

HSBC Quarterly Report - Q3 2024

Overview

HSBC Holdings plc, one of the world's largest banking and financial services organizations, has demonstrated robust performance in the first half of 2024, continuing its strategic focus on wealth management and digital innovation. The bank reported a profit before tax of \$21.7 billion for the first half of 2024, up from \$21.7 billion in the same period last year, with revenues reaching \$36.9 billion. This performance underscores the effectiveness of HSBC's strategic initiatives, particularly in wealth management and digital banking.

Financial Performance

- **Profit Before Tax:** \$21.7 billion (1H23: \$21.7 billion)
- **Revenue:** \$36.9 billion (1H23: \$36.9 billion)
- **Return on Tangible Equity (RoTE):** Targeting mid-teens for 2024 and 2025, excluding notable items.
- **Net Interest Income:** Expected to be around \$43 billion in 2024, influenced by global interest rate trends.
- **Loan Growth:** 1% in 1H24, with expectations of mid-single digit growth in customer lending over the medium to long term.
- **Dividend Payout Ratio:** Targeting 50% for 2024, excluding notable items.

Strategic Initiatives

1. **Wealth Management Expansion:** HSBC is aggressively expanding its wealth management services, particularly in Canada and the UK. The bank aims to double its private client business in Canada and increase its assets under management in the UK to £100 billion (\$131 billion) over the next five years. This strategy is aimed at capturing a larger share of the growing mass affluent

market, which is increasingly targeted by major banks ([Yahoo Finance](#), [Financial Express](#)).

2. Digital Innovation: HSBC is pioneering digital banking solutions, as highlighted in its Digital Horizons Report. The bank is leveraging advancements in AI and automation to enhance customer experience and operational efficiency. This includes the launch of its embedded finance venture, SemFi, in partnership with Tradeshift, which aims to provide integrated financial solutions for SMEs in e-commerce ([Finextra](https://www.finextra.com/newsarticle/44827/hsbc-launches-embedded-finance-venture), [HSBC UK](#)).

3. Global Wealth Centers: HSBC has opened a flagship wealth center in Hudson Yards, New York, as part of its strategy to enhance wealth management services in the U.S. This center is designed to cater to high-net-worth individuals and families with international ties, providing a comprehensive suite of banking and wealth management services ([Yahoo Finance](#)).

Outlook

HSBC's outlook remains positive, with a focus on achieving a mid-teens RoTE and continued growth in wealth management and digital banking. The bank is well-positioned to capitalize on the increasing demand for personalized financial services and the ongoing digital transformation in the banking sector. The strategic initiatives in wealth management and digital innovation are expected to drive future growth and enhance HSBC's competitive advantage in the global market.

Conclusion

HSBC's strong financial performance in the first half of 2024, coupled with its strategic focus on wealth management and digital innovation, positions the bank for continued success. The initiatives to expand its wealth management services and enhance digital offerings reflect HSBC's

commitment to meeting the evolving needs of its clients in a rapidly changing financial landscape.

Citations

- [Interim Results 2024 quick read | HSBC Holdings plc](#): "We had another strong profit performance in the first half of 2024, which is further evidence that our strategy is working."
- [HSBC Plans to Expand Private Wealth Management Business in Canada](#): "HSBC aims to double its private client business in Canada as the Canadian private wealth management market offers an attractive opportunity for the company."
- [HSBC looks to double UK wealth business as banks target 'mass affluent' - Finance News: Latest Financial News, Finance News today in Bangladesh](#): "HSBC aims to double the assets under management in its British wealth business to 100 billion pounds (\$131 billion) in the next five years."
- [HSBC launches embedded finance venture - Finextra](#): "HSBC has partnered B2B global trade network Tradeshift on a joint venture offering embedded finance solutions to business clients."
- [HSBC UK | Pioneering the Next Wave of Digital Innovation](#): "The banking sector is already embracing this transition - leveraging digitalisation to deliver both operational benefits and a greater customer experience."
- [HSBC Accelerates Wealth Management Strategy in U.S. with Opening of ...](#): "HSBC announced the launch of its new wealth center at Hudson Yards, a key part of its wealth management strategy in the U.S."