# 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	2023 US\$ m	2022 <b>US</b> \$ m
	033 11	Restated
Net interest income – interest income	35,796 100,868	30,377 52,826
- interest expense	(65,072)	(22,449)
Net fee income – fee income	11,845 15,616	11,770
- fee expense	(3,771)	(3,354)
Net income from financial instruments held for trading or managed on a fair value basis	16,661	10,278
Net income/(expense) from assets and liabilities of insurance		
ousinesses, including related dervatives, measured at fair value hrough profit or loss	7,887	(13,831)
Net insurance premium income	-	
nsurance finance (expense) / income	(7,809)	13,799
nsurance service result nsurance revenue	1,078 2,259	809
nsurance service expense	(1,181)	(1,168)
Gain on acquisition Impairment)/reversal of impairment relating sale of over retail banking	1,591	-
operation in France Dther operating (expense)/income	150 (1,141)	(2,316) (266)
Total operating income	66,058	50,620
Net insurance claims and benefits paid and movement in		
iabilities to policyholders Net operating income before change in expected credit losses and	-	-
other credit impairment charges	66,058	50,620
Change in expected credit losses and other credit impairment charges Net operating income	(3,447) 62,611	(3,584) 47,036
Employee compensation and benefits	(18,220)	(18,003)
General and administrative expenses Depreciation and impairment of property, plant and equipment and right-of-use assets	(10,383) (1,640)	(10,848) (2,149)
Amortization and impairment of intangible assets Goodwill impairment	(1,827)	(1,701)
Total operating expenses	(32,070)	(32,701)
Operating profit Share of profit in associates and joint ventures	30,541 2,807	14,335 2,723
mpairment of interest in associate	(3,000)	-
Profit before tax Tax expense	30,348 (5,789)	17,058 (809)
Profit for the year	24,559	16,249
Attributable to: – ordinary shareholders of the parent company	22,432	14,346
<ul> <li>preference shareholders of the parent company</li> <li>other equity holders</li> </ul>	- 1,101	- 1,213
<ul> <li>non-controlling interest</li> </ul>	1,026	690
Profit for the year	24,559 \$	16,249 \$
Basic earnings per ordinary share Diluted earnings per ordinary share	1.15 1.14	0.72
Profit for the year	2023 US\$ m 24,559	2022 US\$ m <b>16,249</b>
Dther comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific	US\$ m	US\$ m
Profit for the year Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met:	US\$ m	US\$ m
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income	US\$ m 24,559 2,599	US\$ m 16,249 
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value losses/(gains) transferred to the income statement on disposal	US\$ m 24,559 2,599 2,381 905	US\$ m 16,249 (7,232) (9,618) (18)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/ (losses) - fair value losses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes	US\$ m 24,559 2,599 2,381 905 59 (746)	US\$ m 16,249 (7,232) (9,618) (18) 55 2,348
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) fair value losses/(gains) transferred to the income statement on disposal expected credit (recoveries / losses recognised in the income statement income taxes Lash flow hedges	US\$ m 24,559 2,599 2,381 905 59 (746) 2,963	US\$ m 16,249 (7,232) (9,618) (9,618) (18) 56 2,348 (3,655)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value gains/ (losses) - fair value gains/(losses) - fair value gains/(losses) - fair value gains/(losses) - fair value gains/(losses)	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463	US\$ m 16,249 (7,232) (9,618) (9,618) 56 2,348 (3,655) (4,207) (758)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/ (losses) - fair value gains/ (losses) - fair value losses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - Sash flow hedges - fair value gains/(losses) - fair value gains/(losses) - fair value gains/losses reclassified to the income statement - income taxes	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044)	US\$ m 16,249 (7,232) (9,618) 56 2,348 (3,655) (4,207) (758) 1,310
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) fair value gains/ (losses) fair value credit (recoveries / losses recognised in the income statement income taxes ash flow hedges fair value gains/(losses) fair value gains/(losses) fair value gains/(losses) fair value gains/closses reclassified to the income statement income taxes share of other comprehensive income/(expense) of associates and joint ventures share of the year	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (1,044) (47) 47	US\$ m 16,249 (7,232) (9,618) (9,618) 56 (4,207) (758) 1,310 (367) (367)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/ (losses) - fair value losses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - fair value gains/(losses) - fair or the year Share of other comprehensive income/(expense) of associates and joint ventures - share for the year Vet finance income/(expenses) form insurance contracts - before income taxes	US\$ m 24,559 2,381 905 59 (746) 2,553 1,463 (1,044) (47) 47 (364) (491)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) 1,775 (2,393
Define comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) fair value losses/(gains) transferred to the income statement on disposal expected credit (recoveries / losses recognised in the income statement income taxes Sash flow hedges fair value (gains/losses) fair value gains/(losses) fair value gains/losses reclassified to the income statement income taxes Share of other comprehensive income/(expense) of associates and joint ventures share for the year Vet finance income/(expenses) form insurance contracts before income taxes	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,554 1,463 (1,044) (47) 47 (364)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value boses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - fair value gains/(losses) - fair value gains/(loss	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 (1,044) (47) (3664) (491) 127	US\$ m 16,249 (9,618) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367)
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/ (losses) - fair value bosses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - fair value gains/(losses) - fair value gains on property revaluation	US\$ m 24,559 2,381 905 59 (746) 2,534 1,463 (1,044) (47) (47) (3664) (491) 127 (204)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (4,207) (589) 1,310 (367) (367) (587) (367) (367) (367) (367) (367) (367) (37) (367) (37) (387
Defer comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/ (losses) - fair value boses/(gains) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes Cash flow hedges - fair value gains/(losses) - fair value gains comprehensive income/(expense) of associates and joint ventures - share for the year Vet finance income/(expenses) form insurance contracts - before income taxes -	US\$ m 24,559 2,381 905 59 (746) 2,953 1,463 (1,044) (47) (47) (47) (47) (491) 127 (364) (491) 127 (204) (413)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (7,58) 1,310 (3667) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (37) (367) (3
Other comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value goins/ losses/ joins) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - fair value gains/(losses) - fore income taxes - income taxe	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (47) (364) (491) (27) (204) 1 (314)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (7,58) 1,310 (367) 1,775 2,393 (618) (9,918) 280 (1,031)
Debe instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value gains/ (losses) - fair value (gains)/ transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes - fair value (gains)/ losses) - fair value (gains)/ losses - reclassified to the income statement - income taxes - fair value (gains)/ losses - reclassified to the income statement - income taxes - share for the year - Net finance income/(expenses) of associates and joint ventures - share for the year - lose - taxes - income taxes - schange differences - terms that will not be reclassified subsequently to profit or loss: - air value gains on property revaluation - Bemeasurement of defined benefit asset/liability - before income taxes - inc	US\$ m 24,559 2,381 905 59 (746) 2,953 1,463 (1,044) (47) (47) (47) (47) (491) 127 (364) (491) 127 (204) (413)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (7,58) 1,310 (3667) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (37) (367) (37) (367) (37) (
Debt instruments at fair value through other comprehensive income fair value gains/ (losses) - fair value gains/ (losses) - fair value losses/(gains) transferred to the income statement on disposal - expected credit (recoveries/ losses recognised in the income statement - fair value gains/(losses) - fair value gains/losses reclassified to the income statement - income taxes - share for the year - Vet finance income/(expenses) of associates and joint ventures - share for the year - Vet finance income/(expenses) form insurance contracts - before income taxes - come taxes - income taxes	US\$ m 24,559 2,381 905 59 (746) 2,953 2,554 1,463 (1,044) (47) 47 (364) (491) 127 (204) 1 (314) (413) 99	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (37)
Defer comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income - fair value gains/(losses) - fair value gains/losses/ (anis) transferred to the income statement on disposal - expected credit (recoveries / losses recognised in the income statement - income taxes Cash flow hedges - fair value gains/(losses) - fair value gains/(losses) - fair value gains/(losses) - fair value gains/(losses) - fair value gains/losses reclassified to the income statement - income taxes Share of other comprehensive income/(expense) of associates and joint ventures - share for the year Vet finance income/(expenses) form insurance contracts - before income taxes - income taxes	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 1,463 (1,044) (47) 47 (3564) (491) 127 (204) (1,219) (1,617) 398	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (1,775) 2,393 (618) (9,918) (1,021) (1,023) (1,0
Defer comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) - fair value gains/losses) - fair value gains/(losses) - for income taxes - income taxes - income taxes - income taxes - income taxes - income taxes - hard of the reclassified subsequently to profit or loss: - air value gains on property revaluation - aemeasurement of defined benefit asset/liability - before income taxes - income taxes - income taxes - hard be reclassified subsequently to profit or loss: - air value gains on property revaluation - aemeasurement of defined benefit asset/liability - before income taxes - hard be reclassified subsequently to profit or loss: - air value gains on property revaluation - before income taxes - hard be reclassified subsequently to profit or loss: - air value gains on property revaluation - before income taxes - hard be reclassified subsequently to profit or loss: - before income taxes - hard be reclassified subsequently to profit or loss: - before income taxes - hard be reclassified subsequently to profit or loss: - before income taxes -	US\$ m 24,559 2,599 2,381 905 59 (746) 2,553 1,463 (1,044) (47) 47 (3664) (491) 127 (204) 1 (314) (413) 99 (1,219) (1,617) 398 4 (120)	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (4,207) (7,58) 1,310 (3667) (367) 1,775 2,393 (618) (9,918) 280 (1,031) (1,723) 692 1,922 2,573 (651) 107
Deter comprehensive income/(expense)         tems that will be reclassified subsequently to profit or loss when specific conditions are met:         Debt instruments at fair value through other comprehensive income fair value gains/ (losses)         -fair value obsee/(gains) transferred to the income statement on disposal expected credit (recoveries / losses recognised in the income statement income taxes         -fair value gains/(losses)         -fair value gains on property revaluation         tems that will not be reclassified subsequently to profit or loss:         -income taxes         >chore income taxes         -income taxes         -income taxes         Charges in fair value of financial liabilities designated at fair value upon nitial recognition arising from changes in own credit risk         -before income taxes <td>US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 1,463 (1,044) (47) 47 (3564) (491) 127 (204) (1,219) (1,617) 398</td> <td>US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (1,775) 2,393 (618) (9,918) (1,021) (1,023) (1,0</td>	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 1,463 (1,044) (47) 47 (3564) (491) 127 (204) (1,219) (1,617) 398	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (1,775) 2,393 (618) (9,918) (1,021) (1,023) (1,0
Deter comprehensive income/(expense)         tems that will be reclassified subsequently to profit or loss when specific conditions are met:         Debt instruments at fair value through other comprehensive income         fair value gains/(losses)         fair value gains (losses)         fair value gains on property revaluation         Remeasurement of de	US\$ m 24,559 2,539 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (471) (364) (491) (1,473) 99 (1,219) (1,617) 398 (120) (120) 	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (367) (37) (
Debt instruments at fair value through other comprehensive income         - fair value gains/(losses)         - fair value gains on propenty revaluation         Remeasurement of defined benefit asset/liability         - before income taxes         Changes in fair value of financial liabilities designated at fair value upon         nitial recognition arising from changes in own credit risk         - before income taxes         - income taxes         - fair value (gains/losses)         - income taxes </td <td>US\$ m 24,559 2,381 905 59 (746) 2,983 2,534 1,463 (1,044) (471) 47 (3664) (491) 127 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,20) - 1,604</td> <td>US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (1,758) (618) (9,918) 2,800 (1,031) (1,723) 692 1,922 2,573 (651) 107 107 - 877</td>	US\$ m 24,559 2,381 905 59 (746) 2,983 2,534 1,463 (1,044) (471) 47 (3664) (491) 127 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,20) - 1,604	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (1,758) (618) (9,918) 2,800 (1,031) (1,723) 692 1,922 2,573 (651) 107 107 - 877
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) fair value (gains/losses) fair value gains/(losses) fair value gains on property revaluation Remeasurement of defined benefit asset/liability before income taxes changes in fair value of financial liabilities designated at fair value upon nitial recognition arising from changes in own credit risk before income taxes changes in fair value disgnated at fair value through other comprehensive income fair value gains/losses) fair value gains/losses) income taxes fair value gains/losses) fair value gains/losses) fair value gains/losses) fair value gains/losses) fair value gains/losses) fair value gains/losses) fair valu	US\$ m 24,559 2,381 905 59 (746) 2,953 2,554 1,463 (1,044) (47) 47 (364) (491) 127 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,20)  1,604 4,983	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (375) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,675) (4,207) (758) (3,675) (4,207) (758) (3,675) (4,207) (758) (9,918) (1,031) (1,772) (692) (1,031) (1,772) (692) (1,027) (1,772) (677) (1,772) (677) (1,772) (677) (1,772) (677) (778) (778) (778) (778) (778) (778) (778) (778) (778) (778) (778) (778) (777) (778) (777) (777) (778) (777) (7
Deter comprehensive income/(expense)         tems that will be reclassified subsequently to profit or loss when specific conditions are met:         Debt instruments at fair value through other comprehensive income         fair value gains/(losses)         form income taxes         share for the year         vet finance income/(expenses) form insurance contracts         before income taxes         fair value gains on property revaluation         Remeasurement of defined benefit asset/liability         before income taxes         Changes in fair value of financial liabilities designated at fair value upon         nitial recognition arising from changes in own credit risk         before income taxes         Equity instruments designated at fai	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (471) (471) (364) (491) 127 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,200 	US\$ m 16,249 (9,618) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (37) (
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) - fair value gains/(losses) - for once taxes - fair value gains on property revaluation Remeasurement of defined benefit asset/liability - before income taxes - fair value gains/orses) - income taxes - fair value gains/losses) - income taxes - income taxes - fair value gains/losses) - income taxes - fair value gains/losses) - income taxes - income taxes - fair value gains/losses) - income taxes - fair value gains/loss	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (471) (364) (491) (1,27) (204) 1 (314) (413) 99 (1,219) (1,617) 388 (120) (120) - 1,604 4,983 29,542 27,397 -	US\$ m 16,249 (9,618) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (37) (367) (37)
Deter comprehensive income/(expense)         tems that will be reclassified subsequently to profit or loss when specific conditions are met:         Debt instruments at fair value through other comprehensive income         -fair value gains/(losses)         -fair value (gain/s)(losses)         -fair value (gains) on property revaluation         Remeasurement of defined benefit asset/liability         >before income taxes         -income taxes	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (47) 47 (364) (491) 127 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,219) (1,20) 	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (3,675) (4,207) (758) 1,310 (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (3,657) (3,657) (3,673) (618) (9,918) (9,918) 2,800 1,922 2,573 (651) 107 - 8777 (17,242) (993) (2,810) 1,213
Defer comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) fair value gains on property revaluation Remeasurement of defined benefit asset/liability before income taxes income taxes change in fair value of financial liabilities designated at fair value upon nitial recognition arising from changes in own credit risk before income taxes fairone ta	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (471) (364) (491) (1,27) (204) 1 (314) (413) 99 (1,219) (1,617) 388 (120) (120) - 1,604 4,983 29,542 27,397 -	US\$ m 16,249 (9,618) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (367) (367) (367) (37) (367) (37)
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) - fair value gains/(losses) - for once taxes - fair value gains on property revaluation Remeasurement of defined benefit asset/liability - before income taxes - fair value gains/orses) - income taxes - fair value gains/losses) - income taxes - income taxes - fair value gains/losses) - income taxes - fair value gains/losses) - income taxes - income taxes - fair value gains/losses) - income taxes - fair value gains/loss	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (47) 47 (264) (491) 127 (204) (1413) 99 (1,219) (1,617) 398 (120) (120) 1,604 4,983 29,542 27,397 1,101 1,044	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) 1,775 2,393 (618) (9,918) 2800 (1,031) (1,723) 692 1,922 2,573 (651) 107 107 107 107 107 (17,242) (993) (2,810) 1,213 604
Deter comprehensive income/(expense)         tems that will be reclassified subsequently to profit or loss when specific conditions are met:         Debt instruments at fair value through other comprehensive income fair value gains/(losses)         -fair value gains on properts revaluation         Remeasurement of defined benefit asset/liability         >before income taxes         -income taxes         -fair value gains/losses)         -income taxes	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (47) 47 (264) (491) 127 (204) (1413) 99 (1,219) (1,617) 398 (120) (120) 1,604 4,983 29,542 27,397 1,101 1,044	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) 1,775 2,393 (618) (9,918) 2800 (1,031) (1,723) 692 1,922 2,573 (651) 107 107 107 107 107 (17,242) (993) (2,810) 1,213 604
Defer comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) fair value gains/losses) fair value gains/(losses) fair value gains/(losses) fair value gains/(losses) fair value gains/(losses) share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures share of other comprehensive income/(expense) of associates and joint ventures income taxes Exchange differences tems that will not be reclassified subsequently to profit or loss: air value gains on property revaluation Remeasurement of defined benefit asset/liability before income taxes Defore income taxes income taxes Equity instruments designated at fair value upon nitial recognition arising from changes in own credit risk before income taxes Equity instruments designated at fair value through other comprehensive income fair value (gains/losses) income taxes ffects of hyperinflation Dether comprehensive income/(expense) for the year, net of tax fortal comprehensive income/(expense) for the year Arributable to: ordinary shareholders of the parent company ordinary shareholders of the p	US\$ m 24,559 2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (47) 47 (364) (491) 127 (204) 1 (1,413) 99 (1,219) (1,617) 398 (120) (120) 1,604 4,983 29,542 27,397 1,001 1,044 29,542 27,397 1,001 1,044 29,542	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (3,675) (4,207) (758) 1,310 (3,657) (3,675) (4,207) (758) (3,655) (4,207) (5,810) - 8777 (17,242) (993) (2,810) - 1,213 604 (993)
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific fair value gains/(losses) - fair value gains on property revaluation - measurement of defined benefit asset/liability - before income taxes - fair value gains on property revaluation - measurement of defined benefit asset/liability - before income taxes - income taxes - income taxes - fair value gains/losses) - income taxes - fair value (gains/losses) - income taxes - income taxes	US\$ m 24,559 2,381 905 59 (746) 2,953 2,534 1,463 (1,044) (471) (364) (491) (364) (491) (1,219) (1,617) 388 (120) (120) - 1,604 4,983 29,542 27,397 1,101 1,044 29,542 2023 US\$ m	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (758) (3,655) (4,207) (7,75) 2,343 (618) (9,918) 2,8100 1,723 (651) 107 - 877 (17,242) (993) (2,810) 1,213 604 (993) - 2,022 US\$ m
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific solutions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) fair value gains on property revaluation Remeasurement of defined benefit asset/liability before income taxes Changes in fair value of financial liabilities designated at fair value upon nitial recognition arising from changes in own credit risk before income taxes Equity instruments designated at fair value upon nitial recognition arising from changes in own credit risk before income taxes Equity instruments designated at fair value through other comprehensive income fair value gains/losses) income taxes Effects of hyperinflation Differ comprehensive income/(expense) for the year, net of tax foral comprehensive income/(expense) for the year, net of tax foral comprehensive income/(expense) for the year, net of tax foral comprehensive income/(expense) for the year tributable to: ordinary shareholders of the parent company order equity holders for the quairy holders for the quairy holders for the year ended 31 December Wealth and Personal banking	US\$ m 24,559 2,381 905 59 (746) 2,983 2,534 1,463 (1,044) (471) -47 (3664) (491) 12,19) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,201) - 1,604 4,983 29,542 27,397 1,101 1,0044 29,542 2023 US\$ m 454,878	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (758) (9,918) (9,918) 2,303 (692) 1,273 (651) 107 107 1,722 (2,573 (651) 107 107 (17,242) (993) (2,810) 1,213 604 (993) 2022 US\$ m 423,553
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) form taxes fair value gains on property revaluation fameasurement of defined benefit asset/liability formetaxes fair value gains on property revaluation fameasurement of defined benefit asset/liability formetaxes fair value gains on property revaluation fameasurement of defined benefit asset/liability formetaxes fair value gains/(losses) fair value (gains/losses) fair value (gains/losses) fair value gains/(losses) fair value gains on property revaluation fair and exces fair value gains on property revaluation fair and exces fair value gains on property revaluation fair value gains on property revaluation fair value gains on property revaluation fair value gains/(losses) fair value gains on property revaluation fair value gains/(losses) fair value gains/(losses) fair value (gains/losses) fair value of financial liabilities designated at fair value upon fair value (gains/losses) fair value (gains/losses) for the year net of tax fair value (gains/losses) for the year net of tax fair value (gains/losses) for the year net of tax for comprehensive income/(expense) for the year, net of tax for comprehensive income/(expenses) for the year for actuation for the quary holders for the quary holders for the year ended 31 December for the year ended 31 December formercial Banking	US\$ m 24,559 2,381 905 59 (746) 2,953 2,554 1,463 (1,044) (47) 47 (3664) (491) 12 (204) 1 (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) 2,554 2,555 2,554 2,555 2	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (367) (367) (367) (367) (758) (9,918) 2,393 (9,918) 2,393 (9,918) 2,393 (9,918) 2,393 (9,918) 2,393 (1,723) (692) 1,922 2,573 (651) 107 1,775 2,573 (651) 107 1,775 2,573 (651) 107 1,775 2,573 (692) 1,922 2,573 (651) 107 1,775 2,573 (651) 107 1,775 2,573 (651) 107 1,775 2,573 (651) 107 1,775 2,573 (651) 1,775 2,573 (651) 1,922 2,573 (651) 1,922 2,573 (651) 1,922 2,573 (652) 1,922 2,573 (653) 1,922 2,573 (653) 1,922 2,573 (654) 1,937 (17,242) (993) 2,022 US\$ m 423,553 308,094
Deter comprehensive income/(expense) tems that will be reclassified subsequently to profit or loss when specific conditions are met: Debt instruments at fair value through other comprehensive income fair value gains/(losses) fair value gains (losses) fair value gains (losses) fair value gains (losses) fair value gains (losses) fair value gains/(losses) fair value gains on property revaluation fair value gains (losses) for the year net of tax fair value gains (losses) for the year net of tax for a comprehensive income/(expense) for the year, net of tax for a comprehensive inc	US\$ m 24,559 2,381 905 59 (746) 2,983 2,534 1,463 (1,044) (471) -47 (3664) (491) 12,19) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,219) (1,201) - 1,604 4,983 29,542 27,397 1,101 1,0044 29,542 2023 US\$ m 454,878	US\$ m 16,249 (7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310 (367) (758) (9,918) (9,918) 2,303 (692) 1,273 (651) 107 107 1,722 (2,573 (651) 107 107 (17,242) (993) (2,810) 1,213 604 (993) 2022 US\$ m 423,553

Consolidated Statement of Cash Flows					
For the year ended 31 December			202	2	2022
For the year ended 31 December			202 US\$ n		2022 US\$ m
			0331	<u> </u>	Restated
Profit before tax			30,34	8	17,058
Adjustments for non-cash items:					
Depreciation and amortisation and impairment			3,46	6	3,850
Net loss/(gain) from investing activities			1,21		11
Share of profits in associates and joint ventures			(2,80		(2,723)
Impairment of interest in associate			3,00	0	-
(Gain) - loss on acquisition/disposal of subsidiaries, businesses, a joint ventures	ssociates and		(1,77	5)	2,554
Change in expected credit losses gross of recoveries and other credit in	npairment charges		3,71		3,898
Provisions including pensions			26		638
Share-based payment expense			48	2	400
Other non-cash items included in profit before tax			(4,29	9)	(774)
Elimination of exchange differences			(10,67	8)	48,718
Changes in operating assets and liabilities					
Change in net trading securities and derivatives			(63,24)	7)	20,166
Change in loans and advances to banks and customers			(14,14		31,649
Change in reverse repurchase agreements - non-trading			(2,09		(23,405)
Change in financial assets designated and otherwise mandatorily measured and otherwise mandatorily measured and the second secon	ured at fair value		(9,994		14,164
Change in other assets Change in deposits by banks and customer accounts			(10,25)		(12,158) (91,194)
Change in repurchase agreements - non-trading			45,02		(91,194) 4,344
Change in debt securities in issue			11,94		12,518
Change in financial liabilities designated at fair value			10,09		(13,654)
Change in other liabilities			8,74	2	6,021
Dividends received from associates			1,06	7	944
Contributions paid to defined benefit plans			(20)	8)	(194)
Tax paid			(4,11	7)	(2,776)
Net cash from operating activities			39,11	1	19,355
Purchase of financial investments			(EC2 EC)	1	(511.007)
Proceeds from the sale and maturity of financial investments	onte		(563,56		(511,097) 492,624
Net cash flows from the purchase and sale of property, plant a	(1,14		(1,284)		
Net cash flows from disposal of loan portfolios and custo			62		(3,530)
Net investment in intangible assets			(2,55		(3,125)
Net cash flow from (acquisition)/disposal of subsidiaries,					
businesses, associates and joint ventures			(45)	3)	(989)
Net cash from investing activities			(62,91	2)	(27,401)
Issue of ordinary share capital and other equity instrume	ents		1,99	6	-
Cancellation of shares			(5,81	2)	(2,285)
Net sales (purchases) of own shares for market-making and inve	stment purposes		(61	4)	(91)
Net cash flow from change in stake of subsidiaries			(19		(197)
Redemption of preference shares and other equity instru	iments		(4,00		(2,266)
Subordinated loan capital issues			5,23		7,300
Subordinated loan capital repaid	ntrolling interacto		(2,14)		(1,777) (6,970)
Dividends paid to shareholders of the parent company and non-con Net cash from financing activities	ntroning interests		(12,19)		(6,286)
Net increase/(decrease) in cash and cash equivalents			(41,35		(14,332)
Cash and cash equivalents at 1 Jan			521,67	-	574,032
Exchange differences in respect of cash and cash equival	lents		10,62		(38,029)
Cash and cash equivalents at 31⁵⁺ Dec			490,93	3	521,671
Customers Accounts - by Business					
For the year ended 31 December			2023	3	2022
			US\$ n		US\$ m
Wealth and personal banking			204 904	2	772 210
Wealth and personal banking Commercial Banking			804,863 475,660		773,310 472,424
Global Banking and Markets			330,522		332,303
Other			590	6	458
Total			1,611,647	,	1,578,495
			1,511,04	-	.,0,0,+30
Group Performance Ratios (%)					
	2024		2023		2022
	As at 31 <sup>st</sup> Mar	31st [	As at December	3	As at 1st December
	512 Widf	J		5	200011001
Common equity tier 1 ratio	15.2		14.8		14.2
Tier 1 ratio	17.3		16.9		16.6
Total capital ratio	20.7		20		19.3
Leverage ratio	5.7		5.6		5.8
-					8.7
Return on average ordinary shareholder's equity	24		13.6		
Return on average tangible equity	26.1		14.6		9.9

As at 31 December	31 Dec 2023	31 Dec
	US\$ m	U
Assets		Rest
Cash and balances at central banks	285,868	327
Items in the course of collection from other banks	6,342	
Hong Kong Government certificates of indebtedness	42,024	43
Trading assets	289,159	218
Financial assets designated and otherwise mandatorily measured at		
fair value through profit or loss	110,643	100
Derivatives	229,714	284
Loans and advances to banks	112,902	104
Loans and advances to customers	938,535	923
Reverse repurchase agreements - non-trading	252,217	253
Financial investments	442,763	36
Assests held for sale	114,134	11!
Prepayments, accrued income and other assets	165,255	150
Current tax assets	1,536	
Interests in associates and joint ventures	27,344	29
Goodwill and intangible assets	12,487	1
Deferred tax assets	7,754	
Total assets	3,038,677	2,94
Liabilities		
Hong Kong currency notes in circulation	42,024	4:
Deposits by banks	73,163	6
Customer accounts	1,611,647	1,57
Repurchase agreements - non-trading	172,100	12
Items in the course of transmission to other banks	7,295	;
Trading liabilities	73,150	7:
Financial liabilities designated at fair value	141,426	12
Derivatives	234,772	28
Debt securities in issue	93,917	7
Liabilities of disposal groups held for sale	108,406	11
Accruals, deferred income and other liabilities	136,606	134
Current tax liabilities	2,777	
Insurance contracts liabilities	120,851	108
Provisions	1,741	
Deferred tax liabilities	1,238	
	24,954	23
Subordinated liabilities	2,846,067	2,76
Subordinated liabilities Total liabilities		
		1(
Total liabilities	9,631	
Total liabilities Equity	9,631 14,738	14
<b>Total liabilities</b> Equity Called up share capital		14
<b>Total liabilities</b> Equity Called up share capital Share premium account	14,738	
<b>Total liabilities</b> <b>Equity</b> Called up share capital Share premium account Other equity instruments	14,738 17,719	1: (9
<b>Total liabilities</b> <b>Equity</b> Called up share capital Share premium account Other equity instruments Other reserves	14,738 17,719 (8,907)	1
<b>Total liabilities</b> Equity Called up share capital Share premium account Other equity instruments Other reserves Retained earnings	14,738 17,719 (8,907) 152,148	1: (9 14:
Total liabilities Equity Called up share capital Share premium account Other equity instruments Other reserves Retained earnings Total shareholders' equity	14,738 17,719 (8,907) 152,148 185,329	1: (9 14: 17

	31 Dec 3	2023	At 31 [	Dec 2022
	Gross carrying/ nominal amount US\$ m	Allowance for ECL US\$ m	Gross carrying/ nominal amount US\$ m	Allowance for ECL US\$ m
Loans and advances to customers at amortised cost	949,609	(11,074)	935,008	(11,447)
– personal	447,522	(2,867)	414,882	(2,870)
<ul> <li>coporate and commercial</li> </ul>	427,655	(7,803)	453,202	(8,320)
<ul> <li>non-bank financial institutions</li> </ul>	74,432	(404)	66,924	(257)
Loans and advances to banks at amortised cost	112,917	(15)	104,544	(69)
Other financial assets measured at amortised cost	960,271	(422)	954,934	(493)
Loans and other credit-related commitments	661,015	(367)	618,788	(386,)
– personal	256,997	(25)	244,006	(27)
<ul> <li>corporate and commercial</li> </ul>	267,878	(322)	269,187	(340)
– financial	136,140	(20)	105,595	(19)
Financial guarantees	17,009	(39)	18,783	(52)
– personal	1,119	_	1,135	_
<ul> <li>corporate and commercial</li> </ul>	11,777	(36)	13,587	(50)
– financial	4,113	(3)	4,061	(2)
At 31 December 2023	2,700,821	(11,917)	2,632,057	(12,447)

Consolidated Statement of Changes in Equity						Analysis of Financial A	ssets and Liabilities s at 31 December 2		t Basis									
		Called up		Financial			Oth	er Reserves								Fair value through	Fair value through	
		share	Other	Financial	Cash flow	Equation A	Aerger and	Insurance		lotal	New				Amortised cost		other comphrehensive	
		and share	equity			exchange	other	finance	Retained	share- holders' contr	Non-	Total			US\$ m	US\$ m	income US\$ m	US\$ m
		nramium	instruments	recerve	rocorvo	rocorvo	rocorvo	rererve	oarninge		oraete	equity	inancial assets					

	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m	US\$ m
At 1 Jan 2023	24,811	19,746	(7,038)	(3,808)	(32,575)	33,209	1,079	142,409	177,833	7,364	185,197
Profit for the year	_	_	_	_	_	_	_	23,533	23,533	1,026	24,559
Other comprehensive income (net of tax)	_	-	2,402	3,030	(211)	1	(371)	114	4,965	18	4,983
<ul> <li>debt instruments at fair value through other</li> </ul>											
comprehensive income	_	_	2,574		_	-	-	_	2,574	25	2,599
<ul> <li>equity instruments designated at fair value through</li> </ul>											
other comprehensive income	_	_	(93)		_	-	-	_	(93)	(27)	(120)
<ul> <li>cash flow hedges</li> </ul>	_	_	-	2,919	_	-	-	_	2,919	34	2,953
<ul> <li>changes in fair value of financial liabilities designated</li> </ul>											
at fair value upon initial recognition arising from											
changes in own credit risk	_	_	_	_	_	-	-	(1,220)	(1,220)	1	(1,219)
<ul> <li>Property revaluation</li> </ul>	_	_	_	_	_	1	-	-	1	_	1
<ul> <li>Remeasurement of defined benefit asset/Liability</li> </ul>	_	_	_		_	-	-	(317)	(317)	3	(314)
<ul> <li>Share of other comprehensive income of associates and</li> </ul>											
joint ventures	_	_	_		_	-	-	47	47	_	47
<ul> <li>effects of hyperinflation</li> </ul>	_	_	_	_	_	-	-	1,604	1,604	_	1,604
<ul> <li>insurance finance incom/(expense) recognised in other</li> </ul>											
comprehensive income	_	_	_	_	_	-	(364)	_	(364)	_	(364)
<ul> <li>exchange differences</li> </ul>	_	_	(79)	111	(211)	-	(7)	_	(186)	(18)	(204)
Total comprehensive income for the year	_	_	2,402	3,030	(211)	1	(371)	23,647	28,498	1,044	29,542
Shares issued under employee remuneration and share plans	79	_	_	_	_	_	_	(79)	_	_	_
Capital securities issued	_	1,996	—	_	_	—	_	_	1,996	—	1,996
Dividends to shareholders	—	_	—	—	—	—	—	(11,593)	(11,593)	(603)	(12,196)
Redemption of securities	_	(4,023)	—	_	—	_	_	20	(4,003)	—	(4,003)
Tranfers	_	_	—	_	—	(5,130)	_	5,130	—	—	—
Cost of share based payment arrangements	_	_	—	_	_	—	_	482	482	—	482
Share buy-back	_	_	_	_	_	_	_	(7,025)	(7,025)	_	(7,025)
Cancellation of shares	(521)	_	_	_	_	521	_	_	_	_	-
Other movements	_	_	1,129	(255)	(967)	_	77	(843)	(859)	(524)	(1,383)
At 31 December 2023	24,369	17,719	(3,507)	(1,033)	(33,753)	28,601	785	152,148	185,329	7,281	192,610

Financial assets				
Cash and balances at central banks	285,868			285,868
Items in the course of collection from other banks	6,342			6,342
Hong Kong Government certificates of indebtedness	42,024			42,024
Trading assets		289,159		289,159
Financial assets designated and otherwise				
mandatorily measured at fair value through profit or loss		110,643		110,643
Derivatives		229,714		229,714
Loans and advances to banks	112,902			112,902
Loans and advances to customers	938,535			938,535
Reverse repurchase agreements - non-trading	252,217			252,217
Financial investments	148,326		294,437	442,763
	1,786,214	629,516	294,437	2,710,167
Financial liabilities				
Hong Kong currency notes in circulation	42,024			42,024
Deposits by banks	73,163			73,163
Customer accounts	1,611,647			1,611,647
Repurchase agreements-non-trading	172,100			172,100
Items in the course of transmission to other banks	7,295			7,295
Trading liabilities		73,150		73,150
Financial liabilities designated at fair value		141,426		141,426
Derivatives		234,772		234,772
Debt securities in issue	93,917			93,917
Insurance contract liabilities	120,851			120,851
Subordinated liabilities	24,954			24,954
	2,145,951	449,348	-	2,295,299

The financial information summarised above has been extracted from HSBC Holdings plc annual report for the year ended 31 December 2023.

# SUMMARY OF HSBC HOLDINGS PLC CORPORATE GOVERNANCE REPORT - 2023

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 239 to 316 of the Annual Report and Accounts 2023 (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; reviewing the Group's overall corporate governance arrangements and providing entrepreneurial leadership of the Group within a framework of prudent and effective controls. The Board's powers are subject to relevant laws, regulations and HSBC's articles of association.

# Operation of the Board

The Board is ordinarily scheduled to meet nine times a year. In 2023, the Board held 11 meetings. For further details, on attendance at those meetings, see page 249 of the Annual Report. In addition to formal Board meetings, the Board Oversight Sub-Group is called on an ad hoc basis where necessary. Such meetings are informal mechanism for a smaller group of Board members and management to discuss emerging issues and upcoming Board matters. The Board Oversight Sub-Group was not convened in 2023.

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

# 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 effectiveness, 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 matters, including financial and non-financial risks; advising the Board on risk appetite-related matters, 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 making recommendations to the Board, for approval by shareholders, on the Group's remuneration policy; setting the over-arching principles, parameters and governance framework of the Group's remuneration policy, approving the remuneration of executive Directors and other senior Group employees; and regularly reviewing the effectiveness of the remuneration policy of the Group and its subsidiaries in the context of consistent and effective risk management. 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 Rulebook, 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**

The

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 certain material disclosures made or to be made by the Group.



		FITCH		MOOD	″S	STANDARD & POOR'S		
		RATING	OUTLOOK	RATING	OUTLOOK	RATING	OUTLOOK	
e Hongkong and Shanghai Banking	Long Term/Senior	AA-	Stable	Aa3	Negative	AA-	Stable	
orporation Ltd	Short Term	F1+	-	P-1	-	A-1+	-	