

## **HSBC Holdings plc 1Q 2019 Earnings Release video**

Ewen Stevenson, Group Chief Financial Officer, HSBC

### **1Q 2019 update**

These are a good set of results today. On a headline basis our best quarter in 14 quarters, almost USD5 billion of post-tax profits. And even if you strip out a number of one-offs that benefited our revenue line this quarter, still a very good quarter and much better than what we saw in Q4 last year.

### **Revenue, costs and investment**

As we saw this quarter, a very, very good revenue performance. We're very pleased with it. Top-line growth of 5 per cent, 9 per cent on an adjusted basis. Really good growth in areas where we have been wanting to grow. Underlying cost growth has come back from last year – a core objective of mine was to begin to moderate cost growth this year. So a nice difference between revenue growth and cost growth, or jaws, as we call it.

And another pleasing part of that is that we managed to continue to invest heavily in the business. We spent more in investment in this quarter than we did a year ago. We're investing in growth across the business and we are also investing in the big shift from physical to digital all across the bank.

We've got really good ambitions as a bank. We want to be investing in growth. We want to be investing in the digital migration and improving the digital experience for customers. But in order to do that we need to be constrained on how we spend cost elsewhere.

### **Outlook**

When you look at the underlying performance that we delivered today, it was a very decent quarter. Top-line revenue growth of 5 per cent, returns up very nicely, profits up very nicely. We're not there yet – we've got very, very clear targets for what we want to achieve in 2020 on returns. But this is a very good quarter and sets us up well for the remainder of the year.