HSBC

Video transcript

Annual Results 2018: John Flint video

John Flint, HSBC Group Chief Executive

Annual Results 2018

The Group has produced a good set of results. We've made real progress since our strategy update in June. We've grown our customer numbers, we've captured market share in the segments that are important to us, we've improved our capital efficiency and we've delivered stronger revenue growth. And the investments we've been making into technology to help serve our customers better are beginning to pay off.

We're also helping our people be at their best. So as a result, our profits are up, our revenue is up and the return on tangible equity, our headline target, is up significantly on the previous year. This is a really good first step towards improving shareholder value.

Revenue and costs

Our costs grew quicker than revenues in 2018 which meant that we missed the discipline of achieving positive adjusted jaws. I don't take this miss lightly. We, and many others in our industry, were impacted by market weakness in November and December, so whilst our costs were broadly on plan, reflecting the investment in growth in digital, our revenues in the fourth quarter were not.

I'm disappointed with the miss, but equally comfortable that we took the right decisions in the circumstances.

Supporting employees

Our people are the critical enabler of our business strategy and fundamental to the achievement of our financial objectives. In my first year as Chief Executive I expressed the ambition of building the healthiest human system in our industry.

I want to create an environment that's supportive for our staff, an environment in which we can have the open and honest conversations that we need to have if we're to fulfil the potential of HSBC. If we're able to meet this ambition, this will enable us to better serve our customers and to improve HSBC's performance.

Outlook for 2019

As we enter 2019, the outlook is a little more uncertain than it was at this point last year. We're dealing with the uncertainty around Brexit, we're dealing with trade tensions between China and the United States and the future path of interest rates is now less certain. This means that we'll have to remain alert and proactive in managing our cost base. The good news is that our long-term revenue drivers that support HSBC remain strong.

Our business is resilient and our business is diversified, so if we focus on looking after our customers, we will deliver the strategy to grow returns for our shareholders.