The Hongkong and Shanghai Banking Corporation Limited

Incorporated in the Hong Kong SAR with limited liability

Consolidated Income Statement		
For the year ended 31 December	2022	2021
Net interest income	US\$ m 32,610	US\$ m 26,489
- interest income	55,059	36,188
- interest expense	(22,449)	(9,699)
Net fee income – fee income	11,451 15,213	13,097
- fee expense	(3,762)	(3,691)
Net income from financial instruments held for trading or managed	10.460	7 744
on a fair value basis Net income/(expense) from assets and liabilities of insurance	10,469	7,744
ousinesses, including related dervatives, measured at fair value		
hrough profit or loss	(3,394)	4,053
Changes in fair value of designated debt and related derivatives Changes in fair value of other financial instruments mandatorily	(77)	(182)
measured at fair value through profit or loss	226	798
Gains less losses from financial investments	(3)	569
Net insurance premium income	12,825	10,870
mparement loss relating to the planned sale of our retail banking operations in France	(2,378)	-
Other operating income/(loss) Fotal operating income	(133) 61,596	502 63,940
otal operating income	01,550	03,540
Net insurance claims and benefits paid and movement in		
iabilities to policyholders Vet operating income before change in expected credit losses and	(9,869)	(14,388)
other credit impairment charges	51,727	49,552
Change in expected credit losses and other credit impairment charges	(3,592)	928
let operating income Employee compensation and benefits	48,135	50,480
Employee compensation and benefits General and administrative expenses	(18,366) (11,091)	(18,742) (11,592)
Depreciation and impairment of property, plant and equipment and right-of-use assets	(2,157)	(2,261)
Amortization and impairment of intangible assets Goodwill impairment	(1,716)	(1,438) (587)
Fotal operating expenses	- (33,330)	(587) (34,620)
Operating profit	14,805	15,860
Share of profit in associates and joint ventures Profit before tax	2,723 17,528	3,046 18,906
rotit before tax Fax expense	17,528 (858)	(4,213)
Profit for the year	16,670	14,693
Attributable to: – ordinary shareholders of the parent company	14,822	12,607
 preference shareholders of the parent company 	14,022	7
- other equity holders	1,213	1,303
– non-controlling interest	635 16 670	776
Profit for the year	16,670 \$	14,693 \$
Basic earnings per ordinary share	0.75	0.62
Diluted earnings per ordinary share	0.74	0.62
	1	
Consolidated Statement of Comprehensive Income		
or the year ended 31 December	2022	2021
	US\$ m	US\$ m
rofit for the year	16,670	14,693
Other comprehensive income/(expense)		
ems that will be reclassified subsequently to profit or loss when specific onditions are met:		
	(5.400)	(2.120)
Debt instruments at fair value through other comprehensive income fair value losses	(5,468)	(2,139)
fair value gain transferred to the income statement on disposal	(20)	(464)
expected credit losses recognised in the income statement	67	(49) 644
income taxes ash flow hedges	(3,655)	(664)
fair value losses	(4,207)	595
fair value losses reclassified to the income statement	(758)	(1,514)
income taxes	1,310	255
hare of other comprehensive income/(expense) of associates and joint ventures share for the year	(367)	103
xchange differences	(9,931)	(2,393)
-	,0,001/	(2,000)
ems that will not be reclassified subsequently to profit or loss: air value gains on property revaluation	280	
emeasurement of defined benefit asset/liability	(1,031)	(274)
before income taxes income taxes	(1,723) 692	(107)
	032	(107)
hanges in fair value of financial liabilities designated at fair value upon itial recognition arising from changes in own credit risk	1,922	531
before income taxes	2,573	531
income taxes	(651)	19
quity instruments designated at fair value through other comprehensive income	107	(446)
fair value (gains/losses)	107	(443)
income taxes		(3)
ffects of hyperinflation	842	315
other comprehensive income/(expense) for the year, net of tax	(17,301)	(4,967)
otal comprehensive income/(expense) for the year .ttributable to:	(631)	9,726
ordinary shareholders of the parent company	(2,393)	7,765
preference shareholders of the parent company	-	7
other equity holders non-controlling interests	1,213 549	1,303 651
otal comprehensive income/(expenses) for the year	(631)	9,726
oans and advances to customers (net) - By business		
	2022	2021
oans and advances to customers (net) - By business or the year ended 31 December	2022 US\$ m	2021 US\$ m

[Consolidated Statement of Cash Flows							
	For the year ended 31 December				2022 S\$ m		2021 US\$ m	
	Profit before tax			17	,528		18,906	
	Adjustments for non-cash items: Depreciation and amortisation and impairment			2	.873		4,286	
	Net loss/(gain) from investing activities				11		(647)	
	Share of profits in associates and joint ventures Loss on disposal of subsidiaries, businesses, associates and joint ve	entures			,723) ,639		(3,046)	
	Change in expected credit losses gross of recoveries and other credit imp		5		,907		(519)	
	Provisions including pensions Share-based payment expense				635 400		1,063 467	
_ [Other non-cash items included in profit before tax			(1	,084)		510	
	Elimination of exchange differences Changes in operating assets and liabilities			49	,127		18,937	
	Change in net trading securities and derivatives			20	,181		(9,226)	
	Change in loans and advances to banks and customers Change in reverse repurchase agreements - non-trading				,799 ,405)		(11,014) 552	
	Change in financial assets designated and otherwise mandatorily measur	ed at fair value			,344		(4,254)	
	Change in other assets Change in deposits by banks and customer accounts				,771) ,194)		19,899 95,703	
	Change in repurchase agreements - non-trading			4	,344		14,769	
	Change in debt securities in issue Change in financial liabilities designated at fair value				,518 ,647)		(16,936) (11,425)	
	Change in other liabilities				,978		(10,935)	
	Dividends received from associates Contributions paid to defined benefit plans				944 (194)		808 (509)	
	Tax paid				,776)		(3,077)	
	Net cash from operating activities			26	,434		104,312	
	Purchase of financial investments				,600)		(493,042)	
	Proceeds from the sale and maturity of financial investmer Net cash flows from the purchase and sale of property, plant an				,049 ,285)		521,190 (1,086)	
	Net cash flows from purchase/(disposal) of customer and I		os	(3	,530)		3,059	
	Net investment in intangible assets Net cash flow on disposal of subsidiaries, businesses, associates and	l joint ventures			,125) (989)		(2,479) (106)	
	Net cash from investing activities			(34	,480)		27,536	
	Issue of ordinary share capital and other equity instrument Cancellation of shares	IS		(2	- ,285)		1,996 (707)	
	Net purchases of own shares for market-making and investment p	urposes			(91)		(1,386)	
	Net cash flow from change in stake of subsidiaries Redemption of preference shares and other equity instrum	ients			(197) 2,266)		- (3,450)	
	Subordinated loan capital issues			7,300			-	
	Subordinated loan capital repaid Dividends paid to shareholders of the parent company and non-cont	rolling interest	6	(1,777) (6,970)			(864) (6,383)	
	Net cash from financing activities Net increase/(decrease) in cash and cash equivalents			(6,286)			(10,794)	
	Cash and cash equivalents at 1 Jan			(14,332) 574,032			121,054 468,323	
	Exchange differences in respect of cash and cash equivale Cash and cash equivalents at 31st Dec	nts		(38,029) 521,671			(15,345) 574,032	
	Cash and cash equivalents at ST Dec			521	,0/1		574,052	
	 Cash and balances at central banks items in the course of collection from other banks 				,002 ,297		403,018 4,136	
	 loans and advances to banks of one month or less 			72,295			55,705	
	 reverse repurchase agreements with banks of one month treasury bills, other bills and certificates of deposit less that 		ns		,682 ,727		76,658 28,488	
	- cash collateral and net settlement accounts			19,445			11,241	
	 Cash and cash equivalents held for sale less: items in the course of transmission to other banks 			8,087 (7,864)			- (5,214)	
	Cash and cash equivalents at 31 Dec				,671		574,032	
ſ	Summary of financial instruments to which the impai	rment requi	rments	in I	FRS 9 a	are ap	oplied	
ľ		31 Dec	2022			At 31 [Dec 2021	
		Gross carrying/ nominal amount US\$ m	Allowan	ice for ECL JS\$ m	Gross ca nominal a		Allowance for EC US\$ 1	
	Loans and advances to customers at amortised cost	936,307	(11,4	53)	1,057	,231	(11,417)	
	– personal – coporate and commercial	415,012		372) 324)		3,337 3,539	(3,103) (8,204)	
	– coporate and commercial	454,356 66,939		24) 257)		5,539 5,355	(8,204)	
	Loans and advances to banks at amortised cost	104,951		(69)		8,153	(17)	
	Other financial assets measured at amortised cost – cash and balances at central banks	1,014,498	(5	53) (3)),351 3,022	(193)	
		7,297		_	4	,136	_	
	- items in the course of collection from other banks			—		2,578 1,648	_	
	- Hong Kong Government certificates of indebtedness	43,787 253 754		_			(62)	
		43,787 253,754 168,827		(80)		,364		
	– Hong Kong Government certificates of indebtedness – reverse repurchase agreements – non-trading – financial investments – assets held for sale	253,754 168,827 102,556	(4	15)	97 2	2,859		
	– Hong Kong Government certificates of indebtedness – reverse repurchase agreements – non-trading – financial investments	253,754 168,827	(4	(55)	97 2	2,859 3,744	(84)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements – non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments 	253,754 168,827 102,556 111,272 2,055,756 618,788	(4 (12,0 (3	(55) (75) (86)	97 2 88 2,020 627	2,859 3,744 0,735 7,637	(84) (11,627) (379)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements – non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments personal 	253,754 168,827 102,556 111,272 2,055,756	(4 (12,0 (3	(55) (75)	97 2 88 2,020 627 239	2,859 3,744 0,735	(84) (11,627) (379) (39)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements - non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments personal corporate and commercial financial 	253,754 168,827 102,556 111,272 2,055,756 618,788 244,006 269,187 105,595	(4 (12,0 (3 (3 (3 (3	(55) (55) (75) (86) (27) (40) (19)	97 2 88 2,020 627 239 283 104	2,859 3,744 0,735 7,637 0,685 3,625 4,327	(84) (11,627) (379) (39) (325) (15)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements – non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments personal corporate and commercial 	253,754 168,827 102,556 111,272 2,055,756 618,788 244,006 269,187	(4 (12,0 (3 (3 (3 (3	(55) (75) (86) (27) (40)	97 2 88 2,020 627 239 283 104 27	2,859 3,744 0,735 7,637 9,685 3,625	(84) (11,627) (379) (39) (325) (15)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements – non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments personal corporate and commercial financial guarantees personal corporate and commercial for a corporate and commercial corporate and commercial 	253,754 168,827 102,556 111,272 2,055,756 618,788 244,006 269,187 105,595 18,783	(4 (12,0 (3 (3 (3 () () ()	(55) (55) (75) (86) (27) (40) (19)	97 2 88 2,020 627 239 283 104 27 1 22	2,859 3,744 0,735 7,637 0,685 3,625 4,327 7,795 1,130 2,355	(84) (11,627) (379) (39) (325) (15) (62)	
	 Hong Kong Government certificates of indebtedness reverse repurchase agreements - non-trading financial investments assets held for sale prepayments, accrued income and other assets Total gross carrying amount on-balance sheet Loans and other credit-related commitments personal corporate and commercial financial guarantees personal 	253,754 168,827 102,556 111,272 2,055,756 618,788 244,006 269,187 105,595 18,783 1,135	(4 (12,0 (3) (3) (3) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	(15) (55) (75) (86) (27) (40) (19) (52)	97 2 88 2,020 627 239 283 104 27 1 1 22 4	2,859 3,744 0,735 7,637 0,685 3,625 4,327 7,795	(43) (84) (11,627) (379) (325) (15) (62) (62) (58) (4) (441)	

	31 Dec 2022	31 Dec 20
	US\$ m	US\$
Assets		
Cash and balances at central banks	327,002	403,0
Items in the course of collection from other banks	7,297	4,1
Hong Kong Government certificates of indebtedness	43,787	42,5
Trading assets	218,093	248,8
Financial assets designated and otherwise mandatorily measured at		
fair value through profit or loss	45,063	49,8
Derivatives	284,146	196,8
Loans and advances to banks	104,882	83,1
Loans and advances to customers	924,854	1,045,8
Reverse repurchase agreements - non-trading	253,754	241,6
Financial investments	425,564	446,2
Assests held for sale	115,919	3,4
Prepayments, accrued income and other assets	156,866	136,5
Current tax assets	1,230	9
Interests in associates and joint ventures	29,254	29,6
Goodwill and intangible assets	21,321	20,6
Deferred tax assets	7,498	4,6
Total assets	2,966,530	2,957,9
Liabilities and equity		
Liabilities		
Hong Kong currency notes in circulation	43,787	42,5
Deposits by banks	66,722	101,1
Customer accounts	1,570,303	1,710,5
Repurchase agreements - non-trading	127,747	126,6
Items in the course of transmission to other banks	7,864	5,2
Trading liabilities	72,353	84,9
Financial liabilities designated at fair value	127,327	145,5
Derivatives	285,764	191,0
Debt securities in issue	78,149	78,5
Liabilities of disposal groups held for sale	114,597	9,0
Accruals, deferred income and other liabilities	133,240	114,7
Current tax liabilities	1,135	6
Liabilities under insurance contracts	114,844	112,7
Provisions	1,958	2,5
Deferred tax liabilities	2,422	4,6
Subordinated liabilities	22,290	20,4
Total liabilities	2,770,502	2,751,1
Equity		
Called up share capital	10,147	10,3
Share premium account	14,664	14,6
Other equity instruments	19,746	22,4
Other reserves	(9,141)	6,4
Retained earnings	152,068	144,4
Total shareholders' equity	187,484	198,2
Non-controlling interests	8,544	8,5
Total equity	196,028	206,7

Customers Accounts - by Business

For the year ended 31 December	2022	2021
	US\$ m	US\$ m
Wealth and personal banking	779,310	859,029
Commercial Banking	458,714	506,688
Global Banking and Markets	331,844	344,205
Other	435	652
Total	1,570,303	1,710,574

Group Performance Ratios (%) 2023 2022 2021 As at As at As at 10th S 31st D Common equity tier 1 ratio 14.2 15.8 14.9 17.0 16.6 18.6 Tier 1 ratio Total capital ratio 21.2 19.7 19.3 5.7 5.8 5.2 Leverage ratio Return on average ordinary shareholder's equity 18.3 8.7 7.1 Return on average tangible equity 19.7 9.9 8.3

Consolidated Statement of Changes in Equity	Analysis of Financial Assets and Liabilities by Measurement Basis As at 31 December 2022						
Called up share Financial Total	Amortised cost Profit or loss there comphrehensive Total						

	capital and share premium US\$ m	Other equity instruments US\$ m	Retained earnings US\$ m	assets at FVOCI reserve US\$ m	Cash flow hedging reserve US\$ m	Foreign exchange reserve US\$ m	Merger and other reserve US\$ m	share- holders' equity US\$ m	Non- controlling interests US\$ m	Total equity US\$ m
At 1 Jan 2022	24,918	22,414	144,458	(634)	(197)	(22,769)	30,060	198,250	8,527	206,777
Profit for the year	—	—	16,035	—	—	—	—	16,035	635	16,670
Other comprehensive income (net of tax)	_	_	1,368	(5,325)	(3,613)	(9,819)	174	(17,215)	(86)	(17,301)
 debt instruments at fair value through other 										
comprehensive income	_	_	_	(5,417)		_	_	(5,417)	(51)	(5,468)
 equity instruments designated at fair value through 	1									
other comprehensive income	_	_	_	92		_	_	92	15	107
- cash flow hedges	1 —	_	_	_	(3,613)	_	_	(3,613)	(42)	(3,655)
 changes in fair value of financial liabilities designated 										
at fair value upon initial recognition arising from										
changes in own credit risk	_	_	1,922	_		_	_	1,922		1,922
- Property revaluation	1 —	_	_	_		_	174	174	106	280
 Remeasurement of defined benefit asset/Liability 	1 —	_	(1,029)	_		_	_	(1,029)	(2)	(1,031)
- Share of other comprehensive income of associates and	1									
joint ventures	_	_	(367)	_		_	_	(367)		(367)
- effects of hyperinflation	1	_	842	_		_	_	842		842
 exchange differences 	_	—	_	—	—	(9,819)	_	(9,819)	(112)	(9,931)
Total comprehensive income for the year	_	_	17,403	(5,325)	(3,613)	(9,819)	174	(1,180)	549	(631)
Shares issued under employee remuneration and share plans	67	—	(67)	_	—	—	_	—	—	_
Dividends to shareholders	_	_	(6,544)	_	_	_	_	(6,544)	(426)	(6,970)
Redemption of securities	_	(2,668)	402	_	_	_	_	(2,266)	_	(2,266)
Transfers	—	_	(2,499)	_	_	—	2,499	_	_	_
Cost of share-based payment arrangements	_	_	400	_	_	_	_	400	_	400
Cancellation of shares	(174)	_	(1,000)	_	_	_	174	(1,000)	_	(1,000)
Other movements	—	_	(485)	3	2	—	304	(176)	(106)	(282)
At 31 December 2022	24,811	19,746	152,068	(5,956)	(3,808)	(32,588)	33,211	187,484	8,544	196,028

423,553

308,094

192,852

924,854

355

488,786

349,126

207,162

1,045,814

740

	US\$ m	US\$ m	income US\$ m	US\$ m
Financial assets				
Cash and balances at central banks	327,002			327,002
Items in the course of collection from other banks	7,297			7,297
Hong Kong Government certificates of indebtedness	43,787			43,787
Trading assets		218,093		218,093
Financial assets designated and otherwise				
mandatorily measured at fair value through profit or loss		45,063		45,063
Derivatives		284,146		284,146
Loans and advances to banks	104,882			104,882
Loans and advances to customers	924,854			924,854
Reverse repurchase agreements - non-trading	253,754			253,754
Financial investments	168,746		256,817	425,563
	1,830,322	547,302	256,817	2,634,441
Financial liabilities				
Hong Kong currency notes in circulation	43,787			43,787
Deposits by banks	66,722			66,722
Customer accounts	1,570,303			1,570,303
Repurchase agreements-non-trading	127,747			127,747
Items in the course of transmission to other banks	7,864			7,864
Trading liabilities		72,353		72,353
Financial liabilities designated at fair value		127,327		127,327
Derivatives		285,764		285,764
Debt securities in issue	78,149			78,149
Liabilities under insurance contract	114,844			114,844
Subordinated liabilities	22,290			22,290
	2,031,706	485,444	0	2,517,150

The financial information summarised above has been extracted from HSBC Holdings plc annual report for the year ended 31 December 2022.

SUMMARY OF HSBC HOLDINGS PLC CORPORATE GOVERNANCE REPORT 2022

The information set out below and information incorporated by reference is a summary of the Corporate Governance Report of HSBC Holdings plc ('HSBC') contained on pages 240 to 311 of the Annual Report and Accounts 2022 (the 'Annual Report').

The Board, its role, Director's responsibilities, attendance and power

The Board aims to promote the Group's long-term success and deliver sustainable value to shareholders and promote a culture of oneness and debate. The Board, led by the Group Chairman, is responsible among other matters for promoting the Group's long term success and delivering sustainable value to shareholders; establishing and approving the Group's strategy and objectives and monitoring the alignment of the Group's purpose, strategy and values with the desired culture; setting the Group's risk appetite and monitoring the Group's risk profile; approving and monitoring capital and operating plans for achieving strategic objectives; including material transactions & considering and approving the Group's technology and environmental, social and governance strategies Further, approving the appointment of Directors, including Board roles; and reviewing the Group's overall corporate governance arrangements. The Board's powers are subject to relevant laws, regulations and HSBC's articles of association.

Operation of the Board

Wealth and Personal banking

Global Banking and Markets

Commercial Banking

Other

Total

The Board is ordinarily scheduled to meet at least seven times a year. In 2022, the Board held 15 meetings. For further details, on attendance at those meetings, see page 250 of the Annual Report. In addition to formal Board meetings, the Board Oversight Sub-Group met in advance of each Board meeting during 2022. Such meetings were established following the appointment of Noel Quinn as Group Chief Executive and changes to the senior management team as an informal mechanism for a smaller group of Board members and management to discuss emerging issues and upcoming Board matters

Board committees and working groups

The Board delegates oversight of certain audit, risk, remuneration, nomination and governance matters to its committees. The Chairman's Committee is convened to provide flexibility for the Board to consider ad hoc Board and routine matters between scheduled Board meetings. All Board members are invited to attend all Chairman's Committees. In addition to the Board committees, working groups are established to enhance Board governance



Relationship between Board and senior management

The Board delegates day-to-day management of the business and implementation of strategy to the Group Chief Executive. The Group Chief Executive is supported in his day-to-day management of the Group by recommendations and advice from the Group Executive Committee ('GEC'), an executive forum that he chairs comprising members of senior management that include chief executive officers of the global businesses, regional chief executive officers and functional heads

Nomination and Corporate Governance Committee

The Committee's key responsibilities include: leading the process for identifying and nominating candidates for appointment to the Board and its committees; overseeing succession planning and development for the Group Executive Committee and other senior executives; and overseeing and monitoring the corporate governance framework of the Group and ensuring that this is consistence with best practice.

Group Audit Committee (GAC)

The Committee's key responsibilities include: monitoring and assessing the integrity of the financial statements, formal announcements and regulatory information in relation to the Group's financial performance, as well as significant accounting judgements; reviewing the effectiveness of, and ensuring that management has appropriate internal controls over, financial reporting; reviewing management's arrangements for compliance with prudential regulatory financial reporting; reviewing and monitoring the relationship with the external auditor and overseeing its appointment, tenure, rotation, remuneration, independence and engagement for non-audit services; overseeing the Group's policies, procedures and arrangements for capturing and responding to whistleblower concerns and ensuring they are operating effectively; and overseeing the work of Global Internal Audit and monitoring and assessing the effectiveles, performance, resourcing, independence and standing of the function.

Group Risk Committee (GRC)

The Committee's key responsibilities include: overseeing and advising the Board on all risk-related and key regulatory submissions; reviewing the effectiveness of the Group's risk management framework and internal controls systems (other than internal financial controls overseen by the GAC): reviewing and challenging the Group's stress testing exercises; and overseeing the Group's approach to conduct, fairness and preventing financial crime

Group Remuneration Committee

The Committee is responsible for setting the over-arching principles, parameters and governance framework of the Group's remuneration policy, and the remuneration of executive Directors and other senior Group employees. The Committee regularly reviews the Group's remuneration policy in the context of consistent and effective risk management and the regulatory requirements of multiple jurisdictions. No Directors are involved in deciding their own remuneration. All members of the Committee are independent non-executive Directors of HSBC Holdings.

Internal Control

The Board is responsible for maintaining and reviewing the effectiveness of risk management and internal control systems, and for determining the aggregate level and types of risks the Group is willing to take in achieving its strategic objectives. To meet this requirement and to discharge its obligations under the FCA Handbook and the PRA Handbook, procedures have been designed for safeguarding assets against unauthorized use or disposal; for maintaining proper accounting records; and for ensuring the reliability and usefulness of financial information used within the business or for publication. These procedures can only provide reasonable assurance against material mis-statement, errors, losses or fraud.

Financial Reporting

The Group's financial reporting process is controlled using documented accounting policies and reporting formats, supported by detailed instructions and guidance on reporting requirements, issued to all reporting entities within HSBC in advance of each reporting period end. The submission of financial information from each reporting entity is subject to certification by the responsible financial officer, and analytical review procedures at reporting entity and Group levels.

Disclosure Committee

Chaired by the Group Chief Financial Officer, the Disclosure Committee supports the discharge of the Group's obligations under relevant legislation and regulation including the UK and Hong Kong listing rules, the Market Abuse Regulation and US Securities and Exchange Commission rules. In so doing the Disclosure Committee is empowered to determine whether a new event or circumstance should be disclosed, including the form and timing of such disclosure, and review all material disclosures made or to be made by the Group.

		FITCH		MOODY'S		STANDARD & POOR'S	
		RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK
The Hongkong and Shanghai Banking	Long Term/Senior	A+	Stable	A3	Stable	A-	Stable
Corporation Ltd	Short Term	F1+		P-2	-	A-2	-