Financial review

The financial review gives detailed reporting of our financial performance at Group level as well as across our different global businesses and legal entities.

Moving to a dynamic new London HQ

Our global headquarters is to relocate to the heart of the City of London, after we signed contracts to move to the new Panorama St Paul's development.

When selecting our future location, we wanted a head office that provides flexible, dynamic and inclusive workspaces for colleagues and clients. We also wanted the choice of building to contribute to our net zero commitments through sustainable design, with the building constructed to high sustainability standards, using predominantly repurposed materials.

With our lease at our existing Canary Wharf office expiring in early 2027, we expect colleagues to start moving to Panorama St Paul's from late 2026.

Financial summary

Contents

Changes to presentation from 1 January 2023

Changes to our reporting framework

On 1 January 2023, we updated our financial reporting framework. We no longer report 'adjusted' results, which excluded the impact of both foreign currency translation differences and significant items. Instead, we compute constant currency performance by adjusting comparative reported results only for the effects of foreign currency translation differences between the relevant periods. This will enable users to understand the impact of foreign currency translation differences on the Group's performance. We separately disclose 'notable items', which are components of our income statement that management would consider as outside the normal course of business and generally non-recurring in nature. While our primary segmental reporting by global business remains unchanged, effective from 1 January 2023, the Group changed the supplementary presentation of results from geographical regions to main legal entities to better reflect the Group's structure.

IFRS 17 'Insurance Contracts'

On 1 January 2023, HSBC adopted IFRS 17 'Insurance Contracts'. As required by the standard, the Group applied the requirements retrospectively with comparative data previously published under IFRS 4 'Insurance Contracts' restated from the 1 January 2022 transition date. As required by IAS 1 'Presentation of Financial Statements' a third statement of financial position as at the transition date of 1 January 2022 has been disclosed (for further details, see page 331). Under IFRS 17 there is no present value of in-force business ('PVIF') asset recognised up front. Instead the measurement of the insurance contract liability takes into account fulfilment cash flows and a contractual service margin ('CSM') representing the unearned profit. In contrast to the Group's previous IFRS 4 accounting where profits are recognised up front, under IFRS 17 they are deferred and systematically recognised in revenue as services are provided over the expected coverage period. The CSM also includes directly attributable costs, which had previously been expensed as incurred and which are now incorporated within the insurance liability measurement and recognised over the expected coverage period.

In conjunction with the implementation of IFRS 17, the Group has made use of the option to re-designate to fair value through profit or loss assets that were previously held at amortised cost totalling $55.1bn, and eligible assets previously held at fair value through other comprehensive income totalling $1.1bn. The re-designation of amortised cost assets generated a net increase to assets of $4.9bn because the fair value measurement on transition was higher than the previous amortised cost carrying amount.

The impact of the transition was a reduction of $1.1bn on the Group's full-year 2022 reported revenue and a reduction of $0.5bn on full-year 2022 reported profit before tax. The Group's total equity at 1 January 2022 reduced by $10.5bn to $196.3bn on the transition, and tangible equity reduced by $2.4bn to $146.9bn. For further details of our adoption of IFRS 17, see Note 38 'Effects of adoption of IFRS 17' on page 422.

Cost target

At our full-year 2022 results, we set a target for our 'adjusted' operating expenses of growth for 2023 compared with 2022. Under our new reporting framework we no longer present 'adjusted' results. The exception to this is for operating expenses, where our 'target basis' will adjust reported results for notable items and the period-on-period effects of foreign currency translation differences. We also exclude the impact of retranslating comparative period financial information at the latest rates of foreign exchange in hyperinflationary economies, which is not within our control. We consider that this measure provides useful information to investors by quantifying and excluding the items that management considered when setting and assessing cost-related targets. In our target basis, we also exclude the costs related to the acquisition of SVB UK and related investments internationally, which are expected to add approximately 1% to our cost growth compared with 2022.

Our 2022 baseline for operating expenses on this basis is $29.8bn, which has been retranslated at the average rates of foreign exchange for 2023.

Resegmentation

In the first quarter of 2023, following an internal review to assess which global businesses were best suited to serve our customers' respective needs, a portfolio of our Global Banking customers within our entities in Latin America was transferred from GBM to CMB for reporting purposes. Comparative data have been re-presented accordingly. Similar smaller transfers from GBM to CMB were also undertaken within our entities in Australia and Indonesia, where comparative data have not been re-presented.

Banking NII

At our interim 2023 results, we introduced banking net interest income. This alternative performance measure is reconciled on page 104, and deducts from Group reported net interest income: the impact of the cost of funding reported in net interest income used to fund trading and fair value net assets; the impact of foreign exchange swaps in Markets Treasury, where an offsetting income or loss is recorded in trading and fair value income, and third-party net interest income from our insurance business.

This resulting measure is intended to approximate the Group's banking revenue that is directly impacted by changes in interest rates.

Use of alternative performance measures

Our reported results are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'), as detailed in the financial statements starting on page 329.

To measure our performance, we supplement our IFRS Accounting Standards figures with non-IFRS Accounting Standards measures, which constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with US Securities and Exchange Commission rules and regulations. These measures include those derived from our reported results that eliminate factors that distort year-on-year comparisons. The 'constant currency performance' measure used throughout this report is described below. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 130. In addition, insurance-specific non-GAAP measures including 'Insurance manufacturing value of new business', 'Insurance manufacturing proxy embedded value', and 'Insurance equity plus CSM net of tax' are provided on pages 116 to 117, together with their definitions and reconciliation to GAAP measures. All alternative performance measures are reconciled to the closest reported performance measure.

The global business segmental results are presented on a constant currency basis in accordance with IFRS 8 'Operating Segments' as detailed in Note 10 'Segmental analysis' on page 372.

Constant currency performance

Constant currency performance is computed by adjusting reported results for the effects of foreign currency translation differences, which distort year-on-year comparisons.

We consider constant currency performance to provide useful information for investors by aligning internal and external reporting, and reflecting how management assesses year-on-year performance.

Notable items

We separately disclose 'notable items', which are components of our income statement that management would consider as outside the normal course of business and generally non-recurring in nature.

The tables on pages 112 to 113 and pages 123 to 128 detail the effects of notable items on each of our global business segments, legal entities and selected countries/territories in 2023, 2022 and 2021.

Foreign currency translation differences

Foreign currency translation differences reflect the movements of the US dollar against most major currencies during 2023.

We exclude them to derive constant currency data, allowing us to assess balance sheet and income statement performance on a like-for-like basis and to better understand the underlying trends in the business.

Foreign currency translation differences for 2023 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statements for 2022 and 2021 at the average rates of exchange for 2023; and
- the balance sheets at 31 December 2022 and 31 December 2021 at the prevailing rates of exchange on 31 December 2023.

No adjustment has been made to the exchange rates used to translate foreign currency-denominated assets and liabilities into the functional currencies of any HSBC branches, subsidiaries, joint ventures or associates. The constant currency data of HSBC's Argentina subsidiaries have not been adjusted further for the impacts of hyperinflation. Since 1 June 2022, Türkiye has been deemed a hyperinflationary economy for accounting purposes. HSBC has an operating entity in Türkiye and the constant currency data have not been adjusted further for the impacts of hyperinflation.

When reference is made to foreign currency translation differences in tables or commentaries, comparative data reported in the functional currencies of HSBC's operations have been translated at the appropriate exchange rates applied in the current period on the basis described above.

Critical estimates and judgements

The results of HSBC reflect the choice of accounting policies, assumptions and estimates that underlie the preparation of HSBC's consolidated financial statements. The material accounting policies, including the policies which include critical estimates and judgements, are described in Note 1.2 on the financial statements. The accounting policies listed below are highlighted as they involve a high degree of uncertainty and have a material impact on the financial statements:

- Impairment of amortised cost financial assets and financial assets measured at fair value through other comprehensive income ('FVOCI'): The most significant judgements relate to defining what is considered to be a significant increase in credit risk, determining the lifetime and point of initial recognition of revolving facilities, selecting and calibrating the probability of default ('PD'), the loss given default ('LGD') and the exposure at default ('EAD') models, as well as selecting model inputs and economic forecasts, making assumptions and estimates to incorporate relevant information about late-breaking and past events, current conditions and forecasts of economic conditions, and selecting applicable recovery strategies for certain wholesale credit-impaired loans. A high degree of uncertainty is involved in making estimations using assumptions that are highly subjective and very sensitive to the risk factors. See Note 1.2(i) on page 348.
- Deferred tax assets: The most significant judgements relate to those made in respect of recoverability, which are based on expected future profitability. See Note 1.2(l) on page 353.
- Valuation of financial instruments: In determining the fair value of financial instruments a variety of valuation techniques are used, some of which feature significant unobservable inputs and are subject to substantial uncertainty. See Note 1.2(c) on page 345.
- Impairment of investment in subsidiaries: Impairment testing, including testing for reversal of impairment, involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment, based on a number of management assumptions. See Note 1.2(a) on page 343.
- Impairment of interests in associates: Impairment testing, including testing for reversal of impairment, involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment, based on a number of management assumptions. The most significant judgements relate to the impairment testing of our investment in Bank of Communications Co., Limited ('BoCom'). See Note 1.2(a) on page 343.
- Impairment of goodwill and non-financial assets: A high degree of uncertainty is involved in estimating the future cash flows of the cash-generating units ('CGUs') and the rates used to discount these cash flows. See Note 1.2(a) on page 343 and Note 1.2(n) on page 353.
- Provisions: Significant judgement may be required due to the high degree of uncertainty associated with determining whether a present obligation exists, and estimating the probability and amount of any outflows that may arise. See Note 1.2(m) on page 353.
- Post-employment benefit plans: The calculation of the defined benefit pension obligation involves the determination of key assumptions including discount rate, inflation rate, pension payments and deferred pensions, pay and mortality. See Note 1.2(k) on page 352.
- Non-current assets and disposal groups held for sale: Management judgement is required in determining the likelihood of the sale to occur, and the anticipated timing in assessing whether the held for sale criteria have been met. See Note 1.2(o) on page 354.

Given the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of the items above, it is possible that the outcomes in the next financial year could differ from the expectations on which management's estimates are based, resulting in the recognition and measurement of materially different amounts from those estimated by management in these financial statements.

Impact of hyperinflationary accounting

We continue to treat Argentina and Türkiye as hyperinflationary economies for accounting purposes. The impact of applying IAS 29 'Financial Reporting in Hyperinflationary Economies' and the hyperinflation provisions of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in the current period for our operations in both Argentina and Türkiye was a decrease in the Group's profit before tax of $1,297m (2022: $548m), comprising a decrease in revenue, including loss on net monetary position, of $1,586m (2022: $541m) and a decrease in ECL and operating expenses of $289m (2022: increase of $7m). The CPI at 31 December for Argentina was 3,576, with an increase in the year of 2,429.13 (2022: 563.92 increase). The CPI for Türkiye was 1,859 with an increase in the year of 730.89 (2022: 359.94 increase).

Consolidated income statement

Summary consolidated income statement

	2023	2022[1]	2021	2020	2019
	$m	$m	$m	$m	$m
Net interest income	**35,796**	30,377	26,489	27,578	30,462
Net fee income	**11,845**	11,770	13,097	11,874	12,023
Net income from financial instruments held for trading or managed on a fair value basis	**16,661**	10,278	7,744	9,582	10,231
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	**7,887**	(13,831)	4,053	2,081	3,478
Net insurance premium income	**—**	—	10,870	10,093	10,636
Insurance finance (expense)/income	**(7,809)**	13,799	—	—	—
Insurance service result	**1,078**	809	—	—	—
Gain on acquisition[2]	**1,591**	—	—	—	—
(Impairment)/reversal of impairment relating to the sale of our retail banking operations in France[3]	**150**	(2,316)	—	—	—
Other operating (expense)/income[4]	**(1,141)**	(266)	1,687	1,866	4,194
Total operating income	**66,058**	50,620	63,940	63,074	71,024
Net insurance claims and benefits paid and movement in liabilities to policyholders	**—**	—	(14,388)	(12,645)	(14,926)
Net operating income before change in expected credit losses and other credit impairment charges[5]	**66,058**	50,620	49,552	50,429	56,098
Change in expected credit losses and other credit impairment charges	**(3,447)**	(3,584)	928	(8,817)	(2,756)
Net operating income	**62,611**	47,036	50,480	41,612	53,342
Total operating expenses excluding impairment of goodwill and other intangible assets	**(32,355)**	(32,554)	(33,887)	(33,044)	(34,955)
Impairment of goodwill and other intangible assets	**285**	(147)	(733)	(1,388)	(7,394)
Operating profit	**30,541**	14,335	15,860	7,180	10,993
Share of profit in associates and joint ventures	**2,807**	2,723	3,046	1,597	2,354
Impairment of interest in associate	**(3,000)**	—	—	—	—
Profit before tax	**30,348**	17,058	18,906	8,777	13,347
Tax expense	**(5,789)**	(809)	(4,213)	(2,678)	(4,639)
Profit for the year	**24,559**	16,249	14,693	6,099	8,708
Attributable to:					
– ordinary shareholders of the parent company	**22,432**	14,346	12,607	3,898	5,969
– preference shareholders of the parent company	**—**	—	7	90	90
– other equity holders	**1,101**	1,213	1,303	1,241	1,324
– non-controlling interests	**1,026**	690	776	870	1,325
Profit for the year	**24,559**	16,249	14,693	6,099	8,708

Five-year financial information

	2023	2022[1]	2021	2020	2019
	$	$	$	$	$
Basic earnings per share	**1.15**	0.72	0.62	0.19	0.3
Diluted earnings per share	**1.14**	0.72	0.62	0.19	0.3
Dividends per ordinary share (paid in the period)[6]	**0.53**	0.27	0.22	—	0.51
	%	%	%	%	%
Dividend payout ratio[7]	**50**	44	40	79	100
Post-tax return on average total assets	**0.8**	0.5	0.5	0.2	0.3
Return on average ordinary shareholders' equity	**13.6**	9.0	7.1	2.3	3.6
Return on average tangible equity	**14.6**	10.0	8.3	3.1	8.4
Effective tax rate	**19.1**	4.7	22.3	30.5	34.8

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the years ended 31 December 2021, 2020 and 2019 are prepared on an IFRS 4 basis.*
2 *Provisional gain recognised in respect of the acquisition of SVB UK.*
3 *In the fourth quarter of 2023, an impairment loss of $2.0bn was recognised relating to the sale of our retail banking operations in France. This largely offset the $2.1bn recognised in the first quarter of 2023 on the reversal of the held for sale classification at that time. In 2023, a total net $0.1bn of credit was recognised in other operating income, reflecting the net asset value disposed under the final terms of sale. The $0.4bn impairment of goodwill recognised in the third quarter in 2022 has not been reversed.*
4 *Other operating (expense)/income includes a loss on net monetary positions of $1,667m (2022: $678m; 2021: $576m) as a result of applying IAS 29 'Financial Reporting in Hyperinflationary Economies' and disposal losses on capitalised markets treasury repositioning of $977m in 2023.*
5 *Net operating income before change in expected credit losses and other credit impairment charges also referred to as revenue.*
6 *Includes dividend paid during the period, which consisted of a second interim dividend of $0.23 per ordinary share in respect of the financial year ended 31 December 2022 paid in April 2023 and the first, second and third interim dividends of $0.30 per ordinary share in respect of the financial year ending 31 December 2023.*
7 *In 2023, our dividend payout ratio was adjusted for material notable items and related impacts. In 2022, our dividend payout ratio was adjusted for the loss on classification to held for sale of our retail banking business in France, items relating to the planned sale of our banking business in Canada, and the recognition of certain deferred tax assets. No items were adjusted for in 2021, 2020 or 2019.*

Unless stated otherwise, all tables in the Annual Report and Accounts 2023 *are presented on a reported basis.*

For a summary of our financial performance in 2023, see page 27.

For further financial performance data for each global business and legal entity, see pages 111 to 114 and 120 to 130 respectively. The global business segmental results are presented on a constant currency basis in accordance with IFRS 8 'Operating Segments' as set out in Note 10: Segmental analysis on page 372.

Income statement commentary

The following commentary compares Group financial performance for the year ended 2023 with 2022, unless otherwise stated.

Net interest income

	Year ended			Quarter ended		
	31 Dec 2023	31 Dec 2022[1]	31 Dec 2021	**31 Dec 2023**	30 Sep 2023	31 Dec 2022[1]
	$m	$m	$m	**$m**	$m	$m
Interest income	**100,868**	52,826	36,188	**26,714**	27,198	18,957
Interest expense	**(65,072)**	(22,449)	(9,699)	**(18,430)**	(17,950)	(9,971)
Net interest income	**35,796**	30,377	26,489	**8,284**	9,248	8,986
Average interest-earning assets	**2,161,746**	2,143,758	2,209,513	**2,164,324**	2,157,370	2,116,018
	%	%	%	**%**	%	%
Gross interest yield[2]	**4.67**	2.46	1.64	**4.90**	5.00	3.55
Less: gross interest payable[2]	**(3.47)**	(1.24)	(0.53)	**(3.83)**	(3.80)	(2.21)
Net interest spread[3]	**1.20**	1.22	1.11	**1.07**	1.20	1.34
Net interest margin[4]	**1.66**	1.42	1.20	**1.52**	1.70	1.68

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Gross interest yield is the average annualised interest rate earned on average interest-earning assets ('AIEA'). Gross interest payable is the average annualised interest cost as a percentage of average interest-bearing liabilities.*
3 *Net interest spread is the difference between the average annualised interest rate earned on AIEA, net of amortised premiums and loan fees, and the average annualised interest rate payable on average interest-bearing funds.*
4 *Net interest margin is net interest income expressed as an annualised percentage of AIEA.*

Summary of interest income by type of asset

	2023			2022[1]			2021		
	Average balance	**Interest income**	**Yield**	Average balance	Interest income	Yield	Average balance	Interest income	Yield
	$m	**$m**	**%**	$m	$m	%	$m	$m	%
Short-term funds and loans and advances to banks	**403,674**	**14,770**	**3.66**	445,659	5,577	1.25	450,678	1,105	0.25
Loans and advances to customers	**957,717**	**47,673**	**4.98**	1,022,320	32,543	3.18	1,060,658	26,071	2.46
Reverse repurchase agreements – non-trading[2]	**240,263**	**14,391**	**5.99**	231,058	4,886	2.11	206,246	1,019	0.49
Financial investments	**407,363**	**16,858**	**4.14**	372,702	7,704	2.07	438,840	6,729	1.53
Other interest-earning assets	**152,729**	**7,176**	**4.70**	72,019	2,116	2.94	53,091	1,264	2.38
Total interest-earning assets	**2,161,746**	**100,868**	**4.67**	2,143,758	52,826	2.46	2,209,513	36,188	1.64

Summary of interest expense by type of liability

	2023			2022[1]			2021		
	Average balance	**Interest expense**	**Cost**	Average balance	Interest expense	Cost	Average balance	Interest expense	Cost
	$m	**$m**	**%**	$m	$m	%	$m	$m	%
Deposits by banks[3]	**60,392**	**2,401**	**3.98**	75,739	770	1.02	75,671	198	0.26
Customer accounts[4]	**1,334,803**	**34,162**	**2.56**	1,342,342	10,903	0.81	1,362,580	4,099	0.30
Repurchase agreements – non-trading[2]	**146,605**	**10,858**	**7.41**	118,308	3,085	2.61	114,201	363	0.32
Debt securities in issue – non-trading	**184,867**	**11,223**	**6.07**	179,775	5,607	3.12	193,137	3,603	1.87
Other interest-bearing liabilities	**146,216**	**6,428**	**4.40**	87,965	2,084	2.37	70,929	1,436	2.02
Total interest-bearing liabilities	**1,872,883**	**65,072**	**3.47**	1,804,129	22,449	1.24	1,816,518	9,699	0.53

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *The average balances for repurchase and reverse repurchase agreements include net amounts where the criteria for offsetting are met, resulting in a lower net balance reported for repurchase agreements and thus higher cost.*
3 *Including interest-bearing bank deposits only.*
4 *Including interest-bearing customer accounts only.*

Net interest income ('NII') for 2023 was $35.8bn, an increase of $5.4bn or 18% compared with 2022. This reflected higher average interest rates across major currencies compared with 2022.

Excluding the unfavourable impact of foreign currency translation differences, net interest income increased by $6.0bn or 20%.

NII for the fourth quarter of 2023 was $8.3bn, down 10% compared with the previous quarter, and down 8% compared with the fourth quarter of 2022. The decrease was predominantly driven by the impact of higher funding costs across our liabilities, which included the impact of deposit migration in our main legal entities in Asia and Europe. In addition, the fourth quarter of 2023 included an adverse impact of $0.2bn, relating to the first nine months of 2023, due to reclassifications to NII from 'net income from financial instruments held for trading or managed on a fair value basis' related to hedges in Canada that will not recur given the expected sale of the business.

The impact of hyperinflation in Argentina on NII in 2023 was an adverse movement of $0.5bn, with an associated impact on NIM of 2bps. The impact in the fourth quarter of 2023 was an adverse movement of $0.5bn, with an associated impact on NIM of 9bps. This compared with minimal movements in the equivalent periods in 2022. The increase in hyperinflationary accounting impacts in 2023 was notably due to the impact of the devaluation of the Argentinian peso.

Net interest margin ('NIM') for 2023 of 1.66% was 24bps higher compared with 2022, as the rise in the yield on average interest-earning assets ('AIEA') of 220bps was partly offset by the rise in the funding costs of average interest-bearing liabilities of 196bps.

The increase in NIM in 2023 included the unfavourable impact of foreign currency translation differences. Excluding this, NIM increased by 27bps.

NIM for the fourth quarter of 2023 was 1.52%, down 18bps compared with the previous quarter, and down 16bps compared with the fourth quarter of 2022. The decreases were predominantly driven by a rise in funding costs of average interest-bearing liabilities, which included the impact of customer deposit migration in our main legal entities in Asia and Europe, as well as the Argentina hyperinflation impact as noted above, partly offset by an increase in the yield on AIEA.

Interest income for 2023 of $100.9bn increased by $48.0bn compared with 2022. Interest income of $26.7bn in the fourth quarter of 2023 was down $0.5bn compared with the previous quarter, and up $7.8bn compared with the fourth quarter of 2022. The respective increases of $48.0bn and $7.8bn were predominantly driven by the impact of higher market interest rates. The decrease of $0.5bn compared with the previous quarter was predominantly due to hyperinflation in Argentina.

The change in interest income in 2023 compared with 2022 included an adverse impact of foreign currency translation differences of $1.2bn. After excluding foreign currency translation differences, interest income increased by $49.2bn.

Interest expense for 2023 of $65.1bn increased by $42.6bn compared with 2022. This reflected an increase in funding costs of 223bps, mainly due to the impact of higher interest rates on our liabilities including customer deposit migration, notably in Asia and Europe. Within interest expense was the effect of higher funding costs associated with supporting our trading and fair value activities, as explained below in banking net interest income.

The rise in interest expense included the favourable effects of foreign currency translation differences of $0.6bn. Excluding this, interest expense increased by $43.2bn.

Interest expense of $18.4bn in the fourth quarter of 2023 was up $0.5bn compared with the third quarter of 2023, and up $8.5bn compared with the fourth quarter of 2022. The increase was predominantly driven by the impact of higher market interest rates, and the impact of deposit migration.

Banking net interest income

	Year ended		Quarter ended		
	31 Dec 2023	31 Dec 2022	**31 Dec 2023**	30 Sep 2023	31 Dec 2022
	$bn	$bn	**$bn**	$bn	$bn
Net interest income	**35.8**	30.4	**8.3**	9.2	9.0
Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis'	**8.7**	2.5	**2.5**	2.4	1.3
Third-party net interest income from insurance	**(0.4)**	(0.4)	**(0.1)**	(0.1)	(0.1)
Banking net interest income	**44.1**	32.5	**10.7**	11.5	10.2

Banking net interest income is an alternative performance measure, and is defined as Group reported net interest income after deducting:

- the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis', also referred to as 'trading and fair value income'. These funding costs reflect proxy overnight or term interest rates as applied by internal funds transfer pricing;
- the funding costs of foreign exchange swaps in Markets Treasury, where an offsetting income or loss is recorded in trading and fair value income. These instruments are used to manage foreign currency deployment and funding in our entities; and
- third-party net interest income in our insurance business.

In our segmental disclosures, the funding costs of trading and fair value net assets are predominantly recorded in GBM in 'net income from financial instruments held for trading or managed on a fair value basis'. On consolidation, this funding is eliminated in Corporate Centre, resulting in an increase in the funding costs reported in net interest income with an equivalent offsetting increase in 'net income from financial instruments held for trading or managed on a fair value basis' in this segment. In the second quarter of 2023 we implemented a consistent reporting approach across our most material entities that contribute to our trading and fair value net assets, which resulted in an increase to the first half of 2023 associated funding costs reported through the intersegment elimination in Corporate Centre of approximately $0.4bn, recognised in the second quarter of 2023. In the consolidated Group results, the cost to fund these trading and fair value net assets is reported in net interest income.

The internally allocated funding cost of $8.7bn, which was incurred in 2023 to generate trading and fair value income, related to trading, fair value and associated net asset balances predominantly in GBM. At 31 December 2023, these stood at approximately $164bn.

Net fee income of $11.8bn was $0.1bn higher than in 2022, and included an adverse impact from foreign currency translation differences of $0.1bn. The rise in net fee income in CMB and WPB was partly offset by a reduction in GBM.

In CMB, net fee income increased by $0.2bn driven by higher fees from credit facilities, notably in Europe and the UK due to an increase in trade products. Fee income also grew in account services, reflecting greater client activity in transaction banking, mainly in Global Payments Solutions ('GPS'), and in cards, as spending increased compared with 2022. These increases were partly offset by a reduction in fees from funds under management and broking activities.

In WPB, net fee income increased by $0.1bn. The rise was mainly due to higher cards income, mainly in our legal entities in Hong Kong and in Mexico, as customer spending increased. However, income from broking fell, notably in Hong Kong, due to weaker equity markets and muted customer sentiment. The rise in cards activity resulted in higher fee expenses.

In GBM, net fee income decreased by $0.2bn. This was driven by higher fee expense, notably in our main entities in Hong Kong, mainly relating to GBM products sold to customers in other global businesses. In Europe, fee expense grew in our private credit business, and we incurred higher interbank and clearing fee expense. There was a decrease in corporate finance fee income, reflecting lower client activity in Europe, and a fall in broking income due to lower equity turnover. Global custody income also fell. This was partly offset by an increase in underwriting income, from an increase in syndicated fees in Europe and a rise in fees in the US following historical lows in 2022.

Net income from financial instruments held for trading or managed on a fair value basis of $16.7bn was $6.4bn higher compared with 2022. This reflected a rise in income, primarily relating to trading activities in GBM, for which the associated funding costs are reported in net interest income, notably in our main legal entities in Hong Kong and Europe. The rise also included a favourable movement on non-qualifying hedges of $0.5bn due to the non-recurrence of fair value losses in 2022. These increases were partly offset by an adverse fair value movement on foreign exchange hedges related to the planned sale of our banking business in Canada.

Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss of $7.9bn compared with a net expense of $13.8bn in 2022. This increase reflected favourable movements on debt securities, due to movements in interest rates, and equities. The increases were notably in our portfolios in Hong Kong and France.

This favourable movement resulted in a corresponding movement in insurance finance expense, which has an offsetting impact for the related liabilities to policyholders.

Insurance finance expense of $7.8bn compared with an income of $13.8bn in 2022, reflecting the impact of investment returns on underlying assets on the value of liabilities to policyholders, which moves inversely with 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss'.

Insurance service result of $1.1bn increased by $0.3bn compared with 2022, primarily due to an increase in the release of the contractual service margin ('CSM'). This primarily reflected a higher CSM balance from higher new business written and favourable assumption updates, primarily from updates to lapse rate assumptions. The increase also reflected a reduction in losses from onerous contracts. Under IFRS 17, the measurement of the insurance contract liability takes into account fulfilment cash flows and a CSM representing the unearned profit. In contrast to the Group's previous IFRS 4 accounting where profits are recognised up front, under IFRS 17 they are deferred and systematically recognised in revenue as services are provided over the life of the contract. The CSM also includes attributable cost, which had previously been expensed as incurred and which is now incorporated within the insurance liability measurement and recognised over the life of the contract.

Gain on acquisition of $1.6bn related to the provisional gain recognised in respect of the acquisition of Silicon Valley Bank UK Limited.

Impairment loss relating to the sale of the retail banking operations in France was a net impairment reversal of $0.2bn in 2023, compared with an impairment of $2.3bn in 2022.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the disposal group was classified as held for sale on 30 September 2022, at which point the Group recognised the estimated impairment of $2.3bn, which included impairment of goodwill of $0.4bn and related transaction costs. In the first quarter of 2023, $2.1bn of this impairment loss was reversed as the sale became less certain. It was reinstated in the fourth quarter of 2023 as we reclassified these operations as held for sale and remeasured the disposal group at the lower of carrying value and fair value less costs to sell, resulting in a $2.0bn impairment loss, reflecting the final terms of the sale. The sale completed on 1 January 2024.

Other operating expense of $1.1bn was $0.9bn higher than in 2022. The increase primarily related to losses in 2023 in Markets Treasury on asset disposals of $1.0bn relating to repositioning and risk management activities in our hold-to-collect-and-sell portfolio in certain key legal entities. These actions are accretive to net interest income and reduce the consumption of the Group's financial resources.

The increased expense also included a loss of $0.3bn in 2023 relating to corrections to historical valuation estimates in our life insurance business, and losses related to the disposal of our New Zealand retail mortgage loan portfolio and the merger of HSBC Bank Oman in 2023 with Sohar International. These were partly offset by losses in 2022 relating to the disposal of our branch operations in Greece and the planned disposal of our business in Russia.

Change in expected credit losses and other credit impairment charges ('ECL') were a charge of $3.4bn, a decrease of $0.1bn or 4% compared with 2022.

The charge in 2023 primarily comprised stage 3 net charges, notably related to mainland China commercial real estate sector exposures. ECL charges in this sector were $1.0bn in 2023. The charge in 2023 also reflected the impact of continued economic uncertainty, rising interest rates and inflationary pressures. The charge in 2022 of $3.6bn included charges related to mainland China commercial real estate exposures of $1.3bn.

For further details on the calculation of ECL, including the measurement uncertainties and significant judgements applied to such calculations, the impact of the economic scenarios and management judgemental adjustments, see pages 156 to 168.

Operating expenses

	Year ended		
	2023	2022[1]	2021
	$m	$m	$m
Gross employee compensation and benefits	**19,623**	19,288	19,612
Capitalised wages and salaries	**(1,403)**	(1,285)	(870)
Goodwill impairment	**—**	—	587
Property and equipment	**4,285**	4,949	5,145
Amortisation and impairment of intangibles	**1,827**	1,701	1,438
UK bank levy	**339**	13	116
Legal proceedings and regulatory matters	**188**	246	106
Other operating expenses[2]	**7,211**	7,789	8,486
Reported operating expenses	**32,070**	32,701	34,620
Currency translation	**—**	(399)	(2,376)
Constant currency operating expenses	**32,070**	32,302	32,244

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*

2 *Other operating expenses includes professional fees, contractor costs, transaction taxes, marketing and travel. The decrease was driven by favourable currency translation differences and lower restructuring and other related costs following the completion of our cost-saving programme at the end of 2022.*

Staff numbers (full-time equivalents)[1]

	2023	2022	2021
Global businesses			
Wealth and Personal Banking	**128,399**	128,764	130,185
Commercial Banking	**45,884**	43,640	42,969
Global Banking and Markets	**46,241**	46,435	46,166
Corporate Centre	**337**	360	377
At 31 Dec	**220,861**	219,199	219,697

1 *Represents the number of full-time equivalent people with contracts of service with the Group who are being paid at the reporting date.*

Operating expenses of $32.1bn were $0.6bn or 2% lower than in 2022, including a favourable impact of $0.4bn from foreign currency translation differences.

This was driven by lower restructuring and other related costs following the completion of our cost to achieve programme, which concluded at the end of 2022, as well as a $0.2bn reduction due to a reversal of historical asset impairments, and the effects of our continued cost discipline. There was also a favourable impact of $0.2bn due to the impact of hyperinflationary accounting in Argentina in 2023.

These reductions were partly offset by an increase in technology costs, the impacts of inflation, a higher performance-related pay accrual and severance payments. In addition, the UK bank levy increased by $0.3bn, which included adjustments related to prior years, and we incurred a $0.2bn charge in the US relating to the FDIC special assessment.

The number of employees expressed in full-time equivalent staff ('FTE') at 31 December 2023 was 220,861, an increase of 1,662 compared with 31 December 2022. The number of contractors at 31 December 2023 was 4,676, a decrease of 1,371.

Share of profit in associates and joint ventures of $2.8bn was $0.1bn or 3% higher than in 2022, reflecting an increase in the share of profit from Saudi Awwal Bank ('SAB').

Impairment of interest in associate of $3.0bn related to our investment in BoCom.

We maintain a 19.03% interest in BoCom. Since our investment in 2004, BoCom has grown its business significantly to the extent that it has recently been designated as a global systemically important bank ('GSIB').

For accounting purposes, the balance sheet carrying value attributed to BoCom represents our share of its net assets. We perform quarterly impairment tests incorporating a value-in-use calculation, recognising the gap between this carrying value and the fair value (based on the list share price). We have previously disclosed that the excess of the value-in-use calculation over its carrying value has been marginal in recent years, and that reasonably possible changes in assumptions could generate an impairment.

Recent macroeconomic, policy and industry factors resulted in a wider range of reasonably possible value-in-use outcomes for our BoCom valuation. At 31 December 2023, the Group performed an impairment test on the carrying value which resulted in an impairment of $3.0bn, as the recoverable amount as determined by a value-in-use calculation was lower than the carrying value. Our value-in-use calculation uses both historical experience and market participant views to estimate future cash flows, relevant discount rates and associated capital assumptions.

This impairment will have no material impact on HSBC's capital, capital ratios or distribution capacity, and therefore no impact on dividends or share buy-backs. The insignificant impact on HSBC's capital and CET1 ratio is due to the compensating release of regulatory capital deductions to offset the impairment charge.

We remain strategically committed to mainland China as demonstrated by our recent announcements to acquire Citi's retail wealth management portfolio and the investments made into mainland China in recent years. BoCom remains a strong partner in China, and we remain focused on maximising the mutual value of our partnership. Our positive views on the medium- and long-term structural growth opportunities in mainland China are unchanged.

For further details, see Note 18: Interests in associates and joint ventures on page 391.

Tax expense

	Year ended	
	2023	2022
	$m	$m
Tax (charge)/credit		
Reported	**(5,789)**	(809)
Currency translation	**—**	160
Constant currency tax (charge)/credit	**(5,789)**	(649)

Notable items

	Year ended	
	2023	2022
	$m	$m
Tax		
Tax (charge)/credit on notable items	**207**	1,026
Recognition of losses	**—**	2,333
Uncertain tax positions	**427**	(142)

Tax expense

The effective tax rate for 2023 of 19.1% was higher than the 4.7% in 2022. The effective tax rate for 2023 was increased by 2.3 percentage points by the non-deductible impairment of investments in associates, and reduced by 1.6 percentage points by the release of provisions for uncertain tax positions and reduced by 1.5 percentage points by the non-taxable accounting gain on the acquisition of SVB UK. The effective tax rate for 2022 was reduced by 12.8 percentage points by the recognition of a deferred tax asset on historical tax losses of HSBC Holdings as a result of improved profit forecasts for the UK tax group. Excluding these items, the effective tax rates were 19.9% for 2023 and 17.5% for 2022.

Return on average tangible equity

In 2023, RoTE was 14.6%, compared with 10.0% in 2022. Excluding the impact of strategic transactions and the impairment of BoCom, RoTE was 15.6%.

Supplementary table for planned disposals

The income statements and selected balance sheet metrics for the year ended 31 December 2023 of our banking business in Canada and our retail banking operations in France are shown below.

The asset and liability balances relating to these planned disposals are reported on the Group balance sheet within 'Assets held for sale' and 'Liabilities of disposal groups held for sale', respectively, as at 31 December 2023.

Income statement and selected balance sheet metrics of disposal groups held for sale

	Year ended 2023	
	Canada[1]	**France retail[2]**
	$bn	**$bn**
Revenue	**2.0**	**0.3**
ECL	**—**	**—**
Operating expenses	**(1.0)**	**(0.6)**
of which: costs expected to be exited	***(0.7)***	***(0.4)***
Profit before tax	**0.9**	**(0.2)**
Loans and advances to customers	**56.1**	**16.9**
Customer accounts	**63.0**	**22.3**
RWA[3]	**31.9**	**4.1**

1 *Under the terms of the sale agreement, the pre-tax profit on sale will be recognised through a combination of the consolidation of HSBC Canada's results into the Group's financial statements from 30 June 2022 until completion, and the remaining gain on sale recognised at completion.*

2 *France retail includes the transferring of the retail banking business, HSBC SFH and associated supporting services. For further details, see Note 23: Assets held for sale and liabilities of disposal groups held for sale on page 401.*

3 *Includes $3.5bn in Canada in respect of operational risk RWAs, and $0.6bn associated with our retail banking business in France.*

Consolidated balance sheet

Five-year summary consolidated balance sheet

	2023 $m	2022[1] $m	2021 $m	2020 $m	2019 $m
Assets					
Cash and balances at central banks	**285,868**	327,002	403,018	304,481	154,099
Trading assets	**289,159**	218,093	248,842	231,990	254,271
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	**110,643**	100,101	49,804	45,553	43,627
Derivatives	**229,714**	284,159	196,882	307,726	242,995
Loans and advances to banks	**112,902**	104,475	83,136	81,616	69,203
Loans and advances to customers	**938,535**	923,561	1,045,814	1,037,987	1,036,743
Reverse repurchase agreements – non-trading	**252,217**	253,754	241,648	230,628	240,862
Financial investments	**442,763**	364,726	446,274	490,693	443,312
Assets held for sale	**114,134**	115,919	3,411	299	123
Other assets	**262,742**	257,496	239,110	253,191	229,917
Total assets at 31 Dec	**3,038,677**	2,949,286	2,957,939	2,984,164	2,715,152
Liabilities					
Deposits by banks	**73,163**	66,722	101,152	82,080	59,022
Customer accounts	**1,611,647**	1,570,303	1,710,574	1,642,780	1,439,115
Repurchase agreements – non-trading	**172,100**	127,747	126,670	111,901	140,344
Trading liabilities	**73,150**	72,353	84,904	75,266	83,170
Financial liabilities designated at fair value	**141,426**	127,321	145,502	157,439	164,466
Derivatives	**234,772**	285,762	191,064	303,001	239,497
Debt securities in issue	**93,917**	78,149	78,557	95,492	104,555
Insurance contract liabilities	**120,851**	108,816	112,745	107,191	97,439
Liabilities of disposal groups held for sale	**108,406**	114,597	9,005	—	—
Other liabilities	**216,635**	212,319	190,989	204,019	194,876
Total liabilities at 31 Dec	**2,846,067**	2,764,089	2,751,162	2,779,169	2,522,484
Equity					
Total shareholders' equity	**185,329**	177,833	198,250	196,443	183,955
Non-controlling interests	**7,281**	7,364	8,527	8,552	8,713
Total equity at 31 Dec	**192,610**	185,197	206,777	204,995	192,668
Total liabilities and equity at 31 Dec	**3,038,677**	2,949,286	2,957,939	2,984,164	2,715,152

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. We have restated 2022 comparative data.*

A more detailed consolidated balance sheet is contained in the financial statements on page 331.

Five-year selected financial information

	2023	2022[1]	2021	2020	2019
	$m	$m	$m	$m	$m
Called up share capital	**9,631**	10,147	10,316	10,347	10,319
Capital resources[2]	**171,204**	162,423	177,786	184,423	172,150
Undated subordinated loan capital	**18**	1,967	1,968	1,970	1,968
Preferred securities and dated subordinated loan capital[3]	**36,413**	29,921	28,568	30,721	33,063
Risk-weighted assets	**854,114**	839,720	838,263	857,520	843,395
Total shareholders' equity	**185,329**	177,833	198,250	196,443	183,955
Less: preference shares and other equity instruments	**(17,719)**	(19,746)	(22,414)	(22,414)	(22,276)
Total ordinary shareholders' equity	**167,610**	158,087	175,836	174,029	161,679
Less: goodwill and intangible assets (net of tax)	**(11,900)**	(11,160)	(17,643)	(17,606)	(17,535)
Tangible ordinary shareholders' equity	**155,710**	146,927	158,193	156,423	144,144
Financial statistics					
Loans and advances to customers as a percentage of customer accounts	**58.2%**	58.8%	61.1%	63.2%	72.0%
Average total shareholders' equity to average total assets	**6.01%**	5.97%	6.62%	6.46%	6.97%
Net asset value per ordinary share at year-end ($)[4]	**8.82**	8.01	8.76	8.62	8.00
Tangible net asset value per ordinary share at year-end ($)[5]	**8.19**	7.44	7.88	7.75	7.13
Tangible net asset value per fully diluted share at year-end ($)	**8.14**	7.39	7.84	7.72	7.11
Number of $0.50 ordinary shares in issue (millions)	**19,263**	20,294	20,632	20,694	20,639
Basic number of $0.50 ordinary shares outstanding (millions)	**19,006**	19,739	20,073	20,184	20,206
Basic number of $0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)	**19,135**	19,876	20,189	20,272	20,280
Closing foreign exchange translation rates to $:					
$1: £	**0.784**	0.830	0.739	0.732	0.756
$1: €	**0.903**	0.937	0.880	0.816	0.890

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. We have restated 2022 comparative data.*
2 *Capital resources are regulatory total capital, the calculation of which is set out on page 206.*
3 *Including perpetual preferred securities, details of which can be found in Note 29: Subordinated liabilities on page 406.*
4 *The definition of net asset value per ordinary share is total shareholders' equity, less non-cumulative preference shares and capital securities, divided by the number of ordinary shares in issue, excluding own shares held by the company, including those purchased and held in treasury.*
5 *The definition of tangible net asset value per ordinary share is total ordinary shareholders' equity excluding goodwill, PVIF (for 2021, 2020 and 2019) and other intangible assets (net of deferred tax), divided by the number of basic ordinary shares in issue, excluding own shares held by the company, including those purchased and held in treasury.*

Combined view of customer lending and customer deposits

	2023	2022
	$m	$m
Loans and advances to customers	**938,535**	923,561
– *of which: HSBC Innovation Bank Limited (formerly SVB UK)*	***7,955***	—
Loans and advances to customers of disposal groups reported in 'Assets held for sale'	**73,285**	80,576
– banking business in Canada	**56,129**	55,197
– retail banking operations in France	**16,902**	25,029
– other	**254**	350
Non-current assets held for sale	**92**	112
Combined customer lending	**1,011,912**	1,004,249
Currency translation	**—**	20,454
Combined customer lending at constant currency	**1,011,912**	1,024,703
Customer accounts	**1,611,647**	1,570,303
– *of which: HSBC Innovation Bank Limited (formerly SVB UK)*	***6,019***	—
Customer accounts reported in 'Liabilities of disposal groups held for sale'	**85,950**	85,274
– banking business in Canada	**63,001**	60,606
– retail banking operations in France	**22,307**	22,348
– other	**642**	2,320
Combined customer deposits	**1,697,597**	1,655,577
Currency translation	**—**	30,773
Combined customer deposits at constant currency	**1,697,597**	1,686,350

Balance sheet commentary compared with 31 December 2022

At 31 December 2023, total assets of $3.0tn were $89bn or 3% higher on a reported basis and increased by $31bn or 1% on a constant currency basis.

Reported loans and advances to customers as a percentage of customer accounts was 58.2% compared with 58.8% at 31 December 2022. The movement in this ratio reflected a higher growth in customer accounts than in lending.

Assets

Cash and balances at central banks decreased by $41bn or 13%, which included a $13bn favourable impact of foreign currency translation differences. The decrease was mainly in HSBC UK, reflecting a reduction in customer accounts and repurchase agreements, as well as an increase in the deployment of our cash surplus into financial investments. Cash fell in HSBC Bank plc as our European branches managed liquidity requirements and due to the completion of the sale of our retail banking operations in France. Cash also decreased in the UK as we deployed our commercial surplus into reverse repurchase agreements and financial investments.

Trading assets increased by $71bn or 33%, mainly as we captured increased client activity in equity and debt securities, particularly in Hong Kong and HSBC Bank plc. The increase in trading assets also reflected the use of surplus liquidity to fund trading activities given the subdued demand for customer lending.

Derivative assets decreased by $54bn or 19%, mainly in Europe, reflecting adverse revaluation movements on interest rate contracts due to a stabilisation and downward shift in long-term yield curve rates in most major markets. Foreign exchange contracts also fell, primarily in HSBC Bank plc, as a result of reduced volatility in foreign exchange rate movements in 2023. The decrease in derivative assets was consistent with the decrease in derivative liabilities, as the underlying risk is broadly matched.

Loans and advances to customers of $939bn increased by $15bn or 2% on a reported basis. This included a favourable impact of foreign currency translation differences of $18bn.

On a constant currency basis, loans and advances to customers fell by $3bn, reflecting the following movements.

In WPB, customer lending increased by $21bn, reflecting growth in mortgage balances, notably in our main legal entities in Hong Kong (up $6bn), the UK (up $5bn), Mexico (up $1bn) and Australia (up $1bn). There was an increase of $7.8bn in secured lending in our main entity in Europe following the reclassification of a portfolio of home loans previously classified as assets held for sale, relating to the sale of our retail banking operations in France. The increase also included growth of $3bn in credit card balances, mainly in our entities in Hong Kong, the UK and Mexico. These increases were partly offset by reductions due to business divestments in Oman and New Zealand.

In GBM, lending fell by $16bn due to a reduction in term lending, primarily in our main legal entities in Hong Kong, including a reduction in the commercial real estate sector, and in Europe, reflecting muted client demand. Lending also fell by $1bn due to the merger of our operations in Oman with Sohar International. In addition there was a transfer of GBM customers to CMB in Australia and Indonesia, resulting in a $3bn reduction.

In CMB, customer lending was $7bn lower, mainly in our main legal entities in Hong Kong, including in the commercial real estate sector, and in the US, as well as in HSBC Bank plc, reflecting weaker client demand in a higher interest rate environment. Lending also fell by $1bn due to the sale of our business in Oman. In HSBC UK, lending grew by $4bn, as an increase from the acquisition of SVB UK of $8bn partly mitigated reductions from clients repaying their facilities. The transfer of customers to CMB from GBM in Australia and Indonesia, referred to above, led to an increase of $3bn.

Financial investments increased by $78bn or 21%, mainly in Asia and Europe from the purchase of debt securities, treasury and other eligible bills, as we redeployed our commercial surplus to benefit from higher yield curves and enhance our hedging activities on net interest income. The increase was across both debt instruments held at fair value through other comprehensive income and instruments held at amortised cost.

Assets held for sale of $114bn primarily comprised the assets relating to the sale of our retail banking operations in France and the planned sale of our banking business in Canada. This balance was broadly stable compared with 2022, as a decrease of $8bn relating to the transfer to loans and advances to customers of a portfolio of secured home loans in France was largely offset by a transfer of cash into assets held for sale, related to the completion of the sale of our retail banking operations there.

Liabilities

Customer accounts of $1.6tn increased by $41bn or 3% on a reported basis. This included a favourable impact of foreign currency translation differences of $28bn.

On a constant currency basis, customer accounts increased by $13bn, reflecting the following movements.

In WPB, customer accounts grew by $12bn, reflecting higher interest-bearing term and money market deposit balances, as interest rates rose, primarily in our main legal entity in Asia, notably Hong Kong (up $10bn, or 3%), Singapore (up $5bn, or 15%), Australia (up $3bn, or 19%), mainland China (up $3bn, or 19%) and Taiwan up ($2bn, or 34%). However, customer accounts fell by $14bn in HSBC UK, reflecting cost of living and competitive pressures. There was also a reduction due to the sale of our business in Oman.

In CMB, customer accounts increased by $3bn. The growth included an increase of $6bn related to our acquisition of SVB UK, as well as increases in our entities in Asia, excluding Hong Kong, and in continental Europe, mainly in term and money market deposits. In addition, a transfer of customers from GBM to CMB in Australia and Indonesia resulted in a rise of $4bn. These increases mitigated reductions in our main entities in Hong Kong and the UK and a reduction of $2bn due to the sale of our business in Oman.

In GBM, customer accounts were marginally lower, falling $2bn. Balances fell in Hong Kong and the UK, although there was growth in continental Europe and Singapore. Balances fell by $1bn following the sale of our business in Oman, and by $4bn due to the transfer of customers from GBM to CMB in Australia and Indonesia.

Repurchase agreements – non-trading increased by $44bn or 35%, notably in HSBC Bank plc, reflecting higher client demand, and in our main entity in Asia due to a higher requirement for short-term funding.

Derivative liabilities decreased by $51bn or 18%, which is consistent with the reduction in derivative assets, since the underlying risk is broadly matched.

Debt securities in issue increased by $16bn or 20%, due to a net increase in debt issuances.

Liabilities of disposal groups held for sale of $108bn primarily comprised the liabilities relating to the sale of our retail banking operations in France and the planned sale of our banking business in Canada.

Equity

Total shareholders' equity, including non-controlling interests, increased by $7bn or 4% compared with 31 December 2022.

Shareholders' equity was increased by profits generated of $25bn and net gains through other comprehensive income ('OCI') of $5bn. These increases were partly offset by the impact of dividends paid of $12bn, the redemption of perpetual subordinated contingent convertible capital securities of $4bn and the impact of our $7bn share buy-back activities in 2023.

The net gains through OCI of $5bn included favourable movements of $3bn on financial instruments designated as hold-to-collect-and-sell, which are held as hedges to our exposure to interest rate movements. The favourable movement was a result of the fall in long-term market yield curves in 2023. The net gain also included a favourable movement on cash flow hedges of $3bn and from the effects of hyperinflation of $2bn. These gains were partly offset by fair value losses on liabilities related to changes in own credit risk of $1bn, as well as other smaller losses.

Financial investments

As part of our interest rate hedging strategy, we hold a portfolio of debt instruments, reported within financial investments, which are classified as hold-to-collect-and-sell. As a result, the change in value of these instruments is recognised through 'debt instruments at fair value through other comprehensive income' in equity.

At 31 December 2023, we recognised a pre-tax cumulative unrealised loss reserve through other comprehensive income of $3.9bn related to these hold-to-collect-and-sell positions. This reflected a $2.6bn pre-tax gain in 2023, inclusive of movements on related fair value hedges. The gain in 2023 included a reduction in unrealised losses due to the disposal of securities as part of repositioning actions taken in this portfolio of $1.0bn. Overall, the Group is positively exposed to rising interest rates through net interest income, although there is an adverse impact on our capital base in the early stages of a rising interest rate environment due to the fair value of hold-to collect-and-sell instruments.

Over time, these adverse movements will unwind as the instruments reach maturity, although not all will necessarily be held to maturity.

We also hold a portfolio of financial investments measured at amortised cost, which are classified as hold-to-collect. At 31 December 2023, there was a cumulative unrealised loss of $1.7bn, although the unrealised loss is not reflected on our balance sheet. This included $1.0bn that related to debt instruments held to manage our interest rate exposure, representing a $0.8bn improvement during 2023.

Risk-weighted assets

Risk-weighted assets ('RWAs') totalled $854.1bn at 31 December 2023, a $14.4bn increase since 2022, including foreign currency translation differences of $2.0bn. This was mainly due to:

- a $26.2bn increase in asset size, which was mostly attributed to WPB lending growth and a rise in operational risk RWAs, offset by reduced lending in CMB and GBM;
- a $6.2bn increase from acquisitions, mainly from SVB UK, partly offset by a disposal of our Oman business; and
- a $19.9bn decrease in RWAs due to changes in methodology and policy.

Customer accounts by country/territory

	2023	2022[1]
	$m	$m
Hong Kong	543,504	542,543
UK	508,181	493,028
US	99,607	100,404
Singapore	73,547	61,475
Mainland China	56,006	56,948
France[1]	42,666	33,726
Australia	32,071	28,506
Germany	30,641	28,949
Mexico	29,423	25,531
UAE	24,882	23,331
India	24,377	22,636
Taiwan	16,949	15,316
Malaysia	15,983	16,008
Switzerland	8,047	5,167
Egypt	5,858	6,045
Indonesia	5,599	5,840
Türkiye	3,510	3,497
Other[2]	90,796	101,353
At 31 Dec	**1,611,647**	1,570,303

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. We have restated 2022 comparative data.*
2 *At 31 December 2023, customer accounts of $86bn (2022: $85bn) met the criteria to be classified as held for sale and are reported within 'Liabilities of disposal groups held for sale' on the balance sheet, of which $63bn (2022: $61bn) and $22bn (2022: $22bn) belongs to the planned sale of the banking business in Canada and sale of our retail banking operations in France, respectively. Refer to Note 23 on page 401 for further details.*

Loans and advances, deposits by currency

	At						
	31 Dec 2023						
$m	**USD**	**GBP**	**HKD**	**EUR**	**CNY**	**Others[1]**	**Total**
Loans and advances to banks	33,231	15,632	7,106	4,688	8,772	43,473	112,902
Loans and advances to customers	170,274	284,261	213,079	68,655	49,594	152,672	938,535
Total loans and advances	**203,505**	**299,893**	**220,185**	**73,343**	**58,366**	**196,145**	**1,051,437**
Deposits by banks	28,744	18,231	2,597	6,997	4,517	12,077	73,163
Customer accounts	441,967	423,725	305,520	128,444	63,535	248,456	1,611,647
Total deposits	**470,711**	**441,956**	**308,117**	**135,441**	**68,052**	**260,533**	**1,684,810**
	31 Dec 2022[2]						
Loans and advances to banks	34,495	12,292	5,188	6,328	7,833	38,339	104,475
Loans and advances to customers	182,719	265,988	221,150	57,077	49,036	147,591	923,561
Total loans and advances	217,214	278,280	226,338	63,405	56,869	185,930	1,028,036
Deposits by banks	23,133	16,963	4,002	8,830	4,707	9,087	66,722
Customer accounts	430,866	422,087	312,052	112,399	63,032	229,867	1,570,303
Total deposits	453,999	439,050	316,054	121,229	67,739	238,954	1,637,025

1 *'Others' includes items with no currency information available of $1,592m for loans to banks (2022: $1,112m), $1,904m for loans to customers (2022: $2,112m), $11m for deposits by banks (2022: $13m) and $8m for customer accounts (2022: $6m).*
2 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data have been restated accordingly.*

RWAs by currency

	At						
	31 Dec 2023						
$m	**USD**	**GBP**	**HKD**	**EUR**	**CNY**	**Others**	**Total**
RWAs[1]	202,697	155,231	135,701	69,996	57,907	232,582	854,114
	31 Dec 2022						
RWAs[1]	223,657	143,474	152,804	60,843	49,867	209,075	839,720

1 *RWAs includes credit risk, market risk and operational risk RWAs.*

Global businesses and legal entities

Contents

Summary

The Group Chief Executive, supported by the rest of the Group Executive Committee ('GEC'), reviews operating activity on a number of bases, including by global business and legal entities. Our global businesses – Wealth and Personal Banking, Commercial Banking, and Global Banking and Markets – along with Corporate Centre are our reportable segments under IFRS 8 'Operating Segments' and are presented below and in Note 10: Segmental analysis on page 372.

On 1 January 2023, we updated our financial reporting framework and changed the supplementary presentation of results from geographical regions to main legal entities to better reflect the Group's structure.

The results of main legal entities are presented on a reported and constant currency basis, including HSBC UK Bank plc, HSBC Bank plc, The Hongkong and Shanghai Banking Corporation Limited, HSBC Bank Middle East Limited, HSBC North America Holdings Inc., HSBC Bank Canada and Grupo Financiero HSBC, S.A. de C.V.

The results of legal entities are presented on a reported basis on page 120 and a constant currency basis on page 123.

Basis of preparation

The Group Chief Executive, supported by the rest of the GEC, is considered the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments. Global business results are assessed by the CODM on the basis of constant currency performance. We separately disclose 'notable items', which are components of our income statement that management would consider as outside the normal course of business and generally non-recurring in nature. Constant currency performance information for 2022 and 2021 are presented as described on page 101. As required by IFRS 8, reconciliations of the total constant currency global business results to the Group's reported results are presented on page 373.

Supplementary reconciliations from reported to constant currency results by global business are presented on pages 111 to 113 for information purposes.

Global business performance is also assessed using return on tangible equity ('RoTE'). A reconciliation of global business RoTE to the Group's RoTE is provided on page 132.

Our operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense. These allocations include the costs of certain support services and global functions to the extent that they can be meaningfully attributed to global businesses and legal entities. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Costs that are not allocated to global businesses are included in Corporate Centre.

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All such transactions are undertaken on arm's length terms. The intra-Group elimination items for the global businesses are presented in Corporate Centre.

HSBC Holdings incurs the liability of the UK bank levy, with the cost being recharged to its UK operating subsidiaries. The current year expense will be reflected in the fourth quarter as it is assessed on our balance sheet position as at 31 December.

In the first quarter of 2023, following an internal review to assess which global businesses were best suited to serve our customers' respective needs, a portfolio of our customers within our entities in Latin America was transferred from Global Banking and Markets to Commercial Banking for reporting purposes. Comparative data have been re-presented accordingly. Similar smaller transfers from Global Banking and Markets to Commercial Banking were also undertaken within our entities in Australia and Indonesia, where comparative data have not been re-presented.

Supplementary analysis of constant currency results and notable items by global business

Constant currency results[1]

	2023				
	Wealth and Personal Banking	Commercial Banking[2]	Global Banking and Markets[2]	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[3]	27,275	22,867	16,115	(199)	66,058
ECL	(1,058)	(2,062)	(326)	(1)	(3,447)
Operating expenses	(14,738)	(7,524)	(9,865)	57	(32,070)
Share of profit in associates and joint ventures	65	(1)	—	(257)	(193)
Profit/(loss) before tax	11,544	13,280	5,924	(400)	30,348
Loans and advances to customers (net)	454,878	309,422	173,966	269	938,535
Customer accounts	804,863	475,666	330,522	596	1,611,647

1 *In the current period constant currency results are equal to reported as there is no currency translation.*
2 *In the first quarter of 2023, following an internal review to assess which global businesses were best suited to serve our customers' respective needs, a portfolio of our customers within our markets in Latin America was transferred from GBM to CMB for reporting purposes. Comparative data have been re-presented accordingly.*
3 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Notable items

	2023				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Notable items					
Revenue					
Disposals, acquisitions and related costs[1,2,3]	**4**	**1,591**	**—**	**(297)**	**1,298**
Fair value movements on financial instruments[4]	**—**	**—**	**—**	**14**	**14**
Disposal losses on Markets Treasury repositioning	**(391)**	**(316)**	**(270)**	**—**	**(977)**
Operating expenses					
Disposals, acquisitions and related costs	**(53)**	**(55)**	**3**	**(216)**	**(321)**
Restructuring and other related costs[5]	**20**	**32**	**21**	**63**	**136**
Impairment of interest in associate[6]	**—**	**—**	**—**	**(3,000)**	**(3,000)**

1 *Includes the impact of the sale of our retail banking operations in France.*
2 *Includes the provisional gain of $1.6bn recognised in respect of the acquisition of SVB UK.*
3 *Includes fair value movements on the foreign exchange hedging of the expected proceeds from the planned sale of our banking operations in Canada.*
4 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
5 *Amounts relate to reversals of restructuring provisions recognised during 2022.*
6 *Relates to an impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom. See Note 18 on page 391.*

Reconciliation of reported results to constant currency results – global businesses (continued)

	2022[1]				
	Wealth and Personal Banking	Commercial Banking[1]	Global Banking and Markets[2]	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[3]					
Reported	21,103	16,494	14,899	(1,876)	50,620
Currency translation	(219)	(211)	(297)	(22)	(749)
Constant currency	20,884	16,283	14,602	(1,898)	49,871
ECL					
Reported	(1,130)	(1,849)	(595)	(10)	(3,584)
Currency translation	(56)	(13)	22	1	(46)
Constant currency	(1,186)	(1,862)	(573)	(9)	(3,630)
Operating expenses					
Reported	(14,415)	(7,052)	(9,383)	(1,851)	(32,701)
Currency translation	167	158	45	29	399
Constant currency	(14,248)	(6,894)	(9,338)	(1,822)	(32,302)
Share of profit/(loss) in associates and joint ventures					
Reported	30	—	(2)	2,695	2,723
Currency translation	—	—	—	(121)	(121)
Constant currency	30	—	(2)	2,574	2,602
Profit/(loss) before tax					
Reported	5,588	7,593	4,919	(1,042)	17,058
Currency translation	(108)	(66)	(230)	(113)	(517)
Constant currency	5,480	7,527	4,689	(1,155)	16,541
Loans and advances to customers (net)					
Reported	422,309	311,957	188,940	355	923,561
Currency translation	11,813	4,906	1,262	6	17,987
Constant currency	434,122	316,863	190,202	361	941,548
Customer accounts					
Reported	779,310	463,928	326,630	435	1,570,303
Currency translation	14,000	8,496	5,673	23	28,192
Constant currency	793,310	472,424	332,303	458	1,598,495

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.*
2 *In the first quarter of 2023, following an internal review to assess which global businesses were best suited to serve our customers' respective needs, a portfolio of our customers within our entities in Latin America was transferred from GBM to CMB for reporting purposes. Comparative data have been re-presented accordingly.*
3 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Notable items (continued)

	2022[1]				
	Wealth and Personal Banking $m	Commercial Banking $m	Global Banking and Markets $m	Corporate Centre $m	Total $m
Notable items					
Revenue					
Disposals, acquisitions and related costs[2]	(2,212)	—	—	(525)	(2,737)
Fair value movements on financial instruments[3]	—	—	—	(618)	(618)
Restructuring and other related costs[4]	98	(16)	(184)	(145)	(247)
Operating expenses					
Disposals, acquisitions and related costs	(7)	—	—	(11)	(18)
Restructuring and other related costs	(357)	(266)	(252)	(2,007)	(2,882)

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.*
2 *Includes losses from classifying businesses as held for sale as part of a broader restructuring of our European business, of which $2.3bn (inclusive of $0.4bn in goodwill impairments) related to the planned sale of the retail banking operations in France.*
3 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
4 *Comprises gains and losses relating to the business update in February 2020, including losses associated with the RWA reduction programme.*

Reconciliation of reported results to constant currency results – global businesses (continued)

	2021[1]				
	Wealth and Personal Banking $m	Commercial Banking $m	Global Banking and Markets $m	Corporate Centre $m	Total $m
Revenue[2]					
Reported	22,117	13,743	14,276	(584)	49,552
Currency translation	(1,145)	(1,044)	(1,190)	(94)	(3,473)
Constant currency	20,972	12,699	13,086	(678)	46,079
ECL					
Reported	288	397	240	3	928
Currency translation	(93)	(58)	(19)	—	(170)
Constant currency	195	339	221	3	758
Operating expenses					
Reported	(16,306)	(7,213)	(10,045)	(1,056)	(34,620)
Currency translation	968	522	790	96	2,376
Constant currency	(15,338)	(6,691)	(9,255)	(960)	(32,244)
Share of profit/(loss) in associates and joint ventures					
Reported	34	1	—	3,011	3,046
Currency translation	2	—	—	(241)	(239)
Constant currency	36	1	—	2,770	2,807
Profit/(loss) before tax					
Reported	6,133	6,928	4,471	1,374	18,906
Currency translation	(268)	(580)	(419)	(239)	(1,506)
Constant currency	5,865	6,348	4,052	1,135	17,400
Loans and advances to customers (net)					
Reported	488,786	353,182	203,106	740	1,045,814
Currency translation	(15,482)	(12,579)	(6,913)	(28)	(35,002)
Constant currency	473,304	340,603	196,193	712	1,010,812
Customer accounts					
Reported	859,029	511,195	339,698	652	1,710,574
Currency translation	(24,262)	(15,703)	(17,392)	(30)	(57,387)
Constant currency	834,767	495,492	322,306	622	1,653,187

1 *Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Net operating income/(expense) before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Notable items (continued)

	2021[1]				
	Wealth and Personal Banking $m	Commercial Banking $m	Global Banking and Markets $m	Corporate Centre $m	Total $m
Notable items					
Revenue					
Fair value movements on financial instruments[2]	—	—	—	(221)	(221)
Restructuring and other related costs[3]	14	(3)	(395)	77	(307)
Operating expenses					
Impairment of non-financial items	(587)	—	—	—	(587)
Restructuring and other related costs	(296)	(83)	(195)	(1,262)	(1,836)

1 *Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
3 *Comprises gains and losses relating to the business update in February 2020, including losses associated with the RWA reduction programme.*

Reconciliation of reported and constant currency risk-weighted assets

	Wealth and Personal Banking	Commercial Banking[1]	Global Banking and Markets[1]	Corporate Centre	Total
	At 31 Dec 2023				
	$bn	$bn	$bn	$bn	$bn
Risk-weighted assets					
Reported	**192.9**	**354.5**	**218.5**	**88.2**	**854.1**
Constant currency	**192.9**	**354.5**	**218.5**	**88.2**	**854.1**
	At 31 Dec 2022				
Risk-weighted assets					
Reported	182.9	342.4	225.9	88.5	839.7
Currency translation	1.7	1.8	(0.1)	—	3.4
Constant currency	184.6	344.2	225.8	88.5	843.1
	At 31 Dec 2021				
Risk-weighted assets					
Reported	178.3	340.0	229.1	90.9	838.3
Currency translation	(6.1)	(15.9)	(8.4)	(1.4)	(31.8)
Constant currency	172.2	324.1	220.7	89.5	806.5

1 *In the first quarter of 2023, following an internal review to assess which global businesses were best suited to serve our customers' respective needs, a portfolio of our customers within our entities in Latin America was transferred from GBM to CMB for reporting purposes. Comparative data have been re-presented accordingly.*

Supplementary tables for WPB and GBM

WPB constant currency performance by business unit

A breakdown of WPB by business unit is presented below to reflect the basis of how the revenue performance of the business units is assessed and managed.

WPB – summary (constant currency basis)

	Total WPB	Consists of[1]			
		Banking operations	Life insurance	Global Private Banking	Asset management
	$m	$m	$m	$m	$m
2023					
Net operating income before change in expected credit losses and other credit impairment charges[2]	**27,275**	**22,279**	**1,462**	**2,252**	**1,282**
– net interest income	**20,491**	**19,055**	**282**	**1,155**	**(1)**
– net fee income/(expense)	**5,355**	**3,213**	**151**	**794**	**1,197**
– other income	**1,429**	**11**	**1,029**	**303**	**86**
ECL	**(1,058)**	**(1,056)**	**4**	**(6)**	**—**
Net operating income	**26,217**	**21,223**	**1,466**	**2,246**	**1,282**
Total operating expenses	**(14,738)**	**(11,474)**	**(682)**	**(1,627)**	**(955)**
Operating profit	**11,479**	**9,749**	**784**	**619**	**327**
Share of profit in associates and joint ventures	**65**	**15**	**50**	**—**	**—**
Profit before tax	**11,544**	**9,764**	**834**	**619**	**327**
2022					
Net operating income before change in expected credit losses and other credit impairment charges[2]	20,884	16,383	1,354	2,016	1,131
– net interest income	15,971	14,673	339	965	(6)
– net fee income/(expense)	5,307	3,260	154	788	1,105
– other income	(394)	(1,550)	861	263	32
ECL	(1,186)	(1,173)	(8)	(4)	(1)
Net operating income	19,698	15,210	1,346	2,012	1,130
Total operating expenses	(14,248)	(11,132)	(785)	(1,477)	(854)
Operating profit	5,450	4,078	561	535	276
Share of profit in associates and joint ventures	30	13	17	—	—
Profit before tax	5,480	4,091	578	535	276

WPB – summary (constant currency basis) (continued)

	Total WPB	Banking operations	Life insurance manufacturing[3]	Global Private Banking	Asset management
		Consists of[1]			
	$m	$m	$m	$m	$m
2021					
Net operating income before change in expected credit losses and other credit impairment charges[2]	20,972	15,527	2,512	1,777	1,156
– net interest income	13,447	10,563	2,256	630	(2)
– net fee income/(expense)	5,677	4,249	(603)	916	1,115
– other income	1,848	715	859	231	43
ECL	195	204	(21)	13	(1)
Net operating income	21,167	15,731	2,491	1,790	1,155
Total operating expenses	(15,338)	(12,379)	(629)	(1,538)	(792)
Operating profit	5,829	3,352	1,862	252	363
Share of profit in associates and joint ventures	36	19	17	—	—
Profit before tax	5,865	3,371	1,879	252	363

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
2 From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 is prepared on an IFRS 4 basis.
3 We adopted IFRS 17 from 1 January 2023 and have restated 2022 financial data. Data for 2021 has not restated, and 'Life insurance manufacturing' is disclosed on the basis of preparation prevailing in 2021, which includes results from our manufacturing business only, with insurance distribution presented in 'banking operations'.

Life insurance business performance

The following table provides an analysis of the performance of our life insurance business for the period. It comprises income earned by our insurance manufacturing operations within our WPB business, as well as income earned and costs incurred within our Wealth insurance distribution channels, consolidation and inter-company elimination entries.

Results of WPB's life insurance business unit (constant currency basis)

	Insurance manufac-turing operations	Wealth insurance and other[1]	Life insurance
	Year ended 31 Dec 2023		
	$m	**$m**	**$m**
Net interest income	**283**	**(1)**	**282**
Net fee income/(expense)	**(27)**	**178**	**151**
Other income	**990**	**39**	**1,029**
– insurance service results	**1,127**	**(34)**	**1,093**
– net investment returns (excluding net interest income)	**(119)**	**30**	**(89)**
– other operating income	**(18)**	**43**	**25**
Net operating income before change in expected credit losses and other credit impairment charges[2]	**1,246**	**216**	**1,462**
ECL	**4**	**—**	**4**
Net operating income	**1,250**	**216**	**1,466**
Total operating expenses	**(571)**	**(111)**	**(682)**
Operating profit	**679**	**105**	**784**
Share of profit/(loss) in associates and joint ventures	**50**	**—**	**50**
Profit before tax	**729**	**105**	**834**
	Year ended 31 Dec 2022[3]		
Net interest income	345	(6)	339
Net fee income/(expense)	(31)	185	154
Other income	847	14	861
– insurance service results	861	(18)	843
– net investment returns (excluding net interest income)	(176)	(28)	(204)
– other operating income	162	60	222
Net operating income before change in expected credit losses and other credit impairment charges[2]	1,161	193	1,354
ECL	(8)	—	(8)
Net operating income	1,153	193	1,346
Total operating expenses	(594)	(191)	(785)
Operating profit	559	2	561
Share of profit/(loss) in associates and joint ventures	17	—	17
Profit before tax	576	2	578

1 'Wealth insurance and other' includes fee income earned and operating expenses incurred within our Wealth distribution channels. It also includes the IFRS 17 consolidation entries arising from transactions between our insurance manufacturing operations and Wealth distribution channels and with the wider Group, as well as allocations of central costs benefiting life insurance.
2 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
3 From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data have been restated accordingly. This table presents an IFRS 17-specific analysis of results and therefore does not include 2021 comparatives.

WPB insurance manufacturing (constant currency basis)

The following table shows the results of our insurance manufacturing operations for our WPB business and for all global business segments in aggregate.

Results of insurance manufacturing operations[1,2,3]

	2023		2022		2021	
	WPB	All global businesses	WPB	All global businesses	WPB	All global businesses
	$m	$m	$m	$m	$m	$m
Net interest income	283	320	345	370	2,255	2,430
Net fee expense	(27)	(14)	(31)	(16)	(599)	(629)
Other income	990	981	847	847	14,257	14,745
Insurance service result	1,127	1,125	861	866	—	—
– release of contractual service margin	1,094	1,094	902	902	—	—
– risk adjustment release	44	44	45	45	—	—
– experience variance and other	30	28	42	47	—	—
– loss from onerous contracts	(41)	(41)	(128)	(128)	—	—
Net investment returns (excluding net interest income)[4]	(119)	(125)	(176)	(187)	3,948	3,980
– insurance finance income/(expense)	(7,809)	(7,809)	13,850	13,853	—	—
– other investment income	7,690	7,684	(14,026)	(14,040)	3,948	3,980
Net insurance premium income	—	—	—	—	10,145	10,617
Other operating income	(18)	(19)	162	168	164	148
Total operating income	1,246	1,287	1,161	1,201	15,913	16,546
Net insurance claims and benefits paid and movement in liabilities to policyholders	—	—	—	—	(13,366)	(13,863)
Net operating income before change in expected credit losses and other credit impairment charges[5]	1,246	1,287	1,161	1,201	2,547	2,683
Change in expected credit losses and other credit impairment charges	4	4	(8)	(9)	(18)	(22)
Net operating income	1,250	1,291	1,153	1,192	2,529	2,661
Total operating expenses	(571)	(581)	(594)	(589)	(564)	(590)
Operating profit	679	710	559	603	1,965	2,071
Share of profit in associates and joint ventures	50	50	17	17	17	17
Profit before tax of insurance business operations[6]	729	760	576	620	1,982	2,088
Additional information						
Insurance manufacturing new business contractual service margin (reported basis)	1,686	1,686	1,111	1,111	—	—
Consolidated Group new business contractual service margin (reported basis)	1,812	1,812	1,229	1,229	—	—
Annualised new business premiums of insurance manufacturing operations	3,797	3,797	2,354	2,354	2,777	2,830

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for 2022 have been restated accordingly; comparative data for 2021 are reported under IFRS 4 'Insurance Contracts'.*
2 *Constant currency results are derived by adjusting for period-on-period effects of foreign currency translation differences. The impact of foreign currency translation differences on 'All global businesses' profit before tax was a $13m increase for 2022 and a $53m decrease in 2021.*
3 *The results presented for insurance manufacturing operations are shown before elimination of inter-company transactions with HSBC non-insurance operations. The 'All global businesses' result consists primarily of WPB business, as well as a small proportion of CMB business.*
4 *Net investment return under IFRS 17 for all global businesses for 2023 was $195m (2022: $183m), which consisted of net interest income, net income/(expenses) on assets held at fair value through profit or loss, and insurance finance income/(expense).*
5 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
6 *The effect of applying hyperinflation accounting in Argentina on insurance manufacturing operations in all global business resulted in a decrease of $41m in revenue in 2023 (2022: decrease of $7m, 2021: increase of $1m) and a decrease of $41m in profit before tax in 2023 (2022: decrease of $6m, 2021: increase of $1m).*

Insurance manufacturing

The following commentary, unless otherwise specified, relates to the 'All global businesses' results.

Profit before tax of $0.8bn increased by $0.1bn compared with 2022. This primarily reflected the following:

- Insurance service result of $1.1bn increased by $0.3bn compared with 2022. This was driven by an increase in the release of CSM of $0.2bn as a result of a higher closing CSM balance from the effect of new business written and favourable assumption updates primarily from updates to lapse rate assumptions. The improved insurance service result also reflected a reduction to losses from onerous contracts of $0.1bn, mainly in Hong Kong and Singapore, in part due to improved market conditions in 2023.
- Net investment return (excluding net interest income) increased by $0.1bn, with positive asset returns in 2023 compared with losses in the prior period.
- Other operating income reduced by $0.2bn compared with 2022, and included a $0.3bn loss from corrections to historical valuation estimates, partly offset by gains of $0.2bn from reinsurance contracts in Hong Kong.

Profit before tax of $0.6bn in 2022 reduced by $1.5bn compared with 2021, primarily reflecting the change in reporting basis from IFRS 4 'Insurance Contracts' in 2021 to IFRS 17 'Insurance Contracts' in 2022. Further information regarding the impact of transition is provided in Note 38 'Effects of adoption of IFRS 17' on page 422.

Annualised new business premiums ('ANP') is used to assess new insurance premiums generated by the business. It is calculated as 100% of annualised first year regular premiums and 10% of single premiums, before reinsurance ceded. ANP in 2023 increased by 61% compared with 2022, primarily from strong new business sales in Hong Kong and a shift in product mix from single to multi-premium products.

Insurance manufacturing value of new business

Insurance manufacturing value of new business is a non-GAAP alternative performance measure that provides information about value generation from new business sold during the period. Since transitioning to IFRS 17, insurance manufacturing value of new business is a metric used internally to measure the long-term profitability of new business sold, and its disclosure supports the consistent communication of this performance measure, albeit on a new calculation basis. Insurance manufacturing value of new business is calculated as the sum of the IFRS 17 new business CSM and loss component adjusted for:

– a full attribution of expenses incurred within our insurance manufacturing operations. IFRS 17 considers only directly attributable expenses within the new business CSM measurement; and
– long-term asset spreads expected to be generated over the contract term. Under IFRS 17, new business CSM is in contrast calculated on a market consistent risk neutral basis. This also necessitates changes to the underlying economic scenario models used in the valuation of policyholder guarantees to reflect this basis.

There were no other adjustments made, with demographic and expense assumptions remaining unchanged, except for inclusion of future non-attributable expenses as described above. The IFRS 17 risk adjustment remained unchanged, with no additional allowances made for market risks. Insurance manufacturing value of new business was measured before tax and after inclusion of the impact of reinsurance.

Insurance manufacturing value of new business

	2023	2022
	$m	$m
Insurance manufacturing operations new business CSM and loss component[1]	**1,678**	1,095
Inclusion of incremental expenses not attributable to the contractual service margin	**(342)**	(285)
Long-term asset spreads	**238**	362
Insurance manufacturing value of new business	**1,574**	1,172

1 Insurance manufacturing new business contractual service margin was $1,686m (2022: $1,111m) and the loss component was $8m (2022: $16m).

Insurance equity plus CSM net of tax

Insurance equity plus CSM net of tax is a non-GAAP alternative performance measure that provides information about our insurance manufacturing operations' net asset value plus the future earnings from in-force business. At 31 December 2023, insurance equity plus CSM net of tax was $16,583m (31 December 2022: $14,646m).

At 31 December 2023, insurance equity plus CSM net of tax was calculated as insurance manufacturing operations equity of $7,731m plus CSM of $10,786m less tax of $1,934m. At 31 December 2022, it was calculated as insurance manufacturing operations equity of $7,236m plus CSM of $9,058m less tax of $1,648m.

Insurance manufacturing proxy embedded value

Insurance manufacturing proxy embedded value is a non-GAAP alternative performance measure that provides information about the value of the insurance manufacturing operations and is defined as total shareholders' equity plus the present value of projected future profits. It is not comparable with peer embedded value disclosure as there is no single industry standard basis of calculation.

The present value of projected future profits is calculated as the CSM net of tax adjusted for:

– a full attribution of expenses incurred within our insurance manufacturing operations, net of tax. IFRS 17 considers only directly attributable expenses within the CSM measurement; and
– long-term asset spreads expected to be generated over the contract term, net of tax. Under IFRS 17, CSM is in contrast calculated on a market consistent risk neutral basis. This also necessitates changes to the underlying economic scenario models used in the valuation of policyholder guarantees to reflect this basis.

There are no other adjustments made, with demographic and expense assumptions remaining unchanged, except for inclusion of future non-attributable expenses as described above. The IFRS 17 risk adjustment remained unchanged, with no additional allowances made for market risks. Insurance manufacturing proxy embedded value was measured after tax and after inclusion of the impact of reinsurance.

Insurance manufacturing proxy embedded value

	At 31 Dec 2023	At 31 Dec 2022
	$m	$m
Total shareholders' equity and contractual service margin net of tax	**16,583**	14,646
Inclusion of incremental expenses not attributable to the contractual service margin, net of tax	**(582)**	(559)
Long-term asset spreads, net of tax	**2,368**	2,369
Insurance manufacturing proxy embedded value	**18,369**	16,456

WPB: Wealth balances

The following table shows the wealth balances, which include invested assets and wealth deposits. Invested assets comprise customer assets either managed by our Asset Management business or by external third-party investment managers, as well as self-directed investments by our customers.

WPB – reported wealth balances[1]

	2023	2022
	$bn	$bn
Global Private Banking invested assets	**363**	312
– managed by Global Asset Management	**61**	57
– external managers, direct securities and other	**302**	255
Retail invested assets	**383**	363
– managed by Global Asset Management	**178**	198
– external managers, direct securities and other	**205**	165
Asset Management third-party distribution	**445**	340
Reported invested assets[1]	**1,191**	1,015
Wealth deposits (Premier, Jade and Global Private Banking)[2]	**536**	503
Total reported wealth balances	**1,727**	1,518

1 *Invested assets are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager. At 31 December 2023, $32bn of invested assets were classified as held for sale and are not included in the table above.*
2 *Premier, Jade and Global Private Banking deposits, which include Prestige deposits in Hang Seng Bank, form part of the total WPB customer accounts balance of $805bn (2022: $779bn) on page 111. At 31 December 2023, $42bn of wealth deposits were classified as held for sale and are not included in the table above.*

Asset Management: funds under management

The following table shows the funds under management of our Asset Management business. Funds under management represents assets managed, either actively or passively, on behalf of our customers. Funds under management are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager.

Asset Management – reported funds under management[1]

	2023 $bn	2022 $bn
Opening balance	**595**	630
Net new invested assets	**54**	45
Net market movements	**23**	(36)
Foreign exchange and others	**12**	(44)
Closing balance	**684**	595

Asset Management – reported funds under management by legal entities

	2023 $bn	2022 $bn
HSBC Bank plc	**162**	134
The Hongkong and Shanghai Banking Corporation Limited	**198**	184
HSBC North America Holdings Inc.	**71**	60
Grupo Financiero HSBC, S.A. de C.V.	**15**	8
Other trading entities[2]	**238**	209
Closing balance	**684**	595

1 *Funds under management are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager.*
2 *Funds under management of $177bn in 2023 and $143bn in 2022 relating to our Asset Management entity in the UK are reported under 'other trading entities' in the table above.*

At 31 December 2023, Asset Management funds under management amounted to $684bn, an increase of $89bn or 15%. The increase reflected net new invested assets of $54bn and a positive impact from market performances and foreign exchange translation. Net new invested assets were notably from additions in money market and exchange traded funds, as well as passive and private equity products.

Global Private Banking: client balances

Global Private Banking client balances comprises invested assets and deposits, which are translated at the rates of exchange applicable for their respective year-ends, with the effects of currency translation reported separately.

Global Private Banking – reported client balances[1]

	2023 $bn	2022 $bn
Opening balance	**383**	423
Net new invested assets	**17**	18
Increase/(decrease) in deposits	**9**	(1)
Net market movements	**19**	(53)
Foreign exchange and others	**19**	(4)
Closing balance	**447**	383

Global Private Banking – reported client balances by legal entities

	2023 $bn	2022 $bn
HSBC UK Bank plc	**32**	28
HSBC Bank plc	**54**	58
The Hongkong and Shanghai Banking Corporation Limited	**209**	174
HSBC North America Holdings Inc.	**64**	56
Grupo Financiero HSBC, S.A. de C.V.	**3**	—
Other trading entities	**85**	67
Closing balance	**447**	383

1 *Client balances are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager. Customer deposits included in these client balances are on balance sheet.*

Retail invested assets

The following table shows the invested assets of our retail customers. These comprise customer assets either managed by our Asset Management business or by external third-party investment managers as well as self-directed investments by our customers.

Retail invested assets are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager.

Retail invested assets

	2023	2022
	$bn	$bn
Opening balance	**363**	434
Net new invested assets[1]	**26**	26
Net market movements	**7**	(47)
Foreign exchange and others	**(13)**	(50)
Closing balance	**383**	363

Retail invested assets by legal entities

	2023	2022
	$bn	$bn
HSBC UK Bank plc	**29**	27
HSBC Bank plc	**31**	27
The Hongkong and Shanghai Banking Corporation Limited	**292**	284
HSBC Bank Middle East Limited	**3**	2
HSBC North America Holdings Inc.	**14**	12
Grupo Financiero HSBC, S.A. de C.V.	**9**	7
Other trading entities	**5**	4
Closing balance	**383**	363

1 *'Retail net new invested assets' covers nine markets, comprising Hong Kong including Hang Seng Bank (Hong Kong), mainland China, Malaysia, Singapore, HSBC UK, UAE, US, Canada and Mexico. The net new invested assets relating to all other geographies is reported in 'foreign exchange and others'.*

WPB invested assets

Net new invested assets represents the net customer inflows from retail invested assets, Asset Management third-party distribution and Global Private Banking invested assets. It excludes all customer deposits. The net new invested assets in the table below is non-additive from the tables above, as net new invested assets managed by Asset Management that are generated by retail clients or Global Private Banking will be recorded in both businesses.

WPB: Invested assets

	2023	2022
	$bn	$bn
Opening balance	**1,015**	1,119
Net new invested assets	**84**	80
Net market movements	**43**	(118)
Foreign exchange and others	**49**	(66)
Closing balance	**1,191**	1,015

WPB: Net new invested assets by legal entities

	2023	2022
	$bn	$bn
HSBC UK Bank plc	**1**	2
HSBC Bank plc	**3**	6
The Hongkong and Shanghai Banking Corporation Limited	**47**	59
HSBC Bank Middle East Limited	**1**	—
HSBC North America Holdings Inc.	**7**	8
HSBC Bank Canada	**—**	(1)
Grupo Financiero HSBC, S.A. de C.V.	**5**	1
Other trading entities	**20**	5
Total	**84**	80

GBM: Securities Services and Issuer Services

Assets held in custody

Custody is the safekeeping and servicing of securities and other financial assets on behalf of clients. Assets held in custody are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager. At 31 December 2023, we held $9.7tn of assets as custodian, an increase of 6% compared with 31 December 2022. The balance comprised $8.8tn of assets in Securities Services, which were recorded at market value, and $0.9tn of assets in Issuer Services, recorded at book value.

The increase was mainly in Securities Services balances. This was driven by net asset inflows in Europe and Asia, favourable market movements in Asia, North America and Latin America, and a positive impact of currency translation differences in Europe.

Assets under administration

Our assets under administration business includes the provision of bond and loan administration services, transfer agency services and the valuation of portfolios of securities and other financial assets on behalf of clients and complements the custody business. At 31 December 2023, the value of assets held under administration by the Group amounted to $4.9tn, which was 9% higher than at 31 December 2022. The balance comprised $2.9tn of assets in Securities Services, which were recorded at market value, and $2.0tn of assets in Issuer Services, recorded at book value.

The increase was mainly driven by Securities Services balances due to net asset inflows in Europe and Asia together with a favourable impact of currency translation differences, market movements and onboarding of new clients in Europe. Issuer Services balances also rose driven by new issuances, notably in the US and the UK, as well as a favourable impact of currency translation differences in the UK.

Analysis of reported results by legal entities

HSBC reported profit/(loss) before tax and balance sheet data

	2023									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Net interest income	9,684	2,674	16,705	1,551	1,712	1,275	2,148	3,765	(3,718)	35,796
Net fee income	1,597	1,527	4,859	475	1,237	559	581	1,225	(215)	11,845
Net income from financial instruments held for trading or managed on a fair value basis	516	4,220	9,507	397	729	110	437	1,054	(309)	16,661
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss	—	1,438	6,258	—	—	—	39	323	(171)	7,887
Insurance finance income/(expense)	—	(1,460)	(6,237)	—	—	—	(44)	(166)	98	(7,809)
Insurance service result	—	154	838	—	—	—	87	9	(10)	1,078
Other income/(expense)[1]	1,608	736	(31)	2	185	22	65	(1,481)	(506)	600
Net operating income before change in expected credit losses and other credit impairment charges[2]	13,405	9,289	31,899	2,425	3,863	1,966	3,313	4,729	(4,831)	66,058
Change in expected credit losses and other credit impairment charges	(523)	(212)	(1,641)	(90)	(94)	(46)	(696)	(279)	134	(3,447)
Net operating income	12,882	9,077	30,258	2,335	3,769	1,920	2,617	4,450	(4,697)	62,611
Total operating expenses excluding impairment of goodwill and other intangible assets	(4,602)	(6,483)	(13,379)	(1,095)	(3,473)	(1,049)	(1,823)	(2,631)	2,180	(32,355)
Impairment of goodwill and other intangible assets	(10)	97	(16)	(1)	222	—	(3)	(4)	—	285
Operating profit/(loss)	8,270	2,691	16,863	1,239	518	871	791	1,815	(2,517)	30,541
Share of profit in associates and joint ventures less impairment[3]	—	(52)	(696)	—	—	—	14	544	(3)	(193)
Profit/(loss) before tax	8,270	2,639	16,167	1,239	518	871	805	2,359	(2,520)	30,348
	%	%	%	%	%	%	%	%	%	%
Share of HSBC's profit before tax	27.2	8.7	53.3	4.1	1.7	2.9	2.6	7.8	(8.3)	100.0
Cost efficiency ratio	34.4	68.7	42.0	45.2	84.2	53.4	55.1	55.7	45.1	48.5
Balance sheet data	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Loans and advances to customers (net)	270,208	95,750	455,315	20,072	54,829	—	26,410	15,951	—	938,535
Total assets	423,029	896,682	1,333,911	50,612	252,339	90,731	47,309	59,051	(114,987)	3,038,677
Customer accounts	339,611	274,733	801,430	31,341	99,607	—	29,423	35,326	176	1,611,647
Risk-weighted assets[4,5]	129,211	131,468	396,677	24,294	72,248	31,890	32,639	59,574	6,704	854,114

HSBC reported profit/(loss) before tax and balance sheet data (continued)

	2022[6]									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Net interest income	7,615	2,357	14,031	903	1,922	1,251	1,796	2,244	(1,742)	30,377
Net fee income	1,536	1,601	4,924	458	1,223	598	455	1,127	(152)	11,770
Net income from financial instruments held for trading or managed on a fair value basis	472	3,564	5,270	360	485	76	351	639	(939)	10,278
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss	—	(1,761)	(12,117)	—	—	—	(9)	66	(10)	(13,831)
Insurance finance income/(expense)	—	1,431	12,407	—	—	—	3	(32)	(10)	13,799
Insurance service result	—	149	636	—	—	—	50	(20)	(6)	809
Other income/(expense)[1]	148	(1,920)	491	22	533	29	67	(521)	(1,431)	(2,582)
Net operating income before change in expected credit losses and other credit impairment charges[2]	9,771	5,421	25,642	1,743	4,163	1,954	2,713	3,503	(4,290)	50,620
Change in expected credit losses and other credit impairment charges	(563)	(292)	(2,090)	21	(20)	(84)	(507)	(61)	12	(3,584)
Net operating income	9,208	5,129	23,552	1,764	4,143	1,870	2,206	3,442	(4,278)	47,036
Total operating expenses excluding impairment of goodwill and other intangible assets	(4,667)	(6,497)	(13,011)	(1,033)	(3,429)	(1,017)	(1,631)	(2,359)	1,090	(32,554)
Impairment of goodwill and other intangible assets	(54)	11	(42)	(3)	(9)	(21)	(5)	(2)	(22)	(147)
Operating profit/(loss)	4,487	(1,357)	10,499	728	705	832	570	1,081	(3,210)	14,335
Share of profit in associates and joint ventures less impairment	—	(38)	2,400	—	—	—	13	351	(3)	2,723
Profit/(loss) before tax	4,487	(1,395)	12,899	728	705	832	583	1,432	(3,213)	17,058
	%	%	%	%	%	%	%	%	%	%
Share of HSBC's profit before tax	26.3	(8.2)	75.6	4.3	4.1	4.9	3.4	8.4	(18.8)	100.0
Cost efficiency ratio	48.3	119.6	50.9	59.4	82.6	53.1	60.3	67.4	24.9	64.6
Balance sheet data	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Loans and advances to customers (net)	245,921	86,964	473,985	19,762	54,159	—	20,446	22,325	(1)	923,561
Total assets	412,522	863,308	1,297,806	48,086	239,117	94,604	39,939	67,345	(113,441)	2,949,286
Customer accounts	336,086	253,075	784,236	29,893	100,404	—	25,531	41,078	—	1,570,303
Risk-weighted assets[4,5]	110,919	127,017	406,985	22,490	72,446	31,876	26,744	60,289	8,144	839,720

HSBC reported profit/(loss) before tax and balance sheet data (continued)

	2021									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Net interest income	6,397	2,411	12,623	633	1,809	978	1,542	1,586	(1,490)	26,489
Net fee income	1,484	1,945	5,828	445	1,426	634	406	1,044	(115)	13,097
Net income from financial instruments held for trading or managed on a fair value basis	437	2,382	3,649	275	226	89	272	474	(60)	7,744
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss	—	1,670	2,340	—	—	—	4	44	(5)	4,053
Insurance finance income/(expense)	—	—	—	—	—	—	—	—	—	—
Insurance service result	—	—	—	—	—	—	—	—	—	—
Other income/(expense)	278	16	(1,446)	55	595	67	136	(152)	(1,380)	(1,831)
Net operating income before loan impairment (charges)/recoveries and other credit risk provisions[2]	8,596	8,424	22,994	1,408	4,056	1,768	2,360	2,996	(3,050)	49,552
Change in expected credit losses and other credit impairment (charges)/recoveries	1,362	239	(840)	142	205	37	(224)	2	5	928
Net operating income	9,958	8,663	22,154	1,550	4,261	1,805	2,136	2,998	(3,045)	50,480
Total operating expenses excluding impairment of goodwill and other intangible assets	(5,147)	(7,448)	(12,975)	(955)	(3,678)	(1,036)	(1,558)	(2,060)	970	(33,887)
Impairment of goodwill and other intangible assets	(25)	(63)	(24)	(3)	(5)	(8)	(7)	(6)	(592)	(733)
Operating profit/(loss)	4,786	1,152	9,155	592	578	761	571	932	(2,667)	15,860
Share of profit in associates and joint ventures less impairment	—	263	2,486	—	—	—	17	280	—	3,046
Profit/(loss) before tax	4,786	1,415	11,641	592	578	761	588	1,212	(2,667)	18,906
	%	%	%	%	%	%	%	%	%	%
Share of HSBC's profit before tax	25.3	7.5	61.6	3.1	3.1	4.0	3.1	6.4	(14.1)	100.0
Cost efficiency ratio	60.2	89.2	56.5	68.0	90.8	59.0	66.3	69.0	12.4	69.9
Balance sheet data	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Loans and advances to customers (net)	264,624	122,954	492,523	18,623	52,678	54,226	18,043	22,142	1	1,045,814
Total assets	468,362	807,541	1,259,270	46,773	261,335	94,570	35,525	66,425	(81,862)	2,957,939
Customer accounts	381,482	270,975	792,099	26,802	111,921	58,071	23,583	45,643	(2)	1,710,574
Risk-weighted assets[4,5]	113,501	136,038	393,742	22,855	77,775	30,198	24,578	56,112	9,072	838,263

1 *Other income/(expense) in this context comprises gain on acquisitions, impairment gain/(loss) relating to the sale of our retail banking operations in France, and other operating income/(expense).*
2 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
3 *Includes an impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom.*
4 *Risk-weighted assets are non-additive across the principal entities due to market risk diversification effects within the Group.*
5 *Balances are on a third-party Group consolidated basis.*
6 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*

Summary information – legal entities and selected countries/territories

Legal entity reported and constant currency results[1]

	2023									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities[2]	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue[3]	13,405	9,289	31,899	2,425	3,863	1,966	3,313	4,729	(4,831)	66,058
ECL	(523)	(212)	(1,641)	(90)	(94)	(46)	(696)	(279)	134	(3,447)
Operating expenses	(4,612)	(6,386)	(13,395)	(1,096)	(3,251)	(1,049)	(1,826)	(2,635)	2,180	(32,070)
Share of profit in associates and joint ventures	—	(52)	(696)	—	—	—	14	544	(3)	(193)
Profit/(loss) before tax	**8,270**	**2,639**	**16,167**	**1,239**	**518**	**871**	**805**	**2,359**	**(2,520)**	**30,348**
Loans and advances to customers (net)	270,208	95,750	455,315	20,072	54,829	—	26,410	15,951	—	938,535
Customer accounts	339,611	274,733	801,430	31,341	99,607	—	29,423	35,326	176	1,611,647

1 In the current period, constant currency results are equal to reported, as there is no currency translation.
2 Other trading entities includes the results of entities located in Oman, Türkiye, Egypt and Saudi Arabia (including our share of the results of Saudi Awwal Bank) which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of $1,286m. Supplementary analysis is provided on page 130 to provide a fuller picture of the MENAT regional performance.
3 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

Legal entity results: notable items

	2023									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue										
Disposals, acquisitions and related costs[1,2,3]	1,591	(14)	—	—	—	—	—	—	(279)	1,298
Fair value movements on financial instruments[4]	—	—	—	—	—	—	—	—	14	14
Restructuring and other related costs	—	361	—	—	—	—	—	—	(361)	—
Disposal losses on Markets Treasury repositioning	(145)	(94)	(473)	(20)	(246)	—	—	—	1	(977)
Operating expenses										
Disposals, acquisitions and related costs	(45)	(111)	—	—	(11)	(115)	—	—	(39)	(321)
Restructuring and other related costs[5]	20	30	10	2	10	—	6	2	56	136
Impairment of interest in associate[6]	—	—	(3,000)	—	—	—	—	—	—	(3,000)

1 Includes the impacts of the sale of our retail banking operations in France.
2 Includes the provisional gain of $1.6bn recognised in respect of the acquisition of SVB UK.
3 Includes fair value movements on the foreign exchange hedging of the expected proceeds from the planned sale of our banking operations in Canada.
4 Fair value movements on non-qualifying hedges in HSBC Holdings.
5 Balances relate to reversals of restructuring provisions recognised during 2022.
6 Includes an impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom.

Selected countries/territories results[1]

	2023				
	UK[2]	Hong Kong	Mainland China	US	Mexico
	$m	$m	$m	$m	$m
Revenue[3]	19,092	20,611	3,923	3,796	3,313
ECL	(594)	(1,529)	(93)	(94)	(696)
Operating expenses	(12,485)	(8,244)	(2,713)	(3,251)	(1,826)
Share of profit/(loss) in associates and joint ventures	(53)	30	(746)	—	14
Profit before tax	**5,960**	**10,868**	**371**	**451**	**805**
Loans and advances to customers (net)	309,262	279,551	44,275	54,829	26,410
Customer accounts	508,181	543,504	56,006	99,607	29,423

1 In the current period, constant currency results are equal to reported, as there is no currency translation.
2 UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).
3 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

Selected countries/territories results: notable items

	2023				
	UK[1]	**Hong Kong**	**Mainland China**	**US**	**Mexico**
	$m	**$m**	**$m**	**$m**	**$m**
Revenue					
Disposals, acquisitions and related costs[1,2,3,4]	**1,272**	**—**	**—**	**—**	**—**
Fair value movements on financial instruments[5]	**14**	**—**	**—**	**—**	**—**
Disposal losses on Markets Treasury repositioning	**(239)**	**(473)**	**—**	**(246)**	**—**
Operating expenses					
Disposals, acquisitions and related costs	**(71)**	**(1)**	**(5)**	**(11)**	**—**
Restructuring and other related costs[6]	**75**	**9**	**4**	**10**	**6**
Impairment of interest in associate[7]	**—**	**—**	**(3,000)**	**—**	**—**

1 *UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).*
2 *Includes the provisional gain of $1.6bn recognised in respect of the acquisition of SVB UK.*
3 *Includes the impairment gain relating to the sale of our retail banking operations in France.*
4 *Includes fair value movements on the foreign exchange hedging of the expected proceeds from the planned sale of our banking operations in Canada.*
5 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
6 *Balances relates to reversals of restructuring provisions recognised during 2022.*
7 *Includes an impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom.*

Legal entity reported and constant currency results (continued)

	2022[1]									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corpo- ration Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities[2]	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue[3]										
Reported	9,771	5,421	25,642	1,743	4,163	1,954	2,713	3,503	(4,290)	50,620
Currency translation	125	(11)	(278)	3	—	(67)	370	(789)	(102)	(749)
Constant currency	9,896	5,410	25,364	1,746	4,163	1,887	3,083	2,714	(4,392)	49,871
ECL										
Reported	(563)	(292)	(2,090)	21	(20)	(84)	(507)	(61)	12	(3,584)
Currency translation	(43)	14	6	—	—	2	(67)	41	1	(46)
Constant currency	(606)	(278)	(2,084)	21	(20)	(82)	(574)	(20)	13	(3,630)
Operating expenses										
Reported	(4,721)	(6,486)	(13,053)	(1,036)	(3,438)	(1,038)	(1,636)	(2,361)	1,068	(32,701)
Currency translation	(45)	(81)	134	(1)	—	37	(221)	500	76	399
Constant currency	(4,766)	(6,567)	(12,919)	(1,037)	(3,438)	(1,001)	(1,857)	(1,861)	1,144	(32,302)
Share of profit/(loss) in associates and joint ventures										
Reported	—	(38)	2,400	—	—	—	13	351	(3)	2,723
Currency translation	—	1	(123)	—	—	—	1	—	—	(121)
Constant currency	—	(37)	2,277	—	—	—	14	351	(3)	2,602
Profit/(loss) before tax										
Reported	4,487	(1,395)	12,899	728	705	832	583	1,432	(3,213)	17,058
Currency translation	37	(77)	(261)	2	—	(28)	83	(248)	(25)	(517)
Constant currency	4,524	(1,472)	12,638	730	705	804	666	1,184	(3,238)	16,541
Loans and advances to customers (net)										
Reported	245,921	86,964	473,985	19,762	54,159	—	20,446	22,325	(1)	923,561
Currency translation	14,412	4,009	(2,105)	22	—	—	3,044	(1,396)	1	17,987
Constant currency	260,333	90,973	471,880	19,784	54,159	—	23,490	20,929	—	941,548
Customer accounts										
Reported	336,086	253,075	784,236	29,893	100,404	—	25,531	41,078	—	1,570,303
Currency translation	19,697	12,400	(2,671)	35	—	—	3,802	(5,072)	1	28,192
Constant currency	355,783	265,475	781,565	29,928	100,404	—	29,333	36,006	1	1,598,495

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.*
2 *Other trading entities includes the results of entities located in Oman, Türkiye, Egypt and Saudi Arabia (including our share of the results of Saudi Awwal Bank) which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of $997m and constant currency profit before tax of $840m. Supplementary analysis is provided on page 130 to provide a fuller picture of the MENAT regional performance.*
3 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Legal entity results: notable items (continued)

	2022[1]									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue										
Disposals, acquisitions and related costs[2]	—	(2,242)	—	—	—	—	—	—	(495)	(2,737)
Fair value movements on financial instruments[3]	—	—	—	—	—	—	—	—	(618)	(618)
Restructuring and other related costs[4]	1	(278)	46	(13)	98	1	(17)	—	(85)	(247)
Operating expenses										
Disposals, acquisitions and related costs	—	(18)	—	—	—	—	—	—	—	(18)
Restructuring and other related costs	(521)	(656)	(741)	(64)	(421)	(87)	(115)	(150)	(127)	(2,882)

1 From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.
2 Includes losses from classifying businesses as held for sale as part of a broader restructuring of our European business, of which $2.3bn (inclusive of $0.4bn in goodwill impairments) relates to the planned sale of the retail banking operations in France.
3 Fair value movements on non-qualifying hedges in HSBC Holdings.
4 Comprises gains and losses relating to the business update in February 2020, including losses associated with the RWA reduction programme.

Selected countries/territories results (continued)

	2022[1]				
	UK[2]	Hong Kong	Mainland China	US	Mexico
	$m	$m	$m	$m	$m
Revenue[3]					
Reported	17,268	15,712	4,104	4,107	2,713
Currency translation	223	8	(212)	—	370
Constant currency	17,491	15,720	3,892	4,107	3,083
ECL					
Reported	(712)	(1,683)	(326)	(20)	(507)
Currency translation	(36)	(2)	16	—	(67)
Constant currency	(748)	(1,685)	(310)	(20)	(574)
Operating expenses					
Reported	(13,232)	(7,935)	(2,757)	(3,438)	(1,636)
Currency translation	(140)	(1)	139	—	(221)
Constant currency	(13,372)	(7,936)	(2,618)	(3,438)	(1,857)
Share of profit/(loss) in associates and joint ventures					
Reported	(41)	5	2,386	—	12
Currency translation	1	—	(122)	—	2
Constant currency	(40)	5	2,264	—	14
Profit before tax					
Reported	3,283	6,099	3,407	649	582
Currency translation	48	5	(179)	—	84
Constant currency	3,331	6,104	3,228	649	666
Loans and advances to customers (net)					
Reported	286,032	294,580	50,481	54,159	20,446
Currency translation	16,763	(626)	(1,476)	—	3,044
Constant currency	302,795	293,954	49,005	54,159	23,490
Customer accounts					
Reported	493,028	542,543	56,948	100,404	25,531
Currency translation	28,895	(1,153)	(1,664)	—	3,802
Constant currency	521,923	541,390	55,284	100,404	29,333

1 From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.
2 UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).
3 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

Selected countries/territories results: notable items (continued)

	2022[1]				
	UK[2]	Hong Kong	Mainland China	US	Mexico
	$m	$m	$m	$m	$m
Revenue					
Disposals, acquisitions and related costs	(60)	—	—	—	—
Fair value movements on financial instruments[3]	(617)	—	—	—	—
Restructuring and other related costs[4]	407	(124)	71	99	(17)
Operating expenses					
Restructuring and other related costs	(1,741)	(393)	(70)	(424)	(115)

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly.*
2 *UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).*
3 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
4 *Comprises gains and losses relating to the business update in February 2020, including losses associated with RWA reduction commitments.*

Legal entity reported and constant currency results (continued)

	2021[1]									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corpo-ration Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities[1]	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue[2]										
Reported	8,596	8,424	22,994	1,408	4,056	1,768	2,360	2,996	(3,050)	49,552
Currency translation	(824)	(737)	(841)	1	—	(127)	344	(871)	(418)	(3,473)
Constant currency	7,772	7,687	22,153	1,409	4,056	1,641	2,704	2,125	(3,468)	46,079
ECL										
Reported	1,362	239	(840)	142	205	37	(224)	2	5	928
Currency translation	(128)	(25)	24	—	—	(3)	(36)	(3)	1	(170)
Constant currency	1,234	214	(816)	142	205	34	(260)	(1)	6	758
Operating expenses										
Reported	(5,172)	(7,511)	(12,999)	(958)	(3,683)	(1,044)	(1,565)	(2,066)	378	(34,620)
Currency translation	499	677	471	(1)	1	75	(250)	582	322	2,376
Constant currency	(4,673)	(6,834)	(12,528)	(959)	(3,682)	(969)	(1,815)	(1,484)	700	(32,244)
Share of profit/(loss) in associates and joint ventures										
Reported	—	263	2,486	—	—	—	17	280	—	3,046
Currency translation	—	(27)	(214)	—	—	—	3	—	(1)	(239)
Constant currency	—	236	2,272	—	—	—	20	280	(1)	2,807
Profit/(loss) before tax										
Reported	4,786	1,415	11,641	592	578	761	588	1,212	(2,667)	18,906
Currency translation	(453)	(112)	(560)	—	1	(55)	61	(292)	(96)	(1,506)
Constant currency	4,333	1,303	11,081	592	579	706	649	920	(2,763)	17,400
Loans and advances to customers (net)										
Reported	264,624	122,954	492,523	18,623	52,678	54,226	18,043	22,142	1	1,045,814
Currency translation	(15,280)	(4,501)	(13,319)	22	—	(2,183)	3,749	(3,491)	1	(35,002)
Constant currency	249,344	118,453	479,204	18,645	52,678	52,043	21,792	18,651	2	1,010,812
Customer accounts										
Reported	381,482	270,975	792,099	26,802	111,921	58,071	23,583	45,643	(2)	1,710,574
Currency translation	(22,028)	(12,400)	(16,539)	19	—	(2,338)	4,900	(9,003)	2	(57,387)
Constant currency	359,454	258,575	775,560	26,821	111,921	55,733	28,483	36,640	—	1,653,187

1 *Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Legal entity results: notable items (continued)

	2021[1]									
	HSBC UK Bank plc	HSBC Bank plc	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited	HSBC North America Holdings Inc.	HSBC Bank Canada	Grupo Financiero HSBC, S.A. de C.V.	Other trading entities	Holding companies, shared service centres and intra-Group eliminations	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Revenue										
Fair value movements on financial instruments[2]	—	—	—	—	—	—	—	—	(221)	(221)
Restructuring and other related costs[3]	4	(280)	1	1	(6)	2	(15)	2	(16)	(307)
Operating expenses										
Impairment of non-financial items	—	—	—	—	—	—	—	(1)	(586)	(587)
Restructuring and other related costs	(356)	(473)	(406)	(31)	(355)	(68)	(59)	(78)	(10)	(1,836)

1 *Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Fair value movements on non-qualifying hedges in HSBC Holdings.*
3 *Comprises gains and losses relating to the business update in February 2020, including losses associated with the RWA reduction programme.*

Selected countries/territories results (continued)

	2021[1]				
	UK[2]	Hong Kong	Mainland China	US	Mexico
	$m	$m	$m	$m	$m
Revenue[3]					
Reported	16,415	14,463	3,734	4,006	2,341
Currency translation	(1,571)	(101)	(340)	(1)	343
Constant currency	14,844	14,362	3,394	4,005	2,684
ECL					
Reported	1,645	(608)	(89)	205	(224)
Currency translation	(154)	3	11	—	(36)
Constant currency	1,491	(605)	(78)	205	(260)
Operating expenses					
Reported	(14,808)	(7,955)	(2,773)	(3,683)	(1,565)
Currency translation	1,212	51	255	1	(250)
Constant currency	(13,596)	(7,904)	(2,518)	(3,682)	(1,815)
Share of profit/(loss) in associates and joint ventures					
Reported	267	16	2,461	—	17
Currency translation	(27)	—	(213)	—	3
Constant currency	240	16	2,248	—	20
Profit before tax					
Reported	3,519	5,916	3,333	528	569
Currency translation	(540)	(47)	(287)	—	60
Constant currency	2,979	5,869	3,046	528	629
Loans and advances to customers (net)					
Reported	306,464	311,947	54,239	52,678	18,043
Currency translation	(17,696)	(553)	(5,689)	—	3,749
Constant currency	288,768	311,394	48,550	52,678	21,792
Customer accounts					
Reported	535,797	549,429	59,266	111,921	23,583
Currency translation	(30,939)	(974)	(6,217)	—	4,900
Constant currency	504,858	548,455	53,049	111,921	28,483

1 *Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).*
3 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Selected countries/territories results: notable items (continued)

	2021[1]				
	UK[2]	Hong Kong	Mainland China	US	Mexico
	$m	$m	$m	$m	$m
Revenue					
Fair value movements on financial instruments[3]	(221)	—	—	—	—
Restructuring and other related costs[4]	227	(54)	41	(9)	(15)
Operating expenses					
Restructuring and other related costs	(1,121)	(225)	(32)	(355)	(59)

1 Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.
2 UK includes HSBC UK Bank plc (ring-fenced bank) and HSBC Bank plc (non-ring-fenced bank).
3 Fair value movements on non-qualifying hedges in HSBC Holdings.
4 Comprises gains and losses relating to the business update in February 2020, including losses associated with RWA reduction commitments.

Analysis by country/territory

Profit/(loss) before tax by country/territory within global businesses

	2023				
	Wealth and Personal Banking	**Commercial Banking**	**Global Banking and Markets**	**Corporate Centre**	**Total**
	$m	**$m**	**$m**	**$m**	**$m**
UK[1]	**2,415**	**4,437**	**(692)**	**(200)**	**5,960**
– *of which: HSBC UK Bank plc (ring-fenced bank)*	***2,754***	***5,282***	***144***	***90***	***8,270***
– *of which: HSBC Bank plc (non-ring-fenced bank)*	***396***	***295***	***121***	***177***	***989***
– *of which: Holdings and other*	***(735)***	***(1,140)***	***(957)***	***(467)***	***(3,299)***
France	**(35)**	**235**	**128**	**10**	**338**
Germany	**44**	**144**	**128**	**4**	**320**
Switzerland	**25**	**29**	**—**	**5**	**59**
Hong Kong	**6,808**	**2,970**	**1,394**	**(304)**	**10,868**
Australia	**177**	**319**	**85**	**(15)**	**566**
India	**56**	**398**	**774**	**289**	**1,517**
Indonesia	**23**	**124**	**68**	**(7)**	**208**
Mainland China	**(90)**	**339**	**662**	**(540)**	**371**
Malaysia	**111**	**158**	**219**	**(21)**	**467**
Singapore	**233**	**436**	**444**	**(31)**	**1,082**
Taiwan	**99**	**72**	**198**	**(7)**	**362**
Egypt	**141**	**98**	**303**	**(11)**	**531**
UAE	**387**	**212**	**377**	**(83)**	**893**
Saudi Arabia[2]	**—**	**—**	**118**	**539**	**657**
US	**225**	**513**	**111**	**(398)**	**451**
Canada	**293**	**561**	**120**	**(96)**	**878**
Mexico	**317**	**504**	**15**	**(31)**	**805**
Other[3]	**315**	**1,731**	**1,472**	**497**	**4,015**
Year ended 31 Dec 2023	**11,544**	**13,280**	**5,924**	**(400)**	**30,348**

1 UK includes results from the ultimate holding company, HSBC Holdings plc, and the separately incorporated group of service companies ('ServCo Group').
2 Includes the results of HSBC Saudi Arabia and our share of the profits of our associate, Saudi Awwal Bank.
3 Corporate Centre includes the profit and loss impact of inter-company debt eliminations of $571m.

Profit/(loss) before tax by country/territory within global businesses (continued)

	2022[1]				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
UK[2]	1,764	2,094	(534)	(41)	3,283
– *of which: HSBC UK Bank plc (ring-fenced bank)*	*2,112*	*2,662*	*143*	*(430)*	*4,487*
– *of which: HSBC Bank plc (non-ring-fenced bank)*	*294*	*315*	*141*	*(473)*	*277*
– *of which: Holdings and other*	*(642)*	*(883)*	*(818)*	*862*	*(1,481)*
France[3]	(2,248)	210	81	(231)	(2,188)
Germany	17	8	133	(147)	11
Switzerland	25	17	13	(30)	25
Hong Kong	4,435	1,278	955	(568)	6,100
Australia	147	180	157	(36)	448
India	45	304	622	306	1,277
Indonesia	4	71	100	(8)	167
Mainland China	(100)	303	526	2,678	3,407
Malaysia	110	89	219	(36)	382
Singapore	218	255	351	(77)	747
Taiwan	36	43	137	(17)	199
Egypt	101	76	194	(4)	367
UAE	128	107	320	(86)	469
Saudi Arabia[4]	30	—	94	345	469
US	209	557	270	(387)	649
Canada	243	548	140	(89)	842
Mexico	241	414	39	(112)	582
Other[5]	183	1,039	1,102	(2,502)	(178)
Year ended 31 Dec 2022	5,588	7,593	4,919	(1,042)	17,058

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for financial year ended 31 December 2022 have been restated accordingly.*
2 *UK includes results from the ultimate holding company, HSBC Holdings plc, and the separately incorporated group of service companies ('ServCo Group').*
3 *Includes the impact of goodwill impairment of $425m as a result of the reclassification of our retail banking operations in France to held for sale. At 31 December 2022, HSBC's cash-generating units were based on geographical regions, sub-divided by global businesses.*
4 *Includes the results of HSBC Saudi Arabia and our share of the profits of our associate, Saudi Awwal Bank.*
5 *Corporate Centre includes the profit and loss impact of inter-company debt eliminations of $1,850m.*

Profit/(loss) before tax by country/territory within global businesses (continued)

	2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
UK[1]	1,511	2,475	(487)	20	3,519
– *of which: HSBC UK Bank plc (ring-fenced bank)*	*2,047*	*2,929*	*127*	*(318)*	*4,785*
– *of which: HSBC Bank plc (non-ring fenced bank)*	*176*	*259*	*220*	*(17)*	*638*
– *of which: Holdings and other*	*(712)*	*(713)*	*(834)*	*355*	*(1,904)*
France	236	163	(97)	(133)	169
Germany	17	82	155	67	321
Switzerland	46	10	—	(12)	44
Hong Kong	4,076	1,303	920	(383)	5,916
Australia	146	132	131	(26)	383
India	20	265	593	232	1,110
Indonesia	14	12	111	(8)	129
Mainland China	(95)	288	586	2,554	3,333
Malaysia	37	(23)	145	(20)	139
Singapore	145	107	231	(13)	470
Taiwan	14	16	106	(5)	131
Egypt	79	42	163	(2)	282
UAE	91	3	342	(61)	375
Saudi Arabia[2]	17	—	65	274	356
US	(131)	472	524	(337)	528
Canada	141	544	145	(62)	768
Mexico	305	88	222	(46)	569
Other[3]	(536)	698	867	(665)	364
Year ended 31 Dec 2021	6,133	6,677	4,722	1,374	18,906

1 *UK includes results from the ultimate holding company, HSBC Holdings plc, and the separately incorporated group of service companies ('ServCo Group').*
2 *Includes the results of HSBC Saudi Arabia and our share of the profits of our associate, Saudi Awwal Bank.*
3 *Includes the impact of goodwill impairment of $587m. At 31 December 2021, HSBC's cash-generating units were based on geographical regions, sub-divided by global businesses.*

Middle East, North Africa and Türkiye supplementary information

The following tables show the results of our Middle East, North Africa and Türkiye business operations on a regional basis (including results of all the legal entities operating in the region and our share of the results of Saudi Awwal Bank). They also show the profit before tax of each of the global businesses.

Middle East, North Africa and Türkiye regional performance

	2023	2022
	$m	$m
Revenue[1]	3,688	2,936
Change in expected credit losses and other credit impairment charges	(133)	8
Operating expenses	(1,592)	(1,586)
Share of profit in associates and joint ventures	538	342
Profit before tax	2,501	1,700
Loans and advances to customers (net)[2]	22,766	26,475
Customer accounts[2]	40,708	43,933

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *In the second quarter of 2023, loans and advances to customers of $2,975m were classified as 'Assets held for sale', and customer accounts of $4,878m were classified as 'Liabilities of disposal groups held for sale' in respect of the planned merger of our business in Oman. The merger was subsequently completed in August 2023.*

Profit before tax by global business

	2023	2022
	$m	$m
Wealth and Personal Banking	612	313
Commercial Banking	400	290
Global Banking and Markets	1,104	861
Corporate Centre	385	236
Total	2,501	1,700

Reconciliation of alternative performance measures

Contents

Use of alternative performance measures

Our reported results are prepared in accordance with IFRS Accounting Standards as detailed in our financial statements starting on page 329.

As described on page 100, we use a combination of reported and alternative performance measures, including those derived from our reported results that eliminate factors that distort year-on-year comparisons. These are considered alternative performance measures (non-GAAP financial measures).

The following information details the adjustments made to the reported results and the calculation of other alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

On 1 January 2023, HSBC adopted IFRS 17 'Insurance Contracts'. As required by the standard, the Group applied the requirements retrospectively with comparative data previously published under IFRS 4 'Insurance Contracts' restated from the 1 January 2022 transition date.

In addition to the alternative performance measures set out in this section, further alternative performance measures in relation to the Group's insurance manufacturing operations are set out on pages 116 to 117.

Alternative performance measure definitions

Alternative performance measure	Definition
Return on average ordinary shareholders' equity ('RoE')	Profit attributable to the ordinary shareholders / Average ordinary shareholders' equity
Return on average tangible equity ('RoTE')	Profit attributable to the ordinary shareholders, excluding impairment of goodwill and other intangible assets / Average ordinary shareholders' equity adjusted for goodwill and intangibles
Return on average tangible equity ('RoTE') excluding strategic transactions and impairment of BoCom	Profit attributable to the ordinary shareholders, excluding impairment of goodwill and other intangible assets, the impact of strategic transactions and impairment of BoCom[1] / Average ordinary shareholders' equity adjusted for goodwill and intangibles, the impact of strategic transactions and impairment of BoCom[1]
Net asset value per ordinary share	Total ordinary shareholders' equity[2] / Basic number of ordinary shares in issue excluding treasury shares
Tangible net asset value per ordinary share	Tangible ordinary shareholders' equity[3] / Basic number of ordinary shares in issue excluding treasury shares
Post-tax return on average total assets	Profit after tax / Average total assets
Average total shareholders' equity on average total assets	Average total shareholders' equity / Average total assets
Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers	Annualised constant currency ECL[4] / Constant currency average gross loans and advances to customers[4]
Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers, including held for sale	Annualised constant currency ECL[4] / Constant currency average gross loans and advances to customers, including held for sale[4]
Target basis operating expenses	Reported operating expenses excluding notable items, foreign exchange translation and other excluded items[5]
Basic earnings per share excluding material notable items and related impacts	Profit attributable to ordinary shareholders excluding material notable items and related impacts[6] / Weighted average number of ordinary shares outstanding, excluding own shares held
Multi-jurisdictional client revenue	Total client revenue we generate from clients that hold a relationship with us that generates revenue in more than one market

1 *Excluding the impacts of the sale of our retail banking operations in France, the provisional gain of $1.6bn recognised in respect of the acquisition of SVB UK and the impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom.*
2 *Total ordinary shareholders' equity is total shareholders' equity less non-cumulative preference shares and capital securities.*
3 *Tangible ordinary shareholders' equity is total ordinary shareholders' equity excluding goodwill and other intangible assets (net of deferred tax).*
4 *The constant currency numbers are derived by adjusting reported ECL and average loans and advances to customers for the effects of foreign currency translation differences.*
5 *Includes impact of re-translating comparative period financial information at the latest rates of foreign exchange in hyperinflationary economies, which we consider to be outside of our control, and the incremental costs associated with our acquisition of SVB UK and related international investments.*
6 *Excluding the impacts of material M&A transactions, the 2022 deferred tax adjustment in HSBC Holdings and the impairment loss of $3.0bn recognised in 2023 in respect of the Group's investment in BoCom.*

Return on average ordinary shareholders' equity, return on average tangible equity and return on average tangible equity excluding strategic transactions and impairment of BoCom

	2023	2022[1]	2021
	$m	$m	$m
Profit			
Profit attributable to the ordinary shareholders of the parent company	**22,432**	14,346	12,607
Impairment of goodwill and other intangible assets (net of tax)	**43**	535	608
Decrease/(increase) in PVIF (net of tax)[1]	**—**	—	(58)
Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and PVIF	**22,475**	14,881	13,157
Impact of strategic transactions and impairment of BoCom[2,3,4]	**1,275**	1,886	N/A
Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment, strategic transactions and impairment of BoCom	**23,750**	16,767	N/A
Equity			
Average total shareholders' equity	**184,029**	180,263	199,295
Effect of average preference shares and other equity instruments	**(18,794)**	(21,202)	(22,814)
Average ordinary shareholders' equity	**165,235**	159,061	176,481
Effect of goodwill, other intangibles and PVIF (net of deferred tax)	**(11,480)**	(10,786)	(17,705)
Average tangible equity	**153,755**	148,275	158,776
Average impact of strategic transactions and impairment of BoCom	**(1,277)**	748	N/A
Average tangible equity excluding strategic transactions and impairment of BoCom	**152,478**	149,023	N/A
	%	%	%
Ratio			
Return on average ordinary shareholders' equity	**13.6**	9.0	7.1
Return on average tangible equity	**14.6**	10.0	8.3
Return on average tangible equity excluding strategic transactions and impairment of BoCom	**15.6**	11.3	N/A

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*
2 *Includes the impacts of the sale of our retail banking operations in France.*
3 *Includes the provisional gain of $1.6bn recognised in respect of the acquisition of SVB UK.*
4 *Includes the impairment loss of $3.0bn recognised in respect of the Group's investment in BoCom. See Note 18 on page 394.*

From 2024, we intend to revise the adjustments made to return on average tangible equity ('RoTE') to exclude all notable items, improving alignment with the treatment of notable items in our other income statement disclosures. On this basis, we continue to target a RoTE in the mid-teens for 2024. If this basis had been adopted for 2023, our RoTE excluding notable items would have been 16.2%.

The following table details the adjustments made to reported results by global business:

Return on average tangible equity by global business

	Year ended 31 Dec 2023				
	Wealth and Personal Banking	**Commercial Banking**	**Global Banking and Markets**	**Corporate Centre**	**Total**
	$m	**$m**	**$m**	**$m**	**$m**
Profit before tax	**11,544**	**13,280**	**5,924**	**(400)**	**30,348**
Tax expense	**(2,141)**	**(2,945)**	**(1,165)**	**462**	**(5,789)**
Profit after tax	**9,403**	**10,335**	**4,759**	**62**	**24,559**
Less attributable to: preference shareholders, other equity holders, non-controlling interests	**(828)**	**(485)**	**(588)**	**(226)**	**(2,127)**
Profit attributable to ordinary shareholders of the parent company	**8,575**	**9,850**	**4,171**	**(164)**	**22,432**
Other adjustments	**(221)**	**364**	**168**	**(268)**	**43**
Profit attributable to ordinary shareholders	**8,354**	**10,214**	**4,339**	**(432)**	**22,475**
Average tangible shareholders' equity	**29,352**	**43,687**	**38,036**	**42,680**	**153,755**
Return on average tangible equity (%)	**28.5**	**23.4**	**11.4**	**(1.0)**	**14.6**
	Year ended 31 Dec 2022				
Profit before tax	5,588	7,593	4,919	(1,042)	17,058
Tax expense	(1,150)	(1,796)	(761)	2,898	(809)
Profit after tax	4,438	5,797	4,158	1,856	16,249
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(688)	(344)	(510)	(362)	(1,903)
Profit attributable to ordinary shareholders of the parent company	3,750	5,453	3,648	1,494	14,346
Other adjustments	432	328	255	(499)	515
Profit attributable to ordinary shareholders	4,182	5,781	3,903	995	14,861
Average tangible shareholders' equity	30,290	42,271	39,935	35,780	148,276
Return on average tangible equity (%)	13.8	13.7	9.8	2.8	10.0

Net asset value and tangible net asset value per ordinary share

	2023 $m	2022[1] $m	2021 $m
Total shareholders' equity	**185,329**	177,833	198,250
Preference shares and other equity instruments	**(17,719)**	(19,746)	(22,414)
Total ordinary shareholders' equity	**167,610**	158,087	175,836
Goodwill, PVIF and intangible assets (net of deferred tax)	**(11,900)**	(11,160)	(17,643)
Tangible ordinary shareholders' equity	**155,710**	146,927	158,193
Basic number of $0.50 ordinary shares outstanding	**19,006**	19,739	20,073
	$	$	$
Value per share			
Net asset value per ordinary share	**8.82**	8.01	8.76
Tangible net asset value per ordinary share	**8.19**	7.44	7.88

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. We have restated 2022 comparative data.*

Post-tax return and average total shareholders' equity on average total assets

	2023 $m	2022[1] $m	2021 $m
Profit after tax	**24,559**	16,249	14,693
Average total shareholders' equity	**184,029**	180,263	199,295
Average total assets	**3,059,887**	3,017,495	3,012,437
Ratio	**%**	%	%
Post-tax return on average total assets	**0.8**	0.5	0.5
Average total shareholders' equity to average total assets	**6.01**	5.97	6.62

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*

Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers and expected credit losses and other credit impairment charges as % of average gross loans and advances to customers, including held for sale

	2023 $m	2022[1] $m	2021 $m
Expected credit losses and other credit impairment charges ('ECL')	**(3,447)**	(3,584)	928
Currency translation	**—**	(46)	(170)
Constant currency	**(3,447)**	(3,630)	758
Average gross loans and advances to customers	**955,585**	1,014,148	1,057,412
Currency translation	**11,629**	6,701	(43,098)
Constant currency	**967,214**	1,020,849	1,014,314
Average gross loans and advances to customers, including held for sale	**1,020,992**	1,035,678	1,058,947
Currency translation	**12,688**	7,837	(43,098)
Constant currency	**1,033,680**	1,043,515	1,015,849
Ratio	**%**	%	%
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers	**0.36**	0.36	(0.07)
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers, including held for sale	**0.33**	0.35	(0.07)

1 *From 1 January 2023, we adopted IFRS 17 'Insurance Contracts', which replaced IFRS 4 'Insurance Contracts'. Comparative data for the financial year ended 31 December 2022 have been restated accordingly. Comparative data for the year ended 31 December 2021 are prepared on an IFRS 4 basis.*

Target basis operating expenses

Target basis operating expenses is computed by excluding the impact of notable items and foreign exchange translation impacts from reported results. We also exclude the impact of retranslating comparative period financial information at the latest rates of foreign exchange in hyperinflationary economies, which we consider to be outside of our control. Our target basis also excludes the impact of the acquisition of SVB UK and related investments internationally, which added approximately 1% to our cost growth in 2023 compared with 2022. We consider this measure to provide useful information to investors by quantifying and excluding the notable items that management considered when setting and assessing cost-related targets.

Target basis operating expenses

	2023 $m	2022 $m
Reported operating expenses	**32,070**	32,701
Notable items	**(185)**	(2,900)
Disposals, acquisitions and related costs	**(321)**	(18)
Impairment of non-financial items	**—**	—
Restructuring and other related costs[1]	**136**	(2,882)
Excluding the impact of SVB UK and related international investments	**(271)**	—
Currency translation[2]		(430)
Excluding the impact of retranslating prior year costs of hyperinflationary economies at a constant currency foreign exchange rate		440
Target basis operating expenses	**31,614**	29,811

1 *Amounts in 2023 relate to reversals of restructuring provisions recognised during 2022.*
2 *Currency translation on reported operating expenses, excluding currency translation on notable items.*

Basic earnings per share excluding material notable items and related impacts

Material notable items are a subset of notable items. Material notable items are components of our income statement that management would consider as outside the normal course of business and generally non-recurring in nature, which are excluded from our dividend payout ratio calculation and our earnings per share measure, along with related impacts. Categorisation as a material notable item is dependent on the nature of each item in conjunction with the financial impact on the Group's income statement.

Related impacts include those items that do not qualify for designation as notable items but whose adjustment is considered by management to be appropriate for the purposes of determining the basis for our dividend payout ratio calculation.

In 2023, material notable items comprised the impacts of the sale of our retail banking operations in France, the planned sale of our banking business in Canada, the acquisition of SVB UK and the impairment of BoCom. The impairment of BoCom is included within material notables given that the impairment relates to the accounting assessment of the future value-in-use. The impairment has no material impact on our distribution capacity, dividends or share buy-backs. Related items comprised HSBC Bank Canada's financial results from the 30 June 2022 net asset reference date onwards, as a component of the gain on sale will be recognised through the consolidation of HSBC Bank Canada's results in the Group's results, with the remainder recognised at completion.

Commencing in 2024, we will establish a dividend payout ratio on a 'target basis'. We will disclose at each quarter the adjustments that we will designate as material notable items and related impacts.

Basic earnings per share excluding material notable items and related impacts

	2023[1] $m
Profit attributable to shareholders of company	**23,533**
Coupon payable on capital securities classified as equity	**(1.1)**
Profit attributable to ordinary shareholders of company	**22.4**
Impairment of interest in associate[2]	**3.0**
Provisional gain on acquisition of SVB UK	**(1.5)**
Impairment loss relating to the sale of our retail banking operations in France (net of tax)	**0.1**
Impact of the planned sale of our banking business in Canada[3]	**(0.3)**
Profit attributable to ordinary shareholders of company excluding material notable items and related impacts	**23.7**
Number of shares	
Weighted average basic number of ordinary shares (millions)	**19,478**
Basic earnings per share excluding material notable items and related impacts	**1.22**
Basic earnings per share	**1.15**
Dividend per ordinary share (in respect of the period) ($)	**0.61**
Dividend payout ratio (%) (dividend per ordinary share divided by basic earnings per share excluding material notable items and related impacts)	**50%**

1 *In 2023, earnings per share ('EPS') was adjusted for material notable items and related impacts. 2022 comparatives have not been provided due to the change our reporting framework and restatement due to the adoption of the IFRS 17. See our* Annual Report and Accounts 2022 *for details of the impacts of adjustments to our EPS in 2022.*

2 *Represents an impairment loss of $3bn recognised in respect of the Group's investment in BoCom. See Note 18 on page 392.*

3 *Represents the earnings recognised by the banking business in Canada, net of gains and losses on foreign exchange hedges held at Group level, that will reduce the gain on sale recognised by the Group on completion.*

Multi-jurisdictional revenue

Multi-jurisdictional revenue is a financial metric we use to assess our ability to drive value from our international network.

In our wholesale businesses, we identify a client as multi-jurisdictional if they hold a relationship with us that generates revenue in any market outside of where the primary relationship is managed. A client is defined as a mastergroup (HSBC's own client groupings) that includes both the parent and, where relevant, any subsidiaries.

Multi-jurisdictional client revenue is a component of wholesale client revenue and represents the total client revenue we generate from multi-jurisdictional clients. Wholesale client revenue is derived by excluding from CMB and GBM reported revenue the revenue we generate from client facilitation in fixed income and equities, the 2023 provisional gain on the acquisition of SVB UK, as well as other non-client revenue.

In WPB, we identify a customer as multi-jurisdictional if they bank with us in more than one of our 11 key markets. It is derived by excluding from WPB reported revenue the revenue from Canada and our retail business in France, as well as other non-customer income.

Wholesale multi-jurisdictional client revenue

	2023 $bn
CMB and GBM revenue	**39.0**
Allocated revenue and other[1]	**0.9**
Client facilitation in Fixed Income and Equities	**(4.8)**
Provisional gain on acquisition of SVB UK	**(1.6)**
Wholesale client revenue	**33.5**
– clients banked in multiple jurisdictions ('multi-jurisdictional')	**20.4**
– domestic only clients	**13.1**

WPB multi-jurisdictional customer revenue

	2023 $bn
WPB revenue	**27.3**
Allocated revenue and other[1]	**(0.5)**
France retail and Canada	**(1.4)**
WPB customer revenue	**25.4**
– international customer revenue	**10.2**
of which: customers banked in multiple jurisdictions ('multi-jurisdictional')	**5.3**
of which: non-resident and resident foreigner	**4.9**
– domestic only clients	**15.2**

1 *including allocations of Market Treasury revenue, HSBC Holdings interest expense and hyperinflationary accounting adjustments, and interest earned on capital held in the global businesses.*