

Consensus financial estimates

HSBC Investor Relations

18 November 2022



HSBC Group financial estimates¹

As at 18 November 2022

	2022	2023	2024
Group reported income statement, \$m			
Net interest income	32,010	36,690	38,087
Other income	19,063	22,692	23,661
Net operating income	51,073	59,382	61,748
ECL ²	(3,229)	(4,551)	(4,133)
Operating expenses excl. bank levy	(33,105)	(30,495)	(31,448)
Bank levy	(288)	(286)	(287)
Total operating expenses	(33,405)	(30,781)	(31,734)
Share of profit in associates and joint ventures	2,656	2,805	2,927
Profit/(loss) before tax	17,095	26,856	28,807
Tax expense	(1,631)	(5,488)	(5,937)
Profit/(loss) for the period	15,465	21,368	22,870
Profit attributable to non-controlling interests	705	854	892
Dividends / coupons on preference shares / capital securities	1,265	1,269	1,288
Profit attributable to the ordinary shareholders of the parent company	13,494	19,245	20,690
Group adjusted income statement³, \$m			
Net interest income	32,008	36,690	38,087
Other income	22,209	22,816	23,768
Net operating income	54,217	59,506	61,855
ECL ²	(3,229)	(4,551)	(4,133)
Operating expenses excl. bank levy	(30,029)	(30,176)	(31,135)
Bank levy	(288)	(286)	(287)
Total operating expenses	(30,321)	(30,462)	(31,422)
Share of profit in associates and joint ventures	2,656	2,805	2,927
Profit/(loss) before tax	23,323	27,299	29,227
Significant items, \$m			
Revenue	(3,144)	(124)	(107)
ECL	-	-	-
Costs	(3,084)	(319)	(313)
Associates	-	-	-
Total	(6,228)	(443)	(419)

	2022	2023	2024
Group balance sheet and capital, \$bn			
Customer accounts	1,601.4	1,636.4	1,690.0
Loans and advances to customers (net)	981.6	1,006.9	1,045.4
Total assets	2,984.1	3,036.2	3,126.4
Risk-weighted assets	828.5	852.7	883.5
Total leverage ratio exposure	2,631.6	2,700.6	2,786.3
Common equity tier 1 capital	113.7	120.5	126.9
Tier 1 capital (end point)	134.8	142.5	149.4
Tangible net asset value	143.6	152.5	160.9
Net asset value	161.3	166.4	175.0
Key financial metrics			
Net Interest Margin, %	1.48%	1.71%	1.72%
Basic earnings per ordinary share, \$	0.68	0.98	1.06
Dividends per ordinary share, \$	0.30	0.48	0.53
Return on average tangible equity, %	9.1%	13.0%	13.2%
Return on average ordinary shareholders' equity, %	8.0%	11.6%	11.9%
Common equity tier 1 ratio, %	13.7%	14.1%	14.4%
Leverage ratio, %	5.1%	5.3%	5.4%
Tangible net asset value per ordinary share, \$	7.28	7.79	8.34
Net asset value per ordinary share, \$	8.16	8.50	9.07
Number of shares (excl. treasury shares), bn	19.75	19.58	19.28
Weighted average number of ordinary shares outstanding, bn	19.88	19.66	19.43

1. 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
2. Change in expected credit losses and other credit impairment charges
3. Adjusted income statement excludes significant items

HSBC Group financial estimates¹

As at 18 November 2022

Group adjusted income statement, \$m	FY22			FY23			FY24		
	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income	31,529	32,008	32,338	36,086	36,690	37,874	36,683	38,087	40,924
Other income	21,359	22,209	23,043	21,550	22,816	24,292	21,668	23,768	25,075
Net operating income	53,438	54,217	55,074	57,697	59,506	62,166	59,816	61,855	65,276
ECL ²	(3,483)	(3,229)	(2,893)	(7,346)	(4,551)	(3,624)	(5,317)	(4,133)	(2,737)
Operating expenses excl. bank levy	(30,805)	(30,029)	(29,502)	(31,411)	(30,176)	(28,991)	(33,144)	(31,135)	(29,740)
Bank levy	(300)	(288)	(200)	(300)	(286)	(204)	(300)	(287)	(208)
Total operating expenses	(31,105)	(30,321)	(29,785)	(31,711)	(30,462)	(29,291)	(33,444)	(31,422)	(30,040)
Share of profit in associates and joint ventures	2,532	2,656	2,737	2,230	2,805	3,229	2,430	2,927	3,556
Profit/(loss) before tax	22,419	23,323	24,320	25,116	27,299	29,379	25,629	29,227	32,986
Total significant items	(6,787)	(6,228)	(5,649)	(2,731)	(443)	-	(2,484)	(419)	-
Reported profit/(loss) before tax	15,867	17,095	18,061	23,842	26,856	29,379	25,589	28,807	32,986
Tax expense	(1,879)	(1,631)	(1,372)	(6,170)	(5,488)	(4,810)	(6,927)	(5,937)	(5,294)
Profit/(loss) for the period	14,152	15,465	16,366	18,835	21,368	23,209	19,959	22,870	26,059
Profit attributable to non-controlling interests	585	705	891	612	854	1,259	624	892	1,281
Dividends / coupons on preference shares / capital securities	1,214	1,265	1,361	1,107	1,269	1,352	1,117	1,288	1,406
Profit attributable to the ordinary shareholders of the parent company	12,027	13,494	14,235	16,679	19,245	21,220	17,786	20,690	23,478
Significant items, \$m	Low	Average	High	Low	Average	High	Low	Average	High
Revenue	(3,232)	(3,144)	(2,900)	(1,731)	(124)	-	(1,484)	(107)	-
ECL	-	-	-	-	-	-	-	-	-
Costs	(3,646)	(3,084)	(2,458)	(1,000)	(319)	-	(1,000)	(313)	-
Associates	-	-	-	-	-	-	-	-	-
Total	(6,787)	(6,228)	(5,649)	(2,731)	(443)	-	(2,484)	(419)	-
Group balance sheet and capital, \$bn	Low	Average	High	Low	Average	High	Low	Average	High
Customer accounts	1,561.3	1,601.4	1,773.5	1,578.2	1,636.4	1,844.4	1,610.4	1,690.0	1,918.4
Loans and advances to customers (net)	966.0	981.6	1,024.7	982.7	1,006.9	1,064.3	1,011.6	1,045.4	1,112.9
Total assets	2,822.7	2,984.1	3,046.5	2,912.4	3,036.2	3,095.1	2,977.8	3,126.4	3,213.7
Risk-weighted assets	817.8	828.5	851.2	824.3	852.7	884.5	838.3	883.5	930.2
Key financial metrics	Low	Average	High	Low	Average	High	Low	Average	High
Net Interest Margin, %	1.45%	1.48%	1.57%	1.59%	1.71%	1.82%	1.57%	1.72%	1.88%
Basic earnings per ordinary share, \$	0.61	0.68	0.72	0.86	0.98	1.07	0.90	1.06	1.19
Dividends per ordinary share, \$	0.28	0.30	0.34	0.36	0.48	0.54	0.40	0.53	0.59
Return on average tangible equity, %	8.0%	9.1%	9.9%	11.2%	13.0%	14.2%	11.6%	13.2%	14.5%
Return on average ordinary shareholders' equity, %	7.1%	8.0%	8.8%	9.3%	11.6%	13.0%	10.1%	11.9%	13.7%
Common equity tier 1 ratio, %	13.5%	13.7%	13.9%	13.4%	14.1%	14.7%	13.5%	14.4%	15.0%
Leverage ratio, %	4.4%	5.1%	5.5%	4.6%	5.3%	6.2%	4.7%	5.4%	6.2%
Tangible net asset value per ordinary share, \$	7.10	7.28	7.37	7.40	7.79	8.13	7.75	8.34	8.87
Net asset value per ordinary share, \$	7.97	8.16	8.36	7.98	8.50	8.95	8.58	9.07	9.61

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2. Change in expected credit losses and other credit impairment charges
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Average and spot foreign currency rates

Country	Avg FX Rates (US\$ per 1 LCY)					Spot FX Rates (US\$ per 1 LCY)					Avg FX	Spot FX ¹
	3Q21	4Q21	1Q22	2Q22	3Q22	3Q21	4Q21	1Q22	2Q22	3Q22	FY21	18 Nov
UK	1.378	1.348	1.341	1.254	1.176	1.349	1.353	1.314	1.217	1.111	1.375	1.193
France	1.179	1.144	1.121	1.064	1.007	1.159	1.137	1.108	1.042	0.977	1.182	1.036
Germany	1.179	1.144	1.121	1.064	1.007	1.159	1.137	1.108	1.042	0.977	1.182	1.036
Turkey	0.117	0.089	0.072	0.063	0.056	0.113	0.075	0.068	0.060	0.054	0.112	0.054
Switzerland	1.089	1.085	1.082	1.036	1.034	1.070	1.096	1.084	1.046	1.021	1.094	1.052
Hong Kong	0.129	0.128	0.128	0.127	0.127	0.128	0.128	0.128	0.127	0.127	0.129	0.128
Australia	0.735	0.729	0.725	0.713	0.683	0.723	0.726	0.749	0.689	0.646	0.751	0.669
India	0.013	0.013	0.013	0.013	0.013	0.013	0.013	0.013	0.013	0.012	0.014	0.012
China	0.155	0.156	0.158	0.151	0.146	0.155	0.157	0.158	0.149	0.141	0.155	0.140
Malaysia	0.238	0.239	0.238	0.230	0.223	0.239	0.240	0.238	0.227	0.216	0.241	0.220
Singapore	0.739	0.737	0.739	0.726	0.715	0.736	0.742	0.738	0.718	0.697	0.744	0.729
Taiwan	0.036	0.036	0.036	0.034	0.033	0.036	0.036	0.035	0.034	0.031	0.036	0.032
Egypt	0.064	0.064	0.062	0.054	0.052	0.064	0.064	0.055	0.053	0.051	0.064	0.041
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	0.267	0.267	0.267	0.267	0.266	0.267	0.266	0.267	0.267	0.266	0.267	0.266
Canada	0.794	0.794	0.790	0.783	0.766	0.788	0.789	0.799	0.774	0.729	0.798	0.748
Argentina	0.010	0.010	0.009	0.008	0.007	0.010	0.010	0.009	0.008	0.007	0.011	0.006
Mexico	0.050	0.048	0.049	0.050	0.049	0.049	0.049	0.050	0.050	0.050	0.049	0.051
Brazil	0.191	0.179	0.192	0.203	0.190	0.184	0.179	0.211	0.191	0.185	0.185	0.187

1. Source: Bloomberg
LCY: local currency

Foreign exchange exposures

Structural foreign exchange exposures as at 31 December 2021, \$m

Structural foreign exchange exposures (pre-economic hedges) 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'.

	2021 ¹
Hong Kong dollars	39,722
Pounds sterling	32,218
Chinese renminbi	35,879
Euros	14,671
Canadian dollars	4,054
Indian rupees	5,106
Mexican pesos	3,598
Saudi riyals	4,115
UAE dirhams	3,455
Malaysian ringgit	2,713
Singapore dollars	1,659
Australian dollars	2,300
Taiwanese dollars	1,086
Indonesian rupiah	1,748
Swiss francs	298
Korean won	523
Thai baht	859
Egyptian pound	1,051
Qatari rial	725
Argentinian peso	795
Others, each less than \$700m	5,042
At 31 December	161,617

1. At 31 December 2021, we had net investment hedges of \$25.9bn (2020: \$11.2bn), of which \$15.7bn related to Sterling. For more information please see p199 of the 2021 Annual Report and Accounts

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Consensus estimate presented as at: 18 November 2022.

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