

# **Standard Chartered PLC**

## **3Q'20 Results**

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## Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to) changes in global, political, economic, business, competitive, market and regulatory forces or conditions, future exchange and interest rates, changes in tax rates, future business combinations or dispositions and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to the Group's 2019 Annual Report and the 2020 Half-Year Report for a discussion of certain risks and factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Unless another currency is specified, the word 'dollar' or symbol '\$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar.

The information within this report is unaudited.

Unless the context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan; ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam; and Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and nm stands for not meaningful.

Standard Chartered PLC is incorporated in England and Wales with limited liability. Standard Chartered PLC is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC stock codes are: HKSE 02888 and LSE STAN.LN.

# Standard Chartered PLC – 3Q'20 Results

All figures are presented on an underlying basis and comparisons are made to 2019 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on page 28.

## Bill Winters, Group Chief Executive, said:

“Our transformation is allowing us to weather the macroeconomic storm in good shape. Our Wealth Management and Financial Markets businesses have good momentum, we are controlling costs to fund innovation, and we believe we are well provided against credit impairment. Lower interest rates continue to impact income but we remain well-positioned to meet our financial targets, albeit with some delay. We are further streamlining our organisation to sharpen focus on our retail business, more effectively leverage our unique network, and drive efficiencies.”

## Update on strategic priorities

- We are creating a single pan-Asia region to more effectively **deliver our network** there
- We will combine our operations that serve individuals to **grow our affluent business** ...
- ... and sharpen the focus on **transforming and disrupting with digital**. Our virtual bank Mox is now live in Hong Kong
- These organisation changes will also support initiatives to **improve productivity**
- Profit in our four large **optimisation markets** has improved 16% on a constant currency basis year-to-date
- We are driving **sustainability** where it matters most: 86% of our sustainable finance assets are in some of the least developed markets

## Selected information concerning financial performance (3Q'20 unless otherwise stated)

- **Income** lower as previously guided due to interest rates: down 12% to \$3.5bn; down 11% constant currency (ccy)
  - Income down 10% on a like-for-like basis: at ccy and excluding \$36m negative movement in DVA
  - Continued recovery in Wealth Management and momentum in Financial Markets offset by interest rate headwinds
- **Net interest margin (NIM)** down 38bps to 1.23%; 5bps lower compared to 2Q'20
  - Impact of lower rates in the quarter mostly offset by improvement in liability mix and pricing
  - Average NIM expected to stabilise slightly below the current level over the next two quarters
- **Expenses** of \$2.5bn improved 1% YoY; broadly flat ccy
- **Credit impairment** of \$353m up \$74m YoY but lower for second consecutive quarter
  - Stage 1 and 2 impairment of \$109m (2Q'20: \$217m)
  - Stage 3 impairment up 9% YoY to \$244m (2Q'20: \$394m)
  - Net stage 3 plus credit grade 12 exposures up \$0.8bn since 30.06.20; early alerts reduced \$1.0bn to \$13.4bn
- **Return on tangible equity** down 450bps to 4.4%
  - Pre-provision operating profit down 30% to \$1.0bn due to lower income; down 28% ccy and ex-DVA
  - Underlying profit before tax down 40% to \$0.7bn driven by lower income; down 39% ccy and ex-DVA
  - Statutory profit before tax down 61% to \$0.4bn, includes \$231m goodwill impairment in UAE and Indonesia
- **Risk-weighted assets** of \$267bn up \$4bn since 30.06.20
  - Negative credit migration and FX movements partly offset by RCF repayments and lower counterparty credit risk
- The Group remains strongly capitalised and highly liquid
  - **Common equity tier 1 ratio** 14.4% above the top of the 13-14% target range (30.06.20: 14.3%)
  - **Asset-to-deposit ratio** 63.8% (30.06.20: 62.7%); **liquidity coverage ratio** 142% (30.06.20: 149%)
  - Continue to target higher quality deposits: individual CASA up 8% since 30.06.20
- **Earnings per share** down 13.0c or 49% to 13.6c

## Outlook

We expect similar fourth quarter seasonality to last year, and anticipate client demand to increase over the course of 2021 as more of the markets in which we operate start to come out of recession. The impact of the significant reduction in interest rates that occurred earlier this year should be fully reflected over the next two quarters with the net interest margin stabilising slightly below the current level in that timeframe.

In this protracted low interest rate environment, we will continue to optimise the drivers of our net interest income and are increasingly focusing on generating more fee-based income, particularly from our Financial Markets and Wealth Management businesses that have good momentum. We will continue to reduce operating expenses wherever possible so that we can maximise our investment in digital capabilities; as previously guided we expect expenses to be below \$10 billion in both 2020 and 2021.

Our third quarter credit impairment outcome reinforces our previous view that our impairment costs should be lower in the second half of 2020 than in the first half. The expected economic recovery next year would support asset quality improvement, although we anticipate some sectors and markets will face continuing challenges.

On 25 February 2021 we will release our full-year 2020 results and will provide an update on the progress we are making on our strategic priorities in the context of the prevailing macroeconomic outlook. Given our strong capital position the Board will consider at that time resuming shareholder returns, subject to consultation with our regulators.

# Statement of results

## For the three months ended 30 September 2020

	3 months ended 30.09.20 \$million	3 months ended 30.09.19 \$million	Change <sup>1</sup> %
<b>Underlying performance</b>			
Operating income	3,519	3,978	(12)
Operating expenses (including UK bank levy)	(2,480)	(2,501)	1
Credit impairment	(353)	(279)	(27)
Other impairment	(15)	(5)	(200)
Profit from associates and joint ventures	74	45	64
Profit before taxation	745	1,238	(40)
Profit/(loss) attributable to ordinary shareholders <sup>2</sup>	428	857	(50)
Return on ordinary shareholders' tangible equity (%)	4.4	8.9	(450)bps
Cost to income ratio (%)	70.5	62.9	(760)bps
<b>Statutory performance</b>			
Operating income	3,506	3,959	(11)
Operating expenses	(2,515)	(2,567)	2
Credit impairment	(358)	(280)	(28)
Goodwill impairment	(231)	-	nm
Other impairment	(33)	(60)	45
Profit from associates and joint ventures	66	53	25
Profit before taxation	435	1,105	(61)
Taxation	(274)	(333)	18
Profit for the period	161	772	(79)
Profit/(loss) attributable to parent company shareholders	154	761	(80)
Profit/(loss) attributable to ordinary shareholders <sup>2</sup>	123	725	(83)
Return on ordinary shareholders' tangible equity (%)	1.3	7.5	(620)bps
Cost to income ratio (%)	71.7	64.8	(690)bps
<b>Balance sheet and capital</b>			
Total assets	754,429	734,800	3
Total equity	50,570	50,696	-
Average tangible equity attributable to ordinary shareholders <sup>2</sup>	38,934	38,379	1
Loans and advances to customers	281,380	269,703	4
Customer accounts	417,517	387,857	8
Risk-weighted assets	266,664	268,668	(1)
Total capital	57,051	54,940	4
Total capital (%)	21.4	20.4	100bps
Common Equity Tier 1	38,449	36,386	6
Common Equity Tier 1 ratio (%)	14.4	13.5	90bps
Net Interest Margin (%) (adjusted)	1.23	1.61	(38)bps
Advances-to-deposits ratio (%) <sup>3</sup>	63.8	65.6	(1.8)
Liquidity coverage ratio (%)	142	133	9
UK leverage ratio (%)	5.2	5.1	10bps
<b>Information per ordinary share</b>			
Earnings per share – underlying <sup>4</sup>	13.6	26.6	(13.0)
– statutory <sup>4</sup>	3.9	22.5	(18.6)
Net asset value per share <sup>5</sup>	1,405	1,358	47
Tangible net asset value per share <sup>5</sup>	1,249	1,199	50
Number of ordinary shares at period end (millions)	3,149	3,195	(1)

1 Variance is better/(worse) other than assets, liabilities and risk-weighted assets

2 Profit/(loss) attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity

3 When calculating this ratio, total loans and advances to customers excludes reverse repurchase agreements and other similar secured lending, excludes approved balances held with central banks, confirmed as repayable at the point of stress and includes loans and advances to customers held at fair value through profit and loss. Total customer accounts includes customer accounts held at fair value through profit or loss.

4 Represents the underlying or statutory earnings divided by the basic weighted average number of shares

5 Calculated on period end net asset value, tangible net asset value and number of shares

# Group Chief Financial Officer's review

The Group delivered a resilient performance in challenging conditions in the third quarter of 2020

## Summary of financial performance

	3Q'20 \$million	3Q'19 \$million	Change %	Constant Currency Change <sup>1</sup> %	2Q'20 \$million	Change %	Constant Currency Change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change %	Constant Currency Change <sup>1</sup> %
Net Interest income	1,620	1,937	(16)	(16)	1,660	(2)	(3)	5,122	5,799	(12)	(10)
Other income	1,899	2,041	(7)	(7)	2,060	(8)	(9)	6,444	5,875	10	11
<b>Underlying operating income</b>	<b>3,519</b>	<b>3,978</b>	<b>(12)</b>	<b>(11)</b>	<b>3,720</b>	<b>(5)</b>	<b>(6)</b>	<b>11,566</b>	<b>11,674</b>	<b>(1)</b>	<b>-</b>
Underlying operating expenses	(2,480)	(2,501)	1	-	(2,355)	(5)	(3)	(7,193)	(7,470)	4	1
<b>Underlying operating profit before impairment and taxation</b>	<b>1,039</b>	<b>1,477</b>	<b>(30)</b>	<b>(30)</b>	<b>1,365</b>	<b>(24)</b>	<b>(24)</b>	<b>4,373</b>	<b>4,204</b>	<b>4</b>	<b>4</b>
Credit impairment	(353)	(279)	(27)	(32)	(611)	42	42	(1,920)	(533)	nm <sup>2</sup>	nm <sup>2</sup>
Other impairment	(15)	(5)	(200)	nm <sup>2</sup>	(42)	64	64	97	(26)	nm <sup>2</sup>	nm <sup>2</sup>
Profit from associates and joint ventures	74	45	64	61	21	nm <sup>2</sup>	nm <sup>2</sup>	150	202	(26)	(26)
<b>Underlying profit before taxation</b>	<b>745</b>	<b>1,238</b>	<b>(40)</b>	<b>(41)</b>	<b>733</b>	<b>2</b>	<b>2</b>	<b>2,700</b>	<b>3,847</b>	<b>(30)</b>	<b>(30)</b>
Restructuring	(44)	(123)	64	64	2	nm <sup>2</sup>	nm <sup>2</sup>	(134)	(137)	2	1
Goodwill impairment & other items	(266)	(10)	nm <sup>2</sup>	nm <sup>2</sup>	6	nm <sup>2</sup>	nm <sup>2</sup>	(504)	(191)	(164)	(163)
<b>Statutory profit before taxation</b>	<b>435</b>	<b>1,105</b>	<b>(61)</b>	<b>(62)</b>	<b>741</b>	<b>(41)</b>	<b>(41)</b>	<b>2,062</b>	<b>3,519</b>	<b>(41)</b>	<b>(42)</b>
Taxation	(274)	(333)	18	16	(192)	(43)	(39)	(835)	(1,251)	33	32
<b>Profit for the period</b>	<b>161</b>	<b>772</b>	<b>(79)</b>	<b>(80)</b>	<b>549</b>	<b>(71)</b>	<b>(71)</b>	<b>1,227</b>	<b>2,268</b>	<b>(46)</b>	<b>(48)</b>
Net interest margin (%)	1.23	1.61			1.28			1.34	1.64		
Underlying return on tangible equity (%)	4.4	8.9			3.5			5.5	8.6		
Underlying earnings per share (cents)	13.6	26.6			10.4			49.5	75.7		
Statutory return on tangible equity (%)	1.3	7.5			3.6			3.3	6.8		
Statutory earnings per share (cents)	3.9	22.5			10.8			29.7	60.5		

<sup>1</sup> Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

<sup>2</sup> Not meaningful

The Group delivered a resilient performance in challenging conditions in the third quarter of 2020, with lower interest rates partially offset by strong underlying performances in several products and markets, good cost control and an encouraging sequential improvement in credit impairment. Income declined 12 per cent – impacted by lower interest rates – and expenses including continued investment were 1 per cent lower compared to 3Q'19. Credit impairment increased 27 per cent but reduced for the second consecutive quarter despite the extraordinary external environment. Underlying profit declined 40 per cent reflecting higher impairments and a 38 basis point decline in net interest margin.

The Group remains strongly capitalised and highly liquid with a CET1 ratio of 14.4 per cent – above the top of the medium-term target range – an assets-to-deposits ratio of 63.8 per cent and a liquidity coverage ratio of 142 per cent.

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2019 on a reported currency basis, unless otherwise stated.

- Operating income declined 12 per cent and was down 10 per cent on a constant currency basis and excluding a \$36 million negative movement in the debit valuation adjustment (DVA). The impact of lower interest rates was partially offset by strong performances in Wealth Management and Financial Markets
- Net interest income decreased 16 per cent with increased volumes more than offset by a 24 per cent (38 basis points) decline in net interest margin
- Other income decreased 7 per cent, or 5 per cent excluding the negative impact of movements in DVA, with a strong performance in Wealth Management and Financial Markets offset by a \$157 million reduction in Treasury. On a statutory basis, fees and commissions have increased 3 per cent

## Group Chief Financial Officer's review continued

- Operating expenses were 1 per cent lower and broadly flat on a constant currency basis, absorbing continued investment into strategic initiatives. The cost-to-income ratio increased 7 percentage points to 70 per cent excluding DVA, due to the impact of the significantly lower interest rate environment on net interest income
- Credit impairment increased by \$74 million to \$353 million but was lower for a second consecutive quarter, down \$258 million compared to 2Q'20. Stage 1 and 2 impairments of \$109 million doubled and included a \$77 million management overlay. Impairments of Stage 3 assets were up 9 per cent
- Other impairment of \$15 million was primarily driven by impairment charges relating to aircraft
- Profit from associates and joint ventures was up 64 per cent to \$74 million. The Group now recognises its share of profits of its associate China Bohai Bank based upon its most recently available quarterly results: for 3Q'20 reporting purposes this was based on a 19.99 per cent share of China Bohai Bank's 2Q'20 performance, historically the strongest quarter of the year. The Group's share of China Bohai Bank reduced to 16.26 per cent in the third quarter and this will be the share of profit that is reported in future quarters
- Underlying profit before tax decreased 40 per cent. Charges relating to goodwill impairment, restructuring and other items increased \$177 million to \$310 million, primarily relating to \$231 million of goodwill impairment in UAE (\$204 million) and Indonesia (\$27 million) due to a lower GDP growth outlook, and a \$35 million dilution loss relating to the initial public offering of the Group's associate, China Bohai Bank
- Taxation was \$274 million on a statutory basis with an underlying year-to-date effective tax rate of 31.3 per cent up from the prior year rate of 28.1 per cent reflecting a non-repeat of prior year tax adjustments and lower profits increasing the impact of non-deductible expenses
- Underlying return on tangible equity declined by 450 basis points to 4.4 per cent, with the impact of reduced profits partly offset by lower tangible equity reflecting the dividends paid and share buy-back programmes completed since 1H'19

### Operating income by product

	3Q'20 \$million	3Q'19 \$million	Change %	Constant Currency Change <sup>1</sup> %	2Q'20 \$million	Change %	Constant Currency Change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change %	Constant Currency Change <sup>1</sup> %
Transaction Banking	665	887	(25)	(25)	721	(8)	(8)	2,186	2,665	(18)	(17)
Trade	255	282	(10)	(9)	230	11	11	745	841	(11)	(10)
Cash Management	410	605	(32)	(32)	491	(16)	(17)	1,441	1,824	(21)	(20)
Financial Markets	909	877	4	5	970	(6)	(7)	3,157	2,542	24	27
Foreign Exchange	266	261	2	3	343	(22)	(23)	1,024	863	19	21
Rates	201	176	14	16	339	(41)	(41)	918	533	72	77
Commodities	60	39	54	50	82	(27)	(27)	186	128	45	44
Credit and Capital Markets	188	167	13	15	250	(25)	(25)	464	452	3	4
Capital Structuring Distribution Group	91	87	5	6	52	75	77	204	243	(16)	(14)
DVA	(22)	14	nm <sup>2</sup>	nm <sup>2</sup>	(201)	89	89	82	(28)	nm <sup>2</sup>	nm <sup>2</sup>
Securities Services	79	88	(10)	(8)	79	-	-	242	258	(6)	(4)
Other Financial Markets	46	45	2	2	26	77	59	37	93	(60)	(59)
Corporate Finance	284	281	1	3	269	6	4	831	815	2	4
Lending and Portfolio Management	222	201	10	12	232	(4)	(5)	649	585	11	13
Wealth Management	568	488	16	16	434	31	30	1,532	1,464	5	5
Retail Products	859	975	(12)	(11)	913	(6)	(7)	2,718	2,902	(6)	(5)
CCPL and other unsecured lending	309	315	(2)	(1)	295	5	3	908	940	(3)	(2)
Deposits	301	510	(41)	(40)	413	(27)	(27)	1,186	1,505	(21)	(20)
Mortgage and Auto	211	123	72	69	169	25	23	516	381	35	37
Other Retail Products	38	27	41	50	36	6	8	108	76	42	47
Treasury	40	335	(88)	(88)	178	(78)	(78)	543	894	(39)	(39)
Other	(28)	(66)	58	45	3	nm <sup>2</sup>	nm <sup>2</sup>	(50)	(193)	74	73
<b>Total underlying operating income</b>	<b>3,519</b>	<b>3,978</b>	<b>(12)</b>	<b>(11)</b>	<b>3,720</b>	<b>(5)</b>	<b>(6)</b>	<b>11,566</b>	<b>11,674</b>	<b>(1)</b>	<b>-</b>

<sup>1</sup> Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

<sup>2</sup> Not meaningful

**Transaction Banking** income was down 25 per cent. Cash Management declined 32 per cent as double-digit volume growth was more than offset by declining margins given the lower interest rate environment. Trade declined 10 per cent with lower balances reflecting a significant reduction in global trade volumes resulting from the COVID-19 pandemic.



## Group Chief Financial Officer's review continued

**Financial Markets** income grew 4 per cent or 8 per cent excluding DVA, despite significantly lower levels of market volatility than in the first half of this year, reflecting the impact of improvements made to the business model in recent years as well as increased hedging and investment activity by clients. There was double-digit growth in Rates, Commodities, Credit and Capital Markets while Foreign Exchange income was up slightly. Income from Securities Services declined 10 per cent due to lower margins partly offset by higher volumes.

**Corporate Finance** income was up 1 per cent reflecting increased balances primarily in Leveraged Structured Solutions.

**Lending and Portfolio Management** income was up 10 per cent with improved margins and increased volumes in Corporate Lending.

**Wealth Management** income was up 16 per cent and while market sentiment remains fragile, it has noticeably improved in many of the Group's larger markets, supplemented by clients increasingly using digital channels. There was a particularly strong sales performance in FX, equities and structured notes driving income excluding bancassurance up 17 per cent. Bancassurance income, which year-to-date is just over a quarter of total Wealth Management income, was 14 per cent higher compared to 3Q'19 as a result of a \$53 million accelerated recognition of an annual bancassurance bonus within Retail Banking, which was booked in the second quarter in the prior year. The bonus booking is broadly flat on a year-to-date basis.

**Retail Products** income reduced 12 per cent on a reported basis and was down 11 per cent on a constant currency basis. Deposits income declined 41 per cent as margin compression more than offset increased volumes. Increases in margins and volumes led to 72 per cent growth across Mortgages & Auto and a 41 per cent increase in Other Retail Products. Credit Cards & Personal Loans income was down 2 per cent with new sales showing signs of recovery to pre-COVID-19 levels in some of the Group's markets.

**Treasury income** declined 88 per cent, broadly split equally across net interest income and other income. The decline in net interest income reflects reduced returns on deployed assets within Treasury Markets. The reduction in other income is due to a \$67 million negative movement in hedging ineffectiveness, including hedge mark-to-market losses incurred in 3Q'20, reduced FX swap income and lower realisation gains. Treasury income declined 78 per cent on the second quarter with \$84 million lower realisation gains, negative movements in hedging ineffectiveness and lower FX swap income partly offset by increased interest income where interest paid for external funding reduced more quickly than the returns on deployed assets.

### Profit before tax by client segment and geographic region

	3Q'20 \$million	3Q'19 \$million	Change %	Constant Currency Change <sup>1</sup> %	2Q'20 \$million	Change %	Constant Currency Change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change %	Constant Currency Change <sup>1</sup> %
Corporate & Institutional Banking	525	589	(11)	(12)	476	10	8	1,657	1,886	(12)	(12)
Retail Banking	257	300	(14)	(15)	93	176	177	583	924	(37)	(37)
Commercial Banking	19	116	(84)	(84)	80	(76)	(75)	201	453	(56)	(55)
Private Banking	17	(3)	nm <sup>2</sup>	nm <sup>2</sup>	19	(11)	(6)	73	97	(25)	(26)
Central & other items (segment)	(73)	236	(131)	(128)	65	nm <sup>2</sup>	nm <sup>2</sup>	186	487	(62)	(64)
<b>Underlying profit before taxation</b>	<b>745</b>	<b>1,238</b>	<b>(40)</b>	<b>(41)</b>	<b>733</b>	<b>2</b>	<b>2</b>	<b>2,700</b>	<b>3,847</b>	<b>(30)</b>	<b>(30)</b>
Greater China & North Asia	578	610	(5)	(6)	484	19	18	1,712	1,939	(12)	(11)
ASEAN & South Asia	243	242	-	1	89	173	160	699	1,002	(30)	(30)
Africa & Middle East	11	147	(93)	(94)	43	(74)	(80)	101	588	(83)	(82)
Europe & Americas	37	62	(40)	(50)	255	(85)	(85)	393	75	nm <sup>2</sup>	nm <sup>2</sup>
Central & other items (region)	(124)	177	(170)	(168)	(138)	10	17	(205)	243	(184)	(179)
<b>Underlying profit before taxation</b>	<b>745</b>	<b>1,238</b>	<b>(40)</b>	<b>(41)</b>	<b>733</b>	<b>2</b>	<b>2</b>	<b>2,700</b>	<b>3,847</b>	<b>(30)</b>	<b>(30)</b>

<sup>1</sup> Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

<sup>2</sup> Not meaningful

**Corporate & Institutional Banking** income declined 6 per cent with the low interest rate environment leading to a 33 per cent decline in Cash Management more than offsetting an 8 per cent increase in Financial Markets excluding the impact of negative movements in DVA. Lower expenses and lower credit impairments partly offset the income reduction resulting in profits down 11 per cent or 5 per cent excluding DVA.

**Retail Banking** income declined 2 per cent and 1 per cent on a constant currency basis. Higher impairments, including a management overlay of \$48 million, was the primary driver of a 14 per cent reduction in profit. **Commercial Banking** income reduced 12 per cent, which along with impairments more than tripling resulted in profit declining 84 per cent. **Private Banking** profit was \$17 million, an increase of \$20 million with lower expenses and impairments partly offset by a 11 per cent reduction in income. **Central & other items (segment)** recorded a loss of \$73 million as income decreased 95 per cent reflecting the impact of both the depressed interest rate environment and lower non-interest income within Treasury.

**Greater China & North Asia** income declined 7 per cent partly offset by a near two-thirds reduction in impairments which meant profits were down 5 per cent. **ASEAN & South Asia** profits were flat with a 5 per cent decline in income offset by lower expenses and impairments. **Africa & Middle East** continues to experience difficult conditions that included the effect of low oil prices in the period, with profits down 93 per cent after a \$127 million increase in credit impairments, over half of which was the result of an overlay. Income was down 4 per cent but was up 1 per cent on a constant currency basis. **Europe & Americas** income decreased 9 per cent and was down 5 per cent excluding the impact of negative movements in DVA, which along with higher impairments resulted in profits declining 40 per cent. **Central & other items (region)** recorded a loss of \$124 million with income declining \$230 million due to negative movements in hedge ineffectiveness and lower returns paid to Treasury on the equity provided to the regions in a falling interest rate environment.

## Group Chief Financial Officer's review continued

### Adjusted net interest income and margin

	3Q'20 \$million	3Q'19' \$million	Change <sup>2</sup> %	2Q'20 \$million	Change <sup>2</sup> %	YTD'20 \$million	YTD'19' \$million	Change <sup>2</sup> %
Adjusted net interest income <sup>3</sup>	<b>1,626</b>	2,025	(20)	1,688	(4)	<b>5,245</b>	6,029	(13)
Average interest-earning assets	<b>524,921</b>	499,260	5	531,131	(1)	<b>522,251</b>	490,293	7
Average interest-bearing liabilities	<b>477,688</b>	453,815	5	479,053	–	<b>473,778</b>	441,029	7
Gross yield (%) <sup>4</sup>	<b>2.07</b>	3.30	(123)	2.37	(30)	<b>2.46</b>	3.40	(94)
Rate paid (%) <sup>4</sup>	<b>0.92</b>	1.86	(94)	1.21	(29)	<b>1.23</b>	1.95	(72)
Net yield (%) <sup>4</sup>	<b>1.15</b>	1.44	(29)	1.16	(1)	<b>1.23</b>	1.45	(22)
Net interest margin (%) <sup>4,5</sup>	<b>1.23</b>	1.61	(38)	1.28	(5)	<b>1.34</b>	1.64	(30)

1 The Group in 2019 changed its accounting policy for net interest income and the basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further details.

2 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)

3 Adjusted net interest income is statutory net interest income less funding costs for the trading book

4 Change is the basis points (bps) difference between the two periods rather than the percentage change

5 Adjusted net interest income divided by average interest-earning assets, annualized

Adjusted net interest income was down 20 per cent driven by a 24 per cent decline in net interest margin that fell 38 basis points year-on-year and 5 basis points compared to 2Q'20:

- Average interest-earning assets decreased 1 per cent in the quarter, driven by a decline in Treasury Markets assets. Gross yields declined 30 basis points compared with the average in the prior quarter and predominantly reflected the flow-through of declining interest rates in the second half of 2019 and those that occurred in the first quarter of 2020
- Average interest-bearing liabilities were broadly flat in the quarter despite the Group rolling off expensive term deposits. The deposit mix improved with a reduction in Corporate and Retail Banking time deposits and growth in individual current accounts. The rate paid on liabilities decreased 29 basis points compared with the average in the prior quarter reflecting interest rate movements, repricing liabilities lower and a shift in deposit mix



# Group Chief Financial Officer's review continued

## Credit risk summary

### Income Statement

	3Q'20 \$million	3Q'19 \$million	Change <sup>1</sup> %	2Q'20 \$million	Change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>1</sup> %
<b>Total credit impairment</b>	<b>353</b>	279	27	611	(42)	<b>1,920</b>	533	260
Of which stage 1 and 2	<b>109</b>	55	98	217	(50)	<b>777</b>	137	467
Of which stage 3	<b>244</b>	224	9	394	(38)	<b>1,143</b>	396	189

<sup>1</sup> Variance is increase/(decrease) comparing current reporting period to prior reporting periods

### Balance sheet

	30.09.20 \$million	30.06.20 \$million	Change <sup>1</sup> %	31.12.19 \$million	Change <sup>1</sup> %	30.09.19 <sup>2</sup> \$million	Change <sup>1</sup> %
<b>Gross loans and advances to customers<sup>3</sup></b>	<b>288,046</b>	282,826	2	274,306	5	275,832	4
Of which stage 1	<b>251,113</b>	250,278	–	246,149	2	249,123	1
Of which stage 2	<b>27,597</b>	23,739	16	20,759	33	18,928	46
Of which stage 3	<b>9,336</b>	8,809	6	7,398	26	7,781	20
<b>Expected credit loss provisions</b>	<b>(6,666)</b>	(6,513)	2	(5,783)	15	(6,130)	9
Of which stage 1	<b>(571)</b>	(476)	20	(402)	42	(373)	53
Of which stage 2	<b>(706)</b>	(780)	(9)	(377)	87	(373)	89
Of which stage 3	<b>(5,389)</b>	(5,257)	3	(5,004)	8	(5,384)	–
<b>Net loans and advances to customers</b>	<b>281,380</b>	276,313	2	268,523	5	269,703	4
Of which stage 1	<b>250,542</b>	249,802	–	245,747	2	248,750	1
Of which stage 2	<b>26,891</b>	22,959	17	20,382	32	18,555	45
Of which stage 3	<b>3,947</b>	3,552	11	2,394	65	2,398	65
Cover ratio of stage 3 before/after collateral (%) <sup>4</sup>	<b>58 / 76</b>	60 / 80	(2) / (4)	68 / 85	(10) / (9)	69 / 86	(11) / (10)
Credit grade 12 accounts (\$million)	<b>1,954</b>	1,519	29	1,605	22	1,556	26
Early alerts (\$million)	<b>13,407</b>	14,406	(7)	5,271	154	4,468	200
Investment grade corporate exposures (%) <sup>4</sup>	<b>59</b>	57	2	61	(2)	63	(4)

<sup>1</sup> Variance is increase/(decrease) comparing current reporting period to prior reporting periods

<sup>2</sup> 3Q'19 Stage 3 balances, provisions and cover ratios have been restated to include interest due but unpaid together with equivalent credit impairment charge

<sup>3</sup> Includes reverse repurchase agreements and other similar secured lending held at amortised cost of \$4,330 million at 30 September 2020, \$4,383 million at 30 June 2020, \$1,469 million at 31 December 2019 and \$6,132 million at 30 September 2019

<sup>4</sup> Change is the percentage points difference between the two points rather than the percentage change

Asset quality remained broadly stable in the third quarter, with high-risk assets remaining at elevated levels due to the impact of COVID-19 on the economic environment. There has been no further deterioration in the negative economic outlook in the third quarter in many of the markets in which the Group operates and these markets are expected to help drive the global economy out of recession in 2021.

Credit impairment increased by \$74 million to \$353 million compared to 3Q'19 but was \$258 million lower in 3Q'20 than in 2Q'20.

Stage 1 and 2 impairments of \$109 million were double the level in 3Q'19 but were half the level recorded in 2Q'20 and included a further management overlay of \$77 million. The overlay was taken to reflect the latest macroeconomic outlook not captured in the modelled outcome of Corporate & Institutional Banking and the potential impact to delinquencies and flow rates in Retail Banking of extensions to payment relief schemes in some markets as well as the ending of these schemes in India and Malaysia in 3Q'20.

Stage 3 impairments were up 9 per cent to \$244 million reflecting the impact of COVID-19 induced macroeconomic deterioration on Retail Banking portfolios and Commercial Banking clients but were down \$150 million on the previous quarter.

Gross stage 3 loans and advances to customers of \$9.3 billion were up 6 per cent compared with 30 June 2020 primarily due to increased inflows in Corporate & Institutional Banking. These credit-impaired loans represented 3.2 per cent of gross loans and advances, an increase of 13 basis points compared with 30 June 2020.

## Group Chief Financial Officer's review continued

The Stage 3 cover ratio of 58 per cent was down 2 percentage points compared with the position as at 30 June 2020, and the cover ratio post collateral at 76 per cent was down 4 percentage points, mainly reflecting new inflows into stage 3 where the Group is confident that it has a low probability of a significant loss.

Credit grade 12 balances have increased 29 per cent since 30 June 2020 primarily from new inflows from Early Alert accounts.

Early Alert accounts of \$13.4 billion have reduced by \$1 billion since 30 June 2020, with 80 per cent of the decline relating to downgrades in the Aviation and Metals & Mining sectors. The Group is continuing to monitor its exposures in the Aviation, Metals & Mining and Oil & Gas sectors particularly carefully, given the unusual stresses caused by the effects of COVID-19 including low oil prices.

The proportion of investment grade corporate exposures has increased since 30 June 2020 by 2 percentage points to 59 per cent.

### Restructuring, goodwill impairment and other items

	3Q'20		3Q'19		2Q'20	
	Restructuring \$million	Other items \$million	Restructuring \$million	Other items \$million	Restructuring \$million	Other items \$million
Operating income	22	(35)	(19)	–	38	6
Operating expenses	(35)	–	(44)	(22)	(25)	–
Credit impairment	(5)	–	(1)	–	(3)	–
Goodwill impairment	–	(231)	–	–	–	–
Other impairment	(18)	–	(55)	–	(15)	–
Profit from associates and joint ventures	(8)	–	(4)	12	7	–
<b>Profit/(loss) before taxation</b>	<b>(44)</b>	<b>(266)</b>	<b>(123)</b>	<b>(10)</b>	<b>2</b>	<b>6</b>

The Group's statutory performance is adjusted for profits or losses of a capital nature, amounts consequent to investment transactions driven by strategic intent, other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the period and items which management and investors would ordinarily identify separately when assessing underlying performance period-by-period.

Other items of \$266 million relates mainly to \$231 million of goodwill impairment in UAE (\$204 million) and Indonesia (\$27 million) due to both a worsening GDP growth outlook and lower interest rate environment. Other items also includes a \$35 million dilution loss relating to the initial public offering of the Group's associate China Bohai Bank. Restructuring charges of \$44 million primarily reflect redundancy related charges as well as impairments from the Group's discontinued ship leasing business.

## Group Chief Financial Officer's review continued

### Balance sheet and liquidity

	30.09.20 \$million	30.06.20 \$million	Change <sup>1</sup> %	31.12.19 \$million	Change <sup>1</sup> %	30.09.19 \$million	Change <sup>1</sup> %
<b>Assets</b>							
Loans and advances to banks	49,040	50,499	(3)	53,549	(8)	60,743	(19)
Loans and advances to customers	281,380	276,313	2	268,523	5	269,703	4
Other assets	424,009	414,773	2	398,326	6	404,354	5
<b>Total assets</b>	<b>754,429</b>	<b>741,585</b>	<b>2</b>	<b>720,398</b>	<b>5</b>	<b>734,800</b>	<b>3</b>
<b>Liabilities</b>							
Deposits by banks	28,138	28,986	(3)	28,562	(1)	32,603	(14)
Customer accounts	417,517	421,153	(1)	405,357	3	387,857	8
Other liabilities	258,204	241,549	7	235,818	9	263,644	(2)
<b>Total liabilities</b>	<b>703,859</b>	<b>691,688</b>	<b>2</b>	<b>669,737</b>	<b>5</b>	<b>684,104</b>	<b>3</b>
<b>Equity</b>	<b>50,570</b>	<b>49,897</b>	<b>1</b>	<b>50,661</b>	<b>-</b>	<b>50,696</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>754,429</b>	<b>741,585</b>	<b>2</b>	<b>720,398</b>	<b>5</b>	<b>734,800</b>	<b>3</b>
Advances-to-deposits ratio (%) <sup>2</sup>	63.8%	62.7%		64.2%		65.6%	
Liquidity coverage ratio (%)	142%	149%		144%		133%	

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

2 The Group now excludes \$14,363 million held with central banks (30.06.20: \$13,595 million, 31.12.19: \$9,109 million, 30.09.19: \$10,632 million) that has been confirmed as repayable at the point of stress

The Group's balance sheet remains strong, liquid and well diversified:

- Loans and advances to customers increased 2 per cent since 30 June 2020 to \$281 billion driven mainly by growth in Retail Mortgages within Greater China & North Asia and Corporate Lending which in part benefited from a temporary increase in balances relating to upcoming initial public offerings in Hong Kong
- Customer accounts of \$418 billion decreased 1 per cent since 30 June 2020 with an increase in operating account balances within Retail Banking current accounts more than offset by a reduction in Corporate and Retail Banking time deposits
- Other assets increased 2 per cent since 30 June 2020 driven by increased balances at central banks and reverse repurchase agreements. Other liabilities increased 7 per cent from increased repurchase agreements and issued debt securities

The advances-to-deposits ratio increased to 63.8 per cent from 62.7 per cent at 30 June 2020. The liquidity coverage ratio reduced from 149 per cent to 142 per cent as the Group unwound some of the liquidity actions undertaken while funding markets were stressed earlier in the year and remains well above the minimum regulatory requirement of 100 per cent.

### Risk-weighted assets

	30.09.20 \$million	30.06.20 \$million	Change <sup>1</sup> %	31.12.19 \$million	Change <sup>1</sup> %	30.09.19 \$million	Change <sup>1</sup> %
<b>By risk type</b>							
Credit risk	217,720	213,136	2	215,664	1	218,198	-
Operational risk	26,800	26,800	-	27,620	(3)	27,620	(3)
Market risk	22,144	22,616	(2)	20,806	6	22,850	(3)
<b>Total RWAs</b>	<b>266,664</b>	<b>262,552</b>	<b>2</b>	<b>264,090</b>	<b>1</b>	<b>268,668</b>	<b>(1)</b>

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Total risk-weighted assets (RWA) increased 2 per cent or \$4 billion since 30 June 2020 to \$267 billion:

- Credit Risk RWA increased by \$4.6 billion in the third quarter to \$217.7 billion driven by negative credit migration of \$5.2 billion from the impact of economic disruption related to COVID-19. FX movements of \$2.2 billion were offset by a \$1.4 billion reduction in counterparty credit risk and a \$0.9 billion reduction in revolving credit facilities
- Operational Risk RWA remained stable at \$26.8 billion
- Market Risk RWA decreased by \$0.5 billion to \$22.1 billion primarily due to a decline in positions capitalised under standardised rules

## Group Chief Financial Officer's review continued

### Capital base and ratios

	30.09.20 \$million	30.06.20 \$million	Change <sup>1</sup> %	31.12.19 \$million	Change <sup>1</sup> %	30.09.19 \$million	Change <sup>1</sup> %
CET1 capital	<b>38,449</b>	37,625	2	36,513	5	36,386	6
Additional Tier 1 capital (AT1)	<b>5,611</b>	5,612	–	7,164	(22)	7,153	(22)
<b>Tier 1 capital</b>	<b>44,060</b>	43,237	2	43,677	1	43,539	1
Tier 2 capital	<b>12,991</b>	13,231	(2)	12,288	6	11,401	14
<b>Total capital</b>	<b>57,051</b>	56,468	1	55,965	2	54,940	4
CET1 capital ratio end point (%) <sup>2</sup>	<b>14.4</b>	14.3	0.1	13.8	0.6	13.5	0.9
Total capital ratio transitional (%) <sup>2</sup>	<b>21.4</b>	21.5	(0.1)	21.2	0.2	20.4	1.0
UK leverage ratio (%) <sup>2</sup>	<b>5.2</b>	5.2	–	5.2	–	5.1	0.1

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

2 Change is percentage points difference between two points rather than percentage change

The Group is well capitalised with low leverage and high levels of loss-absorbing capacity. Its capital metrics remain well above regulatory thresholds.

The Group's CET1 ratio of 14.4 per cent was 9 basis points higher than as at 30 June 2020, over four percentage points above the Group's latest regulatory minimum of 10.0 per cent and above the top of the 13-14 per cent medium-term target range. The impact on credit RWAs from negative credit migration was a 29 basis point reduction in the CET1 ratio. This was more than offset by the impact of other movements including profit accretion in the quarter, the favourable impact of FX on reserves as well as lower RWA on derivatives and revolving credit facilities. Excluding the impact of IFRS 9 or analogous ECLs transitional arrangements, the Group's CET1 ratio is 14.3 per cent.

The Group's UK leverage ratio of 5.2 per cent is flat to the ratio at 30 June 2020. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

The Group continues to target a CET1 ratio of 13-14 per cent in the medium-term.

### Outlook

We expect similar fourth quarter seasonality to last year, and anticipate client demand to increase over the course of 2021 as more of the markets in which we operate start to come out of recession. The impact of the significant reduction in interest rates that occurred earlier this year should be fully reflected over the next two quarters with the net interest margin stabilising slightly below the current level in that timeframe.

In this protracted low interest rate environment, we will continue to optimise the drivers of our net interest income and are increasingly focusing on generating more fee-based income, particularly from our Financial Markets and Wealth Management businesses that have good momentum. We will continue to reduce operating expenses wherever possible so that we can maximise our investment in digital capabilities; as previously guided we expect expenses to be below \$10 billion in both 2020 and 2021.

Our third quarter credit impairment outcome reinforces our previous view that our impairment costs should be lower in the second half of 2020 than in the first half. The expected economic recovery next year would support asset quality improvement, although we anticipate some sectors and markets will face continuing challenges.

On 25 February 2021 we will release our full-year 2020 results and will provide an update on the progress we are making on our strategic priorities in the context of the prevailing macroeconomic outlook. Given our strong capital position the Board will consider at that time resuming shareholder returns, subject to consultation with our regulators.

### Andy Halford

Group Chief Financial Officer

29 October 2020

# Supplementary financial information

## Underlying performance by client segment

	3Q'20					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	<b>1,735</b>	<b>1,301</b>	<b>341</b>	<b>129</b>	<b>13</b>	<b>3,519</b>
External	1,680	1,148	320	93	278	3,519
Inter-segment	55	153	21	36	(265)	–
<b>Operating expenses</b>	<b>(1,066)</b>	<b>(915)</b>	<b>(225)</b>	<b>(114)</b>	<b>(160)</b>	<b>(2,480)</b>
<b>Operating profit/(loss) before impairment losses and taxation</b>	<b>669</b>	<b>386</b>	<b>116</b>	<b>15</b>	<b>(147)</b>	<b>1,039</b>
Credit impairment	(132)	(129)	(97)	2	3	(353)
Other impairment	(12)	–	–	–	(3)	(15)
Profit from associates and joint ventures	–	–	–	–	74	74
<b>Underlying profit/(loss) before taxation</b>	<b>525</b>	<b>257</b>	<b>19</b>	<b>17</b>	<b>(73)</b>	<b>745</b>
Restructuring	(12)	(11)	(6)	(1)	(14)	(44)
Goodwill impairment & other items	–	–	–	–	(266)	(266)
<b>Statutory profit/(loss) before taxation</b>	<b>513</b>	<b>246</b>	<b>13</b>	<b>16</b>	<b>(353)</b>	<b>435</b>
Total assets	338,690	111,275	32,845	13,626	257,993	754,429
Of which: loans and advances to customers <sup>1</sup>	167,015	108,828	27,353	13,528	19,087	335,811
Total liabilities	402,786	153,278	44,518	18,641	84,636	703,859
Of which: customer accounts <sup>2</sup>	255,631	149,793	41,420	18,507	6,694	472,045
Risk-weighted assets	138,412	44,845	30,495	6,251	46,661	266,664
Underlying return on tangible equity (%)	7.4	11.3	1.3	5.3	(9.3)	4.4
Cost to income ratio (%)	61.4	70.3	66.0	88.4	nm	70.5

	3Q'19					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	<b>1,848</b>	<b>1,323</b>	<b>388</b>	<b>145</b>	<b>274</b>	<b>3,978</b>
External	1,892	1,074	395	86	531	3,978
Inter-segment	(44)	249	(7)	59	(257)	–
<b>Operating expenses</b>	<b>(1,098)</b>	<b>(941)</b>	<b>(244)</b>	<b>(134)</b>	<b>(84)</b>	<b>(2,501)</b>
<b>Operating profit before impairment losses and taxation</b>	<b>750</b>	<b>382</b>	<b>144</b>	<b>11</b>	<b>190</b>	<b>1,477</b>
Credit impairment	(153)	(82)	(28)	(14)	(2)	(279)
Other impairment	(8)	–	–	–	3	(5)
Profit from associates and joint ventures	–	–	–	–	45	45
<b>Underlying profit/(loss) before taxation</b>	<b>589</b>	<b>300</b>	<b>116</b>	<b>(3)</b>	<b>236</b>	<b>1,238</b>
Restructuring	(105)	(8)	–	(4)	(6)	(123)
Other items	–	–	–	–	(10)	(10)
<b>Statutory profit/(loss) before taxation</b>	<b>484</b>	<b>292</b>	<b>116</b>	<b>(7)</b>	<b>220</b>	<b>1,105</b>
Total assets	351,672	105,467	34,048	15,143	228,470	734,800
Of which: loans and advances to customers <sup>1</sup>	157,380	103,369	29,057	15,007	13,757	318,570
Total liabilities	401,954	143,390	39,300	18,696	80,764	684,104
Of which: customer accounts <sup>2</sup>	241,811	139,875	36,634	18,547	11,367	448,234
Risk-weighted assets	134,388	42,777	32,152	6,649	52,702	268,668
Underlying return on tangible equity (%)	8.6	13.9	7.0	(0.9)	7.7	8.9
Cost to income ratio (%)	59.4	71.1	62.9	92.4	30.7	62.9

1 Loans and advances to customers includes FVTPL

2 Customer accounts includes FVTPL and repurchase agreements

## Supplementary financial information continued

### Corporate & Institutional Banking

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>1,735</b>	1,848	(6)	(5)	1,833	(5)	(6)	<b>5,722</b>	5,382	6	8
Transaction Banking	484	662	(27)	(26)	531	(9)	(9)	<b>1,604</b>	1,985	(19)	(18)
Trade	162	181	(10)	(9)	146	11	13	472	533	(11)	(11)
Cash Management	322	481	(33)	(33)	385	(16)	(17)	<b>1,132</b>	1,452	(22)	(21)
Financial Markets	830	801	4	5	897	(7)	(9)	<b>2,911</b>	2,280	28	30
Foreign Exchange	228	217	5	6	302	(25)	(25)	892	720	24	26
Rates	197	168	17	20	328	(40)	(41)	892	506	76	81
Commodities	53	34	56	51	76	(30)	(30)	164	107	53	53
Credit and Capital Markets	179	163	10	11	245	(27)	(27)	439	426	3	4
Capital Structuring Distribution Group	76	79	(4)	(3)	47	62	64	180	220	(18)	(16)
DVA	(22)	14	nm <sup>7</sup>	nm <sup>7</sup>	(201)	89	89	82	(28)	nm <sup>7</sup>	nm <sup>7</sup>
Securities Services	79	88	(10)	(8)	79	-	-	242	258	(6)	(4)
Other Financial Markets	40	38	5	11	21	90	86	20	71	(72)	(71)
Corporate Finance	256	248	3	5	245	4	3	752	726	4	6
Lending and Portfolio Management	161	143	13	12	168	(4)	(7)	465	408	14	16
Other	4	(6)	167	180	(8)	150	150	(10)	(17)	41	29
<b>Operating expenses</b>	<b>(1,066)</b>	(1,098)	3	2	(1,004)	(6)	(5)	<b>(3,051)</b>	(3,200)	5	3
<b>Operating profit before impairment losses and taxation</b>	<b>669</b>	750	(11)	(10)	829	(19)	(20)	<b>2,671</b>	2,182	22	23
Credit impairment	(132)	(153)	14	7	(315)	58	57	(1,117)	(269)	nm <sup>7</sup>	nm <sup>7</sup>
Other impairment	(12)	(8)	(50)	(71)	(38)	68	68	103	(27)	nm <sup>7</sup>	nm <sup>7</sup>
<b>Underlying profit before taxation</b>	<b>525</b>	589	(11)	(12)	476	10	8	<b>1,657</b>	1,886	(12)	(12)
Restructuring	(12)	(105)	89	89	6	nm <sup>7</sup>	nm <sup>7</sup>	(68)	(82)	17	15
<b>Statutory profit before taxation</b>	<b>513</b>	484	6	5	482	6	4	<b>1,589</b>	1,804	(12)	(12)
Total assets	338,690	351,672	(4)	(3)	336,623	1	-	338,690	351,672	(4)	(3)
Of which: loans and advances to customers <sup>5</sup>	167,015	157,380	6	7	164,392	2	1	167,015	157,380	6	7
Total liabilities	402,786	401,954	-	1	402,920	-	(1)	402,786	401,954	-	1
Of which: customer accounts <sup>6</sup>	255,631	241,811	6	7	257,512	(1)	(2)	255,631	241,811	6	7
Risk-weighted assets	138,412	134,388	3	nm <sup>7</sup>	137,150	1	nm <sup>7</sup>	138,412	134,388	3	nm <sup>7</sup>
Underlying return on risk-weighted assets (%) <sup>3</sup>	1.5	1.7	(20)bps	nm <sup>7</sup>	1.4	10bps	nm <sup>7</sup>	1.6	1.9	(30)bps	nm <sup>7</sup>
Underlying return on tangible equity (%) <sup>3</sup>	7.4	8.6	(120)bps	nm <sup>7</sup>	6.8	60bps	nm <sup>7</sup>	8.0	9.4	(140)bps	nm <sup>7</sup>
Cost to income ratio (%) <sup>4</sup>	61.4	59.4	(2.0)	(2.2)	54.8	(6.6)	(6.6)	53.3	59.5	6.2	5.7

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2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the basis points (bps) difference between the two periods rather than the percentage change

4 Change is the percentage points difference between the two periods rather than the percentage change

5 Loans and advances to customers includes FVTPL

6 Customer accounts includes FVTPL and repurchase agreements

7 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$525 million was down 11 per cent driven by lower income, partially offset by lower expenses and lower impairments
- Operating income of \$1,735 million was down 6 per cent (down 3 per cent on a constant currency basis excluding the debit valuation adjustment) primarily as a result of lower Cash Management income due to the low interest rate environment
- Good balance sheet momentum with loans and advances to customers up 2 per cent since 30 June 2020
- Risk-weighted assets up \$1 billion since 30 June 2020 as a result of increased Credit RWA
- RoTE decreased 120 basis points to 7.4 per cent

## Supplementary financial information continued

### Retail Banking

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>1,301</b>	1,323	(2)	(1)	1,216	7	6	<b>3,838</b>	3,926	(2)	(1)
Transaction Banking	5	5	–	–	4	25	–	14	14	–	–
Trade	5	5	–	–	4	25	–	14	14	–	–
Wealth Management	471	395	19	19	346	36	35	1,231	1,175	5	5
Retail Products	825	921	(10)	(10)	862	(4)	(5)	2,585	2,736	(6)	(4)
CCPL and other unsecured lending	309	315	(2)	(1)	295	5	3	908	940	(3)	(2)
Deposits	276	464	(41)	(40)	372	(26)	(26)	1,079	1,364	(21)	(19)
Mortgage and Auto	202	115	76	75	159	27	25	490	356	38	40
Other Retail Products	38	27	41	48	36	6	11	108	76	42	45
Other	–	2	(100)	(133)	4	(100)	(125)	8	1	nm <sup>7</sup>	nm <sup>7</sup>
<b>Operating expenses</b>	<b>(915)</b>	(941)	3	2	(889)	(3)	(2)	<b>(2,695)</b>	(2,766)	3	1
<b>Operating profit before impairment losses and taxation</b>	<b>386</b>	382	1	–	327	18	17	<b>1,143</b>	1,160	(1)	(1)
Credit impairment	(129)	(82)	(57)	(56)	(233)	45	46	(559)	(236)	(137)	(141)
Other impairment	–	–	nm <sup>7</sup>	nm <sup>7</sup>	(1)	100	100	(1)	–	nm <sup>7</sup>	nm <sup>7</sup>
<b>Underlying profit before taxation</b>	<b>257</b>	300	(14)	(15)	93	176	177	<b>583</b>	924	(37)	(37)
Restructuring	(11)	(8)	(38)	(57)	–	nm <sup>7</sup>	nm <sup>7</sup>	(14)	(9)	(56)	(88)
<b>Statutory profit before taxation</b>	<b>246</b>	292	(16)	(17)	93	165	166	<b>569</b>	915	(38)	(38)
Total assets	111,275	105,467	6	4	107,327	4	2	111,275	105,467	6	4
Of which: loans and advances to customers <sup>5</sup>	108,828	103,369	5	4	105,085	4	2	108,828	103,369	5	4
Total liabilities	153,278	143,390	7	6	149,422	3	1	153,278	143,390	7	6
Of which: customer accounts <sup>6</sup>	149,793	139,875	7	6	146,088	3	1	149,793	139,875	7	6
Risk-weighted assets	44,845	42,777	5	nm <sup>7</sup>	44,186	1	nm <sup>7</sup>	44,845	42,777	5	nm <sup>7</sup>
Underlying return on risk-weighted assets (%) <sup>3</sup>	2.3	2.8	(50)bps	nm <sup>7</sup>	0.8	150bps	nm <sup>7</sup>	1.7	2.9	(120)bps	nm <sup>7</sup>
Underlying return on tangible equity (%) <sup>3</sup>	11.3	13.9	(260)bps	nm <sup>7</sup>	4.2	710bps	nm <sup>7</sup>	8.7	14.5	(580)bps	nm <sup>7</sup>
Cost to income ratio (%) <sup>4</sup>	70.3	71.1	0.8	0.4	73.1	2.8	2.9	70.2	70.5	0.3	(0.1)

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3 Change is the basis points (bps) difference between the two periods rather than the percentage change

4 Change is the percentage points difference between the two periods rather than the percentage change

5 Loans and advances to customers includes FVTPL

6 Customer accounts includes FVTPL and repurchase agreements

7 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$257 million was down 14 per cent predominantly driven by lower income and higher impairments, including a management overlay of \$48 million, partially offset by lower expenses
- Operating income of \$1,301 million was down 2 per cent, and was down 1 per cent on a constant currency basis, in challenging conditions, with a 2 per cent increase in Greater China & North Asia more than offset by a 10 per cent decline (down 5 per cent on a constant currency basis) in Africa & Middle East and a 4 per cent decline in ASEAN & South Asia
- Good balance sheet momentum with loans and advances to customers up 4 per cent and customer accounts up 3 per cent since 30 June 2020
- RoTE decreased from 13.9 per cent to 11.3 per cent, but was up 710 basis points since 30 June 2020



## Supplementary financial information continued

### Commercial Banking

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>341</b>	388	(12)	(11)	350	(3)	(3)	<b>1,081</b>	1,199	(10)	(8)
Transaction Banking	175	220	(20)	(20)	186	(6)	(6)	567	666	(15)	(14)
Trade	87	96	(9)	(7)	80	9	7	258	294	(12)	(11)
Cash Management	88	124	(29)	(29)	106	(17)	(17)	309	372	(17)	(16)
Financial Markets	79	76	4	5	73	8	7	246	262	(6)	(4)
Foreign Exchange	38	44	(14)	(9)	41	(7)	(5)	132	143	(8)	(5)
Rates	4	8	(50)	(44)	11	(64)	(55)	26	27	(4)	(4)
Commodities	7	5	40	40	6	17	17	22	21	5	-
Credit and Capital Markets	9	4	125	200	5	80	80	25	26	(4)	-
Capital Structuring Distribution Group	15	8	88	88	5	200	200	24	23	4	4
Other Financial Markets	6	7	(14)	(43)	5	20	(33)	17	22	(23)	(15)
Corporate Finance	28	33	(15)	(15)	24	17	8	79	87	(9)	(7)
Lending and Portfolio Management	61	58	5	11	64	(5)	-	184	177	4	6
Wealth Management	1	-	nm <sup>7</sup>	(100)	-	nm <sup>7</sup>	nm <sup>7</sup>	1	1	-	(100)
Retail Products	1	2	(50)	(50)	1	-	-	4	5	(20)	-
Deposits	1	2	(50)	(50)	1	-	-	4	5	(20)	-
Other	(4)	(1)	nm <sup>7</sup>	nm <sup>7</sup>	2	nm <sup>7</sup>	nm <sup>7</sup>	-	1	(100)	nm <sup>7</sup>
<b>Operating expenses</b>	<b>(225)</b>	(244)	8	6	(212)	(6)	(4)	<b>(646)</b>	(689)	6	4
<b>Operating profit before impairment losses and taxation</b>	<b>116</b>	144	(19)	(20)	138	(16)	(14)	<b>435</b>	510	(15)	(14)
Credit impairment	(97)	(28)	nm <sup>7</sup>	nm <sup>7</sup>	(58)	(67)	(67)	(234)	(57)	nm <sup>7</sup>	nm <sup>7</sup>
<b>Underlying profit before taxation</b>	<b>19</b>	116	(84)	(84)	80	(76)	(75)	<b>201</b>	453	(56)	(55)
Restructuring	(6)	-	nm <sup>7</sup>	nm <sup>7</sup>	(4)	(50)	(75)	(24)	-	nm <sup>7</sup>	nm <sup>7</sup>
<b>Statutory profit before taxation</b>	<b>13</b>	116	(89)	(90)	76	(83)	(84)	<b>177</b>	453	(61)	(61)
Total assets	32,845	34,048	(4)	(4)	33,158	(1)	(2)	32,845	34,048	(4)	(4)
Of which: loans and advances to customers <sup>5</sup>	27,353	29,057	(6)	(6)	28,151	(3)	(4)	27,353	29,057	(6)	(6)
Total liabilities	44,518	39,300	13	12	43,578	2	1	44,518	39,300	13	12
Of which: customer accounts <sup>6</sup>	41,420	36,634	13	12	40,507	2	1	41,420	36,634	13	12
Risk-weighted assets	30,495	32,152	(5)	nm <sup>7</sup>	30,856	(1)	nm <sup>7</sup>	30,495	32,152	(5)	nm <sup>7</sup>
Underlying return on risk-weighted assets (%) <sup>3</sup>	0.2	1.4	(120)bps	nm <sup>7</sup>	1.0	(80)bps	nm <sup>7</sup>	0.9	1.8	(90)bps	nm <sup>7</sup>
Underlying return on tangible equity (%) <sup>3</sup>	1.3	7.0	(570)bps	nm <sup>7</sup>	5.1	(380)bps	nm <sup>7</sup>	4.3	8.8	(450)bps	nm <sup>7</sup>
Cost to income ratio (%) <sup>4</sup>	66.0	62.9	(3.1)	(3.8)	60.6	(5.4)	(4.3)	59.8	57.5	(2.3)	(2.5)

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6 Customer accounts includes FVTPL and repurchase agreements

7 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$19 million was down 84 per cent mainly due to lower income and impairments more than tripling, partially offset by lower expenses
- Operating income of \$341 million was down 12 per cent predominantly driven by Transaction Banking due to the low interest rate environment and a slowdown in global trade volumes. Income was down 16 per cent in Africa & Middle East, down 12 per cent in Greater China & North Asia and down 10 per cent in ASEAN & South Asia
- RoTE decreased from 7.0 per cent to 1.3 per cent

## Supplementary financial information continued

### Private Banking

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>129</b>	145	(11)	(11)	138	(7)	(8)	<b>429</b>	451	(5)	(5)
Transaction Banking	1	–	nm <sup>7</sup>	nm <sup>7</sup>	–	nm <sup>7</sup>	nm <sup>7</sup>	1	–	nm <sup>7</sup>	nm <sup>7</sup>
Trade	1	–	nm <sup>7</sup>	nm <sup>7</sup>	–	nm <sup>7</sup>	nm <sup>7</sup>	1	–	nm <sup>7</sup>	nm <sup>7</sup>
Corporate Finance	–	–	nm <sup>7</sup>	nm <sup>7</sup>	–	nm <sup>7</sup>	nm <sup>7</sup>	–	2	(100)	(100)
Wealth Management	96	93	3	4	88	9	8	300	288	4	5
Retail Products	33	52	(37)	(38)	50	(34)	(36)	129	161	(20)	(20)
Deposits	24	44	(45)	(45)	40	(40)	(40)	103	136	(24)	(24)
Mortgage and Auto	9	8	13	–	10	(10)	(10)	26	25	4	–
Other	(1)	–	nm <sup>7</sup>	nm <sup>7</sup>	–	nm <sup>7</sup>	nm <sup>7</sup>	(1)	–	nm <sup>7</sup>	nm <sup>7</sup>
<b>Operating expenses</b>	<b>(114)</b>	(134)	15	16	(115)	1	3	<b>(353)</b>	(387)	9	8
<b>Operating profit before impairment losses and taxation</b>	<b>15</b>	11	36	67	23	(35)	(32)	<b>76</b>	64	19	17
Credit impairment	2	(14)	114	114	(4)	150	150	(3)	33	(109)	(109)
<b>Underlying profit/(loss) before taxation</b>	<b>17</b>	(3)	nm <sup>7</sup>	nm <sup>7</sup>	19	(11)	(6)	<b>73</b>	97	(25)	(26)
Restructuring	(1)	(4)	75	100	(1)	–	100	(4)	(5)	20	50
<b>Statutory profit/(loss) before taxation</b>	<b>16</b>	(7)	nm <sup>7</sup>	nm <sup>7</sup>	18	(11)	6	<b>69</b>	92	(25)	(24)
Total assets	<b>13,626</b>	15,143	(10)	(11)	13,202	3	2	<b>13,626</b>	15,143	(10)	(11)
Of which: loans and advances to customers <sup>5</sup>	<b>13,528</b>	15,007	(10)	(11)	13,097	3	2	<b>13,528</b>	15,007	(10)	(11)
Total liabilities	<b>18,641</b>	18,696	–	(2)	18,842	(1)	(2)	<b>18,641</b>	18,696	–	(2)
Of which: customer accounts <sup>6</sup>	<b>18,507</b>	18,547	–	(2)	18,725	(1)	(2)	<b>18,507</b>	18,547	–	(2)
Risk-weighted assets	<b>6,251</b>	6,649	(6)	nm <sup>7</sup>	6,128	2	nm <sup>7</sup>	<b>6,251</b>	6,649	(6)	nm <sup>7</sup>
Underlying return on risk-weighted assets (%) <sup>3</sup>	<b>1.1</b>	(0.2)	130bps	nm <sup>7</sup>	1.2	(10)bps	nm <sup>7</sup>	<b>1.5</b>	2.0	(50)bps	nm <sup>7</sup>
Underlying return on tangible equity (%) <sup>3</sup>	<b>5.3</b>	(0.9)	620bps	nm <sup>7</sup>	5.9	(60)bps	nm <sup>7</sup>	<b>7.4</b>	10.0	(260)bps	nm <sup>7</sup>
Cost to income ratio (%) <sup>4</sup>	<b>88.4</b>	92.4	4.0	5.5	83.3	(5.1)	(4.1)	<b>82.3</b>	85.8	3.5	3.3

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6 Customer accounts includes FVTPL and repurchase agreements

7 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$17 million was up \$20 million, with lower income more than offset by lower expenses and one-off credit impairment provision included in the previous year
- Operating income of \$129 million was down 11 per cent, primarily due to a decline in Retail Deposits partly mitigated by continued resilient performance from Wealth Management
- Assets under management at \$67 billion was up 6 per cent since 30 June 2020 mainly from Net New Money inflow and positive market valuation
- RoTE increased from (0.9) per cent to 5.3 per cent following the return to profitability

## Supplementary financial information continued

### Central & other items (segment)

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>13</b>	274	(95)	(96)	183	(93)	(95)	<b>496</b>	716	(31)	(30)
Treasury	<b>40</b>	335	(88)	(88)	178	(78)	(78)	<b>543</b>	894	(39)	(39)
Other	<b>(27)</b>	(61)	56	43	5	nm <sup>7</sup>	nm <sup>7</sup>	<b>(47)</b>	(178)	74	73
<b>Operating expenses</b>	<b>(160)</b>	(84)	(90)	(104)	(135)	(19)	(6)	<b>(448)</b>	(428)	(5)	(13)
<b>Operating profit/(loss) before impairment losses and taxation</b>	<b>(147)</b>	190	(177)	(170)	48	nm <sup>7</sup>	nm <sup>7</sup>	<b>48</b>	288	(83)	(85)
Credit impairment	<b>3</b>	(2)	nm <sup>7</sup>	200	(1)	nm <sup>7</sup>	nm <sup>7</sup>	<b>(7)</b>	(4)	(75)	(133)
Other impairment	<b>(3)</b>	3	(200)	(200)	(3)	–	–	<b>(5)</b>	1	nm <sup>7</sup>	nm <sup>7</sup>
Profit from associates and joint ventures	<b>74</b>	45	64	61	21	nm <sup>7</sup>	nm <sup>7</sup>	<b>150</b>	202	(26)	(26)
<b>Underlying profit/(loss) before taxation</b>	<b>(73)</b>	236	(131)	(128)	65	nm <sup>7</sup>	nm <sup>7</sup>	<b>186</b>	487	(62)	(64)
Restructuring	<b>(14)</b>	(6)	(133)	(114)	1	nm <sup>7</sup>	nm <sup>7</sup>	<b>(24)</b>	(41)	41	41
Goodwill impairment & other items	<b>(266)</b>	(10)	nm <sup>7</sup>	nm <sup>7</sup>	6	nm <sup>7</sup>	nm <sup>7</sup>	<b>(504)</b>	(191)	(164)	(163)
<b>Statutory profit/(loss) before taxation</b>	<b>(353)</b>	220	nm <sup>7</sup>	nm <sup>7</sup>	72	nm <sup>7</sup>	nm <sup>7</sup>	<b>(342)</b>	255	nm <sup>7</sup>	nm <sup>7</sup>
Total assets	<b>257,993</b>	228,470	13	12	251,275	3	2	<b>257,993</b>	228,470	13	12
Of which: loans and advances to customers <sup>5</sup>	<b>19,087</b>	13,757	39	37	17,440	9	7	<b>19,087</b>	13,757	39	37
Total liabilities	<b>84,636</b>	80,764	5	4	76,926	10	9	<b>84,636</b>	80,764	5	4
Of which: customer accounts <sup>6</sup>	<b>6,694</b>	11,367	(41)	(41)	6,632	1	(1)	<b>6,694</b>	11,367	(41)	(41)
Risk-weighted assets	<b>46,661</b>	52,702	(11)	nm <sup>7</sup>	44,232	5	nm <sup>7</sup>	<b>46,661</b>	52,702	(11)	nm <sup>7</sup>
Underlying return on risk-weighted assets (%) <sup>3</sup>	<b>(0.6)</b>	1.8	(240)bps	nm <sup>7</sup>	0.6	(120)bps	nm <sup>7</sup>	<b>0.5</b>	1.2	(70)bps	nm <sup>7</sup>
Underlying return on tangible equity (%) <sup>3</sup>	<b>(9.3)</b>	7.7	nm <sup>7</sup>	nm <sup>7</sup>	(9.9)	60bps	nm <sup>7</sup>	<b>(5.0)</b>	1.1	(610)bps	nm <sup>7</sup>
Cost to income ratio (%) (excluding UK bank levy) <sup>4</sup>	<b>nm<sup>7</sup></b>	30.7	nm <sup>7</sup>	nm <sup>7</sup>	73.8	nm <sup>7</sup>	nm <sup>7</sup>	<b>90.3</b>	59.8	(30.5)	(34.8)

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7 Not meaningful

### Performance highlights

- Treasury income declined 88 per cent broadly split equally across net interest income and other income. The decline in net interest income reflects reduced returns on deployed assets within Treasury Markets. The reduction in other income is due to a \$67 million negative movement in hedging ineffectiveness, including hedge mark-to-market losses incurred in 3Q'20, reduced FX swap income and lower realisation gains
- Expenses increased \$76 million mainly as a result of several one-off costs including leave encashment provisions and regulatory related costs
- Profit from associates and joint ventures was up 64 per cent to \$74 million. The Group now recognises its share of profits of its associate China Bohai Bank based upon its most recently available quarterly results: for 3Q'20 reporting purposes this was based on a 19.99 per cent share of China Bohai Bank's 2Q'20 performance, historically the strongest quarter of the year. The Group's share of China Bohai Bank reduced to 16.26 per cent in the third quarter and this will be the share that is reported in future quarters

## Supplementary financial information continued

### Underlying performance by region

	3Q'20					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	1,471	1,034	590	423	1	3,519
<b>Operating expenses</b>	(938)	(663)	(426)	(360)	(93)	(2,480)
<b>Operating profit/(loss) before impairment losses and taxation</b>	533	371	164	63	(92)	1,039
Credit impairment	(29)	(128)	(154)	(37)	(5)	(353)
Other impairment	–	–	1	11	(27)	(15)
Profit from associates and joint ventures	74	–	–	–	–	74
<b>Underlying profit/(loss) before taxation</b>	578	243	11	37	(124)	745
Restructuring	(15)	(7)	(11)	(8)	(3)	(44)
Goodwill impairment & other items	(35)	–	–	–	(231)	(266)
<b>Statutory profit/(loss) before taxation</b>	528	236	–	29	(358)	435
Total assets	298,430	150,651	61,472	233,772	10,104	754,429
Of which: loans and advances to customers <sup>1</sup>	150,598	86,540	31,408	67,265	–	335,811
Total liabilities	266,617	130,794	40,275	225,332	40,841	703,859
Of which: customer accounts <sup>2</sup>	215,291	101,376	32,630	122,748	–	472,045
Risk-weighted assets	92,863	80,123	52,524	43,818	(2,664)	266,664
Cost to income ratio (%)	63.8	64.1	72.2	85.1	nm	70.5

	3Q'19					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	1,578	1,085	617	467	231	3,978
<b>Operating expenses</b>	(944)	(671)	(443)	(390)	(53)	(2,501)
<b>Operating profit before impairment losses and taxation</b>	634	414	174	77	178	1,477
Credit impairment	(70)	(172)	(27)	(15)	5	(279)
Other impairment	3	–	–	–	(8)	(5)
Profit from associates and joint ventures	43	–	–	–	2	45
<b>Underlying profit before taxation</b>	610	242	147	62	177	1,238
Restructuring	(51)	1	(5)	(6)	(62)	(123)
Other items	–	12	–	–	(22)	(10)
<b>Statutory profit before taxation</b>	559	255	142	56	93	1,105
Total assets	273,854	150,947	57,696	240,925	11,378	734,800
Of which: loans and advances to customers <sup>1</sup>	134,775	83,866	29,243	70,686	–	318,570
Total liabilities	237,881	127,451	35,995	244,799	37,978	684,104
Of which: customer accounts <sup>2</sup>	190,716	97,478	28,958	131,082	–	448,234
Risk-weighted assets	86,367	91,668	49,865	44,423	(3,655)	268,668
Cost to income ratio (%)	59.8	61.8	71.8	83.5	22.9	62.9

1 Loans and advances to customers includes FVTPL

2 Customer accounts includes FVTPL and repurchase agreements

## Supplementary financial information continued

### Greater China & North Asia

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>3</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>1,471</b>	1,578	(7)	(8)	1,448	2	–	<b>4,615</b>	4,658	(1)	(1)
<b>Operating expenses</b>	<b>(938)</b>	(944)	1	2	(880)	(7)	(6)	<b>(2,718)</b>	(2,770)	2	2
<b>Operating profit before impairment losses and taxation</b>	<b>533</b>	634	(16)	(17)	568	(6)	(8)	<b>1,897</b>	1,888	–	1
Credit impairment	(29)	(70)	59	60	(91)	68	70	(318)	(140)	(127)	(127)
Other impairment	–	3	(100)	(100)	(14)	100	100	(15)	(5)	(200)	nm <sup>6</sup>
Profit from associates and joint ventures	74	43	72	70	21	nm <sup>6</sup>	nm <sup>6</sup>	148	196	(24)	(25)
<b>Underlying profit before taxation</b>	<b>578</b>	610	(5)	(6)	484	19	18	<b>1,712</b>	1,939	(12)	(11)
Restructuring	(15)	(51)	71	71	7	nm <sup>6</sup>	nm <sup>6</sup>	(58)	(54)	(7)	(9)
Other items	(35)	–	nm <sup>6</sup>	nm <sup>6</sup>	–	nm <sup>6</sup>	nm <sup>6</sup>	(35)	–	nm <sup>6</sup>	nm <sup>6</sup>
<b>Statutory profit before taxation</b>	<b>528</b>	559	(6)	(6)	491	8	7	<b>1,619</b>	1,885	(14)	(14)
Total assets	298,430	273,854	9	7	289,352	3	2	298,430	273,854	9	7
Of which: loans and advances to customers <sup>4</sup>	150,598	134,775	12	10	144,794	4	3	150,598	134,775	12	10
Total liabilities	266,617	237,881	12	10	258,322	3	2	266,617	237,881	12	10
Of which: customer accounts <sup>5</sup>	215,291	190,716	13	11	214,586	–	(1)	215,291	190,716	13	11
Risk-weighted assets	92,863	86,367	8	nm <sup>6</sup>	89,139	4	nm <sup>6</sup>	92,863	86,367	8	nm <sup>6</sup>
Cost to income ratio (%) <sup>3</sup>	63.8	59.8	(4.0)	(3.9)	60.8	(0.1)	(3.2)	58.9	59.5	0.6	0.7

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Loans and advances to customers includes FVTPL

5 Customer accounts includes FVTPL and repurchase agreements

6 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$578 million was down 5 per cent driven by lower income, partly offset by a near two-thirds reduction in impairments and lower expenses
- Operating income of \$1,471 million was down 7 per cent, predominantly driven by a weaker performance in Cash Management and Retail Deposits due to the low interest rate environment, partially offsetting by strong performance in Wealth Management and Financial Markets
- Loans and advances to customers were up 4 per cent since 30 June 2020, predominantly driven by Corporate Lending in Hong Kong and Retail Mortgages in Korea and Hong Kong
- Risk-weighted assets were up \$4 billion since 30 June 2020, driven by Credit RWA (predominantly Corporate & Institutional Banking) broadly in line with asset growth

## Supplementary financial information continued

### ASEAN & South Asia

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>1,034</b>	1,085	(5)	(3)	1,099	(6)	(8)	<b>3,410</b>	3,221	6	8
<b>Operating expenses</b>	<b>(663)</b>	(671)	1	(1)	(622)	(7)	(4)	<b>(1,910)</b>	(1,963)	3	–
<b>Operating profit before impairment losses and taxation</b>	<b>371</b>	414	(10)	(9)	477	(22)	(24)	<b>1,500</b>	1,258	19	21
Credit impairment	<b>(128)</b>	(172)	26	24	(387)	67	68	<b>(966)</b>	(256)	nm <sup>6</sup>	nm <sup>6</sup>
Other impairment	–	–	nm <sup>6</sup>	nm <sup>6</sup>	(1)	100	100	<b>165</b>	–	nm <sup>6</sup>	nm <sup>6</sup>
<b>Underlying profit before taxation</b>	<b>243</b>	242	–	1	89	173	160	<b>699</b>	1,002	(30)	(30)
Restructuring	<b>(7)</b>	1	nm <sup>6</sup>	nm <sup>6</sup>	(7)	–	(14)	<b>(14)</b>	(15)	7	–
Other items	–	12	(100)	(100)	–	nm <sup>6</sup>	nm <sup>6</sup>	–	35	(100)	(100)
<b>Statutory profit before taxation</b>	<b>236</b>	255	(7)	(7)	82	188	171	<b>685</b>	1,022	(33)	(33)
Total assets	<b>150,651</b>	150,947	–	–	154,508	(2)	(4)	<b>150,651</b>	150,947	–	–
Of which: loans and advances to customers <sup>4</sup>	<b>86,540</b>	83,866	3	3	84,949	2	–	<b>86,540</b>	83,866	3	3
Total liabilities	<b>130,794</b>	127,451	3	3	131,993	(1)	(2)	<b>130,794</b>	127,451	3	3
Of which: customer accounts <sup>5</sup>	<b>101,376</b>	97,478	4	4	100,324	1	–	<b>101,376</b>	97,478	4	4
Risk-weighted assets	<b>80,123</b>	91,668	(13)	nm <sup>6</sup>	80,040	–	nm <sup>6</sup>	<b>80,123</b>	91,668	(13)	nm <sup>6</sup>
Cost to income ratio(%) <sup>3</sup>	<b>64.1</b>	61.8	(2.3)	(2.4)	56.6	–	(7.4)	<b>56.0</b>	60.9	4.9	4.6

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Loans and advances to customers includes FVTPL

5 Customer accounts includes FVTPL and repurchase agreements

6 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$243 million was broadly flat year-on-year, with lower income offset by reduced credit impairment and lower expenses
- Operating income of \$1,034 million was 5 per cent lower (down 2 per cent on a constant currency basis excluding the debit valuation adjustment), predominantly driven by declines across Private Banking, Commercial Banking and Retail Banking due to margin compression partially offset by an increase in Corporate & Institutional Banking due to a strong performance in Financial Markets
- Loans and advances to customers grew 2 per cent since 30 June 2020 and customer accounts were up 1 per cent. Risk-weighted assets remained flat since 30 June 2020

## Supplementary financial information continued

### Africa & Middle East

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>590</b>	617	(4)	1	594	(1)	–	<b>1,845</b>	1,957	(6)	(1)
<b>Operating expenses</b>	<b>(426)</b>	(443)	4	(3)	(390)	(9)	(9)	<b>(1,219)</b>	(1,293)	6	–
<b>Operating profit before impairment losses and taxation</b>	<b>164</b>	174	(6)	(5)	204	(20)	(17)	<b>626</b>	664	(6)	(3)
Credit impairment	(154)	(27)	nm <sup>6</sup>	nm <sup>6</sup>	(159)	3	(2)	(524)	(76)	nm <sup>6</sup>	nm <sup>6</sup>
Other impairment	1	–	nm <sup>6</sup>	nm <sup>6</sup>	(2)	150	150	(1)	–	nm <sup>6</sup>	nm <sup>6</sup>
<b>Underlying profit before taxation</b>	<b>11</b>	147	(93)	(94)	43	(74)	(80)	<b>101</b>	588	(83)	(82)
Restructuring	(11)	(5)	(120)	(67)	(2)	nm <sup>6</sup>	nm <sup>6</sup>	(20)	(7)	(186)	(171)
<b>Statutory profit before taxation</b>	<b>–</b>	142	(100)	(101)	41	(100)	(102)	<b>81</b>	581	(86)	(86)
Total assets	<b>61,472</b>	57,696	7	10	63,927	(4)	(4)	<b>61,472</b>	57,696	7	10
Of which: loans and advances to customers <sup>4</sup>	<b>31,408</b>	29,243	7	10	33,083	(5)	(5)	<b>31,408</b>	29,243	7	10
Total liabilities	<b>40,275</b>	35,995	12	14	40,740	(1)	(2)	<b>40,275</b>	35,995	12	14
Of which: customer accounts <sup>5</sup>	<b>32,630</b>	28,958	13	15	32,530	–	–	<b>32,630</b>	28,958	13	15
Risk-weighted assets	<b>52,524</b>	49,865	5	nm <sup>6</sup>	52,009	1	nm <sup>6</sup>	<b>52,524</b>	49,865	5	nm <sup>6</sup>
Cost to income ratio(%) <sup>3</sup>	<b>72.2</b>	71.8	(0.4)	(1.6)	65.7	(6.5)	(5.8)	<b>66.1</b>	66.1	–	(0.7)

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Loans and advances to customers includes FVTPL

5 Customer accounts includes FVTPL and repurchase agreements

6 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$11 million was 93 per cent lower year-on-year reflecting the impact of a \$127 million increase in credit impairments, of which over half was the result of a management overlay in response to continued difficult macroeconomic conditions
- Operating income of \$590 million was down 4 per cent but up 1 per cent on a constant currency basis impacted by the low interest rate environment while continued cost discipline has resulted in expenses down 4 per cent, reflecting the gains from the digital strategy
- Customer accounts remained flat since 30 June 2020 and loans and advances to customers reduced 5 per cent



## Supplementary financial information continued

### Europe & Americas

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>423</b>	467	(9)	(13)	549	(23)	(24)	<b>1,518</b>	1,261	20	19
<b>Operating expenses</b>	<b>(360)</b>	(390)	8	9	(318)	(13)	(11)	<b>(1,021)</b>	(1,105)	8	7
<b>Operating profit before impairment losses and taxation</b>	<b>63</b>	77	(18)	(30)	231	(73)	(72)	<b>497</b>	156	nm <sup>6</sup>	184
Credit impairment	<b>(37)</b>	(15)	(147)	(164)	22	nm <sup>6</sup>	nm <sup>6</sup>	<b>(117)</b>	(81)	(44)	(48)
Other impairment	<b>11</b>	–	nm <sup>6</sup>	nm <sup>6</sup>	2	nm <sup>6</sup>	nm <sup>6</sup>	<b>13</b>	–	nm <sup>6</sup>	nm <sup>6</sup>
<b>Underlying profit before taxation</b>	<b>37</b>	62	(40)	(50)	255	(85)	(85)	<b>393</b>	75	nm <sup>6</sup>	nm <sup>6</sup>
Restructuring	<b>(8)</b>	(6)	(33)	(29)	4	nm <sup>6</sup>	nm <sup>6</sup>	<b>(18)</b>	(21)	14	19
<b>Statutory profit before taxation</b>	<b>29</b>	56	(48)	(58)	259	(89)	(89)	<b>375</b>	54	nm <sup>6</sup>	nm <sup>6</sup>
Total assets	<b>233,772</b>	240,925	(3)	(2)	223,226	5	4	<b>233,772</b>	240,925	(3)	(2)
Of which: loans and advances to customers <sup>4</sup>	<b>67,265</b>	70,686	(5)	(4)	65,339	3	2	<b>67,265</b>	70,686	(5)	(4)
Total liabilities	<b>225,332</b>	244,799	(8)	(6)	217,300	4	3	<b>225,332</b>	244,799	(8)	(6)
Of which: customer accounts <sup>5</sup>	<b>122,748</b>	131,082	(6)	(3)	122,024	1	–	<b>122,748</b>	131,082	(6)	(3)
Risk-weighted assets	<b>43,818</b>	44,423	(1)	nm <sup>6</sup>	44,326	(1)	nm <sup>6</sup>	<b>43,818</b>	44,423	(1)	nm <sup>6</sup>
Cost to income ratio (%) <sup>3</sup>	<b>85.1</b>	83.5	(1.6)	(3.7)	57.9	(27.2)	(26.6)	<b>67.3</b>	87.6	20.3	18.9

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Loans and advances to customers includes FVTPL

5 Customer accounts includes FVTPL and repurchase agreements

6 Not meaningful

### Performance highlights

- Underlying profit before taxation of \$37 million was down 50 per cent on a constant currency basis (28 per cent on a constant currency basis excluding the debit valuation adjustment) driven by Cash Management and Retail Products due to the low interest rate environment, partially offset by an expense reduction of 8 per cent and income growth in Financial Markets and Corporate Finance
- Loans and advances to customers grew 3 per cent since 30 June 2020 and customer accounts grew 1 per cent

## Supplementary financial information continued

### Central & other items (region)

	3Q'20 \$million	3Q'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	2Q'20 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %	YTD'20 \$million	YTD'19 \$million	Change <sup>2</sup> %	Constant currency change <sup>1</sup> %
<b>Operating income</b>	<b>1</b>	231	(100)	(100)	30	(97)	(97)	<b>178</b>	577	(69)	(69)
<b>Operating expenses</b>	<b>(93)</b>	(53)	(75)	(84)	(145)	36	42	<b>(325)</b>	(339)	4	(5)
<b>Operating profit/(loss) before impairment losses and taxation</b>	<b>(92)</b>	178	(152)	(148)	(115)	20	29	<b>(147)</b>	238	(162)	(158)
Credit impairment	(5)	5	(200)	nm <sup>4</sup>	4	nm <sup>4</sup>	nm <sup>4</sup>	5	20	(75)	(75)
Other impairment	(27)	(8)	nm <sup>4</sup>	nm <sup>4</sup>	(27)	-	(4)	(65)	(21)	nm <sup>4</sup>	nm <sup>4</sup>
Profit from associates and joint ventures	-	2	(100)	(150)	-	nm <sup>4</sup>	nm <sup>4</sup>	2	6	(67)	(80)
<b>Underlying profit/(loss) before taxation</b>	<b>(124)</b>	177	(170)	(168)	(138)	10	17	<b>(205)</b>	243	(184)	(179)
Restructuring	(3)	(62)	95	95	-	nm <sup>4</sup>	nm <sup>4</sup>	(24)	(40)	40	36
Goodwill impairment & other items	(231)	(22)	nm <sup>4</sup>	nm <sup>4</sup>	6	nm <sup>4</sup>	nm <sup>4</sup>	(469)	(226)	(108)	(108)
<b>Statutory profit/(loss) before taxation</b>	<b>(358)</b>	93	nm <sup>4</sup>	nm <sup>4</sup>	(132)	(171)	(150)	<b>(698)</b>	(23)	nm <sup>4</sup>	nm <sup>4</sup>
Total assets	<b>10,104</b>	11,378	(11)	(12)	10,572	(4)	(5)	<b>10,104</b>	11,378	(11)	(12)
Total liabilities	<b>40,841</b>	37,978	8	8	43,333	(6)	(6)	<b>40,841</b>	37,978	8	8
Risk-weighted assets	<b>(2,664)</b>	(3,655)	27	nm <sup>4</sup>	(2,962)	10	nm <sup>4</sup>	<b>(2,664)</b>	(3,655)	27	nm <sup>4</sup>
Cost to income ratio (%) (excluding UK bank levy) <sup>3</sup>	<b>nm<sup>4</sup></b>	22.9	nm <sup>4</sup>	nm <sup>4</sup>	483.3	nm <sup>4</sup>	nm <sup>4</sup>	<b>182.6</b>	58.8	(123.8)	(132.2)

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Not meaningful

### Performance highlights

- Underlying loss before taxation of \$124 million down from a \$177 million profit in 3Q'19, driven by lower net interest income in Treasury Capital due to the low interest rate environment, higher expenses and higher other impairments primarily driven by impairment relating to aircraft

## Supplementary financial information continued

### Retail Banking

	3Q'20				
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Total \$million
Operating income	785	353	157	6	1,301
Operating expenses	(511)	(261)	(138)	(5)	(915)
Operating profit before impairment losses and taxation	274	92	19	1	386
Credit impairment	(15)	(63)	(48)	(3)	(129)
Underlying profit/(loss) before taxation	259	29	(29)	(2)	257
Restructuring	(1)	(2)	(8)	–	(11)
Statutory profit/(loss) before taxation	258	27	(37)	(2)	246
Loans and advances to customers including FVTPL	76,315	27,244	4,748	521	108,828
Customer accounts including FVTPL and repurchase agreements	102,864	36,640	9,283	1,006	149,793

	3Q'19				
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Total \$million
Operating income	770	369	175	9	1,323
Operating expenses	(497)	(276)	(163)	(5)	(941)
Operating profit before impairment losses and taxation	273	93	12	4	382
Credit impairment	(43)	(29)	(10)	–	(82)
Underlying profit before taxation	230	64	2	4	300
Restructuring	(4)	–	(4)	–	(8)
Statutory profit/(loss) before taxation	226	64	(2)	4	292
Loans and advances to customers including FVTPL	69,808	27,714	5,337	510	103,369
Customer accounts including FVTPL and repurchase agreements	96,000	34,455	8,387	1,033	139,875

### Commercial Banking

	3Q'20			
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Total \$million
Operating income	123	149	69	341
Operating expenses	(85)	(90)	(50)	(225)
Operating profit before impairment losses and taxation	38	59	19	116
Credit impairment	(9)	(46)	(42)	(97)
Underlying profit/(loss) before taxation	29	13	(23)	19
Restructuring	(5)	(1)	–	(6)
Statutory profit/(loss) before taxation	24	12	(23)	13
Loans and advances to customers including FVTPL	13,428	9,757	4,168	27,353
Customer accounts including FVTPL and repurchase agreements	23,796	13,880	3,744	41,420

	3Q'19			
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Total \$million
Operating income	140	166	82	388
Operating expenses	(97)	(91)	(56)	(244)
Operating profit before impairment losses and taxation	43	75	26	144
Credit impairment	(7)	(15)	(6)	(28)
Underlying profit before taxation	36	60	20	116
Restructuring	(2)	2	–	–
Statutory profit before taxation	34	62	20	116
Loans and advances to customers including FVTPL	13,388	10,723	4,946	29,057
Customer accounts including FVTPL and repurchase agreements	20,130	13,136	3,368	36,634

## Supplementary financial information continued

### Underlying performance by key market

	3Q'20								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
<b>Operating income</b>	842	243	231	380	287	59	137	203	174
<b>Operating expenses</b>	(483)	(183)	(163)	(241)	(174)	(39)	(103)	(184)	(135)
<b>Operating profit before impairment losses and taxation</b>	359	60	68	139	113	20	34	19	39
Credit impairment	(27)	(8)	1	(12)	(18)	(11)	(73)	(46)	11
Other impairment	–	–	–	–	–	–	–	12	–
Profit from associates and joint ventures	–	–	74	–	–	–	–	–	–
<b>Underlying profit/(loss) before taxation</b>	332	52	143	127	95	9	(39)	(15)	50
Total assets employed	167,971	60,223	36,614	84,548	28,139	5,081	21,940	157,167	62,079
Of which: loans and advances to customers <sup>1</sup>	81,175	38,908	16,562	51,674	15,348	2,394	11,074	43,804	19,699
Total liabilities employed	157,611	52,560	30,394	81,822	19,629	3,449	14,224	150,049	64,411
Of which: customer accounts <sup>2</sup>	128,328	40,715	23,727	62,976	14,860	2,513	11,488	79,203	37,350
Cost to income ratio (%)	57.4	75.3	70.6	63.4	60.6	66.1	75.2	90.6	77.6

	2Q'20								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
<b>Operating income</b>	873	227	199	415	315	52	159	237	260
<b>Operating expenses</b>	(466)	(171)	(148)	(236)	(155)	(41)	(95)	(158)	(120)
<b>Operating profit before impairment losses and taxation</b>	407	56	51	179	160	11	64	79	140
Credit impairment	(66)	(4)	(19)	(151)	(72)	(50)	(76)	10	14
Other impairment	(14)	–	–	–	–	–	–	2	–
Profit from associates and joint ventures	–	–	21	–	–	–	–	–	–
<b>Underlying profit/(loss) before taxation</b>	327	52	53	28	88	(39)	(12)	91	154
Total assets employed	161,959	59,516	35,142	86,599	28,907	5,154	23,331	149,632	62,010
Of which: loans and advances to customers <sup>1</sup>	77,549	37,347	16,240	49,959	15,057	2,398	11,737	41,611	19,270
Total liabilities employed	150,645	52,033	29,938	82,231	19,631	3,537	15,835	142,100	65,853
Of which: customer accounts <sup>2</sup>	126,463	42,937	23,125	62,667	13,906	2,324	12,223	81,179	36,043
Cost to income ratio (%)	53.4	75.3	74.4	56.9	49.2	78.8	59.7	66.7	46.2

	3Q'19								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
<b>Operating income</b>	958	247	221	421	264	73	150	218	194
<b>Operating expenses</b>	(486)	(189)	(172)	(242)	(169)	(47)	(111)	(200)	(150)
<b>Operating profit before impairment losses and taxation</b>	472	58	49	179	95	26	39	18	44
Credit impairment	(22)	(19)	(24)	(37)	(68)	(57)	10	(20)	6
Other impairment	3	–	–	–	–	–	–	–	–
Profit from associates and joint ventures	–	–	44	–	–	–	–	–	–
<b>Underlying profit/(loss) before taxation</b>	453	39	69	142	27	(31)	49	(2)	50
Total assets employed	159,317	51,915	30,602	85,587	29,562	4,781	20,193	177,142	54,311
Of which: loans and advances to customers <sup>1</sup>	73,773	33,460	15,029	48,540	15,911	2,343	10,509	52,699	15,742
Total liabilities employed	142,076	44,934	25,347	80,918	19,815	3,153	13,191	180,704	54,721
Of which: customer accounts <sup>2</sup>	116,110	34,829	20,028	61,221	14,935	2,113	10,065	99,662	26,781
Cost to income ratio (%)	50.7	76.5	77.8	57.5	64.0	64.4	74.0	91.7	77.3

1 Loans and advances to customers includes FVTPL

2 Customer accounts includes FVTPL and repurchase agreements

## Supplementary financial information continued

### Quarterly underlying operating income by product

	3Q'20 \$million	2Q'20 \$million	1Q'20 \$million	4Q'19 <sup>1</sup> \$million	3Q'19 <sup>1</sup> \$million	2Q'19 <sup>1</sup> \$million	1Q'19 <sup>1</sup> \$million	4Q'18 \$million
Transaction Banking	665	721	800	834	887	901	877	861
Trade	255	230	260	259	282	282	277	257
Cash Management	410	491	540	575	605	619	600	604
Financial Markets	909	970	1,278	716	877	834	831	661
Foreign Exchange	266	343	415	264	261	304	298	232
Rates	201	339	378	163	176	136	221	63
Commodities	60	82	44	37	39	44	45	50
Credit and Capital Markets	188	250	26	125	167	145	140	83
Capital Structuring Distribution Group	91	52	61	86	87	74	82	91
DVA	(22)	(201)	305	(72)	14	11	(53)	46
Securities Services	79	79	84	85	88	87	83	81
Other Financial Markets	46	26	(35)	28	45	33	15	15
Corporate Finance	284	269	278	328	281	272	262	370
Lending and Portfolio Management	222	232	195	201	201	197	187	181
Wealth Management	568	434	530	415	488	511	465	343
Retail Products	859	913	946	960	975	976	951	925
CCPL and other unsecured lending	309	295	304	311	315	320	305	294
Deposits	301	413	472	484	510	501	494	481
Mortgage and Auto	211	169	136	130	123	129	129	127
Other Retail Products	38	36	34	35	27	26	23	23
Treasury	40	178	325	196	335	251	308	253
Other	(28)	3	(25)	(53)	(66)	(59)	(68)	1
<b>Total underlying operating income</b>	<b>3,519</b>	<b>3,720</b>	<b>4,327</b>	<b>3,597</b>	<b>3,978</b>	<b>3,883</b>	<b>3,813</b>	<b>3,595</b>

1 Following a reorganisation of certain clients, there has been a reclassification of balances across products. Prior periods have been restated from 1Q'19

## Supplementary financial information continued

### Earnings per ordinary share

	3Q'20 \$million	3Q'19 \$million	Change %	2Q'20 \$million	Change %	YTD'20 \$million	YTD'19 \$million	Change %
Profit for the period attributable to equity holders	161	772	(79)	549	(71)	1,227	2,268	(46)
Non-controlling interest	(7)	(11)	36	(11)	36	(25)	(30)	17
Dividend payable on preference shares and AT1 classified as equity	(31)	(36)	14	(199)	84	(263)	(257)	(2)
<b>Profit for the period attributable to ordinary shareholders</b>	<b>123</b>	<b>725</b>	<b>(83)</b>	<b>339</b>	<b>(64)</b>	<b>939</b>	<b>1,981</b>	<b>(53)</b>
Items normalised:								
Provision for regulatory matters	–	22	nm <sup>1</sup>	–	nm <sup>1</sup>	(14)	226	nm <sup>1</sup>
Restructuring	44	123	(64)	(2)	nm <sup>1</sup>	134	137	(2)
Profit from associates and joint ventures	–	(12)	nm <sup>1</sup>	–	nm <sup>1</sup>	–	(35)	nm <sup>1</sup>
Gains arising on repurchase of subordinated liabilities	–	–	nm <sup>1</sup>	–	nm <sup>1</sup>	–	–	nm <sup>1</sup>
Goodwill impairment	231	–	nm <sup>1</sup>	–	nm <sup>1</sup>	489	–	nm <sup>1</sup>
Net loss on sale of businesses	35	–	nm <sup>1</sup>	(6)	nm <sup>1</sup>	29	–	nm <sup>1</sup>
Tax on normalised items	(5)	(1)	nm <sup>1</sup>	(3)	(67)	(11)	171	nm <sup>1</sup>
<b>Underlying profit</b>	<b>428</b>	<b>857</b>	<b>(50)</b>	<b>328</b>	<b>30</b>	<b>1,566</b>	<b>2,480</b>	<b>(37)</b>
Basic – Weighted average number of shares (millions)	3,151	3,220	nm <sup>1</sup>	3,150	nm <sup>1</sup>	3,162	3,275	nm <sup>1</sup>
Diluted – Weighted average number of shares (millions)	3,192	3,258	nm <sup>1</sup>	3,190	nm <sup>1</sup>	3,200	3,312	nm <sup>1</sup>
<b>Basic earnings per ordinary share (cents)<sup>2</sup></b>	<b>3.9</b>	<b>22.5</b>	<b>(18.6)</b>	<b>10.8</b>	<b>(6.9)</b>	<b>29.7</b>	<b>60.5</b>	<b>(30.8)</b>
<b>Diluted earnings per ordinary share (cents)<sup>2</sup></b>	<b>3.9</b>	<b>22.3</b>	<b>(18.4)</b>	<b>10.6</b>	<b>(6.7)</b>	<b>29.3</b>	<b>59.8</b>	<b>(30.5)</b>
<b>Underlying basic earnings per ordinary share (cents)<sup>2</sup></b>	<b>13.6</b>	<b>26.6</b>	<b>(13.0)</b>	<b>10.4</b>	<b>3.2</b>	<b>49.5</b>	<b>75.7</b>	<b>(26.2)</b>
<b>Underlying diluted earnings per ordinary share (cents)<sup>2</sup></b>	<b>13.4</b>	<b>26.3</b>	<b>(12.9)</b>	<b>10.3</b>	<b>3.1</b>	<b>48.9</b>	<b>74.9</b>	<b>(26.0)</b>

1 Not meaningful

2 Change is the percentage points difference between the two periods rather than the percentage change

## Supplementary financial information continued

### Return on Tangible Equity

	3Q'20 \$million	3Q'19 \$million	Change %	2Q'20 \$million	Change %	YTD'20 \$million	YTD'19 \$million	Change %
Average parent company shareholders' equity	45,400	44,970	1	44,623	(2)	44,845	45,298	(1)
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	(1,494)	–
Less Average intangible assets	(4,972)	(5,097)	2	(4,960)	–	(5,008)	(5,097)	2
<b>Average Ordinary Shareholders' Tangible Equity</b>	<b>38,934</b>	<b>38,379</b>	<b>1</b>	<b>38,169</b>	<b>(2)</b>	<b>38,343</b>	<b>38,707</b>	<b>(1)</b>
Profit for the period attributable to equity holders	161	772	(79)	549	nm <sup>1</sup>	1,227	2,268	(46)
Non-controlling interests	(7)	(11)	36	(11)	(57)	(25)	(30)	17
Dividend payable on preference shares and AT1 classified as equity	(31)	(36)	14	(199)	nm <sup>1</sup>	(263)	(257)	(2)
<b>Profit for the period attributable to ordinary shareholders</b>	<b>123</b>	<b>725</b>	<b>(83)</b>	<b>339</b>	<b>176</b>	<b>939</b>	<b>1,981</b>	<b>(53)</b>
Items normalised:								
Provision for regulatory matters	–	22	nm <sup>1</sup>	–	nm <sup>1</sup>	(14)	226	nm <sup>1</sup>
Restructuring	44	123	(64)	(2)	nm <sup>1</sup>	134	137	(2)
Profit from associates and joint ventures	–	(12)	nm <sup>1</sup>	–	nm <sup>1</sup>	–	(35)	nm <sup>1</sup>
Goodwill Impairment	231	–	nm <sup>1</sup>	–	nm <sup>1</sup>	489	–	nm <sup>1</sup>
Net loss on sale of businesses	35	–	nm <sup>1</sup>	(6)	nm <sup>1</sup>	29	–	nm <sup>1</sup>
Tax on normalised items	(5)	(1)	nm <sup>1</sup>	(3)	40	(11)	171	nm <sup>1</sup>
<b>Underlying profit for the period attributable to ordinary shareholders</b>	<b>428</b>	<b>857</b>	<b>(50)</b>	<b>328</b>	<b>(23)</b>	<b>1,566</b>	<b>2,480</b>	<b>(37)</b>
Underlying return on tangible equity	4.4%	8.9%	(450) bps	3.5%	90 bps	5.5%	8.6%	(310) bps
Statutory return on tangible equity	1.3%	7.5%	(620) bps	3.6%	(230) bps	3.3%	6.8%	(350) bps

1 Not meaningful

### Net Tangible Asset Value per Share

	30.09.20 \$million	30.09.19 \$million	Change %	30.06.20 \$million	Change %	31.12.19 \$million	Change %
Parent company shareholders' equity	45,743	44,872	2	45,058	2	44,835	2
Less Preference share premium	(1,494)	(1,494)	–	(1,494)	–	(1,494)	–
Less Intangible assets	(4,916)	(5,083)	3	(5,029)	2	(5,290)	7
<b>Net shareholders tangible equity</b>	<b>39,333</b>	<b>38,295</b>	<b>3</b>	<b>38,535</b>	<b>2</b>	<b>38,051</b>	<b>3</b>
Ordinary shares in issue, excluding own shares (millions)	3,149	3,195	(1)	3,148	–	3,191	(1)
<b>Net Tangible Asset Value per share (cents)</b>	<b>1,249</b>	<b>1,199</b>	<b>50.0</b>	<b>1,224</b>	<b>25.0</b>	<b>1,192</b>	<b>5</b>



## Underlying versus statutory results reconciliations

Reconciliations between underlying and statutory results are set out in the tables below:

### Operating income by client segment

	3Q'20					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Underlying operating income</b>	<b>1,735</b>	<b>1,301</b>	<b>341</b>	<b>129</b>	<b>13</b>	<b>3,519</b>
Restructuring	14	–	7	–	1	22
Other items	–	–	–	–	(35)	(35)
<b>Statutory operating income</b>	<b>1,749</b>	<b>1,301</b>	<b>348</b>	<b>129</b>	<b>(21)</b>	<b>3,506</b>

	3Q'19					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Underlying operating income</b>	<b>1,848</b>	<b>1,323</b>	<b>388</b>	<b>145</b>	<b>274</b>	<b>3,978</b>
Restructuring	(20)	–	1	–	–	(19)
<b>Statutory operating income</b>	<b>1,828</b>	<b>1,323</b>	<b>389</b>	<b>145</b>	<b>274</b>	<b>3,959</b>

### Operating income by region

	3Q'20					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Underlying operating income</b>	<b>1,471</b>	<b>1,034</b>	<b>590</b>	<b>423</b>	<b>1</b>	<b>3,519</b>
Restructuring	19	–	3	–	–	22
Other items	(35)	–	–	–	–	(35)
<b>Statutory operating income</b>	<b>1,455</b>	<b>1,034</b>	<b>593</b>	<b>423</b>	<b>1</b>	<b>3,506</b>

	3Q'19					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Underlying operating income</b>	<b>1,578</b>	<b>1,085</b>	<b>617</b>	<b>467</b>	<b>231</b>	<b>3,978</b>
Restructuring	20	1	–	–	(40)	(19)
<b>Statutory operating income</b>	<b>1,598</b>	<b>1,086</b>	<b>617</b>	<b>467</b>	<b>191</b>	<b>3,959</b>

## Underlying versus statutory results reconciliations continued

### Profit before taxation (PBT)

	3Q'20						
	Underlying \$million	Provision for regulatory matters \$million	Restructuring \$million	Net loss on businesses disposed/ held for sale \$million	Goodwill impairment \$million	Share of profits of PT Bank Permata Tbk joint venture \$million	Statutory \$million
Operating income	3,519	–	22	(35)	–	–	3,506
Operating expenses	(2,480)	–	(35)	–	–	–	(2,515)
Operating profit/(loss) before impairment losses and taxation	1,039	–	(13)	(35)	–	–	991
Credit impairment	(353)	–	(5)	–	–	–	(358)
Other impairment	(15)	–	(18)	–	(231)	–	(264)
Profit from associates and joint ventures	74	–	(8)	–	–	–	66
<b>Profit/(loss) before taxation</b>	<b>745</b>	<b>–</b>	<b>(44)</b>	<b>(35)</b>	<b>(231)</b>	<b>–</b>	<b>435</b>

	3Q'19						
	Underlying \$million	Provision for regulatory matters \$million	Restructuring \$million	Net loss on businesses disposed/ held for sale \$million	Goodwill impairment \$million	Share of profits of PT Bank Permata Tbk joint venture \$million	Statutory \$million
Operating income	3,978	–	(19)	–	–	–	3,959
Operating expenses	(2,501)	(22)	(44)	–	–	–	(2,567)
Operating profit/(loss) before impairment losses and taxation	1,477	(22)	(63)	–	–	–	1,392
Credit impairment	(279)	–	(1)	–	–	–	(280)
Other impairment	(5)	–	(55)	–	–	–	(60)
Profit from associates and joint ventures	45	–	(4)	–	–	12	53
<b>Profit/(loss) before taxation</b>	<b>1,238</b>	<b>(22)</b>	<b>(123)</b>	<b>–</b>	<b>–</b>	<b>12</b>	<b>1,105</b>

## Underlying versus statutory results reconciliations continued

### Profit before taxation (PBT) by client segment

	3Q'20					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	<b>1,735</b>	<b>1,301</b>	<b>341</b>	<b>129</b>	<b>13</b>	<b>3,519</b>
External	1,680	1,148	320	93	278	3,519
Inter-segment	55	153	21	36	(265)	–
<b>Operating expenses</b>	<b>(1,066)</b>	<b>(915)</b>	<b>(225)</b>	<b>(114)</b>	<b>(160)</b>	<b>(2,480)</b>
<b>Operating profit/(loss) before impairment losses and taxation</b>	<b>669</b>	<b>386</b>	<b>116</b>	<b>15</b>	<b>(147)</b>	<b>1,039</b>
Credit impairment	(132)	(129)	(97)	2	3	(353)
Other impairment	(12)	–	–	–	(3)	(15)
Profit from associates and joint ventures	–	–	–	–	74	74
<b>Underlying profit/(loss) before taxation</b>	<b>525</b>	<b>257</b>	<b>19</b>	<b>17</b>	<b>(73)</b>	<b>745</b>
Restructuring	(12)	(11)	(6)	(1)	(14)	(44)
Goodwill impairment & other items	–	–	–	–	(266)	(266)
<b>Statutory profit/(loss) before taxation</b>	<b>513</b>	<b>246</b>	<b>13</b>	<b>16</b>	<b>(353)</b>	<b>435</b>

	3Q'19					
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	<b>1,848</b>	<b>1,323</b>	<b>388</b>	<b>145</b>	<b>274</b>	<b>3,978</b>
External	1,892	1,074	395	86	531	3,978
Inter-segment	(44)	249	(7)	59	(257)	–
<b>Operating expenses</b>	<b>(1,098)</b>	<b>(941)</b>	<b>(244)</b>	<b>(134)</b>	<b>(84)</b>	<b>(2,501)</b>
<b>Operating profit before impairment losses and taxation</b>	<b>750</b>	<b>382</b>	<b>144</b>	<b>11</b>	<b>190</b>	<b>1,477</b>
Credit impairment	(153)	(82)	(28)	(14)	(2)	(279)
Other impairment	(8)	–	–	–	3	(5)
Profit from associates and joint ventures	–	–	–	–	45	45
<b>Underlying profit/(loss) before taxation</b>	<b>589</b>	<b>300</b>	<b>116</b>	<b>(3)</b>	<b>236</b>	<b>1,238</b>
Restructuring	(105)	(8)	–	(4)	(6)	(123)
Other items	–	–	–	–	(10)	(10)
<b>Statutory profit/(loss) before taxation</b>	<b>484</b>	<b>292</b>	<b>116</b>	<b>(7)</b>	<b>220</b>	<b>1,105</b>

## Underlying versus statutory results reconciliations continued

### Profit before taxation (PBT) by region

	3Q'20					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	1,471	1,034	590	423	1	3,519
<b>Operating expenses</b>	(938)	(663)	(426)	(360)	(93)	(2,480)
<b>Operating profit/(loss) before impairment losses and taxation</b>	533	371	164	63	(92)	1,039
Credit impairment	(29)	(128)	(154)	(37)	(5)	(353)
Other impairment	–	–	1	11	(27)	(15)
Profit from associates and joint ventures	74	–	–	–	–	74
<b>Underlying profit/(loss) before taxation</b>	578	243	11	37	(124)	745
Restructuring	(15)	(7)	(11)	(8)	(3)	(44)
Goodwill impairment & other items	(35)	–	–	–	(231)	(266)
<b>Statutory profit/(loss) before taxation</b>	528	236	–	29	(358)	435

	3Q'19					
	Greater China & North Asia \$million	ASEAN & South Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
<b>Operating income</b>	1,578	1,085	617	467	231	3,978
<b>Operating expenses</b>	(944)	(671)	(443)	(390)	(53)	(2,501)
<b>Operating profit before impairment losses and taxation</b>	634	414	174	77	178	1,477
Credit impairment	(70)	(172)	(27)	(15)	5	(279)
Other impairment	3	–	–	–	(8)	(5)
Profit from associates and joint ventures	43	–	–	–	2	45
<b>Underlying profit before taxation</b>	610	242	147	62	177	1,238
Restructuring	(51)	1	(5)	(6)	(62)	(123)
Other items	–	12	–	–	(22)	(10)
<b>Statutory profit before taxation</b>	559	255	142	56	93	1,105

## Underlying versus statutory results reconciliations continued

### Return on tangible equity (RoTE)

	3Q'20					Total %
	Corporate & Institutional Banking %	Retail Banking %	Commercial Banking %	Private Banking %	Central & other items %	
<b>Underlying RoTE</b>	<b>7.4</b>	<b>11.3</b>	<b>1.3</b>	<b>5.3</b>	<b>(9.3)</b>	<b>4.4</b>
Restructuring						
Of which: Income	0.3	–	0.6	–	–	0.2
Of which: Expenses	(0.2)	(0.7)	(0.8)	–	(0.4)	(0.4)
Of which: Credit impairment	–	–	(0.4)	–	–	(0.1)
Of which: Other impairment	(0.3)	–	(0.1)	–	–	(0.2)
Of which: Profit from associates and joint ventures	–	–	–	–	(0.5)	(0.1)
Net loss on businesses disposed/held for sale	–	–	–	–	(2.0)	(0.4)
Goodwill impairment	–	–	–	–	(13.4)	(2.4)
Tax on normalised items	0.1	0.3	0.2	(0.1)	(0.1)	0.3
<b>Statutory RoTE</b>	<b>7.3</b>	<b>10.9</b>	<b>0.8</b>	<b>5.2</b>	<b>(25.7)</b>	<b>1.3</b>

	3Q'19					Total %
	Corporate & Institutional Banking %	Retail Banking %	Commercial Banking %	Private Banking %	Central & other items %	
<b>Underlying RoTE</b>	<b>8.6</b>	<b>13.9</b>	<b>7.0</b>	<b>(0.9)</b>	<b>7.7</b>	<b>8.9</b>
Provision for regulatory matters	–	–	–	–	(1.3)	(0.2)
Restructuring						
Of which: Income	(0.4)	–	0.1	–	–	(0.2)
Of which: Expenses	(0.5)	(0.5)	(0.3)	(2.1)	(0.2)	(0.5)
Of which: Credit impairment	(0.1)	–	0.2	–	–	–
Of which: Other impairment	(1.1)	–	–	–	–	(0.6)
Of which: Profit from associates and joint ventures	–	–	–	–	(0.2)	–
Share of profits of PT Bank Permata Tbk joint venture	–	–	–	–	0.7	0.1
Tax on normalised items	0.6	0.1	–	0.4	(1.7)	–
<b>Statutory RoTE</b>	<b>7.1</b>	<b>13.5</b>	<b>7.0</b>	<b>(2.6)</b>	<b>5.0</b>	<b>7.5</b>

## Underlying versus statutory results reconciliations continued

### Earnings per ordinary share (EPS)

	3Q'20								
	Underlying \$ million	Provision for regulatory matters \$ million	Restructuring \$ million	Profit from joint venture \$ million	Gains arising on repurchase of senior and subordinated liabilities \$ million	Net loss on sale of businesses \$ million	Goodwill impairment \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	428	–	(44)	–	–	(35)	(231)	5	123
Basic – Weighted average number of shares (millions)	3,151								3,151
Basic earnings per ordinary share (cents)	13.6								3.9

	3Q'19								
	Underlying \$ million	Provision for regulatory matters \$ million	Restructuring \$ million	Profit from joint venture \$ million	Gains arising on repurchase of senior and subordinated liabilities \$ million	Net loss on sale of businesses \$ million	Goodwill impairment \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	857	(22)	(123)	12	–	–	–	1	725
Basic – Weighted average number of shares (millions)	3,220								3,220
Basic earnings per ordinary share (cents)	26.6								22.5

# Risk review

## Credit quality by client segment

30.09.20

	Customers								
	Banks \$million	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Customer Total \$million	Undrawn commitment \$million	Financial Guarantees \$million
<b>Amortised cost</b>									
<b>Stage 1</b>	48,225	93,532	106,043	19,351	13,064	19,123	251,113	136,868	42,351
– Strong	38,906	57,098	104,900	5,247	8,940	18,751	194,936	117,931	29,759
– Satisfactory	9,319	36,434	1,143	14,104	4,124	372	56,177	18,937	12,592
<b>Stage 2</b>	828	19,956	2,739	4,693	209	-	27,597	13,504	4,635
– Strong	206	4,768	1,975	421	205	-	7,369	6,446	1,005
– Satisfactory	622	13,795	346	3,711	4	-	17,856	6,569	3,261
– Higher risk	-	1,393	418	561	-	-	2,372	489	369
<b>Of which (stage 2):</b>									
– Less than 30 days past due	-	60	346	45	-	-	451	-	-
– More than 30 days past due	25	121	418	88	13	-	640	-	-
Stage 3, credit-impaired financial assets	-	5,796	1,114	2,077	347	2	9,336	10	666
<b>Gross balance<sup>1</sup></b>	49,053	119,284	109,896	26,121	13,620	19,125	288,046	150,382	47,652
<b>Stage 1</b>	(7)	(102)	(430)	(28)	(11)	-	(571)	(47)	(20)
– Strong	(3)	(44)	(229)	(2)	(8)	-	(283)	(23)	(11)
– Satisfactory	(4)	(58)	(201)	(26)	(3)	-	(288)	(24)	(9)
<b>Stage 2</b>	(6)	(399)	(205)	(101)	(1)	-	(706)	(94)	(33)
– Strong	(2)	(86)	(85)	(6)	(1)	-	(178)	(27)	(6)
– Satisfactory	(4)	(232)	(69)	(73)	-	-	(374)	(56)	(21)
– Higher risk	-	(81)	(51)	(22)	-	-	(154)	(11)	(6)
<b>Of which (stage 2):</b>									
– Less than 30 days past due	-	(13)	(69)	(8)	-	-	(90)	-	-
– More than 30 days past due	-	(5)	(51)	(2)	-	-	(58)	-	-
Stage 3, credit-impaired financial assets	-	(3,210)	(512)	(1,508)	(157)	(2)	(5,389)	-	(169)
<b>Total credit impairment</b>	(13)	(3,711)	(1,147)	(1,637)	(169)	(2)	(6,666)	(141)	(222)
<b>Net carrying value</b>	49,040	115,573	108,749	24,484	13,451	19,123	281,380		
<b>Stage 1</b>	0.0%	0.1%	0.4%	0.1%	0.1%	0.0%	0.2%	0.0%	0.0%
– Strong	0.0%	0.1%	0.2%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%
– Satisfactory	0.0%	0.2%	17.6%	0.2%	0.1%	0.0%	0.5%	0.1%	0.1%
<b>Stage 2</b>	0.7%	2.0%	7.5%	2.2%	0.5%	0.0%	2.6%	0.7%	0.7%
– Strong	1.0%	1.8%	4.3%	1.4%	0.5%	0.0%	2.4%	0.4%	0.6%
– Satisfactory	0.6%	1.7%	19.9%	2.0%	0.0%	0.0%	2.1%	0.9%	0.6%
– Higher risk	0.0%	5.8%	12.2%	3.9%	0.0%	0.0%	6.5%	2.2%	1.6%
<b>Of which (stage 2):</b>									
– Less than 30 days past due	0.0%	21.7%	19.9%	17.8%	0.0%	0.0%	20.0%	0.0%	0.0%
– More than 30 days past due	0.0%	4.1%	12.2%	2.3%	0.0%	0.0%	9.1%	0.0%	0.0%
Stage 3, credit-impaired financial assets	0.0%	55.4%	46.0%	72.6%	45.2%	100.0%	57.7%	0.0%	25.4%
<b>Cover ratio</b>	0.0%	3.1%	1.0%	6.3%	1.2%	0.0%	2.3%	0.1%	0.5%
<b>Fair value through profit or loss</b>									
<b>Performing</b>	20,734	51,285	160	2,929	-	12	54,386	-	-
– Strong	17,365	25,637	158	2,207	-	7	28,009	-	-
– Satisfactory	3,369	25,607	1	703	-	5	26,316	-	-
– Higher risk	-	41	1	19	-	-	61	-	-
Defaulted (CG13-14)	-	36	-	9	-	-	45	-	-
<b>Gross balance (FVTPL)<sup>2</sup></b>	20,734	51,321	160	2,938	-	12	54,431	-	-
<b>Net carrying value (incl FVTPL)</b>	69,774	166,894	108,909	27,422	13,451	19,135	335,811		

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$4,330 million under Customers and of \$783 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$45,168 million under Customers and of \$18,005 million under Banks, held at fair value through profit or loss



# Risk review continued

30.06.20

	Customers								
	Banks \$million	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million	Customer Total \$million	Undrawn commitment \$million	Financial Guarantees \$million
<b>Amortised cost</b>									
<b>Stage 1</b>	50,146	97,794	101,523	20,916	12,599	17,446	250,278	134,605	37,408
– Strong	41,317	61,090	100,456	6,097	9,232	17,213	194,088	115,218	25,727
– Satisfactory	8,829	36,704	1,067	14,819	3,367	233	56,190	19,387	11,681
<b>Stage 2</b>	349	15,765	3,515	4,256	199	4	23,739	9,280	4,205
– Strong	31	4,347	2,630	307	195	–	7,479	3,682	1,065
– Satisfactory	301	10,469	406	3,400	4	–	14,279	5,255	2,845
– Higher risk	17	949	479	549	–	4	1,981	343	295
<b>Of which (stage 2):</b>									
– Less than 30 days past due	–	272	406	119	–	–	797	–	–
– More than 30 days past due	35	58	479	34	4	–	575	–	–
Stage 3, credit-impaired financial assets	13	5,364	1,067	2,004	372	2	8,809	28	621
<b>Gross balance<sup>1</sup></b>	50,508	118,923	106,105	27,176	13,170	17,452	282,826	143,913	42,234
<b>Stage 1</b>	(3)	(62)	(371)	(31)	(11)	(1)	(476)	(44)	(16)
– Strong	–	(37)	(228)	(4)	(8)	–	(277)	(22)	(9)
– Satisfactory	(3)	(25)	(143)	(27)	(3)	(1)	(199)	(22)	(7)
<b>Stage 2</b>	(2)	(424)	(242)	(114)	–	–	(780)	(72)	(39)
– Strong	–	(74)	(99)	(8)	–	–	(181)	(24)	(7)
– Satisfactory	(2)	(312)	(74)	(83)	–	–	(469)	(41)	(27)
– Higher risk	–	(38)	(69)	(23)	–	–	(130)	(7)	(5)
<b>Of which (stage 2):</b>									
– Less than 30 days past due	–	(13)	(74)	(8)	–	–	(95)	–	–
– More than 30 days past due	–	(22)	(69)	(16)	–	–	(107)	–	–
Stage 3, credit-impaired financial assets	(4)	(3,129)	(492)	(1,476)	(158)	(2)	(5,257)	(1)	(182)
<b>Total credit impairment</b>	(9)	(3,615)	(1,105)	(1,621)	(169)	(3)	(6,513)	(117)	(237)
<b>Net carrying value</b>	50,499	115,308	105,000	25,555	13,001	17,449	276,313		
<b>Stage 1</b>	0.0%	0.1%	0.4%	0.1%	0.1%	0.0%	0.2%	0.0%	0.0%
– Strong	0.0%	0.1%	0.2%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%
– Satisfactory	0.0%	0.1%	13.4%	0.2%	0.1%	0.4%	0.4%	0.1%	0.1%
<b>Stage 2</b>	0.6%	2.7%	6.9%	2.7%	0.0%	0.0%	3.3%	0.8%	0.9%
– Strong	0.0%	1.7%	3.8%	2.6%	0.0%	0.0%	2.4%	0.7%	0.7%
– Satisfactory	0.7%	3.0%	18.2%	2.4%	0.0%	0.0%	3.3%	0.8%	0.9%
– Higher risk	0.0%	4.0%	14.4%	4.2%	0.0%	0.0%	6.6%	2.0%	1.7%
<b>Of which (stage 2):</b>									
– Less than 30 days past due	0.0%	4.8%	18.2%	6.7%	0.0%	0.0%	11.9%	0.0%	0.0%
– More than 30 days past due	0.0%	37.9%	14.4%	47.1%	0.0%	0.0%	18.6%	0.0%	0.0%
Stage 3, credit-impaired financial assets	30.8%	58.3%	46.1%	73.7%	42.5%	100.0%	59.7%	3.6%	29.3%
<b>Cover ratio</b>	0.0%	3.0%	1.0%	6.0%	1.3%	0.0%	2.3%	0.1%	0.6%
<b>Fair value through profit or loss</b>									
<b>Performing</b>	19,939	48,951	182	2,650	–	15	51,798	–	–
– Strong	16,807	26,961	179	2,008	–	9	29,157	–	–
– Satisfactory	3,132	21,988	2	615	–	6	22,611	–	–
– Higher risk	–	2	1	27	–	–	30	–	–
Defaulted (CG13-14)	–	45	–	9	–	–	54	–	–
<b>Gross balance (FVTPL)<sup>2</sup></b>	19,939	48,996	182	2,659	–	15	51,852	–	–
<b>Net carrying value (incl FVTPL)</b>	70,438	164,304	105,182	28,214	13,001	17,464	328,165		

<sup>1</sup> Loans and advances includes reverse repurchase agreements and other similar secured lending of \$4,383 million under Customers and of \$1,893 million under Banks, held at amortised cost

<sup>2</sup> Loans and advances includes reverse repurchase agreements and other similar secured lending of \$41,399 million under Customers and of \$17,603 million under Banks, held at fair value through profit or loss

## Risk review continued

### Credit impairment charge

	9 months ended 30.09.20			9 months ended 30.09.19		
	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million	Stage 1 & 2 \$million	Stage 3 \$million	Total <sup>1</sup> \$million
<b>Ongoing business portfolio</b>						
Corporate & Institutional Banking	364	753	1,117	11	258	269
Retail Banking	324	235	559	129	107	236
Commercial Banking	81	153	234	(8)	65	57
Private Banking	(1)	4	3	1	(34)	(33)
Central & Others	9	(2)	7	4	–	4
<b>Credit impairment charge</b>	<b>777</b>	<b>1,143</b>	<b>1,920</b>	<b>137</b>	<b>396</b>	<b>533</b>
<b>Restructuring business portfolio</b>						
Liquidation portfolio	–	–	–	–	–	–
Others	–	14	14	–	1	1
<b>Credit impairment charge</b>	<b>–</b>	<b>14</b>	<b>14</b>	<b>–</b>	<b>1</b>	<b>1</b>
<b>Total credit impairment charge</b>	<b>777</b>	<b>1,157</b>	<b>1,934</b>	<b>137</b>	<b>397</b>	<b>534</b>

### COVID-19 relief measures

Segment	Applications <sup>1</sup>			Greater China & North Asia		ASEAN & South Asia		Africa & Middle East		Europe & Americas	
	Received \$million	Approved \$million	% of portfolio <sup>2</sup>	Approved \$million	% of portfolio <sup>2</sup>	Approved \$million	% of portfolio <sup>2</sup>	Approved \$million	% of portfolio <sup>2</sup>	Approved \$million	% of portfolio <sup>2</sup>
Credit Card	91	91	2%	1	0%	63	3%	27	10%		
Personal loans	441	347	4%	23	0%	56	5%	267	16%		
Mortgages & auto	3,251	2,358	3%	547	1%	1,344	8%	468	19%		
Business banking	756	558	7%	175	5%	373	9%	10	7%		
Wealth management	2	2	0%	–	–	2	–	–	–		
<b>Total Retail Banking</b>	<b>4,541</b>	<b>3,355</b>	<b>3%</b>	<b>746</b>	<b>1%</b>	<b>1,838</b>	<b>7%</b>	<b>771</b>	<b>15%</b>		
<b>Corporate &amp; Institutional Banking</b>		<b>2,286</b>	<b>1%</b>	<b>119</b>		<b>1,244</b>		<b>670</b>		<b>253</b>	
<b>Commercial Banking</b>		<b>4,179</b>	<b>16%</b>	<b>1,608</b>		<b>1,864</b>		<b>619</b>		<b>88</b>	
<b>Total at 30 September 2020</b>		<b>9,820</b>	<b>3%</b>	<b>2,473</b>		<b>4,946</b>		<b>2,060</b>		<b>341</b>	
Retail Banking		8,879	8%	584	1%	7,386	28%	909	17%		
Corporate & Institutional Banking		1,802	1%	389		991		155		268	
Commercial Banking		3,804	14%	1,573		1,601		542		88	
<b>Total at 30 June 2020</b>		<b>14,485</b>	<b>4%</b>	<b>2,546</b>		<b>9,978</b>		<b>1,606</b>		<b>356</b>	

<sup>1</sup> The difference between applications received and approved primarily relates to those markets that have compulsory relief schemes in place where customers have chosen to opt out

<sup>2</sup> Percentage of portfolio represents the approved amounts as a percentage of gross loans and advances to banks and customers by product segment and total loans and advances to banks and customers at 30 September 2020 and 30 June 2020

## Risk review continued

### Vulnerable sectors

#### Maximum Exposure

30.09.20							
Amortised Cost	Maximum On Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off Balance Sheet Net Exposure \$million
<b>Industry:</b>							
Aviation	4,347	2,169	2,178	955	555	1,510	3,688
Commodity Traders	8,786	519	8,267	2,791	3,123	5,914	14,181
Metals & Mining	5,031	898	4,133	2,075	1,853	3,928	8,061
Commercial Real Estate	18,186	7,672	10,514	4,726	345	5,071	15,585
Hotels & Tourism	2,560	1,072	1,488	1,230	141	1,371	2,859
Oil & Gas	8,703	1,180	7,523	9,387	4,865	14,252	21,775
<b>Total</b>	<b>47,613</b>	<b>13,510</b>	<b>34,103</b>	<b>21,164</b>	<b>10,882</b>	<b>32,046</b>	<b>66,149</b>
Total Corporate & Institutional Banking and Commercial Banking	140,057	29,234	110,823	90,732	40,930	131,662	242,485
Total Retail, Private Banking and Other Segments	190,363	97,039	93,324	59,509	6,500	66,009	159,333
<b>Total Group</b>	<b>330,420</b>	<b>126,273</b>	<b>204,147</b>	<b>150,241</b>	<b>47,430</b>	<b>197,671</b>	<b>401,818</b>

30.06.20							
Amortised Cost	Maximum On Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off Balance Sheet Net Exposure \$million
<b>Industry:</b>							
Aviation	4,509	2,213	2,296	602	509	1,111	3,407
Commodity Traders	9,610	631	8,979	2,963	3,132	6,095	15,074
Metals & Mining	5,260	831	4,429	2,529	632	3,161	7,590
Commercial Real Estate	18,265	7,413	10,852	5,911	384	6,295	17,147
Hotels & Tourism	2,873	1,135	1,738	1,550	146	1,696	3,434
Oil & Gas	8,782	2,794	5,988	8,044	5,642	13,686	19,674
<b>Total</b>	<b>49,299</b>	<b>15,017</b>	<b>34,282</b>	<b>21,599</b>	<b>10,445</b>	<b>32,044</b>	<b>66,326</b>
Total Corporate & Institutional Banking and Commercial Banking	140,863	29,789	111,074	85,112	35,679	120,791	231,865
Total Retail, Private Banking and Other Segments	185,949	98,775	87,174	58,684	6,318	65,002	152,176
<b>Total Group</b>	<b>326,812</b>	<b>128,564</b>	<b>198,248</b>	<b>143,796</b>	<b>41,997</b>	<b>185,793</b>	<b>384,041</b>

## Risk review continued

### Loans and advances by stage

30.09.20												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
<b>Industry:</b>												
Aviation	2,118	(1)	2,117	1,993	(12)	1,981	294	(45)	249	4,405	(58)	4,347
Commodity Traders	8,204	(15)	8,189	428	(10)	418	937	(758)	179	9,569	(783)	8,786
Metals & Mining	3,730	(4)	3,726	1,194	(9)	1,185	263	(143)	120	5,187	(156)	5,031
Commercial Real Estate	13,559	(18)	13,541	4,443	(41)	4,402	402	(159)	243	18,404	(218)	18,186
Hotels & Tourism	1,123	(2)	1,121	1,373	(33)	1,340	134	(35)	99	2,630	(70)	2,560
Oil & Gas	6,903	(8)	6,895	1,663	(80)	1,583	468	(243)	225	9,034	(331)	8,703
<b>Total</b>	<b>35,637</b>	<b>(48)</b>	<b>35,589</b>	<b>11,094</b>	<b>(185)</b>	<b>10,909</b>	<b>2,498</b>	<b>(1,383)</b>	<b>1,115</b>	<b>49,229</b>	<b>(1,616)</b>	<b>47,613</b>
Total Corporate & Institutional Banking and Commercial Banking	111,283	(130)	112,753	24,649	(500)	24,149	7,873	(4,718)	3,155	145,405	(5,348)	140,057
Total Retail, Private Banking and Other Segments	186,455	(450)	186,005	3,776	(208)	3,568	1,463	(673)	790	191,694	(1,331)	190,363
<b>Total Group</b>	<b>299,338</b>	<b>(580)</b>	<b>298,758</b>	<b>28,425</b>	<b>(708)</b>	<b>27,717</b>	<b>9,336</b>	<b>(5,391)</b>	<b>3,945</b>	<b>337,099</b>	<b>(6,679)</b>	<b>330,420</b>

30.06.20												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
<b>Industry:</b>												
Aviation	2,216	–	2,216	2,100	(25)	2,075	256	(38)	218	4,572	(63)	4,509
Commodity Traders	8,890	(14)	8,876	525	(11)	514	760	(540)	220	10,175	(565)	9,610
Metals & Mining	4,193	(4)	4,189	1,003	(31)	972	240	(141)	99	5,436	(176)	5,260
Commercial Real Estate	16,154	(22)	16,132	1,932	(40)	1,892	397	(156)	241	18,483	(218)	18,265
Hotels & Tourism	1,926	(2)	1,924	927	(45)	882	92	(25)	67	2,945	(72)	2,873
Oil & Gas	6,750	(5)	6,745	1,773	(80)	1,693	574	(230)	344	9,097	(315)	8,782
<b>Total</b>	<b>40,129</b>	<b>(47)</b>	<b>40,082</b>	<b>8,260</b>	<b>(232)</b>	<b>8,028</b>	<b>2,319</b>	<b>(1,130)</b>	<b>1,189</b>	<b>50,708</b>	<b>(1,409)</b>	<b>49,299</b>
Total Corporate & Institutional Banking and Commercial Banking	118,710	(93)	118,617	20,021	(538)	19,483	7,368	(4,605)	2,763	146,099	(5,236)	140,863
Total Retail, Private Banking and Other Segments	181,714	(386)	181,328	4,067	(244)	3,823	1,454	(656)	798	187,235	(1,286)	185,949
<b>Total Group</b>	<b>300,424</b>	<b>(479)</b>	<b>299,945</b>	<b>24,088</b>	<b>(782)</b>	<b>23,306</b>	<b>8,822</b>	<b>(5,261)</b>	<b>3,561</b>	<b>333,334</b>	<b>(6,522)</b>	<b>326,812</b>

# Capital review

## Capital ratios

	30.09.20	30.06.20	31.12.19
CET1	14.4%	14.3%	13.8%
Tier 1 capital	16.5%	16.5%	16.5%
Total capital	21.4%	21.5%	21.2%

## CRD IV Capital base<sup>1</sup>

	30.09.20 \$million	30.06.20 \$million	31.12.19 \$million
CET1 instruments and reserves			
Capital instruments and the related share premium accounts	5,564	5,564	5,584
Of which: share premium accounts	3,989	3,989	3,989
Retained earnings <sup>2</sup>	25,748	25,798	24,044
Accumulated other comprehensive income (and other reserves)	12,037	11,431	11,685
Non-controlling interests (amount allowed in consolidated CET1)	170	170	723
Independently reviewed interim and year-end profits	1,203	1,050	2,301
Foreseeable dividends	(228)	(163)	(871)
<b>CET1 capital before regulatory adjustments</b>	<b>44,494</b>	<b>43,850</b>	<b>43,466</b>
CET1 regulatory adjustments			
Additional value adjustments (prudential valuation adjustments)	(508)	(527)	(615)
Intangible assets (net of related tax liability)	(4,821)	(4,938)	(5,318)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(76)	(129)	(129)
Fair value reserves related to net losses on cash flow hedges	71	121	59
Deduction of amounts resulting from the calculation of excess expected loss	(553)	(572)	(822)
Net gains on liabilities at fair value resulting from changes in own credit risk	(15)	(15)	(2)
Defined-benefit pension fund assets	(6)	(7)	(26)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(110)	(128)	(38)
Exposure amounts which could qualify for risk weighting of 1250%	(27)	(30)	(62)
<b>Total regulatory adjustments to CET1</b>	<b>(6,045)</b>	<b>(6,225)</b>	<b>(6,953)</b>
<b>CET1 capital</b>	<b>38,449</b>	<b>37,625</b>	<b>36,513</b>
Additional Tier 1 capital (AT1) instruments	5,631	5,632	7,184
AT1 regulatory adjustments	(20)	(20)	(20)
<b>Tier 1 capital</b>	<b>44,060</b>	<b>43,237</b>	<b>43,677</b>
Tier 2 capital instruments	13,021	13,261	12,318
Tier 2 regulatory adjustments	(30)	(30)	(30)
<b>Tier 2 capital</b>	<b>12,991</b>	<b>13,231</b>	<b>12,288</b>
<b>Total capital</b>	<b>57,051</b>	<b>56,468</b>	<b>55,965</b>
<b>Total risk-weighted assets (unaudited)</b>	<b>266,664</b>	<b>262,552</b>	<b>264,090</b>

1 CRD IV capital is prepared on the regulatory scope of consolidation

2 Retained earnings includes IFRS9 capital relief (transitional) of \$388 million, including dynamic relief of \$92 million

## Capital review continued

### Movement in total capital

	9 months ended 30.09.20 \$million	Year ended 31.12.19 \$million
CET1 at 1 January	36,513	36,717
Ordinary shares issued in the period and share premium	–	25
Share buy-back	(242)	(1,006)
Profit for the period	1,203	2,301
Foreseeable dividends deducted from CET1	(228)	(871)
Difference between dividends paid and foreseeable dividends	608	(641)
Movement in goodwill and other intangible assets	497	(172)
Foreign currency translation differences	75	(180)
Non-controlling interests	(553)	37
Movement in eligible other comprehensive income	148	284
Deferred tax assets that rely on future profitability	53	(14)
Decrease/(increase) in excess expected loss	269	53
Additional value adjustments (prudential valuation adjustment)	107	(51)
IFRS 9 day one transitional impact on regulatory reserves	29	(43)
Exposure amounts which could qualify for risk weighting	35	61
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	(72)	–
Other	7	13
<b>CET1 at 30 September/31 December</b>	<b>38,449</b>	<b>36,513</b>
AT1 at 1 January	7,164	6,684
Issuances net of redemptions	(995)	552
Foreign currency translation difference	(6)	9
Excess on AT1 grandfathered limit (ineligible)	(552)	(81)
<b>AT1 at 30 September/31 December</b>	<b>5,611</b>	<b>7,164</b>
Tier 2 capital at 1 January	12,288	12,295
Regulatory amortisation	(160)	(1,111)
Issuances net of redemptions	83	1,000
Foreign currency translation difference	158	(12)
Tier 2 ineligible minority interest	70	31
Recognition of ineligible AT1	552	81
Other	–	4
<b>Tier 2 capital at 30 September/31 December</b>	<b>12,991</b>	<b>12,288</b>
<b>Total capital at 30 September/31 December</b>	<b>57,051</b>	<b>55,965</b>

## Capital review continued

### Risk-weighted assets by business

	30.09.20			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Institutional Banking	103,116	13,153	22,143	138,412
Retail Banking	37,270	7,575	–	44,845
Commercial Banking	27,685	2,810	–	30,495
Private Banking	5,488	763	–	6,251
Central & other items	44,161	2,499	1	46,661
<b>Total risk-weighted assets</b>	<b>217,720</b>	<b>26,800</b>	<b>22,144</b>	<b>266,664</b>

	30.06.20			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Institutional Banking	101,651	13,153	22,346	137,150
Retail Banking	36,611	7,575	–	44,186
Commercial Banking	28,046	2,810	–	30,856
Private Banking	5,365	763	–	6,128
Central & other items	41,463	2,499	270	44,232
<b>Total risk-weighted assets</b>	<b>213,136</b>	<b>26,800</b>	<b>22,616</b>	<b>262,552</b>

	31.12.19			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Institutional Banking	95,261	13,261	20,562	129,084
Retail Banking	37,194	7,314	–	44,508
Commercial Banking	28,350	2,626	–	30,976
Private Banking	5,681	728	–	6,409
Central & other items	49,178	3,691	244	53,113
<b>Total risk-weighted assets</b>	<b>215,664</b>	<b>27,620</b>	<b>20,806</b>	<b>264,090</b>

### Risk-weighted assets by geographic region

	30.09.20 \$million	30.06.20 \$million	31.12.19 \$million
Greater China & North Asia	92,863	89,139	85,695
ASEAN & South Asia	80,123	80,040	88,942
Africa & Middle East	52,524	52,009	49,244
Europe & Americas	43,818	44,326	43,945
Central & other items	(2,664)	(2,962)	(3,736)
<b>Total risk-weighted assets</b>	<b>266,664</b>	<b>262,552</b>	<b>264,090</b>

## Capital review continued

### Movement in risk-weighted assets

	Credit risk					Total \$million	Operational risk \$million	Market risk \$million	Total risk \$million
	Corporate & Institutional Banking \$million	Retail Banking \$million	Commercial Banking \$million	Private Banking \$million	Central & other items \$million				
At 01 January 2019	96,954	35,545	27,711	5,103	45,825	211,138	28,050	19,109	258,297
Assets (decline)/growth	1,303	1,020	(557)	528	4,093	6,387	–	–	6,387
Net credit migration	2,565	832	(642)	8	607	3,370	–	–	3,370
Risk-weighted assets efficiencies	(1,112)	(33)	(403)	–	(2,404)	(3,952)	–	–	(3,952)
Model, methodology and policy changes	(904)	(7)	–	–	1,400	489	–	500	989
Disposals	(397)	–	(441)	–	–	(838)	–	–	(838)
Foreign currency translation	(182)	(219)	(228)	42	(343)	(930)	–	–	(930)
Other non-credit risk movements	–	–	–	–	–	–	(430)	1,197	767
<b>At 31 December 2019</b>	<b>98,227</b>	<b>37,138</b>	<b>25,440</b>	<b>5,681</b>	<b>49,178</b>	<b>215,664</b>	<b>27,620</b>	<b>20,806</b>	<b>264,090</b>
At 01 January 2020 <sup>1</sup>	<b>95,261</b>	<b>37,194</b>	<b>28,350</b>	<b>5,681</b>	<b>49,178</b>	<b>215,664</b>	<b>27,620</b>	<b>20,806</b>	<b>264,090</b>
Assets (decline)/growth	(3,348)	265	(1,231)	(185)	2,832	(1,667)	–	–	(1,667)
Net credit migration	10,884	(191)	665	(1)	823	12,180	–	–	12,180
Risk-weighted assets efficiencies	(230)	–	89	–	–	(141)	–	–	(141)
Model, methodology and policy changes	667	241	–	–	–	908	–	(1,400)	(492)
Disposals	–	–	–	–	(7,859)	(7,859)	(1,003)	(159)	(9,021)
Foreign currency translation	(118)	(239)	(188)	(7)	(813)	(1,365)	–	–	(1,365)
Other non-credit risk movements	–	–	–	–	–	–	183	2,897	3,080
<b>At 30 September 2020</b>	<b>103,116</b>	<b>37,270</b>	<b>27,685</b>	<b>5,488</b>	<b>44,161</b>	<b>217,720</b>	<b>26,800</b>	<b>22,144</b>	<b>266,664</b>

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. 1 January 2020 balances have been restated.



## Capital review continued

### UK leverage ratio

	30.09.20 \$million	30.06.20 \$million	31.12.19 \$million
Tier 1 capital (transitional)	44,060	43,237	43,677
Additional Tier 1 capital subject to phase out	(1,114)	(1,114)	(1,671)
<b>Tier 1 capital (end point)</b>	<b>42,946</b>	<b>42,123</b>	<b>42,006</b>
Derivative financial instruments	52,961	52,227	47,212
Derivative cash collateral	8,682	9,716	9,169
Securities financing transactions (SFTs)	68,286	65,278	60,414
Loans and advances and other assets	624,500	614,364	603,603
<b>Total on-balance sheet assets</b>	<b>754,429</b>	<b>741,585</b>	<b>720,398</b>
Regulatory consolidation adjustments <sup>1</sup>	(51,768)	(47,271)	(31,485)
Derivatives adjustments			
Derivatives netting	(30,799)	(29,949)	(32,852)
Adjustments to cash collateral	(17,179)	(18,212)	(11,853)
Net written credit protection	1,724	1,711	1,650
Potential future exposure on derivatives	38,434	37,606	32,961
Total derivatives adjustments	(7,820)	(8,844)	(10,094)
Counterparty risk leverage exposure measure for SFTs	6,660	6,414	7,005
Off-balance sheet items	123,628	120,725	122,341
Regulatory deductions from Tier 1 capital	(5,829)	(6,013)	(6,913)
<b>UK leverage exposure (end point)</b>	<b>819,300</b>	<b>806,596</b>	<b>801,252</b>
<b>UK leverage ratio (end point)</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.2%</b>
<b>UK leverage exposure quarterly average</b>	<b>820,387</b>	<b>810,591</b>	<b>816,244</b>
<b>UK leverage ratio quarterly average</b>	<b>5.2%</b>	<b>5.0%</b>	<b>5.2%</b>
<b>Countercyclical leverage ratio buffer</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.1%</b>
<b>G-SII additional leverage ratio buffer</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>

<sup>1</sup> Includes adjustment for qualifying central bank claims

# Financial statements

## Condensed consolidated interim income statement

For the nine months ended 30 September 2020

	9 months ended 30.09.20 \$million	restated <sup>1</sup> 9 months ended 30.09.19 \$million
Interest income	9,604	12,464
Interest expense	(4,507)	(6,704)
<b>Net interest income</b>	<b>5,097</b>	<b>5,760</b>
Fees and commission income	2,941	3,169
Fees and commission expense	(465)	(443)
<b>Net fee and commission income</b>	<b>2,476</b>	<b>2,726</b>
Net trading income	3,003	2,695
Other operating income	1,029	608
<b>Operating income</b>	<b>11,605</b>	<b>11,789</b>
Staff costs	(5,094)	(5,330)
Premises costs	(274)	(291)
General administrative expenses	(992)	(1,343)
Depreciation and amortisation	(903)	(901)
<b>Operating expenses</b>	<b>(7,263)</b>	<b>(7,865)</b>
<b>Operating profit before impairment losses and taxation</b>	<b>4,342</b>	<b>3,924</b>
Credit impairment	(1,934)	(534)
Goodwill impairment	(489)	–
Other impairment	2	(104)
Profit from associates and joint ventures	141	233
<b>Profit before taxation</b>	<b>2,062</b>	<b>3,519</b>
Taxation	(835)	(1,251)
<b>Profit for the period</b>	<b>1,227</b>	<b>2,268</b>
<b>Profit attributable to:</b>		
Non-controlling interests	25	30
Parent company shareholders	1,202	2,238
<b>Profit for the period</b>	<b>1,227</b>	<b>2,268</b>
	<b>cents</b>	<b>cents</b>
<b>Earnings per share:</b>		
Basic earnings per ordinary share	29.7	60.5
Diluted earnings per ordinary share	29.3	59.8

<sup>1</sup> Comparatives have been restated due to the Group changing its accounting policies for net interest income and net trading income for the year ended 31 December 2019. Refer to Note 1 in the Group's 2019 annual report.

## Financial statements continued

### Condensed consolidated interim statement of comprehensive income

For the nine months ended 30 September 2020

	9 months ended 30.09.20 \$million	9 months ended 30.09.19 \$million
<b>Profit for the period</b>	<b>1,227</b>	<b>2,268</b>
<b>Other comprehensive income/(loss)</b>		
<b>Items that will not be reclassified to income statement:</b>	<b>1</b>	<b>(420)</b>
Own credit gains/(losses) on financial liabilities designated at fair value through profit or loss	<b>21</b>	<b>(386)</b>
Equity instruments at fair value through other comprehensive income	<b>65</b>	<b>7</b>
Actuarial losses on retirement benefit obligations	<b>(52)</b>	<b>(89)</b>
Taxation relating to components of other comprehensive income	<b>(33)</b>	<b>48</b>
<b>Items that may be reclassified subsequently to income statement:</b>	<b>192</b>	<b>(328)</b>
Exchange differences on translation of foreign operations:		
Net losses taken to equity	<b>(248)</b>	<b>(787)</b>
Net (losses)/gains on net investment hedges	<b>(20)</b>	<b>209</b>
Reclassified to income statement on sale of joint venture	<b>246</b>	<b>-</b>
Share of other comprehensive (loss)/income from associates and joint ventures	<b>(20)</b>	<b>16</b>
Debt instruments at fair value through other comprehensive income:		
Net valuation gains taken to equity	<b>852</b>	<b>484</b>
Reclassified to income statement	<b>(562)</b>	<b>(140)</b>
Net impact of expected credit losses	<b>8</b>	<b>9</b>
Cash flow hedges:		
Net losses taken to equity	<b>(45)</b>	<b>(113)</b>
Reclassified to income statement	<b>14</b>	<b>14</b>
Taxation relating to components of other comprehensive income	<b>(33)</b>	<b>(20)</b>
<b>Other comprehensive income/(loss) for the period, net of taxation</b>	<b>193</b>	<b>(748)</b>
<b>Total comprehensive income for the period</b>	<b>1,420</b>	<b>1,520</b>
<b>Total comprehensive income attributable to:</b>		
Non-controlling interests	<b>19</b>	<b>16</b>
Parent company shareholders	<b>1,401</b>	<b>1,504</b>
<b>Total comprehensive income for the period</b>	<b>1,420</b>	<b>1,520</b>

# Financial statements continued

## Condensed consolidated interim balance sheet

As at 30 September 2020

	30.09.20 \$million	31.12.19 \$million
<b>Assets</b>		
Cash and balances at central banks	59,238	52,728
Financial assets held at fair value through profit or loss	102,354	92,818
Derivative financial instruments <sup>1</sup>	52,961	47,212
Loans and advances to banks	49,040	53,549
Loans and advances to customers	281,380	268,523
Investment securities	145,124	143,731
Other assets <sup>1</sup>	46,405	42,022
Current tax assets	752	539
Prepayments and accrued income	2,197	2,700
Interests in associates and joint ventures	2,083	1,908
Goodwill and intangible assets	4,916	5,290
Property, plant and equipment	6,606	6,220
Deferred tax assets	777	1,105
Assets classified as held for sale	596	2,053
<b>Total assets</b>	<b>754,429</b>	<b>720,398</b>
<b>Liabilities</b>		
Deposits by banks	28,138	28,562
Customer accounts	417,517	405,357
Repurchase agreements and other similar secured borrowing	2,346	1,935
Financial liabilities held at fair value through profit or loss	74,785	66,974
Derivative financial instruments <sup>1</sup>	52,376	48,484
Debt securities in issue	53,087	53,025
Other liabilities <sup>1</sup>	52,210	41,583
Current tax liabilities	683	703
Accruals and deferred income	4,309	5,369
Subordinated liabilities and other borrowed funds	16,737	16,207
Deferred tax liabilities	676	611
Provisions for liabilities and charges	440	449
Retirement benefit obligations	553	469
Liabilities included in disposal groups held for sale	2	9
<b>Total liabilities</b>	<b>703,859</b>	<b>669,737</b>
<b>Equity</b>		
Share capital and share premium account	7,058	7,078
Other reserves	12,037	11,685
Retained earnings	26,648	26,072
<b>Total parent company shareholders' equity</b>	<b>45,743</b>	<b>44,835</b>
Other equity instruments	4,518	5,513
<b>Total equity excluding non-controlling interests</b>	<b>50,261</b>	<b>50,348</b>
Non-controlling interests	309	313
<b>Total equity</b>	<b>50,570</b>	<b>50,661</b>
<b>Total equity and liabilities</b>	<b>754,429</b>	<b>720,398</b>

1 The Group has met the criteria to offset its derivative assets and liabilities and the related variation margin for trades cleared on behalf of clients with LCH SwapClear. This applies to both trades between the Group and the clients and between the Group and LCH SwapClear. The impact of this as at 30 September 2020 is a decrease in the derivative assets and derivative liabilities of \$18.8bn. Prior periods have not been restated as the effect would not be material. The impact at 31 December 2019 would have been a decrease in the derivative assets and derivative liabilities of \$8.7bn.

The Group has also met the criteria to derecognise initial margin for trades cleared on behalf of clients with LCH SwapClear. The impact of this as at 30 September 2020 is a decrease in other assets and other liabilities of \$1.5bn. Prior periods have not been restated as the effect would not be material. The impact at 31 December 2019 would have been a decrease in other assets and other liabilities of \$3.2bn.

# Financial statements continued

## Condensed consolidated statement of changes in equity

For the nine months ended 30 September 2020

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves \$million	Own credit adjustment reserve \$million	Fair value through other comprehensive income reserve – debt \$million	Fair value through other comprehensive income reserve – equity \$million	Cash flow hedge reserve \$million	Translation reserve \$million	Retained earnings \$million	Parent company shareholders' equity \$million	Other equity instruments \$million	Non-controlling interests \$million	Total \$million
As at 01 January 2019	5,617	1,494	17,129 <sup>1</sup>	412	(161)	120	(10)	(5,612)	26,129	45,118	4,961	273	50,352
Profit for the period	–	–	–	–	–	–	–	–	2,303	2,303	–	37	2,340
Other comprehensive (loss)/income	–	–	–	(410)	358	30	(49)	(180)	(132) <sup>2</sup>	(383)	–	(17)	(400)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(35)	(35)
Shares issued, net of expenses <sup>3</sup>	25 <sup>3</sup>	–	–	–	–	–	–	–	–	25	–	–	25
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	552	–	552
Treasury shares net movement	–	–	–	–	–	–	–	–	(199)	(199)	–	–	(199)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	139	139	–	–	139
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(720)	(720)	–	–	(720)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(448)	(448)	–	–	(448)
Share buy-back <sup>4</sup>	(58)	–	58	–	–	–	–	–	(1,006)	(1,006)	–	–	(1,006)
Other movements	–	–	–	–	–	–	–	–	6 <sup>5</sup>	6	–	55 <sup>6</sup>	61
<b>As at 31 December 2019</b>	<b>5,584</b>	<b>1,494</b>	<b>17,187</b>	<b>2</b>	<b>197</b>	<b>150</b>	<b>(59)</b>	<b>(5,792)</b>	<b>26,072</b>	<b>44,835</b>	<b>5,513</b>	<b>313</b>	<b>50,661</b>
Profit for the period	–	–	–	–	–	–	–	–	1,202	1,202	–	25	1,227
Other comprehensive income/(loss)	–	–	–	13	241	17	(12)	(22)	(38) <sup>2</sup>	199	–	(6)	193
Distributions	–	–	–	–	–	–	–	–	–	–	–	(23)	(23)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	992	–	992
Redemption of other equity instruments	–	–	–	–	–	–	–	–	(13)	(13)	(1,987)	–	(2,000)
Treasury shares net movement	–	–	–	–	–	–	–	–	(91)	(91)	–	–	(91)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	110	110	–	–	110
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(263)	(263)	–	–	(263)
Share buy-back <sup>7</sup>	(20)	–	20	–	–	–	–	–	(242)	(242)	–	–	(242)
Other movements	–	–	–	–	(2)	–	–	97 <sup>8,9</sup>	(89) <sup>8,9</sup>	6	–	–	6
<b>As at 30 September 2020</b>	<b>5,564</b>	<b>1,494</b>	<b>17,207</b>	<b>15</b>	<b>436</b>	<b>167</b>	<b>(71)</b>	<b>(5,717)</b>	<b>26,648</b>	<b>45,743</b>	<b>4,518</b>	<b>309</b>	<b>50,570</b>

1 Includes capital reserve of \$5 million, capital redemption reserve of \$13 million and merger reserve of \$17,111 million

2 Comprises actuarial loss, net of taxation, and share from associates and joint ventures \$(38) million (\$132) million for the year ended 31 December 2019

3 Comprises share capital of shares issued to fulfill discretionary awards \$1 million, share capital of shares issued to fulfill employee share save options \$1 million and share premium of shares issued to fulfill employee share save options exercised \$23 million (nil for nine months ended 30 September 2020)

4 On 1 May 2019, the Group commenced a share buy-back of its ordinary shares of \$0.50 each up to a maximum consideration of \$1,000 million. Nominal value of share purchases is \$58 million for the year ended 31 December 2019 and the total consideration paid was \$1,006 million which includes share buy-back expenses of \$6 million. The total number of shares purchased was 116,103,483 representing 3.51% of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

5 Comprises \$10 million disposal of non-controlling interest of Phoon Huat Pte Ltd offset by \$4 million withholding tax on capitalisation of revenue reserves for Standard Chartered Bank Ghana Limited

6 Comprises \$72 million of non-controlling interest in SC Digital Solutions offset by \$17 million disposal of non-controlling interest in Phoon Huat Pte Ltd, Sirat Holdings Limited and Ori Private Limited.

7 On 28 Feb 2020, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$20 million, and the total consideration paid was \$242 million. The total number of shares purchased was 40,029,585 representing 1.25% of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account. On the 1 April 2020, the Group announced that in response to a request from the Prudential Regulation Authority and as a consequence of the unprecedented challenges facing the world due to the COVID-19 pandemic, its board had decided after careful consideration to withdraw the recommendation to pay a final dividend for 2019 of 20 cents per ordinary share and to suspend the buy-back programme

8 Includes the foreign exchange movements for monetary items, which were considered structural positions, that were recognised in the translation reserve within equity rather than profit or loss. This adjustment amounting to \$24 million relates to foreign exchange movements for periods prior to the comparative periods in these financial statements (2012 to 2017) and has been corrected by reclassifying the related translation reserve to retained earnings, all within equity

9 Includes the foreign exchange movements of the hedging instruments for net investment hedges that were overstated in the translation reserves within equity as opposed to being recorded in profit or loss. This adjustment amounting to \$45m relates to foreign exchange movements for periods prior to the comparative periods in these financial statements (2010 to 2013) and has been corrected by reclassifying the related translation reserve to retained earnings, all within equity

## Financial statements continued

### Basis of preparation

This statement covers the results of Standard Chartered PLC together with its subsidiaries and equity accounted interest in associates and jointly controlled entities (the Group) for the nine months ended 30 September 2020. The financial information on which this statement is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with Standard Chartered's accounting policies. The Group's significant accounting policies are described in the Annual Report 2019.

The interim financial information does not constitute a full set of financial statements under IAS 34 Interim Financial Reporting. The interim financial information has been prepared in accordance with the recognition and measurement principles, but not the disclosure requirements under International Financial Reporting Standards as adopted by the European Union. The interim financial information does not constitute a full set of financial statements under IAS 34 Interim Financial Reporting.

The information in this document does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2019, which contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

### Going concern

The Directors made an assessment of the Group's ability to continue as a going concern, including the impact of COVID-19, and confirm they are satisfied that the Group has adequate resources to continue in business for a period at least twelve months from the date of signing of the interim financial information. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the interim financial information.

## Other supplementary financial information

### Average balance sheets and yields

#### Average assets

	9 months ended 30.09.20			
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %
Cash and balances at central banks	17,051	41,386	93	0.30
Gross loans and advances to banks	28,221	54,750	646	1.58
Gross loans and advances to customers	50,504	289,387	6,663	3.08
Impairment provisions against loans and advances to banks and customers	–	(6,341)	–	–
Investment securities	27,775	143,069	2,202	2.06
Property, plant and equipment and intangible assets	10,235	–	–	–
Prepayments, accrued income and other assets	113,718	–	–	–
Investment associates and joint ventures	2,118	–	–	–
<b>Total average assets</b>	<b>249,622</b>	<b>522,251</b>	<b>9,604</b>	<b>2.46</b>

	6 months ended 30.06.20			
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %
Cash and balances at central banks	16,378	40,718	77	0.38
Gross loans and advances to banks	27,489	56,444	479	1.71
Gross loans and advances to customers	49,747	287,800	4,755	3.32
Impairment provisions against loans and advances to banks and customers	–	(5,924)	–	–
Investment securities	27,897	141,864	1,564	2.22
Property, plant and equipment and intangible assets	10,061	–	–	–
Prepayments, accrued income and other assets	108,905	–	–	–
Investment associates and joint ventures	2,140	–	–	–
<b>Total average assets</b>	<b>242,617</b>	<b>520,902</b>	<b>6,875</b>	<b>2.65</b>

	9 months ended 30.09.19			
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield %
Cash and balances at central banks	17,739	29,366	266	1.21
Gross loans and advances to banks	26,286	61,850	1,385	2.99
Gross loans and advances to customers	49,503	272,217	8,125	3.99
Impairment provisions against loans and advances to banks and customers	–	(4,739)	–	–
Investment securities	29,721	131,599	2,688	2.73
Property, plant and equipment and intangible assets	11,290	–	–	–
Prepayments, accrued income and other assets	84,303	–	–	–
Investment associates and joint ventures	2,575	–	–	–
<b>Total average assets</b>	<b>221,417</b>	<b>490,293</b>	<b>12,464</b>	<b>3.40</b>

## Other supplementary financial information continued

### Average liabilities

	9 months ended 30.09.20			
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %
Deposits by banks	18,435	26,206	271	1.38
<b>Customer accounts:</b>				
Current accounts and savings deposits	42,123	219,054	995	0.61
Time and other deposits	58,750	158,579	2,028	1.71
Debt securities in issue	7,083	52,493	670	1.70
Accruals, deferred income and other liabilities	119,134	1,204	45	4.99
Subordinated liabilities and other borrowed funds	–	16,242	498	4.10
Non-controlling interests	309	–	–	–
Shareholders' funds	50,306	–	–	–
	296,140	473,778	4,507	1.27
<b>Adjustment for Financial Markets funding costs</b>			(148)	
<b>Total average liabilities and shareholders' funds</b>	<b>296,140</b>	<b>473,778</b>	<b>4,359</b>	<b>1.23</b>

	6 months ended 30.06.20			
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %
Deposits by banks	17,764	26,055	235	1.81
<b>Customer accounts:</b>				
Current accounts and savings deposits	41,519	211,961	767	0.73
Time and other deposits	58,439	163,409	1,509	1.86
Debt securities in issue	7,535	53,141	485	1.84
Accruals, deferred income and other liabilities	114,116	1,204	31	5.18
Subordinated liabilities and other borrowed funds	–	16,031	350	4.39
Non-controlling interests	317	–	–	–
Shareholders' funds	49,963	–	–	–
	289,653	471,801	3,377	1.44
<b>Adjustment for Financial Markets funding costs</b>			(121)	
<b>Total average liabilities and shareholders' funds</b>	<b>289,653</b>	<b>471,801</b>	<b>3,256</b>	<b>1.39</b>

	9 months ended 30.09.19			
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid %
Deposits by banks	16,819	28,303	570	2.69
<b>Customer accounts:</b>				
Current accounts and savings deposits	38,353	179,311	1,560	1.16
Time and other deposits	59,207	168,421	3,114	2.47
Debt securities in issue	9,192	48,733	843	2.31
Accruals, deferred income and other liabilities	95,492	1,356	39	3.85
Subordinated liabilities and other borrowed funds	–	14,905	578	5.18
Non-controlling interests	298	–	–	–
Shareholders' funds	50,228	–	–	–
	269,589	441,029	6,704	2.03
<b>Adjustment for Financial Markets funding costs</b>			(269)	
<b>Total average liabilities and shareholders' funds</b>	<b>269,589</b>	<b>441,029</b>	<b>6,435</b>	<b>1.95</b>



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