(457)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>872</b>	<b>697</b>	<b>749</b>	<b>733</b>	<b>716</b>	<b>3,073</b>
<i>of which: net interest income/(expense)</i>	<i>(367)</i>	<i>(162)</i>	<i>(305)</i>	<i>(340)</i>	<i>(352)</i>	<i>(1,175)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	4
Total operating expenses	<b>(776)</b>	(693)	(773)	(734)	(1,313)	(2,992)
Share of profit in associates and joint ventures	<b>(4)</b>	2	1	3	—	4
<b>Profit/(loss) before tax</b>	<b>92</b>	<b>6</b>	<b>(23)</b>	<b>2</b>	<b>(597)</b>	<b>89</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>(1)</b>	(1)	—	1	—	(1)
Loans and advances to customers (net)	—	—	1	—	—	—
Total external assets	<b>28,728</b>	20,240	16,962	22,120	18,873	28,728
Customer accounts	—	—	2	1	—	—
Risk-weighted assets	<b>7,053</b>	(550)	256	(796)	881	7,053
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	(1)	—	—

## HSBC

### Europe – Other

#### SIGNIFICANT ITEMS

##### HSBC Europe – Other – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	1	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	32	(73)	47	(226)	20	(220)
Restructuring and other related costs	124	100	104	38	128	366

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(121)	(122)	(125)	(121)	(113)	(489)
Settlements and provisions in connection with legal and regulatory matters	2	—	(1)	(1)	(1)	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### HSBC Europe – Other – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(6)	(5)	2	(7)	(8)	(16)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(14)	5	(7)	(1)	32	(17)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—



## HSBC

### Europe – Other

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(2)	—	1	(1)	—	(2)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	1	(9)	(10)	(5)	(20)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(1)	(2)	(1)	(1)	(4)	(5)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	3	(3)	4	9	3
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Europe – Other

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC Europe – Other – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	35	(73)	45	(228)	19	(221)
Restructuring and other related costs	127	109	104	48	143	388

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(98)	(130)	(109)	(120)	(149)	(457)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC Europe – Other – TOTAL

Revenue	(25)	(38)	(16)	21
ECL	(1)	(1)	(2)	(4)
Operating expenses	20	33	21	(11)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(3)	(1)	3
Operating expense significant items	1	2	(1)	(2)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	176	70	223	(370)
Customer accounts	130	(83)	122	(727)

## HSBC Europe – Other

### HSBC Europe – Other – Wealth and Personal Banking

Revenue	(5)	(10)	(7)	4
ECL	1	1	—	1
Operating expenses	6	8	6	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	1
Operating expense significant items	1	—	(1)	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	176	71	223	(372)
Customer accounts	128	(82)	123	(728)

### HSBC Europe – Other – Commercial Banking

Revenue	(3)	(4)	(2)	3
ECL	(1)	—	1	1
Operating expenses	2	7	2	(2)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	1	1
Operating expense significant items	—	2	2	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1)	—	1	—
Customer accounts	—	—	—	—

## HSBC

### Europe – Other

#### HSBC Europe – Other – Global Banking and Markets

Revenue	(5)	(10)	(6)	2
ECL	—	(1)	(1)	—
Operating expenses	5	9	6	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	(1)	—	—
Operating expense significant items	(1)	(1)	(1)	(2)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	(1)	(1)	1

#### HSBC Europe – Other – Corporate Centre

Revenue	(11)	(13)	(2)	14
ECL	—	(2)	(2)	(2)
Operating expenses	6	14	7	(4)
Share of profit in associates and joint ventures	—	(1)	(1)	(1)
Revenue significant items	(2)	(1)	(1)	3
Operating expense significant items	—	5	6	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	(1)	—	—
Customer accounts	—	(2)	(2)	—

**HSBC**  
**Asia**

**Asia – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	3,189	3,140	3,110	3,157	3,237	12,596
Net fee income	1,259	1,496	1,439	1,677	1,304	5,871
Other operating income/(expense)	1,485	1,938	1,933	1,940	1,477	7,296
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,933</b>	<b>6,574</b>	<b>6,482</b>	<b>6,774</b>	<b>6,018</b>	<b>25,763</b>
Change in expected credit losses and other credit impairment charges	(528)	(105)	(175)	(32)	(322)	(840)
Total operating expenses	(3,979)	(3,709)	(3,778)	(3,694)	(3,889)	(15,160)
Share of profit in associates and joint ventures	584	543	649	710	469	2,486
<b>Profit/(loss) before tax</b>	<b>2,010</b>	<b>3,303</b>	<b>3,178</b>	<b>3,758</b>	<b>2,276</b>	<b>12,249</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	53	57	30	24	1	164
ECL	—	—	—	—	—	—
Operating expenses	(182)	(125)	(143)	(59)	(123)	(509)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5,880</b>	<b>6,510</b>	<b>6,409</b>	<b>6,688</b>	<b>6,000</b>	<b>25,599</b>
<i>of which: net interest income</i>	<i>3,191</i>	<i>3,138</i>	<i>3,089</i>	<i>3,128</i>	<i>3,230</i>	<i>12,596</i>
Change in expected credit losses and other credit impairment charges	(528)	(105)	(174)	(33)	(319)	(840)
Total operating expenses	(3,797)	(3,580)	(3,611)	(3,603)	(3,761)	(14,651)
Share of profit in associates and joint ventures	584	549	655	720	487	2,486
<b>Profit/(loss) before tax</b>	<b>2,139</b>	<b>3,374</b>	<b>3,279</b>	<b>3,772</b>	<b>2,407</b>	<b>12,594</b>

	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	496,631	491,249	506,079	482,154	476,892	496,631
Loans and advances to customers (net)	492,525	487,559	502,360	478,477	473,165	492,525
Total external assets	1,228,893	1,220,052	1,215,439	1,183,554	1,185,607	1,228,893
Customer accounts	792,098	771,463	759,948	756,498	762,406	792,098
Risk-weighted assets <sup>1</sup>	396,206	392,896	407,117	387,188	384,228	396,206
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	492,525	488,345	500,499	477,059	468,768	492,525
Customer accounts	792,098	772,137	756,977	754,117	755,519	792,098

# HSBC

## Asia

### Asia – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,552</b>	<b>2,764</b>	<b>2,980</b>	<b>2,928</b>	<b>2,777</b>	<b>11,224</b>
<i>of which: net interest income</i>	<i>1,628</i>	<i>1,614</i>	<i>1,618</i>	<i>1,654</i>	<i>1,707</i>	<i>6,514</i>
Change in expected credit losses and other credit impairment charges	(22)	(69)	(6)	(60)	(65)	(157)
Total operating expenses	(1,732)	(1,677)	(1,662)	(1,648)	(1,739)	(6,719)
Share of profit in associates and joint ventures	9	2	—	7	3	18
<b>Profit/(loss) before tax</b>	<b>807</b>	<b>1,020</b>	<b>1,312</b>	<b>1,227</b>	<b>976</b>	<b>4,366</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	5	4	(2)	7	8	14
ECL	—	—	—	—	—	—
Operating expenses	(25)	(16)	(19)	(12)	(36)	(72)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>2,547</b>	<b>2,757</b>	<b>2,964</b>	<b>2,900</b>	<b>2,761</b>	<b>11,210</b>
<i>of which: net interest income</i>	<i>1,628</i>	<i>1,612</i>	<i>1,605</i>	<i>1,639</i>	<i>1,702</i>	<i>6,514</i>
Change in expected credit losses and other credit impairment charges	(22)	(69)	(7)	(60)	(64)	(157)
Total operating expenses	(1,707)	(1,659)	(1,628)	(1,621)	(1,701)	(6,647)
Share of profit in associates and joint ventures	9	2	—	7	3	18
<b>Profit/(loss) before tax</b>	<b>827</b>	<b>1,031</b>	<b>1,329</b>	<b>1,226</b>	<b>999</b>	<b>4,424</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	198,812	196,771	205,547	192,707	189,685	198,812
Loans and advances to customers (net)	198,044	195,985	204,738	191,826	188,759	198,044
Total external assets	409,817	406,773	404,637	388,060	392,684	409,817
Customer accounts	436,980	428,522	425,545	426,195	429,911	436,980
Risk-weighted assets	84,585	84,006	90,669	79,774	77,750	84,585
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	198,044	196,208	203,590	190,745	186,502	198,044
Customer accounts	436,980	428,553	423,686	424,569	426,138	436,980

# HSBC

## Asia

### Asia – Commercial Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,320</b>	<b>1,391</b>	<b>1,364</b>	<b>1,428</b>	<b>1,324</b>	<b>5,503</b>
<i>of which: net interest income</i>	<i>954</i>	<i>938</i>	<i>924</i>	<i>929</i>	<i>966</i>	<i>3,745</i>
Change in expected credit losses and other credit impairment charges	(190)	(53)	(160)	(20)	(303)	(423)
Total operating expenses	(697)	(671)	(701)	(647)	(706)	(2,716)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>433</b>	<b>667</b>	<b>503</b>	<b>761</b>	<b>315</b>	<b>2,364</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	—	(1)	1	1	1
ECL	—	—	—	—	—	—
Operating expenses	(15)	(6)	(12)	1	(7)	(32)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,319</b>	<b>1,390</b>	<b>1,355</b>	<b>1,415</b>	<b>1,320</b>	<b>5,502</b>
<i>of which: net interest income</i>	<i>953</i>	<i>938</i>	<i>919</i>	<i>923</i>	<i>966</i>	<i>3,745</i>
Change in expected credit losses and other credit impairment charges	(190)	(54)	(160)	(22)	(303)	(423)
Total operating expenses	(682)	(664)	(685)	(643)	(699)	(2,684)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>447</b>	<b>672</b>	<b>510</b>	<b>750</b>	<b>318</b>	<b>2,395</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	171,463	168,089	170,406	161,154	158,099	171,463
Loans and advances to customers (net)	168,745	165,488	167,805	158,672	155,652	168,745
Total external assets	256,860	253,286	247,119	237,138	240,566	256,860
Customer accounts	212,793	197,645	194,835	187,621	189,931	212,793
Risk-weighted assets	149,323	145,206	144,951	140,723	138,541	149,323
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	168,745	165,804	167,478	158,610	154,665	168,745
Customer accounts	212,793	197,911	194,271	187,327	188,653	212,793

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## Asia

### Asia – Global Banking and Markets

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,553</b>	<b>1,883</b>	<b>1,756</b>	<b>2,010</b>	<b>1,663</b>	<b>7,202</b>
<i>of which: net interest income</i>	<b>703</b>	679	654	668	686	2,704
Change in expected credit losses and other credit impairment charges	<b>(319)</b>	17	(7)	51	48	(258)
Total operating expenses	<b>(980)</b>	(916)	(938)	(917)	(959)	(3,751)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>254</b>	<b>984</b>	<b>811</b>	<b>1,144</b>	<b>752</b>	<b>3,193</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(5)</b>	6	(1)	—	(24)	—
ECL	—	—	—	—	—	—
Operating expenses	<b>(3)</b>	(9)	(9)	(5)	(13)	(26)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,558</b>	<b>1,874</b>	<b>1,742</b>	<b>1,983</b>	<b>1,676</b>	<b>7,202</b>
<i>of which: net interest income</i>	<b>702</b>	679	650	660	685	2,704
Change in expected credit losses and other credit impairment charges	<b>(319)</b>	17	(7)	49	48	(258)
Total operating expenses	<b>(977)</b>	(904)	(921)	(900)	(938)	(3,725)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>262</b>	<b>987</b>	<b>814</b>	<b>1,132</b>	<b>786</b>	<b>3,219</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	<b>126,158</b>	126,195	129,610	127,820	128,668	126,158
Loans and advances to customers (net)	<b>125,538</b>	125,893	129,299	127,506	128,316	125,538
Total external assets	<b>471,966</b>	471,367	452,681	438,614	436,888	471,966
Customer accounts	<b>142,322</b>	145,293	139,563	142,622	142,506	142,322
Risk-weighted assets	<b>116,560</b>	116,274	118,973	112,338	112,316	116,560
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>125,538</b>	126,140	128,917	127,233	127,164	125,538
Customer accounts	<b>142,322</b>	145,670	139,015	142,161	140,669	142,322



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## Asia

### Asia – Corporate Centre

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>503</b>	<b>537</b>	<b>384</b>	<b>408</b>	<b>254</b>	<b>1,832</b>
<i>of which: net interest expense</i>	<i>(94)</i>	<i>(92)</i>	<i>(86)</i>	<i>(94)</i>	<i>(122)</i>	<i>(366)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	(2)	(2)	(1)
Total operating expenses	(569)	(445)	(477)	(482)	(486)	(1,973)
Share of profit in associates and joint ventures	576	541	648	703	467	2,468
<b>Profit/(loss) before tax</b>	<b>511</b>	<b>633</b>	<b>555</b>	<b>627</b>	<b>233</b>	<b>2,326</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	48	48	36	17	15	149
ECL	—	—	—	—	—	—
Operating expenses	(140)	(93)	(102)	(42)	(65)	(377)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>455</b>	<b>489</b>	<b>348</b>	<b>389</b>	<b>242</b>	<b>1,683</b>
<i>of which: net interest expense</i>	<i>(93)</i>	<i>(92)</i>	<i>(86)</i>	<i>(94)</i>	<i>(123)</i>	<i>(366)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	(1)
Total operating expenses	(429)	(353)	(376)	(439)	(423)	(1,596)
Share of profit in associates and joint ventures	576	547	655	713	484	2,468
<b>Profit/(loss) before tax</b>	<b>603</b>	<b>683</b>	<b>627</b>	<b>663</b>	<b>303</b>	<b>2,554</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	197	193	517	473	439	197
Loans and advances to customers (net)	197	193	517	472	439	197
Total external assets	90,249	88,625	111,002	119,742	115,470	90,249
Customer accounts	4	4	5	60	58	4
Risk-weighted assets	45,738	47,410	52,524	54,353	55,621	45,738
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	197	194	515	471	436	197
Customer accounts	4	4	4	61	58	4

# HSBC

## Asia

### SIGNIFICANT ITEMS

#### Asia – TOTAL

##### Revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(9)	3	(3)	(2)	(31)	(11)
Restructuring and other related costs	62	54	33	26	32	175

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(182)	(125)	(143)	(59)	(123)	(509)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	(1)	—	—	—	(1)
Restructuring and other related costs	5	5	(2)	7	8	15

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(25)	(16)	(19)	(12)	(36)	(72)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Asia

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	1	—	(1)	1	1	1

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(15)	(6)	(12)	1	(7)	(32)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(6)	4	(2)	(1)	(28)	(5)
Restructuring and other related costs	1	2	1	1	4	5

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(9)	(9)	(5)	(13)	(26)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Asia

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Asia – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(4)	—	—	—	(2)	(4)
Restructuring and other related costs	52	48	36	17	17	153

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(140)	(93)	(102)	(42)	(65)	(377)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Asia – TOTAL

Revenue		(8)	(43)	(63)	(18)	
ECL		—	1	(1)	3	
Operating expenses		4	25	33	6	
Share of profit in associates and joint ventures		6	6	10	18	
Revenue significant items		(1)	—	(1)	(1)	
Operating expense significant items		—	1	1	1	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		786	(1,861)	(1,418)	(4,397)	
Customer accounts		674	(2,971)	(2,381)	(6,887)	

## HSBC

### Asia

#### Asia – Wealth and Personal Banking

Revenue	(3)	(18)	(21)	(8)
ECL	—	(1)	—	1
Operating expenses	1	15	15	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(1)	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	223	(1,148)	(1,081)	(2,257)
Customer accounts	31	(1,859)	(1,626)	(3,773)

#### Asia – Commercial Banking

Revenue	(1)	(10)	(12)	(3)
ECL	(1)	—	(2)	—
Operating expenses	—	4	5	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(1)	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	316	(327)	(62)	(987)
Customer accounts	266	(564)	(294)	(1,278)

## HSBC

### Asia

#### Asia – Global Banking and Markets

Revenue	(4)	(16)	(28)	(11)
ECL	—	—	(2)	—
Operating expenses	3	9	13	9
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	(1)	—
Operating expense significant items	—	1	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	247	(382)	(273)	(1,152)
Customer accounts	377	(548)	(461)	(1,837)

#### Asia – Corporate Centre

Revenue	(1)	—	(2)	3
ECL	—	—	2	2
Operating expenses	—	(3)	—	(4)
Share of profit in associates and joint ventures	6	7	10	17
Revenue significant items	(1)	—	—	—
Operating expense significant items	1	(2)	(1)	(2)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1	(2)	(1)	(3)
Customer accounts	—	(1)	1	—

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

# HSBC Hong Kong

## Hong Kong – TOTAL

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	1,840	1,808	1,794	1,828	1,908	7,270
Net fee income	781	1,007	971	1,139	900	3,898
Other operating income	460	906	904	1,025	672	3,295
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,081</b>	<b>3,721</b>	<b>3,669</b>	<b>3,992</b>	<b>3,480</b>	<b>14,463</b>
Change in expected credit losses and other credit impairment charges	(480)	(37)	(6)	(85)	(219)	(608)
Total operating expenses	(2,093)	(1,917)	(1,918)	(2,027)	(2,042)	(7,955)
Share of profit in associates and joint ventures	3	5	2	6	—	16
<b>Profit/(loss) before tax</b>	<b>511</b>	<b>1,772</b>	<b>1,747</b>	<b>1,886</b>	<b>1,219</b>	<b>5,916</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(18)	(18)	(16)	(9)	(31)	(61)
ECL	—	—	—	—	—	—
Operating expenses	(97)	(44)	(61)	(25)	(69)	(227)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>3,099</b>	<b>3,734</b>	<b>3,674</b>	<b>3,986</b>	<b>3,494</b>	<b>14,524</b>
<i>of which: net interest income</i>	<i>1,841</i>	<i>1,806</i>	<i>1,788</i>	<i>1,819</i>	<i>1,898</i>	<i>7,270</i>
Change in expected credit losses and other credit impairment charges	(480)	(37)	(6)	(84)	(217)	(608)
Total operating expenses	(1,996)	(1,870)	(1,851)	(1,996)	(1,966)	(7,728)
Share of profit in associates and joint ventures	3	4	2	6	1	16
<b>Profit/(loss) before tax</b>	<b>626</b>	<b>1,831</b>	<b>1,819</b>	<b>1,912</b>	<b>1,312</b>	<b>6,204</b>
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	313,881	314,681	330,476	308,812	304,037	313,881
Loans and advances to customers (net)	311,947	313,162	328,913	307,208	302,454	311,947
Total external assets	771,138	767,628	771,274	745,398	752,554	771,138
Customer accounts	549,429	537,050	529,172	526,780	531,489	549,429
Risk-weighted assets	199,433	198,112	209,713	195,802	195,098	199,433
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	311,947	312,728	327,527	306,241	300,713	311,947
Customer accounts	549,429	536,306	526,943	525,122	528,429	549,429

## HSBC Hong Kong

### Hong Kong – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,757</b>	<b>1,980</b>	<b>2,139</b>	<b>2,088</b>	<b>1,995</b>	<b>7,964</b>
<i>of which: net interest income</i>	<i>1,155</i>	<i>1,146</i>	<i>1,142</i>	<i>1,177</i>	<i>1,226</i>	<i>4,620</i>
Change in expected credit losses and other credit impairment charges	(12)	(34)	(6)	(60)	(20)	(112)
Total operating expenses	(963)	(966)	(917)	(939)	(979)	(3,785)
Share of profit in associates and joint ventures	3	3	—	3	(2)	9
<b>Profit/(loss) before tax</b>	<b>785</b>	<b>983</b>	<b>1,216</b>	<b>1,092</b>	<b>994</b>	<b>4,076</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	2	1	(4)	5	6	4
ECL	—	—	—	—	—	—
Operating expenses	(13)	(9)	(6)	(11)	(27)	(39)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,755</b>	<b>1,975</b>	<b>2,137</b>	<b>2,074</b>	<b>1,979</b>	<b>7,960</b>
<i>of which: net interest income</i>	<i>1,154</i>	<i>1,144</i>	<i>1,139</i>	<i>1,172</i>	<i>1,220</i>	<i>4,620</i>
Change in expected credit losses and other credit impairment charges	(12)	(34)	(6)	(60)	(20)	(112)
Total operating expenses	(950)	(956)	(909)	(925)	(948)	(3,746)
Share of profit in associates and joint ventures	3	3	1	4	(1)	9
<b>Profit/(loss) before tax</b>	<b>796</b>	<b>988</b>	<b>1,223</b>	<b>1,093</b>	<b>1,010</b>	<b>4,111</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	133,146	132,655	141,471	129,239	125,613	133,146
Loans and advances to customers (net)	132,802	132,311	141,106	128,837	125,223	132,802
Total external assets	307,078	305,294	306,813	290,508	295,511	307,078
Customer accounts	353,611	347,576	345,451	346,289	347,855	353,611
Risk-weighted assets	59,007	58,992	65,897	56,775	54,979	59,007
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	132,802	132,128	140,512	128,431	124,502	132,802
Customer accounts	353,611	347,094	343,996	345,199	345,852	353,611



## HSBC Hong Kong

### Hong Kong – Commercial Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>704</b>	<b>763</b>	<b>729</b>	<b>803</b>	<b>747</b>	<b>2,999</b>
<i>of which: net interest income</i>	<i>498</i>	<i>492</i>	<i>481</i>	<i>506</i>	<i>541</i>	<i>1,977</i>
Change in expected credit losses and other credit impairment charges	(156)	(36)	2	(51)	(217)	(241)
Total operating expenses	(389)	(357)	(360)	(349)	(358)	(1,455)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>159</b>	<b>370</b>	<b>371</b>	<b>403</b>	<b>172</b>	<b>1,303</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	(1)	1	1	—
ECL	—	—	—	—	—	—
Operating expenses	(12)	(6)	(9)	(2)	(4)	(29)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>704</b>	<b>762</b>	<b>727</b>	<b>798</b>	<b>742</b>	<b>2,999</b>
<i>of which: net interest income</i>	<i>498</i>	<i>492</i>	<i>480</i>	<i>504</i>	<i>538</i>	<i>1,977</i>
Change in expected credit losses and other credit impairment charges	(156)	(36)	2	(51)	(216)	(241)
Total operating expenses	(377)	(352)	(350)	(346)	(352)	(1,426)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>171</b>	<b>374</b>	<b>379</b>	<b>401</b>	<b>174</b>	<b>1,332</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	104,561	103,423	105,992	100,573	100,376	104,561
Loans and advances to customers (net)	103,438	102,402	104,983	99,562	99,400	103,438
Total external assets	147,920	147,018	146,129	139,844	147,163	147,920
Customer accounts	142,043	131,946	131,859	127,290	131,404	142,043
Risk-weighted assets	74,592	73,270	74,265	71,760	72,043	74,592
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	103,438	102,260	104,541	99,249	98,828	103,438
Customer accounts	142,043	131,763	131,304	126,890	130,648	142,043

## HSBC Hong Kong

### Hong Kong – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>576</b>	<b>862</b>	<b>756</b>	<b>918</b>	<b>691</b>	<b>3,112</b>
<i>of which: net interest income</i>	<i>245</i>	<i>242</i>	<i>234</i>	<i>228</i>	<i>237</i>	<i>949</i>
Change in expected credit losses and other credit impairment charges	(311)	33	(3)	26	19	(255)
Total operating expenses	(536)	(471)	(462)	(468)	(477)	(1,937)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(271)</b>	<b>424</b>	<b>291</b>	<b>476</b>	<b>233</b>	<b>920</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(3)	4	(2)	—	(13)	(1)
ECL	—	—	—	—	—	—
Operating expenses	(2)	(7)	(4)	(2)	(11)	(15)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>579</b>	<b>858</b>	<b>756</b>	<b>914</b>	<b>700</b>	<b>3,113</b>
<i>of which: net interest income</i>	<i>247</i>	<i>242</i>	<i>232</i>	<i>226</i>	<i>235</i>	<i>949</i>
Change in expected credit losses and other credit impairment charges	(311)	33	(3)	26	19	(255)
Total operating expenses	(534)	(463)	(457)	(464)	(464)	(1,922)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(266)</b>	<b>428</b>	<b>296</b>	<b>476</b>	<b>255</b>	<b>936</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>76,016</b>	78,449	82,536	78,567	77,650	76,016
Loans and advances to customers (net)	<b>75,551</b>	78,294	82,346	78,376	77,433	75,551
Total external assets	<b>262,300</b>	260,125	252,487	239,282	240,126	262,300
Customer accounts	<b>53,775</b>	57,528	51,862	53,182	52,211	53,775
Risk-weighted assets	<b>57,151</b>	55,858	56,976	54,256	53,901	57,151
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>75,551</b>	78,186	81,999	78,130	76,988	75,551
Customer accounts	<b>53,775</b>	57,448	51,643	53,015	51,910	53,775

**HSBC**  
**Hong Kong**

**Hong Kong – Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>45</b>	<b>116</b>	<b>44</b>	<b>183</b>	<b>46</b>	<b>388</b>
<i>of which: net interest expense</i>	<i>(60)</i>	<i>(72)</i>	<i>(62)</i>	<i>(82)</i>	<i>(95)</i>	<i>(276)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(205)</b>	(123)	(179)	(271)	(228)	(778)
Share of profit in associates and joint ventures	<b>1</b>	2	2	2	2	7
<b>Profit/(loss) before tax</b>	<b>(159)</b>	<b>(5)</b>	<b>(133)</b>	<b>(86)</b>	<b>(180)</b>	<b>(383)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(17)</b>	(22)	(9)	(15)	(24)	(63)
ECL	—	—	—	—	—	—
Operating expenses	<b>(72)</b>	(23)	(41)	(9)	(27)	(145)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>62</b>	<b>138</b>	<b>54</b>	<b>200</b>	<b>72</b>	<b>451</b>
<i>of which: net interest expense</i>	<i>(58)</i>	<i>(72)</i>	<i>(63)</i>	<i>(83)</i>	<i>(95)</i>	<i>(276)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	<b>(133)</b>	(100)	(136)	(262)	(201)	(633)
Share of profit in associates and joint ventures	<b>1</b>	2	2	2	2	7
<b>Profit/(loss) before tax</b>	<b>(70)</b>	<b>40</b>	<b>(80)</b>	<b>(60)</b>	<b>(127)</b>	<b>(175)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>157</b>	155	477	432	398	157
Loans and advances to customers (net)	<b>157</b>	155	477	432	398	157
Total external assets	<b>53,839</b>	55,191	65,845	75,765	69,754	53,839
Customer accounts	—	—	—	19	19	—
Risk-weighted assets	<b>8,683</b>	9,992	12,575	13,011	14,175	8,683
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>157</b>	154	475	431	395	157
Customer accounts	—	—	—	19	19	—

## HSBC Hong Kong

### SIGNIFICANT ITEMS

#### Hong Kong – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(7)	2	(2)	—	(16)	(7)
Restructuring and other related costs	(11)	(20)	(14)	(9)	(15)	(54)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(97)	(44)	(61)	(25)	(69)	(227)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Hong Kong – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	(1)	—	—	—	(1)
Restructuring and other related costs	2	2	(4)	5	6	5

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(13)	(9)	(6)	(11)	(27)	(39)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Hong Kong

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Commercial Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	(1)	1	1	—

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(12)	(6)	(9)	(2)	(4)	(29)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(3)	4	(2)	—	(16)	(1)
Restructuring and other related costs	—	—	—	—	3	—

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(7)	(4)	(2)	(11)	(15)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Hong Kong

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Hong Kong – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(4)	—	—	—	—	(4)
Restructuring and other related costs	(13)	(22)	(9)	(15)	(24)	(59)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(72)	(23)	(41)	(9)	(27)	(145)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Hong Kong – TOTAL

Revenue		(5)	(11)	(15)	(16)	
ECL		—	—	1	2	
Operating expenses		3	5	7	8	
Share of profit in associates and joint ventures		(1)	—	—	1	
Revenue significant items		—	—	—	1	
Operating expense significant items		—	(1)	1	1	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(434)	(1,386)	(967)	(1,741)	
Customer accounts		(744)	(2,229)	(1,658)	(3,060)	

## HSBC Hong Kong

### Hong Kong – Wealth and Personal Banking

Revenue	(3)	(6)	(9)	(10)
ECL	—	—	—	—
Operating expenses	1	3	4	5
Share of profit in associates and joint ventures	—	1	1	1
Revenue significant items	1	—	—	—
Operating expense significant items	—	1	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(183)	(594)	(406)	(721)
Customer accounts	(482)	(1,455)	(1,090)	(2,003)

### Hong Kong – Commercial Banking

Revenue	(1)	(3)	(4)	(4)
ECL	—	—	—	1
Operating expenses	—	1	1	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(142)	(442)	(313)	(572)
Customer accounts	(183)	(555)	(400)	(756)

## HSBC Hong Kong

### Hong Kong – Global Banking and Markets

Revenue	(1)	(2)	(4)	(3)
ECL	—	—	—	—
Operating expenses	1	1	2	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	—	1
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(108)	(347)	(246)	(445)
Customer accounts	(80)	(219)	(167)	(301)

### Hong Kong – Corporate Centre

Revenue	—	1	2	2
ECL	—	—	—	—
Operating expenses	—	—	(1)	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	(2)	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1)	(2)	(1)	(3)
Customer accounts	—	—	—	—



**HSBC**  
**Mainland China**

**Mainland China – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	430	426	414	401	395	1,671
Net fee income	104	104	108	125	77	441
Other operating income	449	430	389	354	299	1,622
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>983</b>	<b>960</b>	<b>911</b>	<b>880</b>	<b>771</b>	<b>3,734</b>
Change in expected credit losses and other credit impairment charges	(49)	(38)	(19)	17	4	(89)
Total operating expenses	(755)	(712)	(680)	(626)	(641)	(2,773)
Share of profit in associates and joint ventures	574	539	646	702	466	2,461
<b>Profit/(loss) before tax</b>	<b>753</b>	<b>749</b>	<b>858</b>	<b>973</b>	<b>600</b>	<b>3,333</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	17	3	11	10	4	41
ECL	—	—	—	—	—	—
Operating expenses	(11)	(10)	(7)	(4)	(17)	(32)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>966</b>	<b>969</b>	<b>907</b>	<b>885</b>	<b>796</b>	<b>3,693</b>
<i>of which: net interest income</i>	<i>430</i>	<i>431</i>	<i>420</i>	<i>407</i>	<i>410</i>	<i>1,672</i>
Change in expected credit losses and other credit impairment charges	(49)	(39)	(20)	17	4	(89)
Total operating expenses	(744)	(711)	(680)	(631)	(648)	(2,741)
Share of profit in associates and joint ventures	574	545	653	711	482	2,461
<b>Profit/(loss) before tax</b>	<b>747</b>	<b>764</b>	<b>860</b>	<b>982</b>	<b>634</b>	<b>3,324</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	54,542	52,349	51,403	48,973	46,405	54,542
Loans and advances to customers (net)	54,239	52,066	51,123	48,694	46,113	54,239
Total external assets	139,790	135,509	133,742	130,355	130,134	139,790
Customer accounts	59,266	54,458	57,227	54,919	56,826	59,266
Risk-weighted assets	85,504	82,954	83,477	81,693	80,674	85,504
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	54,239	52,867	51,940	50,161	47,391	54,239
Customer accounts	59,266	55,295	58,141	56,573	58,401	59,266

## HSBC Mainland China

### Mainland China – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>223</b>	<b>199</b>	<b>219</b>	<b>216</b>	<b>197</b>	<b>857</b>
<i>of which: net interest income</i>	<i>107</i>	<i>101</i>	<i>101</i>	<i>100</i>	<i>105</i>	<i>409</i>
Change in expected credit losses and other credit impairment charges	(13)	(6)	(4)	(2)	(11)	(25)
Total operating expenses	(276)	(219)	(227)	(205)	(223)	(927)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(66)</b>	<b>(26)</b>	<b>(12)</b>	<b>9</b>	<b>(37)</b>	<b>(95)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	—	—	—	—	1
ECL	—	—	—	—	—	—
Operating expenses	(4)	(1)	—	—	(1)	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>222</b>	<b>201</b>	<b>223</b>	<b>220</b>	<b>205</b>	<b>856</b>
<i>of which: net interest income</i>	<i>108</i>	<i>103</i>	<i>101</i>	<i>101</i>	<i>108</i>	<i>409</i>
Change in expected credit losses and other credit impairment charges	(13)	(6)	(4)	(2)	(11)	(25)
Total operating expenses	(272)	(220)	(230)	(209)	(231)	(922)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(63)</b>	<b>(25)</b>	<b>(11)</b>	<b>9</b>	<b>(37)</b>	<b>(91)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	11,629	11,384	11,091	10,829	10,835	11,629
Loans and advances to customers (net)	11,553	11,308	11,015	10,749	10,747	11,553
Total external assets	19,933	19,793	18,199	17,908	17,517	19,933
Customer accounts	13,976	13,234	12,942	12,740	12,994	13,976
Risk-weighted assets	6,005	5,865	5,669	5,542	5,459	6,005
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	11,553	11,482	11,191	11,073	11,045	11,553
Customer accounts	13,976	13,437	13,149	13,124	13,355	13,976

## HSBC Mainland China

### Mainland China – Commercial Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>194</b>	<b>204</b>	<b>197</b>	<b>192</b>	<b>171</b>	<b>787</b>
<i>of which: net interest income</i>	<i>161</i>	<i>161</i>	<i>151</i>	<i>143</i>	<i>143</i>	<i>616</i>
Change in expected credit losses and other credit impairment charges	(21)	(26)	(20)	19	(8)	(48)
Total operating expenses	(116)	(117)	(119)	(99)	(118)	(451)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>57</b>	<b>61</b>	<b>58</b>	<b>112</b>	<b>45</b>	<b>288</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	—	3	(3)	2
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>194</b>	<b>207</b>	<b>199</b>	<b>195</b>	<b>177</b>	<b>787</b>
<i>of which: net interest income</i>	<i>161</i>	<i>163</i>	<i>153</i>	<i>145</i>	<i>148</i>	<i>616</i>
Change in expected credit losses and other credit impairment charges	(21)	(26)	(20)	19	(8)	(48)
Total operating expenses	(115)	(119)	(120)	(103)	(120)	(453)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>58</b>	<b>62</b>	<b>59</b>	<b>111</b>	<b>49</b>	<b>286</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	24,612	23,997	23,942	21,922	19,988	24,612
Loans and advances to customers (net)	24,429	23,821	23,763	21,755	19,815	24,429
Total external assets	36,546	35,821	33,388	31,650	30,058	36,546
Customer accounts	20,481	18,536	18,443	16,674	16,875	20,481
Risk-weighted assets	27,601	25,738	25,379	24,429	23,158	27,601
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	24,429	24,188	24,143	22,410	20,364	24,429
Customer accounts	20,481	18,821	18,738	17,176	17,343	20,481

## HSBC Mainland China

### Mainland China – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>264</b>	<b>274</b>	<b>266</b>	<b>273</b>	<b>245</b>	<b>1,077</b>
<i>of which: net interest income</i>	<i>178</i>	<i>167</i>	<i>164</i>	<i>160</i>	<i>159</i>	<i>669</i>
Change in expected credit losses and other credit impairment charges	(11)	(6)	4	(1)	22	(14)
Total operating expenses	(116)	(122)	(123)	(116)	(114)	(477)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>137</b>	<b>146</b>	<b>147</b>	<b>156</b>	<b>153</b>	<b>586</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	(2)	—	1	1	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>266</b>	<b>277</b>	<b>268</b>	<b>275</b>	<b>254</b>	<b>1,078</b>
<i>of which: net interest income</i>	<i>176</i>	<i>169</i>	<i>167</i>	<i>163</i>	<i>166</i>	<i>669</i>
Change in expected credit losses and other credit impairment charges	(11)	(6)	5	—	24	(14)
Total operating expenses	(116)	(124)	(123)	(117)	(117)	(477)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>139</b>	<b>147</b>	<b>150</b>	<b>158</b>	<b>161</b>	<b>587</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>18,274</b>	16,941	16,343	16,195	15,556	18,274
Loans and advances to customers (net)	<b>18,231</b>	16,910	16,319	16,164	15,525	18,231
Total external assets	<b>51,277</b>	51,092	46,459	46,484	46,022	51,277
Customer accounts	<b>24,809</b>	22,688	25,842	25,468	26,923	24,809
Risk-weighted assets	<b>17,637</b>	17,272	17,633	16,790	17,154	17,637
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>18,231</b>	17,170	16,579	16,651	15,956	18,231
Customer accounts	<b>24,809</b>	23,037	26,255	26,235	27,669	24,809

## HSBC Mainland China

### Mainland China – Corporate Centre

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>304</b>	282	226	200	158	1,012
<i>of which: net interest expense</i>	<i>(14)</i>	<i>(3)</i>	<i>(2)</i>	<i>(2)</i>	<i>(12)</i>	<i>(21)</i>
Change in expected credit losses and other credit impairment charges	(2)	(1)	1	1	1	(1)
Total operating expenses	(249)	(254)	(210)	(205)	(185)	(918)
Share of profit in associates and joint ventures	572	539	648	702	466	2,461
<b>Profit/(loss) before tax</b>	<b>625</b>	<b>566</b>	<b>665</b>	<b>698</b>	<b>440</b>	<b>2,554</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	14	3	12	10	4	39
ECL	—	—	—	—	—	—
Operating expenses	(3)	(9)	(8)	(8)	(14)	(28)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>290</b>	<b>284</b>	<b>218</b>	<b>194</b>	<b>160</b>	<b>973</b>
<i>of which: net interest expense</i>	<i>(16)</i>	<i>(3)</i>	<i>(1)</i>	<i>(1)</i>	<i>(12)</i>	<i>(21)</i>
Change in expected credit losses and other credit impairment charges	(2)	(1)	—	—	—	(1)
Total operating expenses	(246)	(248)	(207)	(202)	(179)	(890)
Share of profit in associates and joint ventures	572	545	653	711	482	2,461
<b>Profit/(loss) before tax</b>	<b>614</b>	<b>580</b>	<b>664</b>	<b>703</b>	<b>463</b>	<b>2,543</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	27	26	26	26	26	27
Loans and advances to customers (net)	27	26	26	26	26	27
Total external assets	32,033	28,802	35,696	34,314	36,537	32,033
Customer accounts	—	—	—	37	34	—
Risk-weighted assets	34,261	34,079	34,796	34,932	34,903	34,261
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	27	27	27	27	27	27
Customer accounts	—	—	—	38	35	—

## HSBC Mainland China

### SIGNIFICANT ITEMS

#### Mainland China – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	17	3	11	10	4	41

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(11)	(10)	(7)	(4)	(17)	(32)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	1	—	—	—	—	1

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(1)	—	—	(1)	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Mainland China

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	3	(3)	2
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(2)	—	1	1	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Mainland China

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Mainland China – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	14	3	12	10	4	39

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(9)	(8)	(8)	(14)	(28)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Mainland China – TOTAL

Revenue		11	8	14	29	
ECL		(1)	(1)	—	—	
Operating expenses		(9)	(7)	(9)	(24)	
Share of profit in associates and joint ventures		6	7	9	16	
Revenue significant items		(1)	1	(1)	—	
Operating expense significant items		—	—	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		801	817	1,467	1,278	
Customer accounts		837	914	1,654	1,575	



## HSBC Mainland China

### Mainland China – Wealth and Personal Banking

Revenue	2	4	4	8
ECL	—	—	—	—
Operating expenses	(2)	(3)	(4)	(9)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	174	176	324	298
Customer accounts	203	207	384	361

### Mainland China – Commercial Banking

Revenue	3	2	3	6
ECL	—	—	—	—
Operating expenses	(2)	(1)	(1)	(5)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	367	380	655	549
Customer accounts	285	295	502	468

## HSBC Mainland China

### Mainland China – Global Banking and Markets

Revenue	3	2	2	8
ECL	—	1	1	2
Operating expenses	(2)	—	(1)	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	(1)	(1)	(1)
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	260	260	487	431
Customer accounts	349	413	767	746

### Mainland China – Corporate Centre

Revenue	4	4	4	7
ECL	—	(1)	(1)	(1)
Operating expenses	(3)	(4)	(4)	(8)
Share of profit in associates and joint ventures	6	5	9	16
Revenue significant items	(1)	—	—	1
Operating expense significant items	—	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1	1	1	1
Customer accounts	—	—	1	1

**HSBC**  
**Middle East and North Africa**

**Middle East and North Africa – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	328	321	320	330	336	1,299
Net fee income	215	187	185	187	179	774
Other operating income	138	119	115	115	111	487
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>681</b>	<b>627</b>	<b>620</b>	<b>632</b>	<b>626</b>	<b>2,560</b>
Change in expected credit losses and other credit impairment charges	(28)	44	61	55	(37)	132
Total operating expenses	(401)	(358)	(397)	(388)	(394)	(1,544)
Share of profit/(loss) in associates and joint ventures	70	65	102	38	150	275
<b>Profit/(loss) before tax</b>	<b>322</b>	<b>378</b>	<b>386</b>	<b>337</b>	<b>345</b>	<b>1,423</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	(1)	—
ECL	—	—	—	—	—	—
Operating expenses	(19)	(15)	(11)	(11)	(18)	(56)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>681</b>	<b>611</b>	<b>604</b>	<b>605</b>	<b>604</b>	<b>2,560</b>
<i>of which: net interest income</i>	<i>328</i>	<i>313</i>	<i>309</i>	<i>311</i>	<i>322</i>	<i>1,299</i>
Change in expected credit losses and other credit impairment charges	(28)	44	59	51	(37)	132
Total operating expenses	(382)	(334)	(376)	(361)	(364)	(1,488)
Share of profit/(loss) in associates and joint ventures	70	66	102	38	150	275
<b>Profit/(loss) before tax</b>	<b>341</b>	<b>387</b>	<b>389</b>	<b>333</b>	<b>353</b>	<b>1,479</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	27,756	28,547	29,211	29,927	30,540	27,756
Loans and advances to customers (net)	26,375	27,095	27,608	28,176	28,700	26,375
Total external assets	66,945	64,478	63,515	65,210	64,733	66,945
Customer accounts	42,629	42,089	41,086	41,916	41,221	42,629
Risk-weighted assets <sup>1</sup>	60,223	60,319	59,476	59,830	60,181	60,223
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	26,375	26,292	26,637	27,056	27,277	26,375
Customer accounts	42,629	40,560	39,496	40,223	39,473	42,629

# HSBC

## Middle East and North Africa

### Middle East and North Africa – Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>203</b>	<b>211</b>	<b>197</b>	<b>206</b>	<b>204</b>	<b>817</b>
<i>of which: net interest income</i>	<i>125</i>	<i>127</i>	<i>125</i>	<i>129</i>	<i>133</i>	<i>506</i>
Change in expected credit losses and other credit impairment charges	(2)	31	1	7	(5)	37
Total operating expenses	(172)	(156)	(169)	(163)	(163)	(660)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>29</b>	<b>86</b>	<b>29</b>	<b>50</b>	<b>36</b>	<b>194</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(4)	—	(1)	(2)	13	(7)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>203</b>	<b>206</b>	<b>192</b>	<b>198</b>	<b>198</b>	<b>817</b>
<i>of which: net interest income</i>	<i>128</i>	<i>124</i>	<i>120</i>	<i>123</i>	<i>128</i>	<i>506</i>
Change in expected credit losses and other credit impairment charges	(2)	31	1	7	(5)	37
Total operating expenses	(168)	(149)	(162)	(152)	(168)	(653)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>33</b>	<b>88</b>	<b>31</b>	<b>53</b>	<b>25</b>	<b>201</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	5,416	5,439	5,315	5,480	5,534	5,416
Loans and advances to customers (net)	5,244	5,227	5,051	5,196	5,215	5,244
Total external assets	17,046	16,504	15,995	15,980	16,179	17,046
Customer accounts	21,010	21,143	21,325	21,142	20,293	21,010
Risk-weighted assets	8,043	7,893	7,648	7,454	7,666	8,043
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	5,244	5,112	4,932	5,063	5,047	5,244
Customer accounts	21,010	20,126	20,254	19,969	19,048	21,010

# HSBC

## Middle East and North Africa

### Middle East and North Africa – Commercial Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>156</b>	<b>158</b>	<b>153</b>	<b>145</b>	<b>134</b>	<b>612</b>
<i>of which: net interest income</i>	<i>97</i>	<i>99</i>	<i>95</i>	<i>89</i>	<i>85</i>	<i>380</i>
Change in expected credit losses and other credit impairment charges	(39)	(16)	(2)	18	(30)	(39)
Total operating expenses	(97)	(74)	(84)	(83)	(83)	(338)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>20</b>	<b>68</b>	<b>67</b>	<b>80</b>	<b>21</b>	<b>235</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	(2)	(2)	—	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>156</b>	<b>152</b>	<b>149</b>	<b>138</b>	<b>129</b>	<b>612</b>
<i>of which: net interest income</i>	<i>99</i>	<i>95</i>	<i>89</i>	<i>83</i>	<i>80</i>	<i>380</i>
Change in expected credit losses and other credit impairment charges	(39)	(16)	(5)	14	(31)	(39)
Total operating expenses	(96)	(71)	(82)	(81)	(82)	(333)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>21</b>	<b>65</b>	<b>62</b>	<b>71</b>	<b>16</b>	<b>240</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>10,988</b>	11,342	11,765	11,805	12,015	10,988
Loans and advances to customers (net)	<b>9,867</b>	10,197	10,538	10,575	10,747	9,867
Total external assets	<b>17,229</b>	17,205	17,516	17,677	17,158	17,229
Customer accounts	<b>9,173</b>	8,772	8,748	8,970	8,784	9,173
Risk-weighted assets	<b>14,763</b>	15,498	15,736	15,547	15,328	14,763
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>9,867</b>	9,738	9,959	9,926	9,921	9,867
Customer accounts	<b>9,173</b>	8,547	8,505	8,760	8,621	9,173

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## Middle East and North Africa

### Middle East and North Africa – Global Banking and Markets

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>324</b>	<b>252</b>	<b>262</b>	<b>270</b>	<b>278</b>	<b>1,108</b>
<i>of which: net interest income</i>	<i>111</i>	<i>107</i>	<i>112</i>	<i>105</i>	<i>114</i>	<i>435</i>
Change in expected credit losses and other credit impairment charges	12	29	61	30	(3)	132
Total operating expenses	(112)	(99)	(112)	(112)	(117)	(435)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>224</b>	<b>182</b>	<b>211</b>	<b>188</b>	<b>158</b>	<b>805</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	(1)	—
ECL	—	—	—	—	—	—
Operating expenses	3	—	(2)	(2)	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>324</b>	<b>247</b>	<b>257</b>	<b>260</b>	<b>269</b>	<b>1,108</b>
<i>of which: net interest income</i>	<i>111</i>	<i>103</i>	<i>109</i>	<i>100</i>	<i>109</i>	<i>435</i>
Change in expected credit losses and other credit impairment charges	12	29	62	30	(2)	132
Total operating expenses	(115)	(97)	(108)	(107)	(115)	(434)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>221</b>	<b>179</b>	<b>211</b>	<b>183</b>	<b>152</b>	<b>806</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	11,352	11,765	12,131	12,642	12,991	11,352
Loans and advances to customers (net)	11,264	11,671	12,019	12,406	12,738	11,264
Total external assets	26,168	24,366	23,773	25,251	24,852	26,168
Customer accounts	12,443	12,173	11,011	11,805	12,143	12,443
Risk-weighted assets	15,107	15,469	15,163	15,669	16,445	15,107
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	11,264	11,442	11,746	12,068	12,310	11,264
Customer accounts	12,443	11,886	10,735	11,493	11,804	12,443

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## Middle East and North Africa

### Middle East and North Africa – Corporate Centre

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>25</b>
<i>of which: net interest income/(expense)</i>	<i>(9)</i>	<i>(11)</i>	<i>(10)</i>	<i>8</i>	<i>6</i>	<i>(22)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	1	—	1
Total operating expenses	<b>(23)</b>	<b>(30)</b>	<b>(30)</b>	<b>(29)</b>	<b>(30)</b>	<b>(112)</b>
Share of profit/(loss) in associates and joint ventures	<b>69</b>	<b>66</b>	<b>102</b>	<b>38</b>	<b>150</b>	<b>275</b>
<b>Profit/(loss) before tax</b>	<b>51</b>	<b>42</b>	<b>77</b>	<b>19</b>	<b>129</b>	<b>189</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	<b>(13)</b>	<b>(13)</b>	<b>(8)</b>	<b>(9)</b>	<b>(31)</b>	<b>(43)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>25</b>
<i>of which: net interest income/(expense)</i>	<i>(11)</i>	<i>(10)</i>	<i>(8)</i>	<i>5</i>	<i>4</i>	<i>(22)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	1
Total operating expenses	<b>(10)</b>	<b>(17)</b>	<b>(24)</b>	<b>(21)</b>	<b>1</b>	<b>(69)</b>
Share of profit/(loss) in associates and joint ventures	<b>69</b>	<b>66</b>	<b>102</b>	<b>38</b>	<b>150</b>	<b>275</b>
<b>Profit/(loss) before tax</b>	<b>64</b>	<b>56</b>	<b>84</b>	<b>26</b>	<b>161</b>	<b>232</b>
<b>Balance sheet – reported (\$m)</b>						
Balance sheet – reported (\$m)	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>6,502</b>	6,403	6,231	6,303	6,544	6,502
Customer accounts	<b>3</b>	—	2	—	—	3
Risk-weighted assets	<b>22,310</b>	21,459	20,929	21,160	20,742	22,310
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	<b>3</b>	—	2	—	—	3

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### Middle East and North Africa

#### SIGNIFICANT ITEMS

##### Middle East and North Africa – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	(1)	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(4)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(19)	(15)	(11)	(11)	(14)	(56)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### Middle East and North Africa – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	16	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	—	(1)	(2)	(3)	(7)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—



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### Middle East and North Africa

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Middle East and North Africa – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	1	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	(2)	(2)	(1)	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Middle East and North Africa – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	(1)	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	3	—	(2)	(2)	(1)	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Middle East and North Africa

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Middle East and North Africa – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(21)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(13)	(13)	(8)	(9)	(10)	(43)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Middle East and North Africa – TOTAL

Revenue		(16)	(16)	(27)	(22)	
ECL		—	(2)	(4)	—	
Operating expenses		9	11	16	12	
Share of profit in associates and joint ventures		1	—	—	—	
Revenue significant items		—	—	—	1	
Operating expense significant items		—	1	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(803)	(971)	(1,120)	(1,423)	
Customer accounts		(1,529)	(1,590)	(1,693)	(1,748)	

## HSBC

### Middle East and North Africa

#### Middle East and North Africa – Wealth and Personal Banking

Revenue	(5)	(5)	(8)	(6)
ECL	—	—	—	—
Operating expenses	6	6	9	5
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(1)	—	—	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(115)	(119)	(133)	(168)
Customer accounts	(1,017)	(1,071)	(1,173)	(1,245)

#### Middle East and North Africa – Commercial Banking

Revenue	(6)	(4)	(7)	(5)
ECL	—	(3)	(4)	(1)
Operating expenses	1	1	2	1
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	(2)	1	2	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(459)	(579)	(649)	(826)
Customer accounts	(225)	(243)	(210)	(163)

## HSBC

### Middle East and North Africa

#### Middle East and North Africa – Global Banking and Markets

Revenue	(5)	(5)	(10)	(10)
ECL	—	1	—	1
Operating expenses	2	3	4	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(229)	(273)	(338)	(428)
Customer accounts	(287)	(276)	(312)	(339)

#### Middle East and North Africa – Corporate Centre

Revenue	1	1	—	1
ECL	—	—	(1)	—
Operating expenses	1	(1)	—	3
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	3
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*

**HSBC**  
**North America**

**North America – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	700	712	729	704	701	2,845
Net fee income	524	522	501	509	444	2,056
Other operating income	329	216	272	336	343	1,153
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,553</b>	<b>1,450</b>	<b>1,502</b>	<b>1,549</b>	<b>1,488</b>	<b>6,054</b>
Change in expected credit losses and other credit impairment charges	(19)	45	108	104	(27)	238
Total operating expenses	(1,323)	(1,137)	(1,289)	(1,169)	(1,309)	(4,918)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>211</b>	<b>358</b>	<b>321</b>	<b>484</b>	<b>152</b>	<b>1,374</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	14	(21)	(3)	—	12	(10)
ECL	—	—	—	—	—	—
Operating expenses	(179)	(62)	(153)	(38)	(84)	(432)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,539</b>	<b>1,471</b>	<b>1,493</b>	<b>1,552</b>	<b>1,488</b>	<b>6,064</b>
<i>of which: net interest income</i>	<i>702</i>	<i>712</i>	<i>723</i>	<i>704</i>	<i>708</i>	<i>2,845</i>
Change in expected credit losses and other credit impairment charges	(19)	45	107	104	(27)	238
Total operating expenses	(1,144)	(1,075)	(1,129)	(1,133)	(1,233)	(4,486)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>376</b>	<b>441</b>	<b>471</b>	<b>523</b>	<b>228</b>	<b>1,816</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	109,392	107,088	107,244	109,757	109,056	109,392
Loans and advances to customers (net)	108,717	106,422	106,414	108,751	107,969	108,717
Total external assets	341,935	364,292	354,717	361,930	347,893	341,935
Customer accounts	178,565	179,100	176,152	182,576	182,028	178,565
Risk-weighted assets <sup>1</sup>	110,412	113,170	115,208	115,785	117,755	110,412
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	108,717	106,522	105,202	108,276	108,168	108,717
Customer accounts	178,565	179,206	174,846	182,047	182,262	178,565

## HSBC North America

### North America – Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>478</b>	<b>463</b>	<b>483</b>	<b>495</b>	<b>482</b>	<b>1,919</b>
<i>of which: net interest income</i>	<b>304</b>	325	330	327	328	1,286
Change in expected credit losses and other credit impairment charges	(20)	45	(6)	(1)	(13)	18
Total operating expenses	(469)	(440)	(519)	(449)	(476)	(1,877)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(11)</b>	<b>68</b>	<b>(42)</b>	<b>45</b>	<b>(7)</b>	<b>60</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	17	(1)	(1)	(1)	(1)	14
ECL	—	—	—	—	—	—
Operating expenses	(9)	(5)	(73)	(5)	(3)	(92)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>461</b>	<b>464</b>	<b>479</b>	<b>498</b>	<b>489</b>	<b>1,905</b>
<i>of which: net interest income</i>	<b>304</b>	325	327	328	331	1,286
Change in expected credit losses and other credit impairment charges	(20)	45	(6)	(2)	(14)	18
Total operating expenses	(460)	(435)	(442)	(444)	(477)	(1,785)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(19)</b>	<b>74</b>	<b>31</b>	<b>52</b>	<b>(2)</b>	<b>138</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	51,288	50,568	50,420	51,328	50,266	51,288
Loans and advances to customers (net)	51,058	50,363	50,074	50,916	49,837	51,058
Total external assets	104,836	110,716	105,818	104,099	97,726	104,836
Customer accounts	73,052	72,599	70,486	81,025	81,278	73,052
Risk-weighted assets	21,055	21,990	22,412	21,989	22,175	21,055
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	51,058	50,416	49,440	50,669	49,940	51,058
Customer accounts	73,052	72,658	69,781	80,733	81,405	73,052

## HSBC North America

### North America – Commercial Banking

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>508</b>	<b>487</b>	<b>473</b>	<b>446</b>	<b>446</b>	<b>1,914</b>
<i>of which: net interest income</i>	<i>318</i>	<i>319</i>	<i>304</i>	<i>285</i>	<i>298</i>	<i>1,226</i>
Change in expected credit losses and other credit impairment charges	(6)	(23)	38	45	(7)	54
Total operating expenses	(241)	(225)	(241)	(238)	(238)	(945)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>261</b>	<b>239</b>	<b>270</b>	<b>253</b>	<b>201</b>	<b>1,023</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(6)	(6)	—	(5)	(14)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>508</b>	<b>487</b>	<b>467</b>	<b>447</b>	<b>452</b>	<b>1,914</b>
<i>of which: net interest income</i>	<i>318</i>	<i>319</i>	<i>301</i>	<i>286</i>	<i>301</i>	<i>1,226</i>
Change in expected credit losses and other credit impairment charges	(6)	(23)	37	46	(6)	54
Total operating expenses	(239)	(219)	(234)	(241)	(236)	(931)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>263</b>	<b>245</b>	<b>270</b>	<b>252</b>	<b>210</b>	<b>1,037</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>45,323</b>	43,578	44,615	44,665	44,324	45,323
Loans and advances to customers (net)	<b>44,933</b>	43,182	44,197	44,208	43,842	44,933
Total external assets	<b>77,197</b>	79,585	77,260	77,268	69,976	77,197
Customer accounts	<b>68,844</b>	67,329	66,303	63,545	62,854	68,844
Risk-weighted assets	<b>51,280</b>	50,207	49,459	49,690	49,049	51,280
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>44,933</b>	43,224	43,679	44,005	43,926	44,933
Customer accounts	<b>68,844</b>	67,367	65,820	63,355	62,936	68,844

## HSBC North America

### North America – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>495</b>	<b>472</b>	<b>461</b>	<b>563</b>	<b>497</b>	<b>1,991</b>
<i>of which: net interest income</i>	<b>81</b>	77	91	96	92	345
Change in expected credit losses and other credit impairment charges	6	23	76	60	(7)	165
Total operating expenses	<b>(380)</b>	(337)	(368)	(374)	(383)	(1,459)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>121</b>	<b>158</b>	<b>169</b>	<b>249</b>	<b>107</b>	<b>697</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	<b>(3)</b>	(3)	(7)	(6)	(12)	(19)
ECL	—	—	—	—	—	—
Operating expenses	<b>(16)</b>	(6)	(5)	—	11	(27)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>498</b>	<b>476</b>	<b>465</b>	<b>569</b>	<b>511</b>	<b>2,010</b>
<i>of which: net interest income</i>	<b>81</b>	77	90	97	94	345
Change in expected credit losses and other credit impairment charges	6	23	76	60	(7)	165
Total operating expenses	<b>(364)</b>	(330)	(359)	(372)	(393)	(1,432)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>140</b>	<b>169</b>	<b>182</b>	<b>257</b>	<b>111</b>	<b>743</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	<b>12,781</b>	12,942	12,209	13,764	14,466	12,781
Loans and advances to customers (net)	<b>12,726</b>	12,877	12,143	13,627	14,290	12,726
Total external assets	<b>154,520</b>	169,097	166,707	175,864	175,159	154,520
Customer accounts	<b>36,674</b>	39,177	39,367	38,011	37,901	36,674
Risk-weighted assets	<b>34,944</b>	37,494	39,576	39,661	42,444	34,944
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>12,726</b>	12,882	12,083	13,602	14,302	12,726
Customer accounts	<b>36,674</b>	39,186	39,250	37,964	37,927	36,674



**HSBC**  
**North America**

**North America – Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>73</b>	28	85	45	64	231
<i>of which: net interest expense</i>	<i>(2)</i>	<i>(8)</i>	5	<i>(7)</i>	<i>(18)</i>	<i>(12)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	(1)	(1)	—
Total operating expenses	<b>(234)</b>	(135)	(161)	(107)	(211)	(637)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(160)</b>	<b>(107)</b>	<b>(76)</b>	<b>(63)</b>	<b>(148)</b>	<b>(406)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	4	(17)	3	4	25	(6)
ECL	—	—	—	—	—	—
Operating expenses	<b>(154)</b>	(45)	(67)	(33)	(85)	(299)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>69</b>	<b>44</b>	<b>81</b>	<b>39</b>	<b>37</b>	<b>237</b>
<i>of which: net interest expense</i>	<i>(1)</i>	<i>(8)</i>	5	<i>(7)</i>	<i>(18)</i>	<i>(12)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	<b>(80)</b>	(90)	(95)	(75)	(127)	(338)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(10)</b>	<b>(46)</b>	<b>(14)</b>	<b>(36)</b>	<b>(90)</b>	<b>(101)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet - reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>5,383</b>	4,893	4,933	4,698	5,031	5,383
Customer accounts	<b>(5)</b>	(5)	(5)	(5)	(5)	(5)
Risk-weighted assets	<b>3,133</b>	3,479	3,761	4,445	4,087	3,133
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	<b>(5)</b>	(5)	(5)	(5)	(5)	(5)

## HSBC

### North America

#### SIGNIFICANT ITEMS

##### North America – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	(2)	—
Fair value movements on financial instruments	(1)	(4)	—	—	1	(5)
Restructuring and other related costs	15	(17)	(3)	—	13	(5)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(179)	(62)	(153)	(38)	(83)	(432)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### North America – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	2	—	(1)	(1)	(1)	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	15	(1)	—	—	—	14

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(5)	(73)	(5)	(3)	(92)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### North America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(6)	(6)	—	(5)	(14)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	(3)	—	(1)	1	(5)
Restructuring and other related costs	(2)	—	(7)	(5)	(13)	(14)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(16)	(6)	(5)	—	11	(27)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### North America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### North America – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	4	(17)	3	4	25	(6)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(154)	(45)	(67)	(33)	(85)	(299)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items - Totals (\$m)

##### North America – TOTAL

Revenue	—	(12)	3	14
ECL	—	(1)	—	—
Operating expenses	—	8	(2)	(9)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	2
Operating expense significant items	—	1	—	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	100	(1,212)	(475)	199
Customer accounts	106	(1,306)	(529)	234

## HSBC

### North America

#### North America – Wealth and Personal Banking

Revenue	—	(4)	3	7
ECL	—	—	(1)	(1)
Operating expenses	—	3	(1)	(5)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	1	1	1
Operating expense significant items	—	(1)	(1)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	53	(634)	(247)	103
Customer accounts	59	(705)	(292)	127

#### North America – Commercial Banking

Revenue	—	(6)	1	6
ECL	—	(1)	1	1
Operating expenses	—	2	(2)	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	42	(518)	(203)	84
Customer accounts	38	(483)	(190)	82

## HSBC

### North America

#### North America – Global Banking and Markets

Revenue	—	(1)	1	3
ECL	—	—	—	—
Operating expenses	—	1	(1)	(2)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	2	1	1
Operating expense significant items	(1)	(3)	(3)	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	5	(60)	(25)	12
Customer accounts	9	(117)	(47)	26

#### North America – Corporate Centre

Revenue	—	(1)	(2)	(2)
ECL	—	—	1	1
Operating expenses	—	1	1	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	—
Operating expense significant items	—	2	2	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

*1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.*

**US – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	436	448	464	461	472	1,809
Net fee income	351	353	329	343	292	1,376
Other operating income	237	133	191	260	273	821
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,024</b>	<b>934</b>	<b>984</b>	<b>1,064</b>	<b>1,037</b>	<b>4,006</b>
Change in expected credit losses and other credit impairment charges	(10)	41	83	91	(22)	205
Total operating expenses	(996)	(838)	(973)	(876)	(996)	(3,683)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>18</b>	<b>137</b>	<b>94</b>	<b>279</b>	<b>19</b>	<b>528</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	12	(22)	(2)	(2)	14	(14)
ECL	—	—	—	—	—	—
Operating expenses	(157)	(45)	(121)	(32)	(57)	(355)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>1,012</b>	<b>955</b>	<b>988</b>	<b>1,064</b>	<b>1,020</b>	<b>4,020</b>
<i>of which: net interest income</i>	<i>436</i>	<i>448</i>	<i>464</i>	<i>461</i>	<i>472</i>	<i>1,809</i>
Change in expected credit losses and other credit impairment charges	(10)	41	84	91	(22)	205
Total operating expenses	(839)	(793)	(851)	(844)	(940)	(3,328)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>163</b>	<b>203</b>	<b>221</b>	<b>311</b>	<b>58</b>	<b>897</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	52,953	51,913	52,387	57,641	58,703	52,953
Loans and advances to customers (net)	52,678	51,656	51,985	57,090	58,082	52,678
Total external assets	244,904	267,431	260,185	268,289	254,085	244,904
Customer accounts	111,921	114,064	110,579	119,416	117,485	111,921
Risk-weighted assets	77,778	80,303	81,866	82,790	84,939	77,778
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	52,678	51,656	51,985	57,090	58,082	52,678
Customer accounts	111,921	114,064	110,579	119,416	117,485	111,921

**HSBC**  
**US**

**HSBC US – Wealth and Personal Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>278</b>	<b>262</b>	<b>278</b>	<b>298</b>	<b>295</b>	<b>1,116</b>
<i>of which: net interest income</i>	<i>183</i>	<i>198</i>	<i>199</i>	<i>202</i>	<i>203</i>	<i>782</i>
Change in expected credit losses and other credit impairment charges	(15)	34	—	2	(2)	21
Total operating expenses	(314)	(289)	(367)	(298)	(322)	(1,268)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(51)</b>	<b>7</b>	<b>(89)</b>	<b>2</b>	<b>(29)</b>	<b>(131)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	15	(1)	—	—	—	14
ECL	—	—	—	—	—	—
Operating expenses	(10)	(2)	(70)	(4)	(1)	(86)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>263</b>	<b>263</b>	<b>280</b>	<b>300</b>	<b>297</b>	<b>1,102</b>
<i>of which: net interest income</i>	<i>180</i>	<i>198</i>	<i>200</i>	<i>203</i>	<i>204</i>	<i>782</i>
Change in expected credit losses and other credit impairment charges	(15)	34	—	2	(2)	21
Total operating expenses	(304)	(287)	(297)	(294)	(321)	(1,182)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(56)</b>	<b>10</b>	<b>(17)</b>	<b>8</b>	<b>(26)</b>	<b>(59)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	21,606	21,253	21,565	24,068	24,056	21,606
Loans and advances to customers (net)	21,539	21,209	21,395	23,831	23,802	21,539
Total external assets	61,774	67,723	63,640	62,768	58,725	61,774
Customer accounts	39,269	38,786	37,160	47,757	48,241	39,269
Risk-weighted assets	14,839	15,770	16,097	15,717	16,134	14,839
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	21,539	21,209	21,395	23,831	23,802	21,539
Customer accounts	39,269	38,786	37,160	47,757	48,241	39,269



**HSBC  
US**

**HSBC US – Commercial Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>272</b>	<b>262</b>	<b>253</b>	<b>244</b>	<b>255</b>	<b>1,031</b>
<i>of which: net interest income</i>	<i>181</i>	<i>191</i>	<i>183</i>	<i>179</i>	<i>198</i>	<i>734</i>
Change in expected credit losses and other credit impairment charges	2	(24)	11	37	(10)	26
Total operating expenses	(149)	(134)	(152)	(150)	(146)	(585)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>125</b>	<b>104</b>	<b>112</b>	<b>131</b>	<b>99</b>	<b>472</b>
<b>Reported Significant items - Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(2)	(5)	(1)	(1)	(8)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>272</b>	<b>262</b>	<b>253</b>	<b>244</b>	<b>255</b>	<b>1,031</b>
<i>of which: net interest income</i>	<i>183</i>	<i>191</i>	<i>182</i>	<i>178</i>	<i>197</i>	<i>734</i>
Change in expected credit losses and other credit impairment charges	2	(24)	12	38	(9)	26
Total operating expenses	(149)	(132)	(148)	(151)	(146)	(577)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>125</b>	<b>106</b>	<b>117</b>	<b>131</b>	<b>100</b>	<b>480</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	21,650	20,645	21,471	22,684	23,435	21,650
Loans and advances to customers (net)	21,475	20,473	21,290	22,491	23,222	21,475
Total external assets	42,371	45,465	43,057	43,654	36,147	42,371
Customer accounts	43,709	43,845	41,716	40,299	39,577	43,709
Risk-weighted assets	29,962	29,111	27,937	28,953	28,770	29,962
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	21,475	20,473	21,290	22,491	23,222	21,475
Customer accounts	43,709	43,845	41,716	40,299	39,577	43,709

**HSBC**  
**US**

**HSBC US – Global Banking and Markets**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>429</b>	<b>398</b>	<b>384</b>	<b>486</b>	<b>430</b>	<b>1,697</b>
<i>of which: net interest income</i>	<i>77</i>	<i>67</i>	<i>79</i>	<i>87</i>	<i>84</i>	<i>310</i>
Change in expected credit losses and other credit impairment charges	1	32	73	52	(10)	158
Total operating expenses	(345)	(307)	(337)	(342)	(351)	(1,331)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>85</b>	<b>123</b>	<b>120</b>	<b>196</b>	<b>69</b>	<b>524</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	(2)	(4)	(7)	(6)	(9)	(19)
ECL	—	—	—	—	—	—
Operating expenses	(9)	(6)	(7)	(2)	11	(24)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>431</b>	<b>402</b>	<b>393</b>	<b>492</b>	<b>439</b>	<b>1,716</b>
<i>of which: net interest income</i>	<i>78</i>	<i>67</i>	<i>79</i>	<i>87</i>	<i>84</i>	<i>310</i>
Change in expected credit losses and other credit impairment charges	1	32	72	51	(11)	158
Total operating expenses	(336)	(300)	(330)	(339)	(361)	(1,307)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>96</b>	<b>134</b>	<b>135</b>	<b>204</b>	<b>67</b>	<b>567</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	9,698	10,014	9,351	10,889	11,212	9,698
Loans and advances to customers (net)	9,665	9,974	9,301	10,767	11,057	9,665
Total external assets	135,931	149,575	148,763	157,376	154,456	135,931
Customer accounts	28,949	31,438	31,708	31,366	29,672	28,949
Risk-weighted assets	30,017	32,125	34,275	33,713	36,140	30,017
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	9,665	9,974	9,301	10,767	11,057	9,665
Customer accounts	28,949	31,438	31,708	31,366	29,672	28,949



# HSBC

## US

### SIGNIFICANT ITEMS

#### HSBC US – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	(1)	—
Fair value movements on financial instruments	(1)	(4)	1	(1)	1	(5)
Restructuring and other related costs	13	(18)	(3)	(1)	14	(9)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	(1)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(157)	(45)	(121)	(32)	(56)	(355)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### HSBC US – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	15	(1)	—	—	—	14

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(10)	(2)	(70)	(4)	(1)	(86)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### US

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### HSBC US – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	(2)	(5)	(1)	(1)	(8)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### HSBC US – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	(4)	—	(1)	2	(5)
Restructuring and other related costs	(2)	—	(7)	(5)	(11)	(14)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(9)	(6)	(7)	(2)	11	(24)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### US

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
------------------------	---	---	---	---	---	---

#### HSBC US – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	2	—	(1)	(1)	(1)	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	2	(17)	2	2	24	(11)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(141)	(34)	(37)	(24)	(65)	(236)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### HSBC US – TOTAL

Revenue	—	1	(1)	(1)	(1)	—
ECL	—	1	—	—	—	—
Operating expenses	—	2	(1)	(1)	(1)	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
Revenue significant items	—	1	(1)	1	2	—
Operating expense significant items	—	—	1	(1)	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

## HSBC

### US

#### HSBC US – Wealth and Personal Banking

Revenue	—	2	2	2
ECL	—	—	—	—
Operating expenses	—	(1)	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	(1)	(1)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

#### HSBC US – Commercial Banking

Revenue	—	—	—	—
ECL	—	1	1	1
Operating expenses	—	(1)	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

**HSBC  
US**

**HSBC US – Global Banking and Markets**

Revenue	—	4	1	1
ECL	—	(1)	(1)	(1)
Operating expenses	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	2	1	1
Operating expense significant items	(1)	—	(1)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

**HSBC US – Corporate Centre**

Revenue	—	(1)	(1)	(1)
ECL	—	—	—	—
Operating expenses	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	2	2	2
Operating expense significant items	—	—	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—



**HSBC**  
**Latin America**

**Latin America – TOTAL**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
Net interest income	611	574	524	486	513	2,195
Net fee income	129	131	126	128	116	514
Other operating income <sup>1</sup>	56	72	123	98	68	349
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>796</b>	<b>777</b>	<b>773</b>	<b>712</b>	<b>697</b>	<b>3,058</b>
Change in expected credit losses and other credit impairment charges	(149)	18	(43)	(29)	(275)	(203)
Total operating expenses	(1,196)	(585)	(528)	(482)	(583)	(2,791)
Share of profit in associates and joint ventures	1	12	2	2	2	17
<b>Profit/(loss) before tax</b>	<b>(548)</b>	<b>222</b>	<b>204</b>	<b>203</b>	<b>(159)</b>	<b>81</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	1	1	(1)	(6)	(5)	(5)
ECL	—	—	—	—	—	—
Operating expenses	(622)	(21)	(18)	(9)	(61)	(670)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>795</b>	<b>747</b>	<b>740</b>	<b>693</b>	<b>660</b>	<b>3,063</b>
<i>of which: net interest income</i>	<i>613</i>	<i>554</i>	<i>501</i>	<i>464</i>	<i>472</i>	<i>2,195</i>
Change in expected credit losses and other credit impairment charges	(149)	17	(40)	(29)	(268)	(203)
Total operating expenses	(574)	(544)	(488)	(455)	(489)	(2,121)
Share of profit in associates and joint ventures	1	12	2	2	2	17
<b>Profit/(loss) before tax</b>	<b>73</b>	<b>232</b>	<b>214</b>	<b>211</b>	<b>(95)</b>	<b>756</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	22,217	21,380	21,562	20,589	21,050	22,217
Loans and advances to customers (net)	21,107	20,293	20,351	19,310	19,658	21,107
Total external assets	44,539	45,583	46,407	44,163	46,859	44,539
Customer accounts	29,513	28,362	27,909	25,867	27,478	29,513
Risk-weighted assets <sup>2</sup>	35,915	34,438	34,845	33,035	35,240	35,915
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	21,107	20,304	19,717	19,189	18,870	21,107
Customer accounts	29,513	28,286	26,942	25,474	26,062	29,513

## HSBC Latin America

### Latin America – Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>490</b>	<b>497</b>	<b>483</b>	<b>431</b>	<b>426</b>	<b>1,901</b>
<i>of which: net interest income</i>	<b>393</b>	<b>369</b>	<b>340</b>	<b>320</b>	<b>329</b>	<b>1,422</b>
Change in expected credit losses and other credit impairment charges	<b>(124)</b>	<b>(10)</b>	<b>(71)</b>	<b>(41)</b>	<b>(148)</b>	<b>(246)</b>
Total operating expenses	<b>(955)</b>	<b>(380)</b>	<b>(338)</b>	<b>(303)</b>	<b>(360)</b>	<b>(1,976)</b>
Share of profit in associates and joint ventures	<b>1</b>	<b>12</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>17</b>
<b>Profit/(loss) before tax</b>	<b>(588)</b>	<b>119</b>	<b>76</b>	<b>89</b>	<b>(79)</b>	<b>(304)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	<b>(591)</b>	<b>(4)</b>	<b>(3)</b>	<b>(1)</b>	<b>(22)</b>	<b>(599)</b>
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>490</b>	<b>479</b>	<b>464</b>	<b>417</b>	<b>409</b>	<b>1,901</b>
<i>of which: net interest income</i>	<b>393</b>	<b>356</b>	<b>326</b>	<b>310</b>	<b>313</b>	<b>1,422</b>
Change in expected credit losses and other credit impairment charges	<b>(124)</b>	<b>(10)</b>	<b>(68)</b>	<b>(40)</b>	<b>(145)</b>	<b>(246)</b>
Total operating expenses	<b>(364)</b>	<b>(363)</b>	<b>(322)</b>	<b>(291)</b>	<b>(318)</b>	<b>(1,377)</b>
Share of profit in associates and joint ventures	<b>1</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>17</b>
<b>Profit/(loss) before tax</b>	<b>3</b>	<b>118</b>	<b>76</b>	<b>87</b>	<b>(52)</b>	<b>295</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	<b>10,039</b>	9,382	9,020	8,314	8,348	10,039
Loans and advances to customers (net)	<b>9,377</b>	8,750	8,299	7,562	7,507	9,377
Total external assets	<b>16,995</b>	17,319	17,049	15,947	15,703	16,995
Customer accounts	<b>14,553</b>	13,553	13,773	13,209	13,666	14,553
Risk-weighted assets	<b>12,648</b>	11,942	11,695	10,610	11,497	12,648
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	<b>9,377</b>	8,775	8,062	7,536	7,234	9,377
Customer accounts	<b>14,553</b>	13,548	13,345	13,075	13,051	14,553

## HSBC Latin America

### Latin America – Commercial Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>169</b>	<b>162</b>	<b>152</b>	<b>142</b>	<b>148</b>	<b>625</b>
<i>of which: net interest income</i>	<i>160</i>	<i>143</i>	<i>134</i>	<i>122</i>	<i>131</i>	<i>559</i>
Change in expected credit losses and other credit impairment charges	(53)	11	(14)	(4)	(116)	(60)
Total operating expenses	(115)	(114)	(91)	(84)	(97)	(404)
Share of profit in associates and joint ventures	—	—	—	1	—	1
<b>Profit/(loss) before tax</b>	<b>1</b>	<b>59</b>	<b>47</b>	<b>55</b>	<b>(65)</b>	<b>162</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	(2)	(1)	—	(1)	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>169</b>	<b>157</b>	<b>146</b>	<b>135</b>	<b>135</b>	<b>625</b>
<i>of which: net interest income</i>	<i>160</i>	<i>138</i>	<i>128</i>	<i>115</i>	<i>117</i>	<i>559</i>
Change in expected credit losses and other credit impairment charges	(53)	11	(14)	(4)	(114)	(60)
Total operating expenses	(113)	(108)	(86)	(80)	(88)	(399)
Share of profit in associates and joint ventures	—	—	—	1	—	1
<b>Profit/(loss) before tax</b>	<b>3</b>	<b>60</b>	<b>46</b>	<b>52</b>	<b>(67)</b>	<b>167</b>
<b>Balance sheet – reported (\$m)</b>						
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Loans and advances to customers (gross)	8,080	7,421	7,450	6,879	6,940	8,080
Loans and advances to customers (net)	7,673	7,044	7,047	6,483	6,534	7,673
Total external assets	11,380	11,182	10,990	10,310	9,925	11,380
Customer accounts	9,093	8,783	8,550	7,878	8,212	9,093
Risk-weighted assets	11,512	10,532	10,427	9,607	10,008	11,512
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	7,673	7,031	6,829	6,429	6,252	7,673
Customer accounts	9,093	8,778	8,288	7,802	7,848	9,093

## HSBC Latin America

### Latin America – Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>116</b>	<b>134</b>	<b>133</b>	<b>112</b>	<b>143</b>	<b>495</b>
<i>of which: net interest income</i>	<i>107</i>	<i>114</i>	<i>101</i>	<i>101</i>	<i>103</i>	<i>423</i>
Change in expected credit losses and other credit impairment charges	28	16	39	14	(10)	97
Total operating expenses	(74)	(67)	(64)	(61)	(73)	(266)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>70</b>	<b>83</b>	<b>108</b>	<b>65</b>	<b>60</b>	<b>326</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	1	—	(7)	(6)	(6)
ECL	—	—	—	—	—	—
Operating expenses	(2)	—	—	(1)	(6)	(3)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>116</b>	<b>128</b>	<b>126</b>	<b>113</b>	<b>135</b>	<b>501</b>
<i>of which: net interest income</i>	<i>106</i>	<i>110</i>	<i>95</i>	<i>97</i>	<i>91</i>	<i>423</i>
Change in expected credit losses and other credit impairment charges	28	16	37	14	(9)	97
Total operating expenses	(72)	(65)	(60)	(56)	(62)	(263)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>72</b>	<b>79</b>	<b>103</b>	<b>71</b>	<b>64</b>	<b>335</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	4,097	4,577	5,091	5,396	5,763	4,097
Loans and advances to customers (net)	4,057	4,499	5,005	5,265	5,618	4,057
Total external assets	15,972	16,899	18,219	17,694	20,991	15,972
Customer accounts	5,866	6,025	5,587	4,781	5,599	5,866
Risk-weighted assets	10,885	11,343	11,929	11,433	12,971	10,885
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	4,057	4,497	4,826	5,224	5,385	4,057
Customer accounts	5,866	5,961	5,309	4,597	5,163	5,866

## HSBC Latin America

### Latin America – Corporate Centre

Reported (\$m)	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>20</b>	<b>(16)</b>	<b>4</b>	<b>28</b>	<b>(20)</b>	<b>36</b>
<i>of which: net interest expense</i>	<i>(48)</i>	<i>(52)</i>	<i>(50)</i>	<i>(59)</i>	<i>(51)</i>	<i>(209)</i>
Change in expected credit losses and other credit impairment charges	1	—	4	1	—	6
Total operating expenses	(51)	(24)	(36)	(34)	(52)	(145)
Share of profit in associates and joint ventures	1	—	—	(1)	(1)	—
<b>Profit/(loss) before tax</b>	<b>(29)</b>	<b>(40)</b>	<b>(28)</b>	<b>(6)</b>	<b>(73)</b>	<b>(103)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	3	—	—	(1)	(1)	2
ECL	—	—	—	—	—	—
Operating expenses	(30)	(15)	(15)	(5)	(32)	(65)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>17</b>	<b>(16)</b>	<b>5</b>	<b>27</b>	<b>(20)</b>	<b>34</b>
<i>of which: net interest expense</i>	<i>(47)</i>	<i>(50)</i>	<i>(48)</i>	<i>(57)</i>	<i>(49)</i>	<i>(209)</i>
Change in expected credit losses and other credit impairment charges	1	—	4	1	—	6
Total operating expenses	(21)	(9)	(20)	(28)	(20)	(80)
Share of profit in associates and joint ventures	1	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(2)</b>	<b>(25)</b>	<b>(11)</b>	<b>—</b>	<b>(40)</b>	<b>(40)</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	193	182	150	213	241	193
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	870	621	794	1,385	764	870
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

## HSBC

### Latin America

#### SIGNIFICANT ITEMS

##### Latin America – TOTAL

##### Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	—	(1)	(5)	—
Restructuring and other related costs	1	—	(1)	(5)	—	(5)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(587)	—	—	—	—	(587)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(35)	(21)	(18)	(9)	(61)	(83)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

##### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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##### Latin America – Wealth and Personal Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(587)	—	—	—	—	(587)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(4)	(3)	(1)	(22)	(12)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Latin America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Latin America – Commercial Banking

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	(2)	(1)	—	(1)	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Latin America – Global Banking and Markets

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	—	(1)	(6)	—
Restructuring and other related costs	—	—	—	(6)	—	(6)

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(2)	—	—	(1)	(6)	(3)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC

### Latin America

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Latin America – Corporate Centre

##### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	1	—	—	(1)	(1)	—
Restructuring and other related costs	2	—	—	—	—	2

##### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(30)	(15)	(15)	(5)	(32)	(65)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

#### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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#### Reconciling items – Currency translation on reported items – Totals (\$m)

##### Latin America – TOTAL

Revenue		(29)	(33)	(25)	(43)	
ECL		(1)	3	—	7	
Operating expenses		20	22	20	39	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	1	—	(1)	
Operating expense significant items		—	—	2	6	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		11	(634)	(121)	(788)	
Customer accounts		(76)	(967)	(393)	(1,416)	



## HSBC

### Latin America

#### Latin America – Wealth and Personal Banking

Revenue	(18)	(19)	(14)	(17)
ECL	—	3	1	3
Operating expenses	13	14	12	24
Share of profit in associates and joint ventures	—	—	(1)	(1)
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	1	4
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	25	(237)	(26)	(273)
Customer accounts	(5)	(428)	(134)	(615)

#### Latin America – Commercial Banking

Revenue	(5)	(6)	(7)	(13)
ECL	—	—	—	2
Operating expenses	4	4	4	8
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(13)	(218)	(54)	(282)
Customer accounts	(5)	(262)	(76)	(364)

## HSBC

### Latin America

#### Latin America – Global Banking and Markets

Revenue	(5)	(7)	(5)	(14)
ECL	—	(2)	—	1
Operating expenses	2	4	4	6
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	1	—
Operating expense significant items	—	—	—	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2)	(179)	(41)	(233)
Customer accounts	(64)	(278)	(184)	(436)

#### Latin America – Corporate Centre

Revenue	—	1	(1)	—
ECL	—	—	—	—
Operating expenses	—	1	—	1
Share of profit in associates and joint ventures	—	—	1	1
Revenue significant items	—	—	1	1
Operating expense significant items	—	—	(1)	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

1 Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of \$42m, comprising a decrease in revenue of \$18m, an increase in ECL of \$2m and an increase in operating expenses of \$26m.

2 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

**HSBC**  
**Mexico**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Mexico – TOTAL</b>						
<b>Reported (\$m)</b>						
Net interest income	407	395	376	364	357	1,542
Net fee income	102	104	98	102	99	406
Other operating income	77	107	119	90	100	393
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>586</b>	<b>606</b>	<b>593</b>	<b>556</b>	<b>556</b>	<b>2,341</b>
Change in expected credit losses and other credit impairment charges	(144)	(12)	(33)	(35)	(256)	(224)
Total operating expenses	(412)	(428)	(381)	(344)	(412)	(1,565)
Share of profit in associates and joint ventures	1	12	2	2	2	17
<b>Profit/(loss) before tax</b>	<b>31</b>	<b>178</b>	<b>181</b>	<b>179</b>	<b>(110)</b>	<b>569</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	1	—	(16)	7	(15)
ECL	—	—	—	—	—	—
Operating expenses	(35)	(14)	(12)	2	(34)	(59)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>586</b>	<b>583</b>	<b>572</b>	<b>560</b>	<b>544</b>	<b>2,356</b>
<i>of which: net interest income</i>	<i>407</i>	<i>381</i>	<i>363</i>	<i>356</i>	<i>353</i>	<i>1,542</i>
Change in expected credit losses and other credit impairment charges	(144)	(12)	(32)	(35)	(254)	(224)
Total operating expenses	(377)	(400)	(355)	(340)	(375)	(1,506)
Share of profit in associates and joint ventures	1	12	2	2	2	17
<b>Profit/(loss) before tax</b>	<b>66</b>	<b>183</b>	<b>187</b>	<b>187</b>	<b>(83)</b>	<b>643</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	19,067	18,443	18,918	18,094	18,580	19,067
Loans and advances to customers (net)	18,043	17,439	17,793	16,906	17,296	18,043
Total external assets	34,734	35,074	36,544	34,730	36,798	34,734
Customer accounts	23,583	22,497	22,516	20,930	22,220	23,583
Risk-weighted assets	24,578	23,695	25,630	24,693	26,323	24,578
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	18,043	17,556	17,323	16,951	16,825	18,043
Customer accounts	23,583	22,648	21,921	20,986	21,615	23,583



**HSBC**  
**Mexico**

**Mexico – Commercial Banking**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>97</b>	<b>103</b>	<b>99</b>	<b>98</b>	<b>96</b>	<b>397</b>
<i>of which: net interest income</i>	<b>86</b>	<b>82</b>	<b>79</b>	<b>73</b>	<b>76</b>	<b>320</b>
Change in expected credit losses and other credit impairment charges	(51)	7	(11)	(7)	(109)	(62)
Total operating expenses	(67)	(75)	(56)	(50)	(62)	(248)
Share of profit in associates and joint ventures	—	—	—	1	—	1
<b>Profit/(loss) before tax</b>	<b>(21)</b>	<b>35</b>	<b>32</b>	<b>42</b>	<b>(75)</b>	<b>88</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	1	(2)	(2)	(1)	(1)	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>97</b>	<b>99</b>	<b>95</b>	<b>96</b>	<b>95</b>	<b>397</b>
<i>of which: net interest income</i>	<b>86</b>	<b>79</b>	<b>76</b>	<b>72</b>	<b>75</b>	<b>320</b>
Change in expected credit losses and other credit impairment charges	(51)	7	(10)	(7)	(108)	(62)
Total operating expenses	(68)	(70)	(53)	(50)	(62)	(244)
Share of profit/(loss) in associates and joint ventures	—	—	—	1	—	1
<b>Profit/(loss) before tax</b>	<b>(22)</b>	<b>36</b>	<b>32</b>	<b>40</b>	<b>(75)</b>	<b>92</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	6,587	6,043	6,192	5,695	5,793	6,587
Loans and advances to customers (net)	6,218	5,703	5,826	5,335	5,436	6,218
Total external assets	8,728	8,696	8,666	8,096	7,803	8,728
Customer accounts	7,395	7,376	7,221	6,579	6,916	7,395
Risk-weighted assets	8,028	7,439	7,744	7,219	7,539	8,028
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	6,218	5,741	5,672	5,349	5,288	6,218
Customer accounts	7,395	7,425	7,030	6,596	6,728	7,395

**HSBC**  
**Mexico**

**Mexico – Global Banking and Markets**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>56</b>	<b>71</b>	<b>73</b>	<b>76</b>	<b>82</b>	<b>276</b>
<i>of which: net interest income</i>	<i>51</i>	<i>53</i>	<i>55</i>	<i>68</i>	<i>49</i>	<i>227</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	26	7	40	12	(8)	85
Total operating expenses	(36)	(36)	(35)	(32)	(42)	(139)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>46</b>	<b>42</b>	<b>78</b>	<b>56</b>	<b>32</b>	<b>222</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	—	1	—	(7)	(2)	(6)
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	(5)	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>56</b>	<b>67</b>	<b>70</b>	<b>81</b>	<b>83</b>	<b>282</b>
<i>of which: net interest income</i>	<i>51</i>	<i>51</i>	<i>53</i>	<i>67</i>	<i>48</i>	<i>227</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	26	6	38	12	(8)	85
Total operating expenses	(36)	(34)	(34)	(31)	(37)	(139)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>46</b>	<b>39</b>	<b>74</b>	<b>62</b>	<b>38</b>	<b>228</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	3,271	3,784	4,391	4,741	5,112	3,271
Loans and advances to customers (net)	3,245	3,720	4,319	4,632	4,990	3,245
Total external assets	11,528	12,062	13,636	13,316	16,079	11,528
Customer accounts	3,806	3,677	3,635	3,214	3,653	3,806
Risk-weighted assets	6,585	7,158	8,291	8,312	9,412	6,585
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	3,245	3,745	4,205	4,644	4,854	3,245
Customer accounts	3,806	3,702	3,539	3,222	3,553	3,806

**HSBC**  
**Mexico**

**Mexico – Corporate Centre**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Reported (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>16</b>	17	5	18	—	<b>56</b>
<i>of which: net interest expense</i>	<i>(43)</i>	<i>(42)</i>	<i>(42)</i>	<i>(50)</i>	<i>(45)</i>	<i>(177)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	(1)	(1)	—
Total operating expenses	<b>(34)</b>	(19)	(24)	(25)	(33)	(102)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>(17)</b>	<b>(2)</b>	<b>(19)</b>	<b>(8)</b>	<b>(34)</b>	<b>(46)</b>
<b>Reported Significant items – Totals (\$m)</b>						
Revenue	2	—	(1)	(10)	8	(9)
ECL	—	—	—	—	—	—
Operating expenses	<b>(31)</b>	(9)	(9)	4	(22)	(45)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Adjusted (\$m)</b>						
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>14</b>	<b>17</b>	<b>5</b>	<b>27</b>	<b>(8)</b>	<b>65</b>
<i>of which: net interest expense</i>	<i>(42)</i>	<i>(41)</i>	<i>(40)</i>	<i>(50)</i>	<i>(45)</i>	<i>(177)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	<b>(3)</b>	(10)	(13)	(25)	(9)	(57)
Share of profit in associates and joint ventures	—	—	—	—	—	—
<b>Profit/(loss) before tax</b>	<b>12</b>	<b>7</b>	<b>(8)</b>	<b>2</b>	<b>(17)</b>	<b>8</b>
	Balance sheet date					Balance sheet date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Balance sheet – reported (\$m)</b>						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	<b>121</b>	116	83	114	150	121
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	<b>566</b>	91	283	456	195	566
<b>Balance sheet data – at most recent balance sheet date FX rates (\$m)</b>						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

**HSBC**  
**Mexico**

**SIGNIFICANT ITEMS**

	Quarter ended					Year to date
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	31-Dec-21
<b>Mexico – TOTAL</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	—	(1)	(5)	—
Restructuring and other related costs	—	—	—	(15)	12	(15)
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(35)	(14)	(12)	2	(34)	(59)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—
<b>Share of profit in associates and joint ventures significant items (\$m)</b>						
Impairment of goodwill	—	—	—	—	—	—
<b>Mexico – Wealth and Personal Banking</b>						
<b>Reported revenue significant items (\$m)</b>						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
<b>Reported cost significant items (\$m)</b>						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(3)	(2)	—	(5)	(9)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—



## HSBC Mexico

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Commercial Banking

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	1	(2)	(2)	(1)	(1)	(4)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Global Banking and Markets

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	—	(1)	(5)	—
Restructuring and other related costs	—	—	—	(6)	3	(6)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	(5)	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

## HSBC Mexico

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Mexico – Corporate Centre

#### Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	2	—	(1)	(1)	(1)	—
Restructuring and other related costs	—	—	—	(9)	9	(9)

#### Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(31)	(9)	(9)	4	(22)	(45)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

### Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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### Reconciling items – Currency translation on reported items – Totals (\$m)

#### Mexico – TOTAL

Revenue		(22)	(21)	(11)	(5)	
ECL		—	1	—	2	
Operating expenses		15	14	6	3	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	1	—	
Operating expense significant items		1	—	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		117	(470)	45	(471)	
Customer accounts		151	(595)	56	(605)	

**HSBC**  
**Mexico**

**Mexico – Wealth and Personal Banking**

Revenue	(16)	(15)	(7)	(4)
ECL	1	2	1	2
Operating expenses	10	9	3	2
Share of profit in associates and joint ventures	—	—	(1)	(1)
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	54	(202)	18	(188)
Customer accounts	77	(309)	29	(317)

**Mexico – Commercial Banking**

Revenue	(4)	(4)	(2)	(1)
ECL	—	1	—	1
Operating expenses	3	2	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	1	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	38	(154)	14	(148)
Customer accounts	49	(191)	17	(188)

**HSBC**  
**Mexico**

**Mexico – Global Banking and Markets**

Revenue	(3)	(3)	(1)	(1)
ECL	(1)	(2)	—	—
Operating expenses	2	1	1	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	1	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	25	(114)	12	(136)
Customer accounts	25	(96)	8	(100)

**Mexico – Corporate Centre**

Revenue	—	—	—	1
ECL	—	—	1	1
Operating expenses	1	1	2	1
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	1	1	1
Operating expense significant items	1	(1)	(2)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

## HSBC

### Tangible equity

#### Tangible equity by global business (\$bn)

Wealth and Personal Banking

Commercial Banking

Global Banking and Markets

Corporate Centre

**Total tangible equity excluding fair value of own debt, DVA and other adjustments<sup>1</sup>**

Fair value of own debt, DVA and other adjustments

**Total tangible equity**

#### Tangible equity by principal subsidiary (\$bn)

**Total tangible equity<sup>2</sup>**

*of which:*

The Hongkong and Shanghai Banking Corporation Limited

HSBC Bank plc

HSBC UK Bank plc

HSBC North America Holdings Inc.

The Saudi British Bank (associate)

#### Memo

Bank of Communications Co, Ltd<sup>3</sup> (associate)

	Balance sheet date				
	31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
	<b>31.4</b>	32.1	31.1	30.0	28.8
	<b>39.8</b>	39.5	39.1	39.7	39.1
	<b>40.3</b>	41.0	41.4	42.4	43.4
	<b>49.4</b>	48.0	49.2	47.0	47.7
	<b>160.9</b>	<b>160.5</b>	<b>161.0</b>	<b>159.0</b>	<b>158.9</b>
	<b>(2.7)</b>	(2.8)	(3.0)	(1.6)	(2.5)
	<b>158.2</b>	157.7	158.0	157.4	156.4
	<b>158.2</b>	157.7	158.0	157.4	156.4
	<b>87.7</b>	87.4	87.4	86.0	86.9
	<b>26.0</b>	26.2	26.7	26.1	26.3
	<b>23.5</b>	22.8	22.8	22.5	22.5
	<b>16.0</b>	17.2	18.0	18.0	18.6
	<b>4.4</b>	4.3	4.4	4.2	4.2
	<b>24.6</b>	23.5	23.7	22.7	21.6

<sup>1</sup> Totals may not cast due to rounding.

<sup>2</sup> The sum of the tangible equity of the Group's subsidiaries is greater than the tangible equity of the consolidated Group.

<sup>3</sup> Included within The Hongkong and Shanghai Banking Corporation Limited.

**HSBC**  
**Credit risk**

**Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 31 December 2021**

	Gross carrying/nominal amount <sup>1</sup>					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total	Stage 1	Stage 2	Stage 3	POCI <sup>2</sup>	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers at amortised cost	918,936	119,224	18,797	274	1,057,231	(1,367)	(3,119)	(6,867)	(64)	(11,417)	0.1%	2.6%	36.5%	23.4%	1.1%
– personal	456,956	16,439	4,942	—	478,337	(658)	(1,219)	(1,226)	—	(3,103)	0.1%	7.4%	24.8%	—	0.6%
– corporate and commercial	400,894	98,911	13,460	274	513,539	(665)	(1,874)	(5,601)	(64)	(8,204)	0.2%	1.9%	41.6%	23.4%	1.6%
– non-bank financial institutions	61,086	3,874	395	—	65,355	(44)	(26)	(40)	—	(110)	0.1%	0.7%	10.1%	—	0.2%
Loans and advances to banks at amortised cost	81,636	1,517	—	—	83,153	(14)	(3)	—	—	(17)	—	0.2%	—	—	—
Other financial assets measured at amortised cost	875,016	4,988	304	43	880,351	(91)	(54)	(42)	(6)	(193)	—	1.1%	13.8%	14.0%	—
Loans and other credit-related commitments	594,473	32,389	775	—	627,637	(165)	(174)	(40)	—	(379)	—	0.5%	5.2%	—	0.1%
– personal	237,770	1,747	168	—	239,685	(37)	(2)	—	—	(39)	—	0.1%	—	—	—
– corporate and commercial	254,750	28,269	606	—	283,625	(120)	(165)	(40)	—	(325)	—	0.6%	6.6%	—	0.1%
– financial	101,953	2,373	1	—	104,327	(8)	(7)	—	—	(15)	—	0.3%	—	—	—
Financial guarantees	24,932	2,638	225	—	27,795	(11)	(30)	(21)	—	(62)	—	1.1%	9.3%	—	0.2%
– personal	1,114	15	1	—	1,130	—	—	—	—	—	—	—	—	—	—
– corporate and commercial	20,025	2,107	223	—	22,355	(10)	(28)	(20)	—	(58)	—	1.3%	9.0%	—	0.3%
– financial	3,793	516	1	—	4,310	(1)	(2)	(1)	—	(4)	—	0.4%	100.0%	—	0.1%
<b>At 31 Dec 2021</b>	<b>2,494,993</b>	<b>160,756</b>	<b>20,101</b>	<b>317</b>	<b>2,676,167</b>	<b>(1,648)</b>	<b>(3,380)</b>	<b>(6,970)</b>	<b>(70)</b>	<b>(12,068)</b>	<b>0.1%</b>	<b>2.1%</b>	<b>34.7%</b>	<b>22.1%</b>	<b>0.5%</b>

1 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.

2 Purchased or originated credit impaired ("POCI").

**Stage 2 days past due analysis at 31 December 2021**

	Gross carrying amount				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>	Stage 2	Up-to-date	1 to 29 DPD <sup>1,2</sup>	30 and > DPD <sup>1,2</sup>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%
Loans and advances to customers at amortised cost	119,224	115,350	2,193	1,681	(3,119)	(2,732)	(194)	(193)	2.6%	2.4%	8.8%	11.5%
– personal	16,439	14,124	1,387	928	(1,219)	(884)	(175)	(175)	7.4%	6.3%	11.5%	18.9%
– corporate and commercial	98,911	97,388	806	717	(1,874)	(1,822)	(34)	(18)	1.9%	1.9%	4.2%	2.5%
– non-bank financial institutions	3,874	3,838	—	36	(26)	(26)	—	—	0.7%	0.7%	—	—
Loans and advances to banks at amortised cost	1,517	1,517	—	—	(3)	(3)	—	—	0.2%	0.2%	—	—
Other financial assets measured at amortised cost	4,988	4,935	22	31	(54)	(47)	(3)	(3)	1.1%	1.0%	18.2%	9.7%

1 Days past due ("DPD").

2 The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.

**Total personal lending for loans and advances to customers by stage distribution**

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>By portfolio</b>								
First lien residential mortgages	360,686	7,637	3,045	371,368	(128)	(131)	(416)	(675)
– of which: interest only (including offset)	28,506	1,795	255	30,556	(5)	(24)	(81)	(110)
– affordability (including US adjustable rate mortgages)	13,621	712	452	14,785	(6)	(6)	(5)	(17)
Other personal lending	96,270	8,802	1,897	106,969	(530)	(1,088)	(810)	(2,428)
– second lien residential mortgages	314	44	37	395	(1)	(4)	(9)	(14)
– guaranteed loans in respect of residential property	20,643	731	236	21,610	(9)	(7)	(42)	(58)
– other personal lending which is secured	36,533	1,096	366	37,995	(21)	(15)	(120)	(156)
– credit cards	18,623	3,897	338	22,858	(246)	(675)	(214)	(1,135)
– other personal lending which is unsecured	18,743	2,820	915	22,478	(240)	(378)	(421)	(1,039)
– motor vehicle finance	1,414	214	5	1,633	(13)	(9)	(4)	(26)
– IPO loans	—	—	—	—	—	—	—	—
<b>At 31 Dec 2021</b>	<b>456,956</b>	<b>16,439</b>	<b>4,942</b>	<b>478,337</b>	<b>(658)</b>	<b>(1,219)</b>	<b>(1,226)</b>	<b>(3,103)</b>
<b>By geography</b>								
Europe	212,284	5,639	2,148	220,071	(199)	(499)	(637)	(1,335)
– of which: UK	176,547	4,668	1,488	182,703	(167)	(480)	(399)	(1,046)
Asia	187,391	7,796	1,303	196,490	(158)	(381)	(226)	(765)
– of which: Hong Kong	125,854	4,959	202	131,015	(65)	(231)	(43)	(339)
MENA	4,965	252	202	5,419	(38)	(40)	(94)	(172)
North America	43,489	2,126	1,005	46,620	(43)	(67)	(118)	(228)
Latin America	8,827	626	284	9,737	(220)	(232)	(151)	(603)
<b>At 31 Dec 2021</b>	<b>456,956</b>	<b>16,439</b>	<b>4,942</b>	<b>478,337</b>	<b>(658)</b>	<b>(1,219)</b>	<b>(1,226)</b>	<b>(3,103)</b>

**HSBC**  
**Credit risk**

**Total wholesale lending for loans and advances to banks and customers by stage distribution**

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Corporate and commercial	400,894	98,911	13,460	274	513,539	(665)	(1,874)	(5,601)	(64)	(8,204)
– agriculture, forestry and fishing	6,510	1,026	362	1	7,899	(10)	(23)	(104)	(1)	(138)
– mining and quarrying	7,167	2,055	447	16	9,685	(17)	(39)	(159)	(12)	(227)
– manufacturing	75,193	16,443	2,019	88	93,743	(110)	(176)	(931)	(31)	(1,248)
– electricity, gas, steam and air-conditioning supply	15,255	1,285	78	–	16,618	(16)	(21)	(31)	–	(68)
– water supply, sewerage, waste management and remediation	3,376	468	51	–	3,895	(5)	(4)	(20)	–	(29)
– construction	9,506	3,605	842	1	13,954	(24)	(44)	(439)	(1)	(508)
– wholesale and retail trade, repair of motor vehicles and motorcycles	79,137	12,802	3,003	2	94,944	(71)	(99)	(1,936)	(1)	(2,107)
– transportation and storage	21,199	7,726	658	9	29,592	(56)	(116)	(191)	–	(363)
– accommodation and food	8,080	14,096	1,199	1	23,376	(67)	(245)	(110)	(1)	(423)
– publishing, audiovisual and broadcasting	16,417	1,804	222	28	18,471	(37)	(47)	(94)	(6)	(184)
– real estate	93,633	25,154	2,375	98	121,260	(132)	(737)	(775)	–	(1,644)
– professional, scientific and technical activities	16,160	2,888	637	–	19,685	(26)	(40)	(172)	–	(238)
– administrative and support services	23,186	4,740	719	30	28,675	(40)	(84)	(296)	(11)	(431)
– public administration and defence, compulsory social security	938	333	–	–	1,271	(5)	(3)	–	–	(8)
– education	1,455	273	65	–	1,793	(4)	(15)	(18)	–	(37)
– health and care	3,743	928	183	–	4,854	(11)	(24)	(37)	–	(72)
– arts, entertainment and recreation	1,620	826	152	–	2,598	(6)	(44)	(42)	–	(92)
– other services	10,123	1,726	448	–	12,297	(26)	(101)	(246)	–	(373)
– activities of households	860	117	–	–	977	–	–	–	–	–
– extra-territorial organisations and bodies activities	2	–	–	–	2	–	–	–	–	–
– government	7,010	602	–	–	7,612	(2)	(2)	–	–	(4)
– asset-backed securities	324	14	–	–	338	–	(10)	–	–	(10)
Non-bank financial institutions	61,086	3,874	395	–	65,355	(44)	(26)	(40)	–	(110)
Loans and advances to banks	81,636	1,517	–	–	83,153	(14)	(3)	–	–	(17)
<b>At 31 Dec 2021</b>	<b>543,616</b>	<b>104,302</b>	<b>13,855</b>	<b>274</b>	<b>662,047</b>	<b>(723)</b>	<b>(1,903)</b>	<b>(5,641)</b>	<b>(64)</b>	<b>(8,331)</b>
<b>By geography</b>										
Europe	154,575	31,871	6,741	30	193,217	(356)	(654)	(1,806)	(9)	(2,825)
– of which: UK	101,029	24,461	5,126	28	130,644	(306)	(518)	(1,060)	(6)	(1,890)
Asia	297,423	53,993	3,997	199	355,612	(182)	(830)	(2,299)	(43)	(3,354)
– of which: Hong Kong	165,437	30,305	1,990	159	197,891	(85)	(650)	(836)	(21)	(1,592)
MENA	26,135	5,295	1,682	22	33,134	(62)	(108)	(1,028)	(11)	(1,209)
North America	53,513	10,397	652	–	64,562	(57)	(215)	(169)	–	(441)
Latin America	11,970	2,746	783	23	15,522	(66)	(96)	(339)	(1)	(502)
<b>At 31 Dec 2021</b>	<b>543,616</b>	<b>104,302</b>	<b>13,855</b>	<b>274</b>	<b>662,047</b>	<b>(723)</b>	<b>(1,903)</b>	<b>(5,641)</b>	<b>(64)</b>	<b>(8,331)</b>
<b>Corporate and commercial</b>										
Europe	125,689	31,218	6,404	30	163,341	(336)	(642)	(1,784)	(8)	(2,770)
– of which: UK	86,421	24,140	4,797	28	115,386	(517)	(293)	(1,039)	(6)	(1,855)
Asia	208,568	51,070	3,984	199	263,821	(145)	(819)	(2,290)	(43)	(3,297)
– of which: Hong Kong	131,530	29,005	1,990	159	162,684	(79)	(648)	(837)	(21)	(1,585)
MENA	15,211	5,050	1,680	22	21,963	(59)	(109)	(1,027)	(12)	(1,207)
North America	41,874	10,094	609	–	52,577	(58)	(210)	(159)	–	(427)
Latin America	9,552	1,479	783	23	11,837	(67)	(94)	(341)	(1)	(503)
<b>At 31 Dec 2021</b>	<b>400,894</b>	<b>98,911</b>	<b>13,460</b>	<b>274</b>	<b>513,539</b>	<b>(665)</b>	<b>(1,874)</b>	<b>(5,601)</b>	<b>(64)</b>	<b>(8,204)</b>

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