

# Consensus financial estimates

HSBC Investor Relations

16 April 2021





# HSBC Group financial estimates<sup>1</sup>

As at 16 April 2021

	1Q21	2021	2022	2023
<b>Group reported income statement, \$m</b>				
Net interest income	6,528	26,508	27,414	28,688
Other income	6,089	23,099	23,712	24,661
<b>Net operating income</b>	<b>12,617</b>	<b>49,607</b>	<b>51,126</b>	<b>53,348</b>
ECL <sup>2</sup>	(1,084)	(4,446)	(3,452)	(3,521)
Operating expenses excl. bank levy	(8,715)	(34,962)	(32,739)	(31,956)
Bank levy	-	(362)	(389)	(367)
<b>Total operating expenses</b>	<b>(8,715)</b>	<b>(35,325)</b>	<b>(33,128)</b>	<b>(32,324)</b>
Share of profit in associates and joint ventures	529	2,221	2,308	2,354
<b>Profit/(loss) before tax</b>	<b>3,346</b>	<b>12,058</b>	<b>16,854</b>	<b>19,857</b>
Tax expense	(790)	(2,808)	(3,741)	(4,277)
<b>Profit/(loss) for the period</b>	<b>2,556</b>	<b>9,249</b>	<b>13,112</b>	<b>15,580</b>
Profit attributable to non-controlling interests	241	954	1,024	1,072
Dividends / coupons on preference shares / capital securities	436	1,334	1,358	1,366
Profit attributable to the ordinary shareholders of the parent company	1,879	6,961	10,730	13,142
<b>Group adjusted income statement<sup>3</sup>, \$m</b>				
Net interest income	6,528	26,508	27,414	28,688
Other income	6,151	23,338	23,835	24,702
<b>Net operating income</b>	<b>12,679</b>	<b>49,846</b>	<b>51,249</b>	<b>53,390</b>
ECL <sup>2</sup>	(1,084)	(4,446)	(3,452)	(3,521)
Operating expenses excl. bank levy	(7,824)	(31,370)	(30,828)	(31,194)
Bank levy	-	(362)	(389)	(367)
<b>Total operating expenses</b>	<b>(7,824)</b>	<b>(31,732)</b>	<b>(31,217)</b>	<b>(31,562)</b>
Share of profit in associates and joint ventures	529	2,221	2,308	2,354
<b>Profit/(loss) before tax</b>	<b>4,299</b>	<b>15,889</b>	<b>18,887</b>	<b>20,661</b>
<b>Significant items, \$m</b>				
Revenue	(62)	(239)	(123)	(42)
ECL	-	-	-	-
Costs	(891)	(3,592)	(1,911)	(762)
Associates	-	-	-	-
<b>Total</b>	<b>(953)</b>	<b>(3,831)</b>	<b>(2,034)</b>	<b>(803)</b>

	1Q21	2021	2022	2023
<b>Group balance sheet and capital, \$bn</b>				
Customer accounts	1,641.5	1,683.3	1,730.0	1,790.7
Loans and advances to customers (net)	1,051.4	1,069.5	1,106.4	1,149.0
Total assets	3,007.4	2,975.0	3,045.4	3,138.3
Risk-weighted assets	867.9	876.3	899.8	927.0
Total leverage ratio exposure	2,957.4	2,929.7	2,994.1	3,075.2
Common equity tier 1 capital	137.0	135.4	137.7	141.0
Tier 1 capital (end point)	159.9	158.8	161.2	164.5
Tangible net asset value	156.4	158.8	162.8	167.6
Net asset value	173.4	176.5	180.8	185.8
<b>Key financial metrics</b>				
Net Interest Margin, %	1.23%	1.23%	1.24%	1.26%
Basic earnings per ordinary share, \$	0.09	0.34	0.53	0.66
Dividends per ordinary share, \$	na	0.22	0.27	0.32
Return on average tangible equity, %	4.6%	4.4%	6.7%	8.0%
Return on average ordinary shareholders' equity, %	4.4%	3.9%	5.8%	7.1%
Common equity tier 1 ratio, %	15.8%	15.5%	15.3%	15.2%
Leverage ratio, %	5.4%	5.4%	5.4%	5.4%
Tangible net asset value per ordinary share, \$	7.74	7.83	8.10	8.48
Net asset value per ordinary share, \$	8.59	8.70	9.00	9.41
Number of shares (excl. treasury shares), bn	20.20	20.28	20.11	19.78
Weighted average number of ordinary shares outstanding, bn	20.18	20.27	20.21	19.96

- Consensus estimates are based on the mean average of brokers providing estimates for the specific item, calculated on a line-by-line basis and may not be additive. Where brokers do not provide estimates for specific items, these are excluded from the average
- Change in expected credit losses and other credit impairment charges
- Adjusted income statement excludes significant items

# HSBC Group financial estimates<sup>1</sup>

As at 16 April 2021

	1Q21			FY21			FY22			FY23		
Group adjusted income statement, \$m	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income	6,374	6,528	6,861	25,782	26,508	27,619	26,274	27,414	28,561	27,192	28,688	30,531
Other income	5,354	6,151	6,863	21,138	23,338	24,200	21,540	23,835	24,732	22,515	24,702	25,890
<b>Net operating income</b>	<b>11,728</b>	<b>12,679</b>	<b>13,419</b>	<b>47,189</b>	<b>49,846</b>	<b>51,638</b>	<b>48,251</b>	<b>51,249</b>	<b>53,043</b>	<b>50,636</b>	<b>53,390</b>	<b>54,876</b>
ECL <sup>2</sup>	(1,550)	(1,084)	(745)	(6,148)	(4,446)	(3,400)	(4,139)	(3,452)	(2,334)	(4,293)	(3,521)	(2,799)
Operating expenses excl. bank levy	(8,263)	(7,824)	(7,083)	(32,197)	(31,370)	(29,848)	(32,322)	(30,828)	(29,391)	(33,136)	(31,194)	(29,877)
Bank levy	-	-	-	(860)	(362)	(300)	(860)	(389)	(300)	(860)	(367)	(300)
<b>Total operating expenses</b>	<b>(8,263)</b>	<b>(7,824)</b>	<b>(7,083)</b>	<b>(32,497)</b>	<b>(31,732)</b>	<b>(30,348)</b>	<b>(32,622)</b>	<b>(31,217)</b>	<b>(29,891)</b>	<b>(33,436)</b>	<b>(31,562)</b>	<b>(30,377)</b>
Share of profit in associates and joint ventures	429	529	644	2,002	2,221	2,580	1,317	2,308	2,795	596	2,354	2,879
<b>Profit/(loss) before tax</b>	<b>3,496</b>	<b>4,299</b>	<b>5,317</b>	<b>13,792</b>	<b>15,889</b>	<b>17,970</b>	<b>17,196</b>	<b>18,887</b>	<b>21,078</b>	<b>17,913</b>	<b>20,661</b>	<b>23,058</b>
Total significant items	(1,540)	(953)	(303)	(5,960)	(3,831)	(1,213)	(4,600)	(2,034)	(875)	(2,550)	(803)	-
<b>Reported profit/(loss) before tax</b>	<b>2,563</b>	<b>3,346</b>	<b>4,442</b>	<b>9,167</b>	<b>12,058</b>	<b>13,870</b>	<b>14,704</b>	<b>16,854</b>	<b>19,028</b>	<b>17,573</b>	<b>19,857</b>	<b>22,064</b>
Tax expense	(1,311)	(790)	(538)	(3,644)	(2,808)	(2,132)	(4,307)	(3,741)	(3,152)	(4,854)	(4,277)	(3,882)
<b>Profit/(loss) for the period</b>	<b>1,927</b>	<b>2,556</b>	<b>3,449</b>	<b>6,789</b>	<b>9,249</b>	<b>11,096</b>	<b>11,008</b>	<b>13,112</b>	<b>15,160</b>	<b>13,209</b>	<b>15,580</b>	<b>17,547</b>
Profit attributable to non-controlling interests	175	241	288	736	954	1,200	750	1,024	1,359	765	1,072	1,359
Dividends / coupons on preference shares / capital securities	198	436	531	800	1,334	1,640	830	1,358	1,724	860	1,366	1,699
Profit attributable to the ordinary shareholders of the parent company	1,195	1,879	2,722	4,588	6,961	8,677	9,086	10,730	12,559	11,045	13,142	15,126
Significant items, \$m	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Revenue	(180)	(62)	-	(720)	(239)	-	(600)	(123)	-	(300)	(42)	-
ECL	-	-	-	-	-	-	-	-	-	-	-	-
Costs	(1,540)	(891)	(275)	(5,960)	(3,592)	(1,100)	(4,000)	(1,911)	(875)	(2,250)	(762)	-
Associates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(1,540)</b>	<b>(953)</b>	<b>(303)</b>	<b>(5,960)</b>	<b>(3,831)</b>	<b>(1,213)</b>	<b>(4,600)</b>	<b>(2,034)</b>	<b>(875)</b>	<b>(2,550)</b>	<b>(803)</b>	<b>-</b>
Group balance sheet and capital, \$bn	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Customer accounts	1,480.4	1,641.5	1,693.3	1,630.1	1,683.3	1,764.8	1,622.2	1,730.0	1,858.0	1,666.8	1,790.7	1,973.7
Loans and advances to customers (net)	1,038.9	1,051.4	1,069.9	1,045.3	1,069.5	1,099.3	1,066.5	1,106.4	1,139.9	1,108.6	1,149.0	1,210.3
Total assets	2,959.9	3,007.4	3,076.0	2,764.7	2,975.0	3,160.5	2,809.6	3,045.4	3,277.1	2,879.8	3,138.3	3,415.2
Risk-weighted assets	856.8	867.9	900.1	836.9	876.3	917.6	857.0	899.8	963.8	856.2	927.0	987.5
Key financial metrics	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net Interest Margin, %	1.18%	1.23%	1.51%	1.18%	1.23%	1.31%	1.17%	1.24%	1.35%	1.17%	1.26%	1.39%
Basic earnings per ordinary share, \$	0.06	0.09	0.13	0.23	0.34	0.43	0.45	0.53	0.62	0.53	0.66	0.76
Dividends per ordinary share, \$	-	-	-	0.17	0.22	0.29	0.21	0.27	0.38	0.25	0.32	0.41
Return on average tangible equity, %	2.1%	4.6%	7.4%	2.9%	4.4%	5.6%	5.6%	6.7%	7.8%	6.6%	8.0%	9.3%
Return on average ordinary shareholders' equity, %	1.9%	4.4%	6.6%	2.0%	3.9%	5.0%	4.2%	5.8%	6.9%	6.0%	7.1%	8.3%
Common equity tier 1 ratio, %	15.1%	15.8%	16.4%	14.8%	15.5%	16.2%	14.2%	15.3%	16.1%	13.9%	15.2%	16.5%
Leverage ratio, %	5.0%	5.4%	5.7%	5.1%	5.4%	6.1%	5.1%	5.4%	6.3%	5.0%	5.4%	6.4%
Tangible net asset value per ordinary share, \$	7.63	7.74	7.86	7.54	7.83	7.98	7.74	8.10	8.42	8.01	8.48	9.13
Net asset value per ordinary share, \$	8.10	8.59	8.79	8.41	8.70	8.95	8.71	9.00	9.49	9.00	9.41	10.28

- Consensus estimates are based on the mean average of brokers providing estimates for the specific item, calculated on a line-by-line basis and may not be additive. Where brokers do not provide estimates for specific items, these are excluded from the average
- Change in expected credit losses and other credit impairment charges
- Adjusted income statement excludes significant items

# Average and spot foreign currency rates

	Avg FX Rates (US\$ per 1 LCY)					Spot FX Rates (US\$ per 1 LCY)					Spot FX <sup>1</sup>	
Country	1Q20	2Q20	3Q20	4Q20	1Q21	1Q20	2Q20	3Q20	4Q20	1Q21	FY20	15 April
UK	1.278	1.242	1.291	1.320	1.379	1.244	1.233	1.291	1.365	1.380	1.283	1.379
France	1.102	1.102	1.169	1.192	1.204	1.097	1.122	1.173	1.226	1.175	1.140	1.197
Germany	1.102	1.102	1.169	1.192	1.204	1.097	1.122	1.173	1.226	1.175	1.140	1.197
Turkey	0.164	0.146	0.138	0.127	0.135	0.152	0.146	0.129	0.135	0.121	0.142	0.125
Switzerland	1.033	1.038	1.087	1.106	1.104	1.038	1.053	1.085	1.135	1.063	1.066	1.084
Hong Kong	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129
Australia	0.657	0.657	0.715	0.730	0.772	0.611	0.687	0.715	0.773	0.763	0.689	0.775
India	0.014	0.013	0.013	0.014	0.014	0.013	0.013	0.014	0.014	0.014	0.013	0.013
China	0.143	0.141	0.145	0.151	0.154	0.141	0.141	0.147	0.153	0.153	0.145	0.153
Malaysia	0.239	0.231	0.238	0.243	0.246	0.231	0.233	0.239	0.249	0.241	0.238	0.243
Singapore	0.722	0.709	0.727	0.743	0.750	0.702	0.716	0.732	0.757	0.745	0.725	0.749
Taiwan	0.033	0.033	0.034	0.035	0.036	0.033	0.034	0.035	0.036	0.035	0.034	0.035
Egypt	0.063	0.063	0.063	0.064	0.064	0.063	0.062	0.063	0.064	0.064	0.063	0.064
UAE	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.272
Saudi Arabia	0.266	0.266	0.267	0.267	0.267	0.266	0.267	0.267	0.267	0.267	0.266	0.267
Canada	0.744	0.722	0.750	0.767	0.790	0.703	0.732	0.748	0.786	0.797	0.746	0.797
Argentina	0.016	0.015	0.014	0.013	0.011	0.016	0.014	0.013	0.012	0.011	0.014	0.011
Mexico	0.050	0.043	0.045	0.049	0.049	0.042	0.043	0.045	0.050	0.049	0.047	0.050
Brazil	0.224	0.186	0.186	0.185	0.182	0.193	0.182	0.178	0.193	0.176	0.194	0.178

1. LCY: local currency
2. Source: Bloomberg

# Foreign exchange exposures

## Structural foreign exchange exposures as at 31 December 2020, \$m

Structural foreign exchange exposures represent net investments in subsidiaries, branches and associates, the functional currencies of which are currencies other than the US dollar. Exchange differences on structural exposures are recognised in 'Other comprehensive income'.

	2020
Hong Kong dollars	47,623
Pound sterling <sup>1</sup>	35,285
Chinese renminbi	32,165
Euros	15,672
Canadian dollars	5,123
Indian rupees	4,833
Mexican pesos	4,139
Saudi riyals	3,892
UAE dirhams	3,867
Malaysian ringgit	2,771
Singapore dollars	2,473
Australian dollars	2,357
Taiwanese dollars	2,036
Indonesian rupiah	1,726
Swiss francs	1,444
Korean won	1,368
Thai baht	991
Egyptian pound	889
Others, each less than \$700m	6,858
<b>At 31 December</b>	<b>175,512</b>

1. At 31 December 2020, we had forward foreign exchange contracts of \$11.2bn (2019: \$10.5bn) in order to manage our sterling structural foreign exchange exposure.

# Disclaimer

Consensus figures in the tables above are line-by-line averages based on the estimates received by HSBC Holdings plc (“HSBC”) from analysts covering HSBC.

HSBC Investor Relations requested sell-side analysts that, to the best of HSBC’s knowledge, cover HSBC via written research reports on a regular basis to provide their estimates for each of the line items appearing in the tables above. In the tables above, estimates from 19 analysts have been used to calculate the full year consensus figures, and estimates from 15 analysts have been used to calculate the 1Q21 consensus figures. HSBC excluded submissions where estimates have not been updated following the last reported quarterly results, have not been updated to reflect significant announcements or events or contain a manifest error. The selection of the analysts included in the consensus figures has not been made on the basis of the analysts’ opinions, forecasts, estimates, projections, predictions or recommendations in respect of HSBC.

HSBC has obtained the permission from each analyst included in the consensus figures to include their estimates on a non-disclosed basis. From time to time, the firms that analysts represent, or their partners or associates, may be involved in transactions as a manager, co-manager or participant, involving securities issued by HSBC, its subsidiaries or affiliates. At such times, analysts may be required to suspend or restrict coverage on HSBC in terms of published opinions, forecasts, estimates, projections, predictions or recommendations. Such analysts' opinions, forecasts, estimates, projections, predictions or recommendations, if unavailable, will not be included in consensus figures. Such analysts may be included in future consensus figures prepared by HSBC.

The opinions, forecasts, estimates, projections, predictions or recommendations regarding HSBC’s performance or financial position made by the aforementioned analysts (and, therefore, the aggregated consensus estimate numbers that result from the individual estimates) are those of the analysts alone and do not represent the opinions, forecasts, estimates, predictions or recommendations of HSBC or its management and HSBC does not endorse or concur with any of such analysts’ opinions, forecasts, estimates, projections, predictions or recommendations. HSBC accepts no liability for the selection, accuracy or completeness of the analysts’ opinions, forecasts, estimates, projections, predictions or recommendations.

Consensus estimate presented as at: 16 April 2021.

HSBC has not verified any of the forecasts received, nor does it intend to do so in the future, and none of HSBC, its subsidiaries or affiliates or their respective directors, officers and employees makes any representation or warranty, express or implied, as to, or accepts any responsibility for, the accuracy or completeness of the consensus information, the reasonableness of any assumptions or projections or the likelihood of achieving the consensus figures. HSBC assumes no responsibility to update or supplement the consensus figures.

HSBC will not provide any commentary on the consensus figures. The circulation of consensus figures by HSBC is not mandatory and HSBC may amend its practice on this, or cease to provide consensus estimates at any time.

HSBC is not aware of, nor has it investigated, the existence of any interests or conflicts of interest of the contributors that could compromise the objectivity of the contributed information.

The consensus figures are being provided for information purposes only and are not intended to, nor do they, constitute investment advice, promotional material for services offered by HSBC, its subsidiaries or affiliates, or any solicitation to buy, hold or sell securities or other financial instruments of HSBC, its subsidiaries or affiliates. None of HSBC, its subsidiaries or affiliates or their respective directors, officers and employees shall accept any liability whatsoever for the consequences of any reliance upon, or actions taken based on, any of the information provided in the consensus figures.

Where analysts, investors or other parties wish to include or refer to the HSBC consensus information in other documents, including published research, it must be appropriately cited as “company compiled consensus” with the relevant “as at” date of publication.

**Investor relations contacts**

Name	Role	Phone	Email
Richard O’Connor	Global Head of Investor Relations	+44 (0) 20 7991 6590	<a href="mailto:richard.j.oconnor@hsbc.com">richard.j.oconnor@hsbc.com</a>
Mark Phin	Head of Investor Relations, Asia-Pacific	+852 2822 4908	<a href="mailto:mark.j.phin@hsbc.com">mark.j.phin@hsbc.com</a>
Neil Sankoff	Head of Equity Investor Relations	+44 (0) 20 7991 5072	<a href="mailto:neil.sankoff@hsbc.com">neil.sankoff@hsbc.com</a>
Tim Fradin	Head of Sell-side Investor Relations	+44 (0) 20 7992 4834	<a href="mailto:tim.fradin@hsbc.com">tim.fradin@hsbc.com</a>

