Incorporated in the Hong Kong SAR with limited liability

Consolidated Income Statement		
For the year ended 31 December	2023	2022
,	US\$ m	US \$ m
		Restated
Net interest income	35,796	30,377
- interest income	100,868	52,826
- interest expense	(65,072)	(22,449)
Net fee income	11,845	11,770
– fee income	15,616	15,124
- 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		
pusinesses, including related derivatives, measured at fair value	7.007	(40.004)
hrough profit or loss	7,887	(13,831)
Net insurance premium income		
nsurance finance (expense) / income	(7.809)	13.799
nsurance service result	1,078	809
nsurance revenue	2,259	1,977
nsurance service expense	(1,181)	(1,168)
Gain on acquisition	1,591	(1,100)
Impairment)/reversal of impairment relating sale of over retail banking	.,00.	
operation in France	150	(2,316)
Other operating (expense)/income	(1,141)	(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	(3,447)	(3,584)
Net operating income	62,611	47,036
Employee compensation and benefits	(18,220)	(18.003)
General and administrative expenses	(10,383)	(10,848)
Depreciation and impairment of property, plant and equipment and right-of-use assets	(1,640)	(2,149)
Amortization and impairment of intangible assets	(1,827)	(1,701)
Goodwill impairment	-	(. , ,
Total operating expenses	(32,070)	(32,701)
Operating profit	30,541	14,335
Share of profit in associates and joint ventures	2,807	2,723
mpairment of interest in associate	(3,000)	-
Profit before tax	30,348	17,058
Tax expense	(5,789)	(809)
Profit for the year	24,559	16,249
Attributable to:		
 ordinary shareholders of the parent company 	22,432	14,346
 preference shareholders of the parent company 		-
- other equity holders	1,101	1,213
- non-controlling interest	1,026	690
Profit for the year	24,559	16,249
Basic earnings per ordinary share	\$ 1.15	\$ 0.72
Basic earnings per ordinary snare Diluted earnings per ordinary share	1.15	0.72

Consolidated Statement of Comprehensive Income

For the year ended 31 December

Consolidated Statement of Cash Flows		
For the year ended 31 December	2023	202
	US\$ m	US\$ n
		Restate
Profit before tax	30,348	17,058
Adjustments for non-cash items:		
Depreciation and amortisation and impairment	3,466	3,850
Net loss/(gain) from investing activities	1,213	11
Share of profits in associates and joint ventures	(2,807)	(2,723
Impairment of interest in associate	3,000	
(Gain) - loss on acquisition/disposal of subsidiaries, businesses, associates and		
joint ventures	(1,775)	2,554
Change in expected credit losses gross of recoveries and other credit impairment charges	3,717	3,898
Provisions including pensions	266	63
Share-based payment expense	482	40
Other non-cash items included in profit before tax	(4,299)	(77
Elimination of exchange differences	(10,678)	48,71
Changes in operating assets and liabilities		
Change in net trading securities and derivatives	(63,247)	20,16
Change in loans and advances to banks and customers	(14,145)	31,64
Change in reverse repurchase agreements- non-trading	(2,095)	(23,40
Change in financial assets designated and otherwise mandatorily measured at fair value	(9,994)	14,16
Change in other assets	(10,254)	(12,15
Change in deposits by banks and customer accounts	45,021	(91,19
Change in repurchase agreements- non-trading	43,366	4,34
Change in debt securities in issue	11,945	12,51
Change in financial liabilities designated at fair value	10,097	(13,65
Change in other liabilities	8,742	6,02
Dividends received from associates	1,067	94
Contributions paid to defined benefit plans	(208)	(19
Tax paid	(4,117)	(2,77
Net cash from operating activities	39,111	19,35
Purchase of financial investments	(563,561)	(511,09
Proceeds from the sale and maturity of financial investments	504,174	492,62
Net cash flows from the purchase and sale of property, plant and equipment	(1,145)	(1,28
Net cash flows from disposal of loan portfolios and customer accounts	623	(3,53
Net investment in intangible assets	(2,550)	(3,12
Net cash flow from (acquisition)/disposal of subsidiaries,		
businesses, associates and joint ventures	(453)	(98
Net cash from investing activities	(62,912)	(27,40
Issue of ordinary share capital and other equity instruments	1,996	
Cancellation of shares	(5,812)	(2,28
Net sales (purchases) of own shares for market-making and investment purposes	(614)	(9
Net cash flow from change in stake of subsidiaries	(19)	(19
Deducation of automorphisms and other automorphisms		10.00

As at 31 December	31 Dec 2023	31 Dec 202
	US\$ m	_US\$
Assets		Restate
Associa		
Cash and balances at central banks	285,868	327,00
Items in the course of collection from other banks	6,342	7,29
Hong Kong Government certificates of indebtedness	42,024	43,78
Trading assets	289,159	218,0
Financial assets designated and otherwise mandatorily measured at		
fair value through profit or loss	110,643	100,1
Derivatives	229,714	284,1
Loans and advances to banks	112,902	104,4
Loans and advances to customers	938,535	923,5
Reverse repurchase agreements- non-trading	252,217	253,7
Financial investments	442,763	364,7
Assests held for sale	114,134	115,9
Prepayments, accrued income and other assets	165,255	156,1
Current tax assets	1,536	1,2
Interests in associates and joint ventures	27,344	29,2
Goodwill and intangible assets	12,487	11,4
Deferred tax assets	7,754	8,3
Total assets	3,038,677	2,949,2
Liabilities		
Hong Kong currency notes in circulation	42,024	43,7
Deposits by banks	73,163	66,7
Customer accounts	1,611,647	1,570,3
Repurchase agreements- non-trading	172,100	127,7
Items in the course of transmission to other banks	7,295	7,8
Trading liabilities	73,150	72,3
Financial liabilities designated at fair value	141,426	127,3
Derivatives	234,772	285,7
Debt securities in issue	93,917	78,1
Liabilities of disposal groups held for sale	108,406	114,5
Accruals, deferred income and other liabilities	136,606	134,3
Current tax liabilities	2,777	1,1
Insurance contracts liabilities	120,851	108,8
Provisions	1,741	1,9
Deferred tax liabilities	1,238	9
Subordinated liabilities	24,954	22,2
Total liabilities	2,846,067	2,764,0
Equity		
Called up share capital	9,631	10,1
Share premium account	14,738	14,6
Other equity instruments	17,719	19,7
Other reserves	(8,907)	(9,13
Retained earnings	152,148	142,4
	185,329	177,8
Total shareholders' equity	7 201	7,3
Total shareholders' equity Non-controlling interests	7,281	
	192,610	185,1

Consolidated Balance Sheet

(2,266)

7,300

(1,777)

(6,970)

(6,286

(14,332)

574.032

(38,029) 521,671

(4,003)

5,237

(2,147)

(12, 196)

(17,558)

(41,359)

521.671

10,621

490,933

2023 As at

16.9

20

5.6

13.6

17.3

5.7

19.8

	039 111	039111
Profit for the year	24,559	16,249
Other comprehensive income/(expense)		
Items 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 Cash flow hedges - fair value gains/(losses) - fair value (gain)/losses reclassified to the income statement - income taxes	2,599 2,381 905 59 (746) 2,953 2,534 1,463 (1,044)	(7,232) (9,618) (18) 56 2,348 (3,655) (4,207) (758) 1,310
Share of other comprehensive income/(expense) of associates and joint ventures – share for the year Net finance income/(expenses) from insurance contracts – before income taxes – income taxes Exchange differences	(47) 47 (364) (491) 127 (204)	(367) (367) 1,775 2,393 (618) (9,918)
Items that will not be reclassified subsequently to profit or loss: Fair value gains on property revaluation Remeasurement of defined benefit asset/liability – before income taxes – income taxes	(314) (413) 99	280 (1,031) (1,723) 692
Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	(1,219)	1,922
- before income taxes	(1,617)	2,573
- income taxes	398	(651)
Equity instruments designated at fair value through other comprehensive incomprehensive incomp	e (120)	107
– fair value (gains/losses)	(120)	107
- income taxes	_	_
Effects of hyperinflation	1,604	877
Other comprehensive income/(expense) for the year, net of tax	4,983	(17,242)
Total comprehensive income/(expense) for the year Attributable to:	29,542	(993)
 ordinary shareholders of the parent company preference shareholders of the parent company 	27,397	(2,810)
– other equity holders – non-controlling interests	1,101 1,044	1,213 604
Total comprehensive income/(expenses) for the year	29,542	(993)
Loans and advances to customers (net) - By business		
For the year ended 31 December	2023	2022
	US\$ m	US\$ m
	454,878	423,553
Wealth and Personal banking		.,
Wealth and Personal banking Commercial Banking	309,422	308,094
Wealth and Personal banking Commercial Banking Global Banking and Markets	309,422 173,966	308,094 192,852

Customers Accounts - by Business									
2023	2022								
US\$ m	US\$ m								
804,863	773,310								
475,666	472,424								
330,522	332,303								
596	458								
1,611,647	1,578,495								
	US\$ m 804,863 475,666 330,522 596								

Redemption of preference shares and other equity instruments

Net increase/(decrease) in cash and cash equivalents

Dividends paid to shareholders of the parent company and non-controlling interests

Subordinated loan capital issues

Cash and cash equivalents at 1 Jan

Cash and cash equivalents at 31st Dec

Group Performance Ratios (%)

Return on average tangible equity

Return on average ordinary shareholder's equity

Common equity tier 1 ratio

Total capital ratio

Subordinated loan capital repaid

,	1,578,495		– persona
_		-	coporate
_			– non-bar
			Loans and
	2022 As at		Other fina
3	31st December		Loans and
			– persona
	14.2		- corpora
	16.6		– financia
	19.3		Financia
	5.8		– persona
	5.8		– corpora
	9		– financia
	10		At 31 Dec

Summary of financial instruments to which the imp	airment requi	rements in	IFRS 9 are a	pplied	
	31 Dec	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)	
- coporate and commercial	427,655	(7,803)	453,202	(8,320)	
 non-bank financial institutions 	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)	
 corporate and commercial 	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	_	
- corporate and commercial	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)	

					Other Reserves						
	Called up share capital and share premium US\$ m	Other equity instruments US\$ m	Financial assets at FVOCI reserve US\$ m	Cash flow hedging reserve US\$ m	Foreign exchange reserve US\$ m	Merger and other reserve US\$ m	Insurance finance rererve US\$ m	Retained earnings US\$ m	Total share- holders' equity US\$ m	Non- controlling interests US\$ m	Total equity 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
- debt instruments at fair value through other comprehensive income - equity instruments designated at fair value through	_	-	2,574	-	-	_	-	-	2,574	25	2,599
other comprehensive income	_	_	(93)	_	_	_	_	_	(93)	(27)	(120)
- cash flow hedges	1 –	_	_	2,919	_	_	_	_	2,919	34	2,953
changes in fair value of financial liabilities designated at fair value upon initial recognition arising from											
changes in own credit risk	_	-	-	-	_	_	-	(1,220)	(1,220)	1	(1,219)
- Property revaluation		-	-	-	_	1	-		1	_	1
Remeasurement of defined benefit asset/Liability		-	-	-	_	_	-	(317)	(317)	3	(314)
- Share of other comprehensive income of associates and											
joint ventures		-	-	-	_	_	-	47	47	-	47
- effects of hyperinflation	_	_	-	-	_	_	-	1,604	1,604	-	1,604
 insurance finance incom/(expense) recognised in other 											l
comprehensive income	_	_		-		_	(364)	-	(364)		(364)
- exchange differences	_		(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)			
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

938,535

924,854

Analysis of Financial As As	ssets and Liabilities at 31 December 20		Basis	
	Amortised cost US\$ m	Fair value through profit or loss US\$ m	Fair value through other comphrehensive income US\$ m	Tota US\$ r
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 Financial assets designated and otherwise		289,159		289,159
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

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.

Total

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 groupsThe 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.

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

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.

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				FITCH MOODY'S STANDARD				D & POOR'S
		RATING	OUTLOOK	RATING	OUTLOOK		OUTLOOK			
The Hongkong and Shanghai Banking	Long Term/Senior	AA-	Stable	Aa3	Negative	AA-	Stable			
Corporation Ltd	Short Term	F1±		P_1		A 1.				